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P R O S P E C T U S



LOOB BERHAD

(Registration No. 201901046246 (1355576-V))
(Incorporated in Malaysia under the Companies Act 2016)

INITIAL PUBLIC OFFERING ("IPO") OF UP TO 350,756,900 ORDINARY SHARES IN LOOB BERHAD ("LOOB") ("IPO SHARES") IN CONJUNCTION WITH THE LISTING OF AND QUOTATION FOR THE ENTIRE ENLARGED ISSUED ORDINARY SHARES OF LOOB ("SHARES") ON THE MAIN MARKET OF BURSA MALAYSIA SECURITIES BERHAD COMPRISING AN OFFER FOR SALE OF UP TO 292,297,400 EXISTING SHARES ("OFFER SHARES") AND A PUBLIC ISSUE OF 58,459,500 NEW SHARES ("ISSUE SHARES") INVOLVING:

- (I) INSTITUTIONAL OFFERING OF UP TO 204,608,200 IPO SHARES TO INSTITUTIONAL AND SELECTED INVESTORS INCLUDING BUMIPUTERA INVESTORS APPROVED BY THE MINISTRY OF INVESTMENT, TRADE AND INDUSTRY OF MALAYSIA AT THE INSTITUTIONAL PRICE TO BE DETERMINED BY WAY OF BOOKBUILDING ("INSTITUTIONAL PRICE"); AND
- (II) RETAIL OFFERING OF 146,148,700 OFFER SHARES TO THE DIRECTORS OF LOOB, ELIGIBLE EMPLOYEES OF LOOB AND ITS SUBSIDIARIES ("GROUP"), PERSONS WHO HAVE CONTRIBUTED TO THE SUCCESS OF THE GROUP AND THE MALAYSIAN PUBLIC AT THE RETAIL PRICE OF RM[•] PER OFFER SHARE ("RETAIL PRICE"), PAYABLE IN FULL UPON APPLICATION AND SUBJECT TO REFUND OF THE DIFFERENCE BETWEEN THE RETAIL PRICE AND THE FINAL RETAIL PRICE (AS DEFINED IN THIS PROSPECTUS) IN THE EVENT THAT THE FINAL RETAIL PRICE IS LESS THAN THE RETAIL PRICE,

SUBJECT TO THE CLAWBACK AND REALLOCATION PROVISIONS AND THE OVER-ALLOTMENT OPTION. THE FINAL RETAIL PRICE WILL BE EQUAL TO THE LOWER OF:

- (I) THE RETAIL PRICE; OR
- (II) THE INSTITUTIONAL PRICE

Principal Adviser, Joint Bookrunner, Sole Managing Underwriter and Joint Underwriter



Investment Bank

Company Registration No. 197301002412
(A Participating Organisation of Bursa Malaysia Securities Berhad)

Joint Bookrunner and Joint Underwriter



AmInvestment Bank

AmInvestment Bank Berhad
(Registration No. 197501002220 (23742-V))
(A Participating Organisation of Bursa Malaysia Securities Berhad)

NO SECURITIES WILL BE ALLOTTED OR ISSUED BASED ON THIS PROSPECTUS AFTER SIX MONTHS FROM THE DATE OF THIS PROSPECTUS.

[THE SC HAS APPROVED THE ISSUE, OFFER OR INVITATION FOR THE OFFERING UNDER SECTION 214(1) OF THE CAPITAL MARKETS AND SERVICES ACT 2007.]

[THIS PROSPECTUS HAS BEEN REGISTERED BY THE SC.] THE APPROVAL AND REGISTRATION OF THIS PROSPECTUS, SHOULD NOT BE TAKEN TO INDICATE THAT THE SC RECOMMENDS OUR IPO OR ASSUMES RESPONSIBILITY FOR THE CORRECTNESS OF ANY STATEMENT MADE, OPINION EXPRESSED OR REPORT CONTAINED IN THIS PROSPECTUS. THE SC HAS NOT, IN ANY WAY, CONSIDERED THE MERITS OF OUR SHARES BEING OFFERED FOR INVESTMENT.

THE SC IS NOT LIABLE FOR ANY NON-DISCLOSURE ON THE PART OF OUR COMPANY AND TAKES NO RESPONSIBILITY FOR THE CONTENTS OF THIS DOCUMENT, MAKES NO REPRESENTATION AS TO ITS ACCURACY OR COMPLETENESS, AND EXPRESSLY DISCLAIMS ANY LIABILITY FOR ANY LOSS THAT YOU MAY SUFFER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS PROSPECTUS.

INVESTORS ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THIS PROSPECTUS. IF IN DOUBT, PLEASE CONSULT A PROFESSIONAL ADVISER.

FOR INFORMATION CONCERNING RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, SEE "RISK FACTORS" COMMENCING ON PAGE 36.

LISTING SOUGHT: MAIN MARKET OF BURSA MALAYSIA SECURITIES BERHAD

THIS PROSPECTUS IS NOT TO BE DISTRIBUTED OUTSIDE MALAYSIA

THIS PROSPECTUS IS DATED [•]

All defined terms used in this Prospectus are defined under “Presentation of Financial and Other Information”, “Definitions” and “Glossary of Technical Terms” commencing on pages viii, xii and xxiv of this Prospectus, respectively.

RESPONSIBILITY STATEMENTS

Our Directors, our Promoters and the Selling Shareholders have seen and approved this Prospectus. They collectively and individually accept full responsibility for the accuracy of the information. Having made all reasonable enquiries, and to the best of their knowledge and belief, they confirm that there is no false or misleading statement or other facts which if omitted, would make any statement in this Prospectus false or misleading.

Maybank IB, being the Principal Adviser, Joint Bookrunner for the Institutional Offering, and Sole Managing Underwriter and Joint Underwriter for the Retail Offering, acknowledges that, based on all available information, and to the best of its knowledge and belief, this Prospectus constitutes a full and true disclosure of all material facts concerning our IPO.

It is to be noted that the role of AmInvestment Bank in our IPO is limited to being Joint Bookrunner for the Institutional Offering and Joint Underwriter for the Retail Offering.

STATEMENTS OF DISCLAIMER

[Our Company has obtained the approval of Bursa Securities for our Listing.] Admission to the Official List of Bursa Securities is not to be taken as an indication of the merits of our IPO, our Company or our Shares.

This Prospectus, together with the Application Forms have also been lodged with the Registrar of Companies, who takes no responsibility for its contents.

OTHER STATEMENTS

Investors should note that they may seek recourse under Sections 248, 249 and 357 of the CMSA for breaches of securities laws including any statement in this Prospectus that is false, misleading, or from which there is a material omission, or for any misleading or deceptive act in relation to this Prospectus or the conduct of any other person in relation to our Company.

Our Shares are offered to the public on the premise of full and accurate disclosure of all material information concerning our IPO, for which any person set out in Section 236 of the CMSA, is responsible.

[Our Shares are classified as Shariah-compliant by the SAC. This classification remains valid from the date of issue of this Prospectus until the next Shariah compliance review undertaken by the SAC. The new status is released in the updated list of Shariah-compliant securities, on the last Friday of May and November.]

Investors should not take the agreement by the Sole Managing Underwriter and the Joint Underwriters named in this Prospectus to underwrite our Shares under the Retail Offering as an indication of the merits of our Shares being offered.

This Prospectus has been prepared in the context of an IPO under the laws of Malaysia. It does not comply with the laws of any jurisdiction other than Malaysia, and has not been and will not be lodged, registered or approved pursuant to or under any applicable securities or equivalent legislation or by any regulatory authority of any jurisdiction other than Malaysia.

This Prospectus is published solely in connection with our IPO. Our Shares are being offered solely on the basis of the information contained and representations made in this Prospectus. Our Company, our Promoters, the Selling Shareholders, the Principal Adviser, the Joint Bookrunners, the Sole Managing Underwriter and the Joint Underwriters have not authorised anyone to provide any information or to make any representation not contained in this Prospectus. Any information or representation not contained in this Prospectus must not be relied upon as having been authorised by our Company, our Promoters, the Selling Shareholders, the Principal Adviser, the Joint Bookrunners, the Sole Managing Underwriter and the Joint Underwriters or any of their respective directors, or any other persons involved in our IPO.

The distribution of this Prospectus and our IPO are subject to the laws of Malaysia. This Prospectus will not be distributed outside Malaysia. Our Company, our Promoters, the Selling Shareholders, the Principal Adviser, the Joint Bookrunners, the Sole Managing Underwriter and the Joint Underwriters have not authorised and take no responsibility for the distribution of this Prospectus outside Malaysia. No action has been taken to permit any offering of our Shares based on this Prospectus in any jurisdiction other than Malaysia. Accordingly, this Prospectus may not be used for the purpose of and does not constitute an offer for subscription or purchase or invitation to subscribe for or purchase of our Shares in any jurisdiction or in any circumstance in which such an offer is not authorised or lawful or to any person to whom it is unlawful to make such offer or invitation. The distribution of this Prospectus and the offering of our Shares in certain other jurisdictions may be restricted by law. Prospective investors who may be in possession of this Prospectus are required to inform themselves and to observe such restrictions.

We will not, prior to acting on any acceptance in respect of our IPO, make or be bound to make any enquiry as to whether you have a registered address in Malaysia and will not be deemed to accept any liability whether or not any enquiry or investigation is made in connection to it. We will further assume that you had accepted our IPO in Malaysia and will be subject to the laws of Malaysia in connection to it.

It will be your sole responsibility to ensure that your application for our IPO would be in compliance with the terms of our IPO and will not be in contravention of any laws of countries or jurisdictions other than Malaysia to which you may be subjected to. It will be your sole responsibility to consult your legal and/or other professional adviser on the laws to which our IPO or you are or might be subjected to. Neither we nor our Promoters, the Selling Shareholders, the Principal Adviser, the Joint Bookrunners, the Sole Managing Underwriter and the Joint Underwriters nor any other advisers in relation to our IPO will accept any responsibility or liability in the event that any application made by you shall become illegal, unenforceable, avoidable or void in any country or jurisdiction.

However, we reserve the right, in our absolute discretion, to treat any acceptance as invalid if we believe that such acceptance may violate any law or applicable legal or regulatory requirements.

ELECTRONIC PROSPECTUS/INTERNET SHARE APPLICATION

This Prospectus can be viewed or downloaded from Bursa Securities' website at www.bursamalaysia.com. The contents of the Electronic Prospectus and the copy of this Prospectus registered with the SC are the same.

The internet is not a fully secure medium. Your Internet Share Application may be subject to risks of data transmission, computer security threats such as viruses, hackers and crackers, faults with computer software and other events beyond the control of the Internet Participating Financial Institutions. These risks cannot be borne by the Internet Participating Financial Institutions.

If you doubt the validity or integrity of the Electronic Prospectus, you should immediately request from us or the Issuing House, a paper/printed copy of this Prospectus. If there is any discrepancy between the contents of the Electronic Prospectus and the paper/printed copy of this Prospectus, the contents of the paper/printed copy of this Prospectus which are identical to the copy of the Prospectus registered with the SC will prevail.

In relation to any reference in this Prospectus to third-party internet sites ("**Third-Party Internet Sites**"), whether by way of hyperlinks or by way of description of the Third-Party Internet Sites, you acknowledge and agree that:

- (i) we do not endorse and are not affiliated in any way to the Third-Party Internet Sites. Accordingly, we are not responsible for the availability of or the content or any data, file or other material provided on the Third-Party Internet Sites. You bear all risks associated with the access to or use of the Third-Party Internet Sites;

- (ii) we are not responsible for the quality of products or services in the Third-Party Internet Sites, particularly in fulfilling any of the terms of any of your agreements with the Third-Party Internet Sites. We are also not responsible for any loss or damage or cost that you may suffer or incur in connection with or as a result of dealing with the Third-Party Internet Sites or the use of or reliance on any data, file or other material provided by the Third-Party Internet Sites; and
- (iii) any data, information, file or other material downloaded from the Third-Party Internet Sites is done at your own discretion and risk. We are not responsible, liable or under obligation for any damage to your computer system or loss of data resulting from the downloading of any such data, information, file or other material.

Where an Electronic Prospectus is hosted on the website of the Internet Participating Financial Institutions, you are advised that:

- (i) the Internet Participating Financial Institution is only liable in respect of the integrity of the contents of the Electronic Prospectus, to the extent of the contents of the Electronic Prospectus on the web server of the Internet Participating Financial Institution which may be viewed via your web browser or other relevant software. The Internet Participating Financial Institution is not responsible for the integrity of the contents of the Electronic Prospectus, which has been obtained from the web server of the Internet Participating Financial Institution and subsequently communicated or disseminated in any manner to you or other parties;
- (ii) while all reasonable measures have been taken to ensure the accuracy and reliability of the information provided in the Electronic Prospectus, the accuracy and reliability of the Electronic Prospectus cannot be guaranteed because the internet is not a fully secure medium; and
- (iii) the Internet Participating Financial Institution is not liable (whether in tort or contract or otherwise) for any loss, damage or costs, you or any other person may suffer or incur due to, as a consequence of or in connection with any inaccuracies, changes, alterations, deletions or omissions in respect of the information provided in the Electronic Prospectus which may arise in connection with or as a result of any fault with web browsers or other relevant software, any fault on your or any third party's personal computer, operating system or other software, viruses or other security threats, unauthorised access to information or systems in relation to the website of the Internet Participating Financial Institution, and/or problems occurring during data transmission which may result in inaccurate or incomplete copies of information being downloaded or displayed on your personal computer.

INDICATIVE TIMETABLE

The following events are intended to take place on the following indicative time and/or date:

Event	Time and/or date
Opening of the Institutional Offering	[•]
Issuance of the Prospectus/Opening of the Retail Offering	10:00 a.m., [•]
Closing of the Retail Offering	5:00 p.m., [•]
Closing of the Institutional Offering	[•]
Price Determination Date	[•]
Balloting of applications for our Offer Shares under the Retail Offering	[•]
Allotment/Transfer of our IPO Shares to successful applicants	[•]
Listing	[•]

In the event there is any change to the timetable, we will advertise the notice of changes in widely circulated English and Bahasa Malaysia daily newspapers within Malaysia and make an announcement on the website of Bursa Securities.

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PRESENTATION OF FINANCIAL AND OTHER INFORMATION

All references to “our Company” or “Loob” are to Loob Berhad. All references to “Loob Group” or “our Group” are to our Company and our subsidiaries taken as a whole. All references to “we”, “us”, “our” and “ourselves” are to our Company and where the context otherwise requires, our Group. All references to “our stores” are to our directly-owned, franchised and licenced stores. All references to “our Tealive stores” are to our Tealive Corporate Stores, Tealive Franchised Stores and Tealive Licenced Stores. All references to “our Bask Bear stores” are to our Bask Bear Corporate Stores and Bask Bear Franchised Stores.

All references to the “Selling Shareholder(s)” are to Uttama Ltd, Loo Chuu Lin, Loo Woi Lip, Loo Chee Leng and Singli Aerovest Sdn Bhd, collectively or individually. All references to “Promoter(s)” are to Loo Chuu Lin, Loo Woi Lip and Loo Chee Leng, collectively or individually.

All references to “you” are to our prospective investors.

All references to “Government” are to the Government of Malaysia.

Any discrepancies in the tables between the amounts listed and the totals in this Prospectus are due to rounding adjustments. Other abbreviations and acronyms used in this Prospectus are defined in the “Definitions” section and technical terms used in this Prospectus are defined in the “Glossary of Technical Terms” section. Words denoting the singular will, where applicable, include the plural and *vice versa* and words denoting the masculine gender will, where applicable, include the feminine and/or neuter genders and *vice versa*. Reference to persons will, where applicable, include companies and corporations.

Any reference to provisions of the statutes, rules, regulations, enactments or rules of the stock exchange shall (where the context admits), be construed as a reference to provisions of such statutes, rules, regulations, enactments or rules of the stock exchange (as the case may be) as modified by any written law or (if applicable) amendments or re-enactment to the statutes, rules, regulations, enactments or rules of the stock exchange for the time being in force.

Any reference to a date and time will be a reference to a date and time in Malaysia, unless otherwise stated.

All references to the “LPD” in this Prospectus are to 28 February 2025, being the latest practicable date prior to the registration of this Prospectus with the SC.

The information on our website or any website directly or indirectly linked to such website does not form part of this Prospectus and you should not rely on that information for the purposes of your decision whether or not to invest in our Shares.

This Prospectus includes statistical data provided by us and various third parties and cites third-party projections regarding the growth and performance of the industry in which we operate and our estimated market share. This data is taken or derived from information published by industry sources and from our internal data. In each of such case, the source is stated in this Prospectus, provided that where no source is stated, it can be assumed that the information originates from us or is extracted from the IMR Report as included in Section 8 of this Prospectus. We have appointed Frost & Sullivan to provide an independent market and industry review. In compiling its data for the review, Frost & Sullivan had relied on its research methodology, industry sources, published materials, its private databanks and direct contacts within the industry.

Further, third-party projections cited in this Prospectus are subject to significant uncertainties that could cause actual data to differ materially from the projected figures. We cannot give any assurance that the projected figures will be achieved and you should not place undue reliance on the statistical data and third-party projections cited in this Prospectus.

For the purpose of this Prospectus, EBITDA is calculated as our profit before tax for the relevant financial year plus (i) finance costs; (ii) depreciation of PPE; (iii) depreciation of ROU assets; (iv) amortisation of intangible assets, less (v) finance income, whereas Adjusted EBITDA is calculated as EBITDA plus (i) share of profit/(loss) of associates/joint ventures; (ii) net losses on impairment of financial instruments.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION (Cont'd)

EBITDA, Adjusted EBITDA and the related ratios presented in this Prospectus are supplemental measures of our performance and liquidity that are not required by or presented in accordance with the IFRS and MFRS. Furthermore, EBITDA and Adjusted EBITDA are not measures of our financial performance or liquidity under the IFRS and MFRS and should not be considered as an alternative to net profit, operating income or any other performance measures derived in accordance with the IFRS or MFRS or as an alternative to cash flows from operating activities or as a measure of liquidity. In addition, EBITDA and Adjusted EBITDA are not standardised terms, and hence, a direct comparison of EBITDA and Adjusted EBITDA between companies may not be possible. Other companies may calculate EBITDA and Adjusted EBITDA differently from us, limiting its usefulness as a comparative measure.

EBITDA and Adjusted EBITDA have been presented because we believe that these supplemental measures are frequently used by securities analysts, investors and other interested parties in evaluating similar companies, many of whom present such non-IFRS and non-MFRS financial measures when reporting their results. Finally, EBITDA and Adjusted EBITDA are presented as a supplemental measure of our ability to service debt. Nevertheless, EBITDA and Adjusted EBITDA have limitations as an analytical tool, and prospective investors should not consider them in isolation from or as a substitute for analysis of our financial condition or results of operations, as reported under the IFRS and MFRS. Due to these limitations, EBITDA and Adjusted EBITDA should not be considered as a measure of discretionary cash available to invest in the growth of our business.

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FORWARD-LOOKING STATEMENTS

This Prospectus contains forward-looking statements. All statements, other than statements of historical facts included in this Prospectus, including, without limitation, those regarding our financial position, business strategies and prospects are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements, or industry results to be materially different from any future results, performance or achievements, or industry results expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding our present and future business strategies and the environment in which we will operate in the future. Such forward-looking statements reflect our current view with respect to future events and do not guarantee future performance.

Forward-looking statements can be identified by the use of forward-looking terminologies such as the words “may”, “will”, “would”, “could”, “believe”, “expect”, “anticipate”, “intend”, “estimate”, “aim”, “plan”, “forecast” or similar expressions, and include all statements that are not historical facts. Such forward-looking statements include, without limitation, statements relating to:

- (i) demand for our products and general industry environment;
- (ii) our strategies and competitive position;
- (iii) our future financial position, earnings, cash flows and liquidity;
- (iv) our ability to enter into certain foreign markets;
- (v) potential growth opportunities; and
- (vi) regulatory environment and the effects of future regulation.

Our actual results may differ materially from information contained in such forward-looking statements as a result of a number of factors beyond our control, including, but not limited to:

- (i) activities and financial position of our customers, suppliers and other business partners;
- (ii) delay in supply of raw materials and shortages in labour;
- (iii) finance costs, interest rates, tax rates and foreign exchange rates;
- (iv) future regulatory or government policy changes affecting us;
- (v) delays or problems with the execution of our expansion plans;
- (vi) increases in rental rates of our stores;
- (vii) competitive environment of the industry in which we operate;
- (viii) reliance on licences, permits and approvals;
- (ix) general economic, business, social, political and investment environment in the countries where we may enter into in the future;
- (x) changes in accounting standards and policies; and
- (xi) other factors beyond our control.

FORWARD-LOOKING STATEMENTS *(Cont'd)*

Additional factors that could cause our actual results, performance or achievements to differ materially include, but are not limited to, those discussed in Section 5 of this Prospectus on “Risk Factors” and Section 12.2 of this Prospectus on “Management’s Discussion and Analysis of Financial Condition and Results of Operations”. We cannot give any assurance that the forward-looking statements made in this Prospectus will be realised. Such forward-looking statements are made only as at the LPD.

In light of these uncertainties, the inclusion of such forward-looking statements should not be regarded as a representation or warranty by us or our advisers that such plans and objectives will be achieved.

Should we become aware of any subsequent material change or development affecting a matter disclosed in this Prospectus arising from the date of registration of this Prospectus but before the date of allotment/transfer of our IPO Shares, we shall further issue a supplemental or replacement prospectus, as the case may be, in accordance with the provisions of Section 238(1) of the CMSA and Paragraph 1.02, Chapter 1 of Part II (Division 6 on Supplementary and Replacement Prospectus) of the Prospectus Guidelines.

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DEFINITIONS

The following terms in this Prospectus bear the same meanings as set out below unless the term is defined otherwise or the context requires otherwise:

Abang Adek	: Abang Adek Holdings Sdn Bhd
Act	: Companies Act 2016
ADA	: Authorised Depository Agent
Adjusted EBITDA	: EBITDA plus (i) share of profit/(loss) of associates/joint ventures; (ii) net losses on impairment of financial instruments
Admission	: Admission of our Shares to the Official List of the Main Market
ADSS	: Average daily store sales
AGM	: Annual general meeting
Aik Cheong	: Aik Cheong Beverage Industries Sdn Bhd
Ambank	: AmBank (M) Berhad
AmInvestment Bank	: AmInvestment Bank Berhad
Application	: Application for our Offer Shares by way of Application Form, Electronic Share Application or Internet Share Application
Application Form	: Application form for the application of our Offer Shares under the Retail Offering accompanying this Prospectus
Apps	: Bask Bear App and Tealive App
ARDA	: Area Development Agreement
ASEAN	: Association of Southeast Asian Nations
ATM	: Automated teller machine
Auditors or Reporting Accountants or KPMG	: KPMG PLT
Authorised Financial Institution	: Authorised financial institution participating in the Internet Share Application in respect of the payment for our Offer Shares
Bask Bear	: Bask Bear Coffee & Toasties, one of our F&B brands
Bask Bear App	: Our "Bask Bear" mobile application for our Bask Bear stores
Bask Bear Corporate Stores	: Bask Bear stores that are directly-owned, operated and managed by our Group
Bask Bear Franchised Stores	: Bask Bear stores that were operated and managed by licensees which are entities outside our Group prior to 22 May 2025 which were converted to franchised stores effective from 22 May 2025 and are currently operated and managed by franchisees
BNM	: Bank Negara Malaysia
Board	: Board of Directors

DEFINITIONS *(Cont'd)*

Bryan Loo	: Loo Woi Lip
Bubbly Tales	: Bubbly Tales Sdn Bhd
Bumiputera	: In the context of: (i) individuals - Malays and the aborigines and the natives of Sabah and Sarawak as specified in the Federal Constitution of Malaysia; (ii) companies - companies which fulfil, among others, the following criteria or such other criteria as may be imposed by the MITI: (a) registered under the Act as a private company; (b) its shareholders are 100% Bumiputera; and (c) its board of directors (including its staff) are at least 51.0% Bumiputera; and (iii) cooperatives - cooperatives whose shareholders or cooperative members are at least 95.0% Bumiputera or such other criteria as may be imposed by the MITI
Bursa Depository	: Bursa Malaysia Depository Sdn Bhd
Bursa Securities	: Bursa Malaysia Securities Berhad
CAGR	: Compound annual growth rate
CBIS	: Cloud-based business information system
CCC	: Certificate of completion and compliance or certificate of fitness for occupation or such certificate by any other name issued by the relevant authority under the SDBA, Uniform Building By-Laws 2022 of Sabah and Building Ordinance 1994 of Sarawak, and any by-laws made under it or such relevant legislation applicable at the material time
CCM	: Companies Commission of Malaysia
CDS	: Central Depository System
CEO	: Chief executive officer
CMC	: Compliance Management Committee
CMSA	: Capital Markets and Services Act 2007
COA	: Certificate for accommodation issued pursuant to the Employees' Minimum Standards of Housing, Accommodations and Amenities Act 1990
Collaboration Agreement	: Collaboration agreement dated 8 February 2024 between PETRONAS and Loob Integrated
Constitution	: Constitution of our Company
COO	: Chief operating officer
Corporate Stores	: Collectively, Tealive Corporate Stores and Bask Bear Corporate Stores

DEFINITIONS *(Cont'd)*

COVID-19	: An infectious disease caused by severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2)
Creador IV	: Creador IV L.P.
Creador Persons	: Collectively: (i) Creador Management IV Ltd; (ii) the investment advisers of Creador IV and other related private equity funds; (iii) their affiliates; and (iv) their shareholders, partners, managers, members, officers and employees
Creador V	: Creador V L.P.
CSR	: Corporate social responsibility
Custom Food	: Custom Food Ingredients Sdn Bhd
Define Foods	: Define Foods Sdn Bhd
DEI	: Diversity, equality and inclusion
Ding Dang Holdings	: Ding Dang Holdings Sdn Bhd
Director(s)	: Directors of our Company
EBITDA	: Earnings before interest, taxation, depreciation and amortisation
Eco-Shop	: Eco-Shop Marketing Berhad (previously known as Eco-Shop Marketing Sdn Bhd)
Electronic Prospectus	: Copy of this Prospectus that is issued, circulated or disseminated via the internet, and/or an electronic storage medium including, but not limited to compact disc read only memory (CD-ROM)
Electronic Share Application	: Application for our Offer Shares under the Retail Offering through a Participating Financial Institution's ATM
Eligible Persons	: Collectively, the Directors and employees of our Group and persons who have contributed to the success of our Group who are eligible to participate in the Retail Offering
EPS	: Earnings per Share
Equity Guidelines	: Equity Guidelines issued by the SC
ERP	: Enterprise resource planning software that manages and integrates key day-to-day business activities
ESG	: Environmental, social and governance
Executive Director(s)	: Executive director(s) of our Company

DEFINITIONS *(Cont'd)*

F&B	: Food and beverages
FA	: Franchise agreement
Final Retail Price	: Final price per IPO Share to be paid by the Eligible Persons and the investors under the Retail Offering, equivalent to the Retail Price or the Institutional Price, whichever is lower, to be determined on the Price Determination Date
Financial Years Under Review	: Collectively, the FYE 30 June 2022, the FYE 30 June 2023 and the FYE 30 June 2024
FMCG	: Fast-moving consumer goods
FPE	: Financial period ended or where the context otherwise requires, financial period ending
Franchise Act	: Franchise Act 1998
Franchised/Licenced Stores	: Collectively, the Tealive Franchised Stores, the Tealive Licenced Stores and the Bask Bear Franchised Stores
Frost & Sullivan or IMR	: Frost & Sullivan GIC Malaysia Sdn Bhd, the independent market researcher
FYE	: Financial year ended or where the context otherwise requires, financial year ending
GHL	: NTT Data Cardpay Sdn Bhd
Good Foodie	: Good Foodie Media Sdn Bhd
GP	: Gross profit
Happy Potato Ventures	: Happy Potato Ventures Sdn Bhd
Happy Potato Ventures Northern	: Happy Potato Ventures (Northern) Sdn Bhd
HR	: Human resources
HQ	: Our head office in Petaling Jaya, Selangor
ICDM	: Institute of Corporate Directors Malaysia
IFRS	: International Financial Reporting Standards
ILO	: United Nations Universal Declaration of Human Rights and International Labour Organisation
IMR Report	: Independent market research report dated 28 March 2025 prepared by Frost & Sullivan
Institutional Offering	: Offering of up to 204,608,200 IPO Shares at the Institutional Price, subject to the clawback and reallocation provisions and the Over-allotment Option to institutional and selected investors, including Bumiputera investors approved by the MITI

DEFINITIONS *(Cont'd)*

Institutional Price	: Price per IPO Share to be paid by investors under the Institutional Offering which will be determined on the Price Determination Date by way of bookbuilding
Internet Participating Financial Institutions	: Participating financial institutions for the Internet Share Application
Internet Share Application	: Application for our Offer Shares under the Retail Offering through an Internet Participating Financial Institution
IPO	: Initial public offering of up to 350,756,900 IPO Shares via the Offer for Sale and the Public Issue
IPO Shares	: Collectively, the Offer Shares and the Issue Shares
Issue Shares	: New Loob Shares to be issued by our Company under the Public Issue
Issuing House	: Malaysian Issuing House Sdn Bhd
IT	: Information technology
Jadewalk Delight	: Jadewalk Delight Sdn Bhd
JAKIM	: Jabatan Kemajuan Islam Malaysia, a certifier of halal products
Joint Bookrunner(s)	: Collectively or individually, AmInvestment Bank and Maybank IB
Joint Underwriter(s)	: Collectively or individually, AmInvestment Bank and Maybank IB
JV	: Joint venture(s)
Key Preference	: Key Preference Sdn Bhd
Key Senior Management	: Key senior management of our Group as set out in Section 9.3 of this Prospectus
Kim Le Vy Trading	: Kim Le Vy Trading – Service Joint Stock Company
Letter of Novation	: Letter of Novation dated 21 March 2024 between PETRONAS, MRCSB and Loob Integrated
LH KD Property	: LH KD Property Sdn Bhd (formerly known as Loob KD Property Sdn Bhd)
LH Venture	: LH Venture Sdn Bhd
Licensed Stores	: Tealive Licensed Stores
Listing	: Listing of and quotation for the entire enlarged issued Shares on the Main Market
Listing Requirements	: Main Market Listing Requirements of Bursa Securities
LMSA	: Separate licence and management service agreements between BB Coffee and its six (6) licensees
Loob or Company	: Loob Berhad
Loob Group or Group	: Collectively, our Company and its subsidiaries
Loob Holding Shares	: Ordinary shares in Loob Holding

DEFINITIONS *(Cont'd)*

Loob Philippines	: Loob Philippines, Inc.
Loob Shares or Shares	: Ordinary shares in our Company
LPD	: 28 February 2025, being the latest practicable date prior to the registration of this Prospectus with the SC
LRT	: Medium-capacity light rapid transit rail system operating in the Klang Valley
LTI	: Loss time injury, which refers to work-related incidents that results in an employee being unable to perform their regular work duties for one or more scheduled workdays or shifts beyond the day of the incident
LTI rate	: Loss time injury rate, which when measured per million hours worked, reflects workplace safety
LTO	: Limited time offerings, being promotional menu items that are made available for a limited period of time
LV Holdings	: LV Holdings Sdn Bhd (formerly known as Loob Ventures Sdn Bhd)
LV Holdings VN	: LV Holdings (Vietnam) Company Limited (formerly known as Loob Vietnam Company Limited)
LV Holdings VN Group	: Collectively, LV Holdings VN and its 98.0%-owned subsidiary, Kim Le Vy Trading
Main Market	: Main Market of Bursa Securities
Malaysian Public	: Malaysian citizens, companies, co-operatives, societies and institutions incorporated or organised under the laws of Malaysia
Market Day	: A day on which Bursa Securities is open for trading in securities
Material Subsidiaries	: Subsidiaries of Loob, excluding those undergoing members' voluntary liquidation
Maybank IB	: Maybank Investment Bank Berhad
MCCG	: Malaysian Code on Corporate Governance issued by the SC
MDTCL	: Ministry of Domestic Trade and Cost of Living of Malaysia
MECD	: Ministry of Entrepreneur and Cooperatives Development of Malaysia
MFA	: Master franchise agreement(s)
MFRS	: Malaysian Financial Reporting Standards
MIA	: Malaysian Institute of Accountants
MIPLA	: Master intellectual property licence agreement between Loob Holding and LV Holdings VN
MITI	: Ministry of Investment, Trade and Industry of Malaysia

DEFINITIONS *(Cont'd)*

Moratorium Provider(s)	: Collectively or individually, Loo Chuu Lin, Bryan Loo, Loo Chee Leng, Loo Ay Lian, Loo Kheng Sing and Loo Lian Hiyok, being shareholders of our Company, whose securities are subject to moratorium under the Equity Guidelines
MOU	: Memorandum of understanding and includes any amendments, variations or supplemental made and/or entered into from time to time
MRC SB	: Mesra Retail and Cafe Sdn Bhd, a wholly-owned subsidiary of PETRONAS
MRT	: Mass rapid transit rail system operating in Malaysia
N/A	: Not applicable
NA	: Net assets
NBV	: Net book value
Offer for Sale	: Offer for sale of up to 292,297,400 Offer Shares by the Selling Shareholders
Offer Shares	: Existing Shares to be offered for sale by the Selling Shareholders pursuant to the Offer for Sale
Official List	: A list specifying all securities listed on Bursa Securities
Operating Agreement	: Operating agreement dated 8 February 2024 and addendum to the operating agreement dated 17 October 2024 between MRC SB and Loob Integrated
Oracle Selection	: Oracle Selection Sdn Bhd
OSHE	: Occupational, safety, health and environment
Over-allotment Option	: The over-allotment option to be granted by the Over-allotment Option Provider to the Stabilising Manager (on behalf of the Joint Bookrunners)
Over-allotment Option Provider	: Utama
Participating Financial Institution	: A participating financial institution for the Electronic Share Application
PAT	: Profit after taxation
PATAMI	: Profit after taxation for the financial year attributable to the owners of our Company
PBT	: Profit before taxation
PER	: Price-to-earnings ratio
PETRONAS	: Petronas Dagangan Berhad
Pink Application Form	: Application form for the application of our Offer Shares under the Retail Offering by the Eligible Persons accompanying this Prospectus
Pink Form Allocation	: The allocation of 11,691,900 Offer Shares to the Eligible Persons

DEFINITIONS *(Cont'd)*

Placement Agreement	: The placement agreement to be entered into by our Company, the Selling Shareholders and the Joint Bookrunners in respect of such number of IPO Shares to be offered under the Institutional Offering
Placement Manager(s)	: Collectively or individually, AmInvestment Bank and Maybank IB
PPE	: Property, plant and equipment
Pre-IPO Dividends	: In respect of the FYE 30 June 2024: (i) RM14.0 million declared on 26 July 2024 and paid on 29 July 2024; and (ii) RM4.0 million declared on 27 August 2024 and paid on 30 August 2024. In respect of the FYE 30 June 2025: (i) RM42.0 million declared on 31 December 2024, of which RM19.2 million was paid on 31 December 2024. The balance RM22.8 million which was due to Bryan Loo, Loo Chuu Lin, Loo Chee Leng, Singli Aerovest and Zhejiang Boduo, was assigned to TrueScale Ventures towards the settlement of (a) the total purchase consideration of RM1.9 million payable by TrueScale Ventures to Loob Holding in relation to the Transfer of Loob Philippines and the Transfer of LV Holdings VN; and (b) the novation of the shareholders advances and/or other receivables of RM20.9 million from Loob Holding to TrueScale Ventures
Pre-IPO Restructuring	: The acquisition by our Company of all the shares in Loob Holding from its existing shareholders for a purchase consideration of RM28,767,873.33 to be satisfied via the issuance and allotment of 1,110,728,700 Loob Shares at an issue price of RM0.0259 per share
Price Determination Date	: The date on which the Institutional Price and Final Retail Price will be determined
Principal Adviser	: Maybank IB
Promoter(s)	: Collectively or individually, Loo Chuu Lin, Bryan Loo and Loo Chee Leng pursuant to Section 226 of the CMSA
Prospectus	: This Prospectus dated [●] issued by our Company
Prospectus Guidelines	: Prospectus Guidelines issued by the SC
Public Issue	: Public issue of 58,459,500 Issue Shares by our Company
QAA	: Quality Assurance and Audit
Record of Depositors	: A record of securities holders established by Bursa Depository under the Rules of Bursa Depository

DEFINITIONS *(Cont'd)*

Retail Offering	: Offering of 146,148,700 Offer Shares at the Retail Price, subject to the clawback and reallocation provisions, to be allocated to the following:
	(i) 11,691,900 Offer Shares reserved for application by the Eligible Persons; and
	(ii) 134,456,800 Offer Shares for application by the Malaysian Public, via balloting
Retail Price	: Indicative initial price of RM[●] per Offer Share to be fully paid upon application under the Retail Offering, subject to the adjustment as detailed in Section 4.4.1 of this Prospectus
Retail Underwriting Agreement	: Retail underwriting agreement dated [●] between our Company, the Selling Shareholders, the Sole Managing Underwriter and the Joint Underwriters for the underwriting of our Offer Shares under the Retail Offering
ROU	: Right-of-use
Rules of Bursa Depository	: The rules of Bursa Depository as issued under the SICDA
SAC	: Shariah Advisory Council of the SC
SC	: Securities Commission Malaysia
SC Food	: SC Food Industries Sdn Bhd
SDBA	: Street, Drainage and Building Act 1974
Selling Shareholder(s)	: Collectively or individually, Uttama, Loo Chuu Lin, Bryan Loo, Loo Chee Leng and Singli Aerovest
Share Lending Agreement	: The agreement to be entered into by the Over-allotment Option Provider and the Stabilising Manager under which the Over-allotment Option Provider will lend the Shares to the Stabilising Manager to cover over-allotment, if any, under the Over-allotment Option
Share Registrar	: Boardroom Share Registrars Sdn Bhd
SICDA	: Securities Industry (Central Depositories) Act 1991
Singli Aerovest	: Singli Aerovest Sdn Bhd
SKUs	: Stock keeping unit(s)
SOCISO	: Social Security Organisation of Malaysia, also known as PERKESO
Sole Managing Underwriter	: Maybank IB
SOP	: Standardised operation processes
sq. ft.	: Square feet
SST	: Sales and services tax
Stabilising Manager	: Maybank IB
STCHH	: Signature Tasty Claypot House Holding Sdn Bhd

DEFINITIONS (Cont'd)

Substantial Shareholder(s)	:	Substantial shareholders of our Company, namely Loo Chuu Lin, Bryan Loo, Loo Chee Leng, Uttama, Singli Aerovest, Dato' Mah Yew Lay and Mah Kok Weng, collectively or individually
SYLRD	:	SYL Roasted Delights Sdn Bhd
Tealive	:	Tealive, one of our F&B brands
Tealive App	:	Our "Tealive MY – Order Bubble Tea" mobile application for our Tealive stores
Tealive Stores	Corporate :	Tealive stores that are directly-owned, operated and managed by our Group
Tealive Stores	Franchised :	Tealive stores that are operated and managed by franchisees which are entities outside our Group
Tealive Licenced Stores	Franchised/ :	Collectively, the Tealive Franchised Stores and the Tealive Licenced Stores
Tealive Stores	Licenced :	Tealive stores that are operated and managed by licensees which are entities outside our Group
TCC	:	Tealive container concept
Transfer of Loob Philippines	:	The transfer of 250,049 common shares of stock of Loob Philippines owned by Loob Holding, representing approximately 100.0% equity interest in Loob Philippines to TrueScale Ventures for a cash consideration of PHP25,004,900, equivalent to approximately RM1,893,821.12 (based on an exchange rate of PHP100: RM7.5738)
Transfer of LV Holdings VN	:	The transfer by Loob Holding of its whole contributed capital of VND58,572,860,000 in LV Holdings VN, representing 100.0% of the charter capital of LV Holdings VN to TrueScale Ventures for a cash consideration of RM50,960
TrueScale Ventures	:	TrueScale Ventures Sdn Bhd
UAE	:	United Arab Emirates
UCO	:	Used cooking oil
UNSDG	:	The United Nations Sustainable Development Goals, a set of global goals that forms the basis of a global indicator framework for sustainable development by both developed and developing countries
Uttama	:	Uttama Ltd
White Form	Application :	Application form for the application of our Offer Shares under the Retail Offering by the Malaysian Public accompanying this Prospectus
WonderBrew Shareholders Agreement	:	Shareholders Agreement dated 18 July 2022 between Poh Wen Xian, Loke Boon Eng, WonderBrew and Loob Holding in respect of WonderBrew
Wonder Subscription Shareholders Agreement	Group and :	Subscription and Shareholders Agreement dated 14 July 2021 between Poh Wen Xian, Loke Boon Eng, Wonder Group and Loob Holding in respect of Wonder Group as amended on 6 October 2021 and 18 July 2022

DEFINITIONS (*Cont'd*)

Yunan Bridge Noodle	:	Yunan Bridge Noodle Sdn Bhd
Zendeck	:	Zendeck Sdn Bhd
Zhejiang Boduo	:	Zhejiang Boduo International Trade Co., Ltd

DEFINITIONS (*Cont'd*)**Currencies**

JPY	: Japanese yen, the lawful currency of Japan
PHP	: Philippine peso, the lawful currency of the Philippines
RM and sen	: Ringgit Malaysia and sen, the lawful currency of Malaysia
USD	: United States dollar, the lawful currency of the United States of America
VND	: Vietnamese Dong, the lawful currency of Vietnam

SubsidiariesActive subsidiaries

BB Coffee	: BB Coffee Sdn Bhd
Evergreen Locate	: Evergreen Locate Sdn Bhd
Hakata Asia	: Hakata Asia Sdn Bhd
Loob Holding	: Loob Holding Sdn Bhd
Loob Integrated	: Loob Integrated Sdn Bhd
LRTS Retail	: LRTS Retail Sdn Bhd
Nucoz	: Nucoz Sdn Bhd
Oishinbo	: Oishinbo Sdn Bhd
Premium Delicious	: Premium Delicious Sdn Bhd
QSL Management Service	: QSL Management Service Sdn Bhd
Rivietta	: Rivietta Sdn Bhd
Sodaxpress International	: Sodaxpress International Sdn Bhd
TT Heritage	: TT Heritage Sdn Bhd

Subsidiaries under members' voluntary liquidation

Archiva F&B	: Archiva F&B Sdn Bhd
Bubbling Bubbles	: Bubbling Bubbles Sdn Bhd
Everland Beverage	: Everland Beverage Sdn Bhd
Famous Flavour	: Famous Flavour Sdn Bhd
Loob Management Services	: Loob Management Services Sdn Bhd
Maven Beverage	: Maven Beverage Sdn Bhd

DEFINITIONS (*Cont'd*)

Merry Cafe : Merry Cafe Sdn Bhd

VLL Food & Beverage : VLL Food & Beverage Sdn Bhd

Joint venturesActive joint ventures

WonderBrew : WonderBrew Sdn Bhd

Wonder Group : Wonder Group Sdn Bhd

AssociatesActive associate

Notable Paramount : Notable Paramount Sdn Bhd

Associate under members' voluntary liquidation

Pure Infinite : Pure Infinite Sdn Bhd

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GLOSSARY OF TECHNICAL TERMS

The following technical terms in this Prospectus bear the same meanings as set out below unless the technical term is defined otherwise or the context requires otherwise:

3Q jelly	: A proprietary topping combination offered in Tealive stores comprising equal parts tapioca pearls, coconut jelly and sago
A la carte	: An individual dish ordered on its own
Aren palm sugar	: A natural sweetener made from the sap of the Arenga palm tree
B2B	: Business-to-business, being a business model where products or services are sold from one company to other businesses, rather than to individual consumers
B2C	: Business-to-consumer, being a business model where products and services are sold directly between a business and consumers who are the end-users of such products or services
Bearista	: A professional specialising in preparing and serving handcrafted beverages in our Bask Bear stores
Bubble beverage	: A MTO beverage which incorporates solid toppings such as pearls or jellies
Café	: Casual dining establishments with most of the players having a balanced menu of both F&B products with limited table service
Combo	: A combination of different items
E-commerce	: Electronic commerce, being the sale of goods and services online
Frappe	: A drink served with ice or frozen to a slushy consistency
GHG	: Greenhouse gas
Glycaemic index	: A scale that measures how quickly a food raises blood sugar levels
Halal	: In relation to F&B in Malaysia, means food and beverage products that are certified as halal by JAKIM
Impressions	: In relation to digital content on a social media platform, means the number of times such content is displayed to social media users on such platform, regardless of whether or not there was any active engagement by the user through clicks or comments and inclusive of multiple views by the same user
Kitchen display system	: A digital screen displaying orders, which is connected to the POS system in the store and automatically displays orders from any channel (including in-store or online)
Kombucha	: A drink produced by fermenting sweet tea with a culture of yeast and bacteria
Latte	: Coffee with hot steamed milk
Macchiato	: Coffee with frothy steamed milk
Matcha	: Finely ground powder of green tea
MTO	: Made-to-order

GLOSSARY OF TECHNICAL TERMS (*Cont'd*)

Net new stores	: In relation to a given period, means the number of new stores established during such period excluding any such new stores which closed during such period
Net Promoter Score	: A metric used to assess customer loyalty and satisfaction by asking customers how likely they are to recommend a company, product, or service to others
New-age	: In relation to consumers, means an individual who makes decisions based on whether a brand or product aligns with their values and is able to access, consume, and evaluates information regarding a particular brand (including information disseminated through social media or other media content) in making such decisions
Payback period	: Financial metric that measures the time it takes for our investment to generate enough cash flow to recover our initial cost
Ppt	: Percentage point
POS	: Point-of-sale, being the time and place at which a retail transaction is carried out
PV	: Photovoltaic
Reach	: In relation to digital content on a social media platform, means the number of unique social media users on such platform that has seen such content, regardless of whether the same user has seen the same content multiple times
Ready-to-drink	: Packaged beverages that are sold in a prepared form and ready for consumption, for example iced tea in boxes, bottles or aluminium cans
QR	: Quick response
Sago	: Starch extracted from the pith of palm stems
Same Stores	: Stores which have been in operation for a minimum of 12 months and excludes those stores that were closed temporarily in the month
Same Stores ADSS	: ADSS for our Same Stores
Same-store sales growth or SSSG	: Financial metric indicating the increase or decrease in revenue generated by an existing set of stores over a period of time
Smoothies	: A MTO beverage made by pureeing ingredients in a blender
Tapioca pearls, pearls or boba	: Chewy balls made from tapioca flour (or some other starch flour), water and brown sugar
tCO ₂ -eq	: Tonnes of carbon dioxide equivalent
Tea shop	: A F&B services establishment that predominantly focuses on serving MTO beverages with tea as the base ingredient, and includes bubble beverages
Tearistas	: A professional specialising in preparing and serving handcrafted beverages in our Tealive stores
Toasties	: Toasted sandwich or snack

GLOSSARY OF TECHNICAL TERMS (*Cont'd*)

Toppings : Consumable non-beverage additions to MTO beverages, including tapioca pearls, sago and jellies

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1. CORPORATE DIRECTORY**BOARD OF DIRECTORS**

Name	Designation	Nationality	Address
Tan Sri Datuk Dr. Rebecca Fatima Sta Maria (F)	Independent Non-Executive Chairperson	Malaysian	Apt A16-01, Sunway Palazzio Jalan Sri Hartamas 3 Taman Sri Hartamas 50480 Kuala Lumpur
Loo Chuu Lin (M)	Non-Independent Non-Executive Director	Malaysian	No. 7, Jalan Puteri 3 Damansara Legenda 47410 Petaling Jaya Selangor
Bryan Loo (M)	Non-Independent Executive Director and CEO	Malaysian	No. 7, Jalan Puteri 3 Damansara Legenda 47410 Petaling Jaya Selangor
Loo Chee Leng (F)	Non-Independent Executive Director and COO	Malaysian	No. 7, Jalan Puteri 3 Damansara Legenda 47410 Petaling Jaya Selangor
Lum Ying Ling (F)	Non-Independent Non-Executive Director	Malaysian	No. 22, Puncak Widuri Country Heights 43000 Kajang Selangor
Dato' Razman Hafidz bin Abu Zarim (M)	Independent Non-Executive Director	Malaysian	8C-3A-1, Sri Murni Condominium 8, Lorong Kota Empat Bukit Ledang 50480 Kuala Lumpur
Chen Thai Foong (F)	Independent Non-Executive Director	Malaysian	No. 19, Jalan Putra Murni 3/3A Putra Palms, Putra Heights Seksyen 3 47650 Subang Jaya Selangor
Low Chooi Hoon (F)	Independent Non-Executive Director	Malaysian	No. 27, Jalan LP4/1 Taman Lestari Perdana 43300 Seri Kembangan Selangor
Yeow Boon Siang (M)	Alternate Director to Loo Chuu Lin and International Business Director	Malaysian	No. 7, Jalan Puteri 3 Damansara Legenda 47410 Petaling Jaya Selangor

Notes:*(M) denotes male**(F) denotes female*

1. CORPORATE DIRECTORY (Cont'd)**AUDIT AND RISK MANAGEMENT COMMITTEE**

Name	Designation	Directorship
Dato' Razman Hafidz bin Abu Zarim	Chairperson	Independent Non-Executive Director
Chen Thai Foong	Member	Independent Non-Executive Director
Low Chooi Hoon	Member	Independent Non-Executive Director

NOMINATION AND REMUNERATION COMMITTEE

Name	Designation	Directorship
Low Chooi Hoon	Chairperson	Independent Non-Executive Director
Dato' Razman Hafidz bin Abu Zarim	Member	Independent Non-Executive Director
Chen Thai Foong	Member	Independent Non-Executive Director

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1. CORPORATE DIRECTORY (Cont'd)

COMPANY SECRETARIES	: Cospec Management Services Sdn Bhd (Registration No. 199301023725 (278463-H)) Third Floor, No. 73, 75, 77, 79 & 81 Jalan SS21/60, Damansara Utama 47400 Petaling Jaya, Selangor Tel. No.: +603 7725 1777	Lim Kee San SSM Practising Certificate No.: 202308000295 Professional qualification: Malaysian Institute of Chartered Secretaries and Administrators ("MAICSA") (Membership No.: MAICSA 7067348)
	Tea Sor Hua SSM Practising Certificate No.: 201908001272 Professional qualification: Malaysian Association of Company Secretaries ("MACS") (Membership No.: MACS 01324)	
REGISTERED OFFICE	: Third Floor, No. 77, 79 & 81 Jalan SS21/60 Damansara Utama 47400 Petaling Jaya Selangor Tel. No.: +603 7725 1777 Email: info@cospec.com.my	
HEAD OFFICE	: No. 14 (Block C), Jalan Teknologi Taman Sains Selangor 1 Kota Damansara 47810 Petaling Jaya Selangor Tel. No.: +603 6151 8581 Email: info@loob.com.my Website: https://www.loob.com.my	
SELLING SHAREHOLDERS	: Utama Tortola Pier Park, Building 1 Wickhams Cay I, 2 nd Floor Road Town, Tortola British Virgin Islands	Bryan Loo No. 7, Jalan Puteri 3 Damansara Legenda 47410 Petaling Jaya Selangor
	Loo Chuu Lin No. 7, Jalan Puteri 3 Damansara Legenda 47410 Petaling Jaya Selangor	Loo Chee Leng No. 7, Jalan Puteri 3 Damansara Legenda 47410 Petaling Jaya Selangor
	Singli Aerovest No. 12-3, Jalan 3/114 Kuchai Business Centre Jalan Kuchai Lama 58200 Kuala Lumpur	

1. CORPORATE DIRECTORY (Cont'd)

AUDITORS AND REPORTING ACCOUNTANTS	: KPMG PLT (LLP0010081-LCA & AF0758) Chartered Accountants Level 10, KPMG Tower 8, First Avenue Bandar Utama 47800 Petaling Jaya Selangor Tel. No.: +603 7721 3388 Partner-in-charge: Ooi Eng Siong Professional qualification: MIA (MIA Membership No.: 26629)	
PRINCIPAL ADVISER	: Maybank Investment Bank Berhad 32 nd Floor, Menara Maybank 100, Jalan Tun Perak 50050 Kuala Lumpur Tel. No.: +603 2059 1888	
JOINT BOOKRUNNERS (in alphabetical order)	: AmInvestment Bank Berhad 22 nd Floor, Bangunan AmBank Group 55, Jalan Raja Chulan 50200 Kuala Lumpur Tel. No.: +603 2036 2633	Maybank Investment Bank Berhad 32 nd Floor, Menara Maybank 100, Jalan Tun Perak 50050 Kuala Lumpur Tel. No.: +603 2059 1888
SOLE MANAGING UNDERWRITER	: Maybank Investment Bank Berhad 32 nd Floor, Menara Maybank 100, Jalan Tun Perak 50050 Kuala Lumpur Tel. No.: +603 2059 1888	
JOINT UNDERWRITERS (in alphabetical order)	: AmInvestment Bank Berhad 22 nd Floor, Bangunan AmBank Group 55, Jalan Raja Chulan 50200 Kuala Lumpur Tel. No.: +603 2036 2633	Maybank Investment Bank Berhad 32 nd Floor, Menara Maybank 100, Jalan Tun Perak 50050 Kuala Lumpur Tel. No.: +603 2059 1888
LEGAL ADVISERS	: <i>To our Company</i> Cheang & Ariff Loke Mansion 273A, Jalan Medan Tuanku 50300 Kuala Lumpur Tel. No.: +603 2691 0803	<i>To the Joint Bookrunners, Sole Managing Underwriter and Joint Underwriters</i> Christopher & Lee Ong Level 22, Axiata Tower 9, Jalan Stesen Sentral 5 Kuala Lumpur Sentral 50470 Kuala Lumpur Tel. No.: +603 2273 1919

1. CORPORATE DIRECTORY (Cont'd)

INDEPENDENT MARKET RESEARCHER	: Frost & Sullivan GIC Malaysia Sdn Bhd Level 6.06, KPMG Tower 8, First Avenue Bandar Utama 47800 Petaling Jaya Selangor Tel. No.: +603 2023 2000 Name of signing partner: Narciso Podda <i>(See Section 8 of this Prospectus for the profile of the firm and the signing partner)</i>
SHARE REGISTRAR	: Boardroom Share Registrars Sdn Bhd 11 th Floor, Menara Symphony No. 5, Jalan Prof. Khoo Kay Kim Seksyen 13 46200 Petaling Jaya Selangor Tel. No.: +603 7890 4700
ISSUING HOUSE	: Malaysian Issuing House Sdn Bhd 11 th Floor, Menara Symphony No. 5, Jalan Prof. Khoo Kay Kim Seksyen 13 46200 Petaling Jaya Selangor Tel. No.: +603 7890 4700
LISTING SOUGHT	: Main Market

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2. INTRODUCTION

2.1 APPROVALS AND CONDITIONS

2.1.1 SC

The SC has, via its letter dated [●], approved our IPO and our Listing under Section 214(1) of the CMSA, subject to compliance with the following condition:

No.	Details of condition imposed	Status of compliance
(i)	[●]	[●]

The SC has also via its letter dated [●] approved our application under the Bumiputera equity requirement for public listed companies.

The SC has, via its letter dated [●], approved the reliefs sought by us from having to comply with certain requirements under the Equity Guidelines and the Prospectus Guidelines. The details of the reliefs sought and the corresponding conditions imposed by the SC are as follows:

Reference	Description of relief sought	Condition imposed (if any)
Prospectus Guidelines		
Paragraphs 2.09(c), 4.01(d) and 4.01(e) of Division 1, Part II	Relief from having to disclose the following: (i) ultimate beneficial owners of Uttama, such that the disclosure shall only be up to the immediate holding company, Creador IV, the shareholder holding 100.0% equity interest in Uttama; and (ii) changes in the direct or indirect shareholdings of the affiliated and limited partners of Creador IV in Uttama during the past three (3) years, in the Prospectus.	[●]
Paragraph 13.01(b)(i) of Division 1, Part II	Relief to make available only the redacted copy of the Collaboration Agreement and Operating Agreement for public inspection.	[●]
Equity Guidelines		
Paragraphs 2(a) and (b) of Appendix 4, Part IV	Relief from complying with the requirement in respect of the placement of our IPO Shares to be offered under the Institutional Offering to persons connected to AmInvestment Bank.	[●]

2.1.2 MITI

The MITI has, via its letter dated [●], stated that it has taken note and has no objection for us to implement our Listing.

2. INTRODUCTION (Cont'd)

2.1.3 Bursa Securities

Bursa Securities has, via its letter dated [●], approved our Admission and our Listing, subject to compliance with the following conditions:

No.	Details of condition imposed	Status of compliance
(i)	[●]	[●]
(ii)	[●]	[●]

2.2 MORATORIUM ON OUR SHARES

In accordance with the Equity Guidelines, our Shares held by the Moratorium Providers as at the date of our Listing will be placed under moratorium. In this respect, our Shares that are subject to moratorium are set out below:

	After our IPO							
	Assuming the Over-allotment Option is not exercised				Assuming the Over-allotment Option is fully exercised			
	Direct		Indirect		Direct		Indirect	
	No. of Shares (⁽¹⁾ 000)	(⁽¹⁾ %)	No. of Shares (⁽¹⁾ 000)	(⁽¹⁾ %)	No. of Shares (⁽¹⁾ 000)	(⁽¹⁾ %)	No. of Shares (⁽¹⁾ 000)	(⁽¹⁾ %)
Loo Chuu Lin	208,317	17.8	-	-	208,317	17.8	-	-
Bryan Loo	225,268	19.3	-	-	225,268	19.3	-	-
Loo Chee Leng	175,989	15.1	-	-	175,989	15.1	-	-
Loo Ay Lian	11,107	0.9	-	-	11,107	0.9	-	-
Loo Kheng Sing	11,107	0.9	-	-	11,107	0.9	-	-
Loo Lian Hiyok	11,107	0.9	-	-	11,107	0.9	-	-

Note:

(1) Based on our enlarged issued Shares of 1,169,188,203 upon our Listing.

The Moratorium Providers have fully accepted the moratorium. They are not allowed to sell, transfer or assign any part of their respective holding in our Shares as at the date of our Listing, for a period of six (6) months from the date of our Listing.

The above moratorium restrictions are specifically endorsed on the share certificates representing our Shares held by the Moratorium Providers which are under moratorium to ensure that our Share Registrar does not register any transfer that contravenes such restrictions.

3. PROSPECTUS SUMMARY

This Prospectus Summary only highlights the key information from other parts of this Prospectus. It does not contain all the information that may be important to you. You should read and understand the contents of the whole Prospectus prior to deciding whether to invest in our Shares.

3.1 PRINCIPAL DETAILS OF OUR IPO

3.1.1 Institutional Offering

The Institutional Offering involves the offering of up to 204,608,200 IPO Shares, representing up to 17.5% of our enlarged issued Shares, subject to the clawback and reallocation provisions and the Over-allotment Option as set out in Sections 4.2.3 and 4.2.4 of this Prospectus, at the Institutional Price in the following manner:

- (i) 146,148,700 IPO Shares (comprising 116,919,000 Offer Shares and 29,229,700 Issue Shares), representing 12.5% of our enlarged issued Shares to Bumiputera investors approved by the MITI; and
- (ii) up to 58,459,500 IPO Shares (comprising 29,229,700 Offer Shares and 29,229,800 Issue Shares), representing up to 5.0% of our enlarged issued Shares to Malaysian institutional and selected investors (other than Bumiputera investors approved by the MITI).

3.1.2 Retail Offering

The Retail Offering involves the offering of 146,148,700 Offer Shares, representing approximately 12.5% of our enlarged issued Shares, subject to the clawback and reallocation provisions as set out in Section 4.2.3 of this Prospectus, at the Retail Price in the following manner:

(i) Allocation to the Eligible Persons

11,691,900 Offer Shares, representing approximately 1.0% of our enlarged issued Shares, are reserved for application by the Eligible Persons.

(ii) Allocation via balloting to the Malaysian Public

134,456,800 Offer Shares, representing approximately 11.5% of our enlarged issued Shares, are reserved for application by the Malaysian Public, of which 67,228,400 Offer Shares have been set aside for application by Bumiputera citizens, companies, co-operatives, societies and institutions.

3.1.3 Moratorium on our Shares

In accordance with the Equity Guidelines, the Moratorium Providers are not allowed to sell, transfer or assign any part of their respective holding in our Shares as at the date of our Listing, for a period of six (6) months from the date of our Listing. Loo Chuu Lin, Bryan Loo, Loo Chee Leng, Loo Ay Lian, Loo Kheng Sing and Loo Lian Hiyok, are not allowed to sell, transfer or assign any part of their interest in our Shares for a period of six (6) months from the date of our Listing.

Our Public Issue and the Offer for Sale will raise gross proceeds of RM[●] million and RM[●] million, respectively. For further details relating to our IPO and moratorium on our Shares, see Sections 4 and 2.2 of this Prospectus, respectively.

3.2 OUR BUSINESS

Our Company was incorporated in Malaysia under the Act on 23 December 2019 as a private limited company under the name of Loob Sdn Bhd. Our Company was converted into a public company on 17 March 2020.

3. PROSPECTUS SUMMARY (Cont'd)

The principal activity of our Company is investment holding while our subsidiaries are principally involved in the operation and management of F&B retail outlets, trading and supply of raw materials to F&B stores, wholesale of F&B, importing, marketing and selling of soda machines, provision of management services and outsourcing services and finance and account, human resources and training, procurement and supply chain, and marketing.

We own (2) brands, namely Tealive and Bask Bear, that we operate in two (2) segments within the F&B services industry. According to the estimate stated in the IMR Report, Tealive is the largest F&B services brand in Malaysia by number of stores and the largest player within the tea shops segment by number of stores as at the LPD. Our Tealive brand falls within the tea shops segment of the F&B services industry, being F&B services establishments that predominantly focus on serving MTO beverages including bubble beverages, with tea as the base ingredient. Our Bask Bear brand is the largest player within the café segment of the F&B services industry by number of stores as at the LPD according to the estimate stated in the IMR Report. This segment refers to casual dining establishments that are food-focused, with a balance of caffeinated beverage. Our operations for these two (2) brands are carried out through our Corporate Stores and our Franchised/Licensed Stores.

In addition to our Tealive and Bask Bear operations, we also sell sparkling water machines and carbonating gas cylinders to businesses and consumers in Malaysia and Indonesia under the SodaXpress brand which we launched in 2014. Our SodaXpress operations are managed by Sodaxpress International. We also hold a 35.0% equity interest in each of Wonder Group and WonderBrew, which produces and distributes WonderBrew kombucha, a ready-to-drink fermented tea.

Our principal markets are focused in Malaysia, whereas at the LPD, we manage 831 Tealive stores, comprising 547 Tealive Corporate Stores and 284 Tealive Franchised Stores; and 135 Bask Bear stores, comprising 129 Bask Bear Corporate Stores and six (6) Bask Bear Franchised Stores. In addition to the 831 Tealive stores in Malaysia, as at the LPD, we have 121 Tealive Franchised/Licensed Stores in the Philippines, Myanmar, Brunei, Mauritius, Vietnam, Cambodia and Canada. As at the LPD, we have subsisting MFAs in the Philippines (excluding Ilocos region), Myanmar, Mauritius, Cambodia and Canada, subsisting ARDAs in the Philippines (Ilocos region) and Brunei, as well as three (3) newly secured MFAs in India, Thailand and the UAE respectively, and one (1) FA secured in the areas of Dhaka and Chittagong in Bangladesh. While no Tealive Franchised Stores have been opened in these markets, there is a target to open over 400 Tealive Franchised Stores across these countries and regions based on a development schedule of five (5) to ten (10) years depending on the territory as part of our future plans.

For further details on our history, group structure and business, see Sections 6 and 7 of this Prospectus.

3.3 COMPETITIVE STRENGTHS

Our competitive strengths are as follows:

- (i) **We own a diverse portfolio of brands within the fast-growing tea shops and café segments of the F&B service industry in Malaysia, with Tealive being the largest F&B services brand in Malaysia by number of stores according to the estimate stated in the IMR Report**

We have among the highest revenue, gross profit margin and profit before tax margin compared to the top F&B services chains in Malaysia, according to the estimate stated in the IMR Report. The tea shops and cafés segments in Malaysia are fast-growing, presenting significant growth potential. Our strong brand image, bolstered by multiple awards, reflects our commitment to quality and innovation, positioning us for continued success in this ever-evolving industry.

3. PROSPECTUS SUMMARY (Cont'd)**(ii) We offer a diverse F&B range tailored to meet the varying consumption needs of different consumer groups**

Tealive's and Bask Bear's competitive strengths are anchored in our ability to offer a diverse array of F&B products that cater to the varied consumption demands of different consumer groups. Our commitment to consistent taste and quality, bolstered by our product development capabilities, have allowed us to innovate and adapt swiftly to changing market trends, thereby reinforcing our position as a market leader.

(iii) Our brand appeals to a wide base of new-age consumers

Our competitive strengths are exemplified by our ability to resonate with a wide base of new-age consumers, driven by a strong brand presence. We employ diversified store formats for Tealive that specifically target different consumer groups, effectively expanding our reach and accessibility. In response to consumers' growing preference for convenience, we ensure that our offerings are readily available and easy to order. In addition, crossover co-branding, recipe collaborations and strategic partnerships enhance brand visibility and attract new customers, further solidifying our market position.

(iv) We utilise technology to deliver a compelling value proposition to customers

Our competitive strengths are rooted in our adaptive use of technology, which delivers a compelling value proposition to customers. Our Tealive App and Bask Bear App enable us to gain deeper insights into our customers, allowing us to further enhance their overall experience. Leveraging data-driven analytics through our CBIS, we gain valuable insights which drive continuous improvement and our future strategies. In addition, our digitalised marketing efforts effectively engage consumers and amplify brand awareness.

(v) We have a scalable platform that enables us to expand our sales channels and drive our future growth

Our competitive strengths are anchored in our scalable platform, which empowers us to expand our sales channels and drive future growth effectively. Our modular store design formats enable new stores to commence operations quickly and efficiently, maximising our market presence. Coupled with a standardised training program, we ensure that all staff deliver good service and product quality consistently across our existing and new stores.

(vi) We have operational expertise powered by effective supply chain management and robust internal IT infrastructure

Our operational expertise enables streamlined processes and reduced overhead costs, while ensuring the quality of raw materials and consistency in supplies. As a result, we are able to achieve an average payback period of approximately 2.8 years for Tealive Corporate Stores and 2.2 years for Bask Bear Corporate Stores for the FYE 30 June 2024.

(vii) We have an experienced and dedicated founder-led management team with significant expertise

Our Group is managed by our founder-led Key Senior Management team which is headed by our CEO, Bryan Loo, who has over 14 years of experience in the F&B industry. Bryan Loo led the team that developed the business plan, raised capital, secured relevant licences and approvals, and negotiated the terms of agreements in relation to our stores. He is also a key member driving the expansion and modernisation strategies of our operations including the introduction of CBIS in our Group's operations which has been instrumental to our business growth. His leadership was significant for our development thus far and which has in turn laid a strong foundation for our future expansion.

3. PROSPECTUS SUMMARY (Cont'd)

For further details on our competitive strengths, see Section 7.2 of this Prospectus.

3.4 FUTURE PLANS AND STRATEGIES

Our future plans and strategies are as follows:

(i) We plan to increase same-store sales to drive increased consumption and profitability

We plan to increase same-store sales as a key strategy to enhance profitability and target to achieve a positive SSSG. To build on our SSSG momentum, we will focus on expanding our existing product offerings and extending our product lines, all aimed at increasing foot traffic and, consequently, boosting store sales. In addition, we will develop our digital marketing strategy and enhance our overall marketing efforts to engage consumers effectively. Forming strategic partnerships will also play a crucial role in our growth, allowing us to acquire new customers. By prioritising customer satisfaction and loyalty, we aim to create a loyal customer base that drives sustained success.

(ii) We intend to continue our store expansion in Malaysia and internationally

We believe that our existing network of stores, along with our diverse store formats and new Tealive's "asset-lite" kiosk store format, provides a strong foundation to accelerate our nationwide store rollout and expand into new markets. While we aim to accelerate our store network expansion, we will remain disciplined in our execution, adhering to our established processes and criteria for selecting suitable store locations and overseas master franchisees.

(iii) We introduced new FMCG range across modern trade and key accounts including chained hypermarkets, supermarkets, minimarts and convenience stores as well as independent retailers such as sundry shops and local grocers

We have on 14 March 2025 entered into a binding MOU to establish a JV with Aik Cheong to develop, manufacture and distribute our FMCG range, commencing with instant 3-in-1 versions of our most popular beverages. Pursuant to the MOU, on 5 June 2025, we launched nine (9) SKUs across milk tea, chocolate and coffee categories. This collaboration, leveraging our strong brand recognition and appeal among consumers aged 18 to 39, alongside Aik Cheong's expertise in ready-to-drink manufacturing and extensive distribution network across modern and general trade channels in Malaysia and the ASEAN region. We will distribute them nationwide through a dual strategy targeting both modern and traditional retail channels.

(iv) We intend to continue to innovate and automate using technology to drive our sales

We are committed to improve our existing technology infrastructure and apply new technologies to improve productivity and support our rapid expansion. We intend to invest in and improve our existing technologies such as POS systems, kitchen display systems, e-learning application, self-serve kiosks and digital signage (if required) to provide us optimal control over our operations.

(v) We intend to further expand and develop our brand portfolio to capture a broader consumer segment

We aim to expand our existing multi-brand business model to offer our customers a greater variety of choices. In addition, we will continue to develop premium brands to elevate their perceived value and quality and attract discerning consumers. This comprehensive approach will enable us to drive growth and enhance our competitive edge in the industry.

3. PROSPECTUS SUMMARY (Cont'd)

For further details on our future plans and strategies, see Section 7.3 of this Prospectus.

3.5 RISK FACTORS

An investment in our Shares involves a number of risks, many of which are beyond our control. You should carefully consider all of the information contained in this Prospectus, including all the risk factors, before deciding to invest in our Shares. Set out below are the key risks faced by us in our business operations:

- (i) Our success depends largely on our ability to maintain and enhance the value, perception and marketing of our brand and our customers' connection to our brand. Our brands could be damaged by negative publicity on platforms which have pervasive customer reach. Further, any negative report or negative press regarding our business, our brands, our products, the industry in which we operate, our financial condition and results of operations, regardless of its truthfulness, could damage our brand image and severely affect the sales of our products and profitability;
- (ii) A substantial portion of our revenue is derived from our Tealive operations. We anticipate that our Tealive business in Malaysia will continue to be our main revenue driver following our Listing. Our financial results primarily depend on our ability to increase sales and efficiently manage costs in our existing and new Tealive Corporate Stores or Tealive Franchised Stores, as well as to grow our income from franchise agreements. There is no assurance that we will be able to maintain our stores' sales growth or revenue growth in the future;
- (iii) Our business relies on consumer demand for our products, which depends substantially on factors that are continuously evolving. There is no assurance that our efforts to maintain customer loyalty will continue to be effective or that our new product offerings will gain market acceptance. If we are unable to accurately adapt to constantly evolving customer preferences and successfully launch new products, our customers may turn to our other competitors in the tea shop and café segments;
- (iv) We cannot be certain that we will successfully develop and implement our future plans and strategies. These plans may strain our resources if implemented simultaneously and are subject to various external factors beyond our control, which could delay their execution and adversely impact our business, growth prospects, and financial condition;
- (v) Our extensive plans for network expansion and mass roll-out of new stores, both in Malaysia and internationally, expose us to significant business and operational risks including among others, lower cash flows, inadequate funding capability and an inability to hire suitable staff and challenges in maintaining product quality. These risks could result in new stores not being immediately profitable and we may be unable to recover our investment and/or suffer losses;
- (vi) We face several risks associated with our franchisees and licensees business model, including, among others, obligations to ensure compliance with the relevant laws and regulations, the ability of our franchisees and licensees to operate the Tealive Franchised/Licensed Stores effectively and maintaining strong working relationships with our existing and new franchisees and licensees, which may be affected by various factors beyond our control; and
- (vii) The F&B services industry in Malaysia, in particular the tea shop as well as the café segments, is intensely competitive. Our ability to attract new customers and retain existing customers in a cost-effective manner is crucial to driving growth and achieving profitability. There is no assurance that we will be able to continue to attract new customers and that existing customers will remain loyal to us.

For further details on our risk factors, see Section 5 of this Prospectus.

3. PROSPECTUS SUMMARY (Cont'd)

3.6 DIRECTORS AND KEY SENIOR MANAGEMENT

As at the LPD, our Directors and Key Senior Management are as follows:

Name	Designation
Directors	
Tan Sri Datuk Dr. Rebecca Fatima Sta Maria	Independent Non-Executive Chairperson
Loo Chuu Lin	Non-Independent Non-Executive Director
Bryan Loo	Non-Independent Executive Director and CEO
Loo Chee Leng	Non-Independent Executive Director and COO
Lum Ying Ling	Non-Independent Non-Executive Director
Dato' Razman Hafidz bin Abu Zarim	Independent Non-Executive Director
Chen Thai Foong	Independent Non-Executive Director
Low Chooi Hoon	Independent Non-Executive Director
Yeow Boon Siang	Alternate Director to Loo Chuu Lin and International Business Director
Key Senior Management	
Bryan Loo	CEO
Loo Chee Leng	COO
Yeow Boon Siang	International Business Director
Choo Lee Sze	Finance Director
Wong Shu Yan	Projects and Business Development Director

For further details on our Directors and Key Senior Management, see Sections 9.2 and 9.3 of this Prospectus, respectively.

3.7 DIVIDEND POLICY

From the FYE 30 June 2026 onwards, we target a payout ratio of approximately 40.0% to 60.0% of our PATAMI for each financial year on a consolidated basis after taking into account the working capital, maintenance capital and committed capital requirements of our Group. The declaration and payment of any dividend is subject to the confirmation of our Board as well as any applicable law, licence conditions and contractual obligations and provided that such distribution will not be detrimental to our Group's cash requirements or any plans approved by our Board.

The following table sets out our dividends declared and paid for the Financial Years Under Review and up to the LPD:

	FYE 30 June			From 1 July 2024 up to the LPD
	2022	2023	2024	
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Total dividends declared in respect of the financial year	58,120	40,000	28,000	42,025
Total dividends paid	107,666	28,120	30,000	60,025
PATAMI	66,026	38,696	50,797	-
Dividend payout ratio (%) ⁽¹⁾	88.0	103.4	55.1	-

Note:

(1) Computed based on dividend declared divided by PATAMI of our Group for the financial year.

For further details on our dividend policy, see Section 12.4 of this Prospectus.

3. PROSPECTUS SUMMARY (Cont'd)

3.8 PROMOTERS AND SUBSTANTIAL SHAREHOLDERS

The following table sets out the direct and indirect shareholdings of our Promoter and Substantial Shareholders before and after our IPO:

Name/Nationality/Country of incorporation	Before our IPO ⁽¹⁾				After our IPO ⁽²⁾							
	After the Pre-IPO Restructuring				Assuming the Over-allotment Option is not exercised				Assuming the Over-allotment Option is fully exercised ⁽³⁾			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
	No. of Shares (^{'000})	%	No. of Shares (^{'000})	%	No. of Shares (^{'000})	%	No. of Shares (^{'000})	%	No. of Shares (^{'000})	%	No. of Shares (^{'000})	%
Promoters and Substantial Shareholders												
Loo Chuu Lin/Malaysian	224,299	20.2	-	-	208,317	17.8	-	-	208,317	17.8	-	-
Bryan Loo/Malaysian	242,551	21.8	-	-	225,268	19.3	-	-	225,268	19.3	-	-
Loo Chee Leng/Malaysian	189,492	17.1	-	-	175,989	15.1	-	-	175,989	15.1	-	-
Substantial Shareholders												
Singli Aerovest/Malaysia	59,644	5.4	-	-	47,952	4.1	-	-	47,952	4.1	-	-
Dato' Mah Yew Lay/Malaysian	-	-	59,644	⁽⁴⁾ 5.4	-	-	47,952	⁽⁴⁾ 4.1	-	-	47,952	⁽⁴⁾ 4.1
Mah Kok Weng/Malaysian	-	-	59,644	⁽⁴⁾ 5.4	-	-	47,952	⁽⁴⁾ 4.1	-	-	47,952	⁽⁴⁾ 4.1
Uttama/British Virgin Islands	333,219	30.0	-	-	99,381	8.5	-	-	46,768	4.0	-	-
Creador IV/Republic of Mauritius	-	-	333,219	⁽⁵⁾ 30.0	-	-	99,381	⁽⁵⁾ 8.5	-	-	46,768	⁽⁵⁾ 4.0

Notes:

(1) Based on the issued Shares of 1,110,728,703 after the Pre-IPO Restructuring.

(2) Based on the enlarged issued Shares of 1,169,188,203 upon our Listing.

3. PROSPECTUS SUMMARY (Cont'd)

- (3) *Assuming an Over-allotment Option of up to an aggregate of 52,613,500 Shares, representing up to 15.0% of the total number of IPO Shares offered.*
- (4) *Deemed interested by virtue of his shareholding in Singli Aerovest pursuant to Section 8(4) of the Act.*
- (5) *Deemed interested by virtue of its shareholding in Uttama pursuant to Section 8(4) of the Act.*

For further information on our Promoters and Substantial Shareholders, see Section 9.1 of this Prospectus.

3.9 USE OF PROCEEDS

We expect to use the gross proceeds from our Public Issue amounting to RM[●] million⁽¹⁾ in the following manner:

Details of use of proceeds	Estimated timeframe for use from the date of our Listing	RM'000	%
Repayment of existing bank borrowings	Within 6 months	[●]	[●]
Capital expenditure for new Tealive Corporate Stores and Bask Bear Corporate Stores in Malaysia ⁽²⁾	Within 24 months	[●]	[●]
Defray fees and expenses relating to our IPO and Listing ⁽³⁾	Within 3 months	[●]	[●]
Total		[●]	100.0

Notes:

- (1) *We have assumed that the Institutional Price and the Final Retail Price will be equal to the Retail Price.*
- (2) *To part finance the capital expenditure required to open up to 12 new Tealive Corporate Stores and up to 13 new Bask Bear Corporate Stores throughout Malaysia.*
- (3) *Comprising professional fees, fees payable to authorities, brokerage fees, underwriting fees and placement fees as well as other miscellaneous expenses in respect of the Proposals to be borne by Loob.*

For detailed information relating to the use of proceeds arising from our Public Issue, see Section 4.6 of this Prospectus.

3. PROSPECTUS SUMMARY (Cont'd)

3.10 FINANCIAL AND OPERATIONAL HIGHLIGHTS

The following table sets out our selected historical combined financial data for the financial years indicated:

	FYE 30 June		
	Audited		
	2022	2023	2024
	(RM'000)	(RM'000)	(RM'000)
Revenue	422,486	511,747	591,243
Cost of sales	(164,261)	(202,923)	(202,608)
Gross profit	258,225	308,824	388,635
PBT	90,878	54,883	74,983
Profit for the year	64,533	38,515	51,596
Profit for the year attributable to:			
- Owners of our Company	66,026	38,696	50,797
- Non-controlling interests	(1,493)	(181)	799
Gross profit margin (%) ⁽¹⁾	61.1	60.3	65.7
PBT margin (%) ⁽²⁾	21.5	10.7	12.7
PATAMI margin (%) ⁽²⁾	15.6	7.6	8.6
Total equity	61,227	71,565	93,023
Total borrowings (excluding lease liabilities)	14,139	62,657	52,073
Net (cash)/borrowings ⁽³⁾	(9,675)	24,425	5,123
Gearing ratio (times) ⁽⁴⁾	0.2	0.9	0.6
Net gearing ratio (times) ⁽⁵⁾	N/A ⁽⁶⁾	0.3	0.1

Notes:

- (1) Gross profit margin is computed based on gross profit divided by revenue.
- (2) PBT and PATAMI margins are computed based on PBT divided by revenue and PATAMI divided by revenue, respectively.
- (3) Computed based on total borrowings (excluding lease liabilities) less cash and cash equivalents as at the end of the financial year.
- (4) Computed based on total borrowings (excluding lease liabilities) divided by total equity as at the end of the financial year.
- (5) Computed based on total borrowings (excluding lease liabilities) less cash and cash equivalents divided by total equity as at the end of the financial year.
- (6) Net gearing ratio is not applicable as our Group was in a net cash position.

For further details on financial information relating to our Group, see Section 12 of this Prospectus.

3. PROSPECTUS SUMMARY (Cont'd)

3.11 NON-COMPLIANCES WITH THE RELEVANT LAWS, REGULATIONS, RULES AND REQUIREMENTS GOVERNING THE CONDUCT OF THE OPERATIONS OF OUR GROUP

As at 26 May 2025, we have not (i) obtained CCC from the landlords or do not have the documentary evidence of CCC having been issued for some of our stores; nor (ii) obtained the required business, signage and storage licences for some of our stores and storage spaces.

The total estimated cost to rectify the non-compliances and the potential maximum penalties for the outstanding non-compliances referred to in Section 7.18 of this Prospectus are approximately RM11.1 million, which represents approximately 14.8% of our Group's PBT for the FYE 30 June 2024. However, it is unlikely that the potential maximum penalties for all the above non-compliances will be simultaneously imposed as the affected stores are dispersed throughout Malaysia under the jurisdiction of different local councils.

Notwithstanding the above, our Directors undertake to continue to make the necessary applications and/or engage with the relevant authorities to resolve and address the outstanding non-compliance incidents in accordance with the directions of the relevant authorities after our Listing. Our management is following up closely and liaising with relevant authorities to resolve the said non-compliances in the best interest of our Company. We will update our shareholders on the status of our outstanding non-compliance incidents in our annual report.

We have established a CMC comprising of the Key Senior Management and the Director of Strategy and Portfolio. The CMC is responsible for monitoring and overseeing our Group's regulatory compliance matters including the compliance with licencing, certificates and approvals for the businesses and operations of our Group and to ensure that non-compliance incidents are adequately investigated, and issues would be reported to appropriate parties in a timely manner.

As our Group endeavours to fully comply with the applicable laws, rules and regulations in respect of our business operations, our Group has taken various initiatives to rectify the non-compliances. Where the non-compliances remain unresolved at the time of our Listing, the status of the non-compliances will be disclosed in our annual report. See Section 7.18 of this Prospectus for further details on the non-compliances and steps taken by us to address the said non-compliances.

4. DETAILS OF OUR IPO

4.1 INDICATIVE TIMETABLE

The following events are intended to take place on the following indicative time and/or date:

Event	Time and/or date
Opening of the Institutional Offering	[•]
Issuance of the Prospectus/Opening of the Retail Offering	10:00 a.m., [•]
Closing of the Retail Offering	5:00 p.m., [•]
Closing of the Institutional Offering	[•]
Price Determination Date	[•]
Balloting of applications for our Offer Shares under the Retail Offering	[•]
Allotment/Transfer of our IPO Shares to successful applicants	[•]
Listing	[•]

In the event there is any change to the timetable, we will advertise the notice of changes in widely circulated English and Bahasa Malaysia daily newspapers within Malaysia and make an announcement on the website of Bursa Securities.

4.2 PARTICULARS OF OUR IPO AND PLAN OF DISTRIBUTION

Our IPO is subject to the terms and conditions of this Prospectus. Upon acceptance, our IPO Shares are expected to be allocated in the manner described below, subject to the clawback and reallocation provisions and the Over-allotment Option as set out in Sections 4.2.3 and 4.2.4 of this Prospectus, respectively.

Our IPO consists of the Institutional Offering and the Retail Offering, totaling up to 350,756,900 IPO Shares, representing up to approximately 30.0% of our enlarged issued Shares. For the avoidance of doubt, our IPO Shares offered under the Institutional Offering and the Retail Offering do not include our Shares under the Over-allotment Option.

4.2.1 Institutional Offering

The Institutional Offering involves the offering of up to 204,608,200 IPO Shares, representing up to 17.5% of our enlarged issued Shares, subject to the clawback and reallocation provisions and the Over-allotment Option as set out in Sections 4.2.3 and 4.2.4 of this Prospectus, at the Institutional Price in the following manner:

- (i) 146,148,700 IPO Shares (comprising 116,919,000 Offer Shares and 29,229,700 Issue Shares), representing 12.5% of our enlarged issued Shares to Bumiputera investors approved by the MITI; and
- (ii) up to 58,459,500 IPO Shares (comprising 29,229,700 Offer Shares and 29,229,800 Issue Shares), representing up to 5.0% of our enlarged issued Shares to Malaysian institutional and selected investors (other than Bumiputera investors approved by the MITI).

4. DETAILS OF OUR IPO (Cont'd)

4.2.2 Retail Offering

The Retail Offering involves the offering of 146,148,700 Offer Shares, representing approximately 12.5% of our enlarged issued Shares, subject to the clawback and reallocation provisions as set out in Section 4.2.3 of this Prospectus, at the Retail Price in the following manner:

(i) Allocation to the Eligible Persons

11,691,900 Offer Shares, representing approximately 1.0% of our enlarged issued Shares, are reserved for application by the Eligible Persons in the following manner:

Category of Eligible Persons	No. of Eligible Persons	Aggregate no. of Offer Shares allocated
Our Directors ⁽¹⁾	2	500,000
Eligible employees of our Group ⁽²⁾	243	3,166,500
Persons who have contributed to the success of our Group ⁽³⁾	289	8,025,400
Total	534	11,691,900

Notes:

- (1) The criteria for allocation to our Directors are based on, among others, their respective roles and responsibilities in our Company. Save for Tan Sri Datuk Dr. Rebecca Fatima Sta Maria, Lum Ying Ling and Low Chooi Hoon who have indicated that they will not be subscribing for any Offer Shares, our Directors intend to subscribe for the Offer Shares allocated to them as follows:

Name	No. of Offer Shares allocated
Dato' Razman Hafidz bin Abu Zarim	250,000
Chen Thai Foong	250,000
Total	500,000

- (2) The allocation of our Offer Shares to the eligible employees of our Group is to be made to full-time confirmed employees of our Group based on, among others, their job grade, length of service, performance and their past contributions to our Group. The number of 425,500 Offer Shares to be allocated to our Key Senior Management are as follows:

Name	No. of Offer Shares allocated
Choo Lee Sze	200,500
Wong Shu Yan	225,000
Total	425,500

- (3) The criteria for the allocation of our Offer Shares to persons who have contributed to the success of our Group are based on, among others, their length of business relationship with our Group and their contributions to the success of our Group.

4. DETAILS OF OUR IPO (Cont'd)

(ii) Allocation via balloting to the Malaysian Public

134,456,800 Offer Shares, representing approximately 11.5% of our enlarged issued Shares, are reserved for application by the Malaysian Public, of which 67,228,400 Offer Shares have been set aside for application by Bumiputera citizens, companies, co-operatives, societies and institutions.

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4. DETAILS OF OUR IPO (Cont'd)

In summary, our IPO Shares will be allocated, subject to the clawback and reallocation provisions and the Over-allotment Option as set out in Sections 4.2.3 and 4.2.4 of this Prospectus, respectively, in the following manner:

Category	Offer for Sale		Public Issue		Total	
	No. of Shares	% of our enlarged issued Shares ⁽¹⁾	No. of Shares	% of our enlarged issued Shares ⁽¹⁾	No. of Shares	% of our enlarged issued Shares ⁽¹⁾
Retail Offering:						
Eligible Persons:						
- Our Directors	500,000	*	-	-	500,000	*
- Eligible employees of our Group	3,166,500	0.3	-	-	3,166,500	0.3
- Persons who have contributed to the success of our Group	8,025,400	0.7	-	-	8,025,400	0.7
Malaysian Public (via balloting):						
- Bumiputera	67,228,400	5.75	-	-	67,228,400	5.75
- Non-Bumiputera	67,228,400	5.75	-	-	67,228,400	5.75
Sub-total	146,148,700	12.5	-	-	146,148,700	12.5
Institutional Offering:						
- Bumiputera investors approved by the MITI	116,919,000	10.0	29,229,700	2.5	146,148,700	12.5
- Malaysian institutional and selected investors	29,229,700	2.5	29,229,800	2.5	58,459,500	5.0
Sub-total	146,148,700	12.5	58,459,500	5.0	204,608,200	17.5
Total	292,297,400	25.0	58,459,500	5.0	350,756,900	30.0

Notes:

* Negligible.

(1) Based on the enlarged issued Shares of 1,169,188,203 upon our Listing.

The completion of the Retail Offering and the Institutional Offering are inter-conditional. Our IPO is also subject to the public shareholding spread requirement under the Listing Requirements as set out in Section 4.2.7 of this Prospectus.

4. DETAILS OF OUR IPO (Cont'd)

4.2.3 Clawback and reallocation

The Institutional Offering and the Retail Offering shall be subject to the following clawback and reallocation provisions:

- (i) if our Offer Shares allocated to Eligible Persons are under-subscribed, such Offer Shares may be allocated to the other institutional and selected investors under the Institutional Offering or the Malaysian Public under the Retail Offering or a combination of both, at the discretion of the Joint Bookrunners and us;
- (ii) if our IPO Shares allocated to Bumiputera investors approved by the MITI ("**MITI Tranche**") are under-subscribed, such IPO Shares shall be allocated to Bumiputera public investors under the Retail Offering via balloting process.

If after the above reallocation, the MITI Tranche is still not fully taken-up by the Bumiputera public investors, and there is a corresponding over-subscription for our IPO Shares under the Institutional Offering and for the Offer Shares under the Retail Offering by the non-Bumiputera investors, our IPO Shares will be clawed back from the MITI Tranche and allocated firstly, to the Malaysian institutional investors under the Institutional Offering, and thereafter to the selected investors under the Institutional Offering, and subsequently to the other Malaysian Public under the Retail Offering;

- (iii) subject to items (i) and (ii) above, if there is an over-subscription in the Retail Offering and there is a corresponding under-subscription in the Institutional Offering, our IPO Shares may be clawed back from the Institutional Offering and allocated to the Retail Offering; and
- (iv) subject to item (i) above, if there is an over-subscription in the Institutional Offering and there is a corresponding under-subscription in the Retail Offering, our Offer Shares may be clawed back from the Retail Offering and allocated to the Institutional Offering.

There will be no clawback and reallocation if there is an over-subscription or under-subscription in both the Institutional Offering and the Retail Offering or an under-subscription in either the Institutional Offering or the Retail Offering but no over-subscription in the other.

Any Offer Shares not taken up by any of the Eligible Persons ("**Excess Offer Shares**") will be made available for application by the other Eligible Persons who have applied for the Excess Offer Shares on top of their pre-determined allocation and allocated on a fair and equitable basis and in the following priority:

- (a) firstly, allocation on a pro-rata basis to our Directors and eligible employees of our Group who have applied for the Excess Offer Shares based on the number of Excess Offer Shares applied for;
- (b) secondly, allocation of any surplus Excess Offer Shares after item (a) above on a pro-rata basis to persons who have contributed to the success of our Group who have applied for the Excess Offer Shares based on the number of Excess Offer Shares applied for; and
- (c) thirdly, to minimise odd lots.

Our Board reserves the right to allot Excess Offer Shares applied for in such manner as it may deem fit and expedient in the best interest of our Company, subject always to such allocation being made on a fair and equitable basis, and that the intention of our Board as set out in items (a) to (c) above is achieved. Our Board also reserves the right to accept or reject any Excess Offer Shares application, in full or in part, without assigning any reason.

4. DETAILS OF OUR IPO (Cont'd)

Once completed, the steps involving items (a) to (c) above will not be repeated. Should there be any balance of Excess Offer Shares thereafter, such balance will be made available for clawback and reallocation as described in item (i) above. Any Offer Shares under the Retail Offering not applied for after being subject to the clawback and reallocation provisions above shall be underwritten by the Joint Underwriters.

As at the LPD, to the best of our knowledge and belief:

- (i) none of our Substantial Shareholders, Directors or Key Senior Management have indicated that they intend to subscribe for our IPO Shares, save for our Offer Shares made available for application under the Pink Form Allocation; and
- (ii) there is no person who intends to subscribe for more than 5.0% of our IPO Shares.

4.2.4 Over-allotment Option

The Over-allotment Option Provider may grant an Over-allotment Option to the Stabilising Manager (on behalf of the Joint Bookrunners) and may together with our Company appoint the Stabilising Manager to undertake any price stabilisation actions. The Stabilising Manager (or person(s) acting on behalf of the Stabilising Manager) may at its absolute discretion, over-allot our Shares (on behalf of the Joint Bookrunners) and subsequently, effect transactions to stabilise or maintain the market price of our Shares at levels that might not otherwise prevail in the open market.

Such transactions consist of bids or purchases to peg, fix or maintain the price of our Shares. If the Stabilising Manager creates a short position in our Shares in connection with the Institutional Offering, the Stabilising Manager may reduce that short position by purchasing our Shares in the open market. The Stabilising Manager may also elect to reduce any short positions by exercising all or part of the Over-allotment Option.

If granted, the Over-allotment Option will be exercisable in whole or in part by the Stabilising Manager, on one or more occasions, by giving written notice to the Over-allotment Option Provider at any time, within 30 days from the date of our Listing to purchase from the Over-allotment Option Provider up to an aggregate of 52,613,500 Shares, representing up to 15.0% of the total number of our IPO Shares offered, solely for purposes of covering over-allotments of our Shares (if any).

Subject to there being an over-allotment, the Stabilising Manager will (on behalf of the Joint Bookrunners) enter into the Share Lending Agreement with the Over-allotment Option Provider to borrow up to an aggregate of 52,613,500 Shares to cover the over-allotments. Any Shares that may be borrowed by the Stabilising Manager under the Share Lending Agreement will be returned by the Stabilising Manager to the Over-allotment Option Provider either through the purchase of our Shares in the open market by the Stabilising Manager in the conduct of the stabilisation activities or deemed returned through the exercise of the Over-allotment Option by the Stabilising Manager or a combination of both. The exercise of the Over-allotment Option will not increase the total number of Shares issued and is not intended to constitute an offer for sale of our Shares by the Over-allotment Option Provider under our IPO.

Purchases of a security to stabilise the price or to cover the over-allotment may cause the price of the security to be higher than it might be in the absence of these purchases. Such transactions may be effected on the Main Market and in other jurisdictions where it is permissible to do so, in each case, in compliance with all applicable laws and regulations, including the CMSA and any regulations thereunder.

4. DETAILS OF OUR IPO (Cont'd)

The number of Shares that the Stabilising Manager (or person(s) acting on behalf of the Stabilising Manager) may buy to undertake stabilising action, shall not exceed an aggregate of 52,613,500 Shares, representing up to 15.0% of the total number of our IPO Shares offered. However, there is no obligation on the Stabilising Manager (or person(s) acting on behalf of the Stabilising Manager) to undertake such stabilising action. Such stabilising actions may commence on or after the commencement of trading of our Shares on the Main Market and, if commenced, may be discontinued at any time and cannot be effected after the earlier of (i) the date falling 30 days from the commencement of trading of our Shares on the Main Market; or (ii) the date when the Stabilising Manager has bought, on the Main Market, an aggregate of 52,613,500 Shares, representing up to 15.0% of the total number of our IPO Shares offered to undertake the stabilising action.

Neither our Company, the Over-allotment Option Provider nor the Stabilising Manager makes any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of our Shares. In addition, neither our Company, the Over-allotment Option Provider nor the Stabilising Manager makes any representation that the Stabilising Manager will engage in such transactions, or that such transactions once commenced, will not be discontinued without notice (unless such notice is required by law).

4.2.5 Share capital

Upon completion of our IPO, our share capital will be as follows:

	No. of Shares	RM'000
After the Pre-IPO Restructuring	1,110,728,703	28,768
To be issued under our Public Issue	58,459,500	⁽¹⁾ [●]
Enlarged number of issued Shares and share capital upon Listing	1,169,188,203	[●]

Note:

(1) Calculated based on the Retail Price and after adjusting against our share capital, the estimated listing expenses of approximately RM[●] million assumed to be directly attributable to our Public Issue.

4.2.6 Classes of shares and ranking

As at the date of this Prospectus, we only have one (1) class of shares, being ordinary shares.

Our Issue Shares will, upon allotment and issue, rank equally in all respects with our existing issued Shares including voting rights, and will be entitled to all rights, dividends and other distributions that may be declared subsequent to the date of allotment of our Issue Shares, subject to any applicable Rules of Bursa Depository.

Our Offer Shares rank equally in all respects with our other existing issued Shares including voting rights, and will be entitled to all rights, dividends and other distributions that may be declared subsequent to the date of transfer of our Offer Shares, subject to any applicable Rules of Bursa Depository.

4. DETAILS OF OUR IPO (Cont'd)

Subject to any special rights attaching to any Shares we may issue in the future, our shareholders will, in proportion to the amount paid on our Shares held by them, be entitled to share the profits paid out by us in the form of dividends and other distributions. Similarly, if our Company is liquidated, our shareholders will be entitled to the surplus (if any), in accordance with our Constitution after the satisfaction of any preferential payments in accordance with the Act and our liabilities.

At every general meeting of our Company, each of our shareholders will be entitled to vote in person, by proxy, by attorney or by other duly authorised representative. Any resolution set out in the notice of any general meeting, or in any notice of resolution which may properly be moved and is intended to be moved at any general meeting, is voted by poll. On a poll, each shareholder present either in person, by proxy, by attorney or by other duly authorised representative will have one vote for each Share held or represented. A proxy may but need not be a member of our Company.

4.2.7 Minimum subscription level

There is no minimum subscription level in terms of proceeds to be raised under our IPO. However, in order to comply with the public shareholding spread requirement under the Listing Requirements, the minimum subscription level in terms of the number of IPO Shares will be the number of Shares required to be held by the public shareholders of our Company to comply with the minimum public shareholding spread requirement under the Listing Requirements or as approved by Bursa Securities.

Under the Listing Requirements, we are required to have a minimum of 25.0% of our Shares held by at least 1,000 public shareholders, each holding not less than 100 Shares at the point of our Listing.

If the above requirement is not met, we may not be able to proceed with our Listing. See Section 5.3.4 of this Prospectus for details in the event there is a delay in or termination of our Listing.

4. DETAILS OF OUR IPO (Cont'd)

4.3 SELLING SHAREHOLDERS

Our Offer Shares to be offered by each Selling Shareholder and their respective direct shareholding in our Company before and after our IPO and their material relationship with our Group within the past three (3) years are as follows:

Selling shareholder	Material relationship with our Group	After the Pre-IPO Restructuring		Shares to be offered under the Offer for Sale		Shareholding after our IPO assuming the Over-allotment Option is not exercised		Shares under the Over-allotment Option		Shareholding assuming the Over-allotment Option is fully exercised ⁽³⁾	
		No. of Shares	⁽¹⁾ %	No. of Shares	⁽²⁾ %	No. of Shares	⁽²⁾ %	No. of Shares	⁽²⁾ %	No. of Shares	⁽²⁾ %
		('000)		('000)		('000)		('000)		('000)	
Uttama	Substantial Shareholder	333,219	30.0	233,838	⁽¹⁾ 21.1/ ⁽²⁾ 20.0	99,381	8.5	52,614	4.5	46,767	4.0
Loo Chuu Lin	Promoter and Substantial Shareholder	224,299	20.2	15,982	⁽¹⁾ 1.4/ ⁽²⁾ 1.4	208,317	17.8	-	-	208,317	17.8
Bryan Loo	Promoter and Substantial Shareholder	242,551	21.8	17,283	⁽¹⁾ 1.6/ ⁽²⁾ 1.5	225,268	19.3	-	-	225,268	19.3
Loo Chee Leng	Promoter and Substantial Shareholder	189,492	17.1	13,502	⁽¹⁾ 1.2/ ⁽²⁾ 1.2	175,989	15.1	-	-	175,989	15.1
Singli Aerovest	Substantial Shareholder	59,644	5.4	11,692	⁽¹⁾ 1.1/ ⁽²⁾ 1.0	47,952	4.1	-	-	47,952	4.1

Notes:

(1) Based on the issued Shares of 1,110,728,703 after the Pre-IPO Restructuring.

(2) Based on the enlarged issued Shares of 1,169,188,203 upon our Listing.

(3) Assuming an Over-allotment Option of up to an aggregate of 52,613,500 Shares, representing up to 15.0% of the total number of IPO Shares offered.

4. DETAILS OF OUR IPO (Cont'd)

4.4 BASIS OF ARRIVING AT THE PRICE OF OUR IPO SHARES AND REFUND MECHANISM

4.4.1 Retail Price

The Retail Price was determined and agreed upon between our Directors and the Selling Shareholders in consultation with the Joint Bookrunners, after taking into consideration the following factors:

- (i) PER of approximately [●] times based on our EPS of 4.34 sen after taking into account our PATAMI of RM50.8 million for the FYE 30 June 2024 and the enlarged issued Shares of 1,169,188,203 upon our Listing;
- (ii) PER of approximately [●] times based on our EPS of 5.44 sen after taking into account our pro forma PATAMI of RM63.6 million for the FYE 30 June 2024 after adjusting for the Transfer of Loob Philippines and the enlarged issued Shares of 1,169,188,203 upon our Listing;
- (iii) pro forma combined NA per Share of RM[●] as at 30 June 2024 after our IPO based on the enlarged issued Shares of 1,169,188,203 upon our Listing;
- (iv) our competitive strengths, as follows:
 - (a) we own a diverse portfolio of brands within the fast-growing tea shops and café segments of the F&B service industry in Malaysia, with Tealive being the largest F&B services brand in Malaysia by number of stores;
 - (b) we offer a diverse F&B range tailored to meet the varying consumption needs of different consumer groups;
 - (c) our brand appeals to a wide base of new-age consumers;
 - (d) we utilise technology to deliver a compelling value proposition to customers;
 - (e) we have a scalable platform that enables us to expand our sales channels and drive our future growth;
 - (f) we have operational expertise powered by effective supply chain management and robust internal IT infrastructure; and
 - (g) we have an experienced and dedicated founder-led management team with significant expertise;
- (v) our future plans and strategies, as follows:
 - (a) we plan to increase same-store sales to drive increased consumption and profitability;
 - (b) we intend to continue our store expansion in Malaysia and internationally;
 - (c) we introduced a new FMCG range across modern trade and key accounts including chained hypermarkets, supermarkets, minimarts and convenience stores as well as independent retailers such as sundry shops and local grocers;
 - (d) we intend to continue to innovate and automate using technology to drive our sales; and

4. DETAILS OF OUR IPO (Cont'd)

- (e) we intend to further expand and develop our brand portfolio to capture a broader consumer segment;
- (vi) outlook of the F&B services industry, as described in Section 8 of this Prospectus; and
- (vii) prevailing market conditions, including market performance of key global indices and companies involved in similar businesses listed on Bursa Securities and regional stock exchanges, current market trends as well as investors' sentiments.

The Final Retail Price will be determined after the Institutional Price is fixed on the Price Determination Date and will be the lower of:

- (i) the Retail Price; or
- (ii) the Institutional Price.

If the Final Retail Price is lower than the Retail Price, the difference between the Retail Price and the Final Retail Price will be refunded to the successful applicants without any interest thereon. Further details on the refund mechanism are set out in Section 4.4.3 of this Prospectus.

The Final Retail Price and the Institutional Price will be announced within two (2) Market Days from the Price Determination Date via Bursa Listing Information Network. In addition, all successful applicants will be given written notice of the Final Retail Price and the Institutional Price, together with the notices of allotment for our IPO Shares.

4.4.2 Institutional Price

The Institutional Price will be determined by a bookbuilding process wherein prospective institutional and selected investors will be invited to bid for portions of the Institutional Offering by specifying the number of our IPO Shares they would be prepared to acquire and the price they would be prepared to pay for our IPO Shares in respect of the Institutional Offering. This bookbuilding process commenced on [●] and will end on [●]. Upon completion of the bookbuilding process, the Institutional Price will be fixed by our Directors and the Selling Shareholders in consultation with the Joint Bookrunners on the Price Determination Date.

4.4.3 Refund mechanism

If the Final Retail Price is lower than the Retail Price, the difference between the Retail Price and the Final Retail Price will be refunded to the successful applicants without any interest. The refund will be made:

- (i) in the form of cheques to be despatched by ordinary post to the address maintained with Bursa Depository for applications made via the Application Form; or
- (ii) by crediting into the accounts of the successful applicants with the Participating Financial Institution for applications made via the Electronic Share Application or the Internet Participating Financial Institution for applications made via the Internet Share Application,

within ten (10) Market Days from the date of final ballot of applications, at the successful applicants' own risk.

For further details on the refund mechanism, see Section 15.9 of this Prospectus.

4. DETAILS OF OUR IPO (Cont'd)

4.4.4 Expected market capitalisation

Based on the Retail Price, the total market capitalisation of our Company upon our Listing would be approximately RM[●] million.

You should also note that the market price of our Shares upon our Listing is subject to the vagaries of market forces and other uncertainties. You are reminded to carefully consider the risk factors as set out in Section 5 of this Prospectus.

4.5 DILUTION

Dilution is the amount by which our pro forma combined NA per Share after our IPO is less than the price paid by retail, institutional and selected investors for our Shares. Our pro forma combined NA per Share as at 30 June 2024 after adjusting for the following:

- (i) the Transfer of Loob Philippines;
- (ii) the Pre-IPO Dividends;
- (iii) the drawdown of revolving credit facilities granted by OCBC AL-Amin Bank Berhad of RM24.0 million by BB Coffee ("RC Drawdown"); and
- (iv) the Pre-IPO Restructuring,

but before adjusting for our IPO was RM0.03, based on the enlarged issued Shares of 1,110,728,703 after the Pre-IPO Restructuring.

After taking into account the enlarged issued Shares from the issuance of 58,459,500 Issue Shares, Transfer of Loob Philippines, Pre-IPO Dividends, RC Drawdown, Pre-IPO Restructuring and after adjusting for the use of proceeds from our Public Issue, our pro forma combined NA per Share as at 30 June 2024 would be RM[●]. This represents an immediate increase in combined NA per Share of RM[●] to our existing shareholders and an immediate dilution in NA per Share of RM[●] (representing [●]%) of the Retail Price and the Institutional Price (assuming the Final Retail Price and the Institutional Price will equal the Retail Price), to the retail/institutional and selected investors.

The following table illustrates the dilution on a per Share basis assuming the Retail Price is equal to the Final Retail Price and the Institutional Price:

	<u>RM</u>
Final Retail Price/Institutional Price	[●]
Pro forma combined NA per Share as at 30 June 2024, after adjusting for the Transfer of Loob Philippines, Pre-IPO Dividends, RC Drawdown and Pre-IPO Restructuring, and before adjusting for our IPO	0.03
Pro forma combined NA per Share as at 30 June 2024, after adjusting for the Transfer of Loob Philippines, Pre-IPO Dividends, RC Drawdown and Pre-IPO Restructuring, and after adjusting for the use of proceeds from our Public Issue	[●]
Increase in pro forma combined NA per Share to our existing shareholders	[●]
Dilution in pro forma combined NA per Share to the retail/institutional and selected investors	[●]

4. DETAILS OF OUR IPO (Cont'd)**RM**

Dilution in pro forma combined NA per Share to the retail/institutional and selected investors as a percentage of the Retail Price/Institutional Price [●]

Save for our Shares issued pursuant to the Pre-IPO Restructuring, none of our Substantial Shareholders, Directors, Key Senior Management or persons connected to them had acquired, obtained the right to acquire and/or subscribe for our Shares in the past three (3) years up to and including the LPD.

4.6 USE OF PROCEEDS

We expect to use the gross proceeds from our Public Issue amounting to RM[●] million⁽¹⁾ in the following manner:

Details of use of proceeds	Estimated timeframe for use from the date of our Listing	RM'000	%
Repayment of existing bank borrowings	Within 6 months	[●]	[●]
Capital expenditure for new Tealive Corporate Stores and Bask Bear Corporate Stores in Malaysia	Within 24 months	[●]	[●]
Defray fees and expenses relating to our IPO and Listing	Within 3 months	[●]	[●]
Total		[●]	100.0

Note:

(1) We have assumed that the Institutional Price and the Final Retail Price will be equal to the Retail Price.

Further details on the use of proceeds from our Public Issue are as follows:

4.6.1 Repayment of existing bank borrowings

As at the LPD, our Group's existing bank borrowings amounted to approximately RM75.4 million. We intend to use RM[●] million of the total gross proceeds from our Public Issue to repay the following credit facilities:

Facility	: Islamic revolving credit facilities ⁽¹⁾⁽²⁾
Bank	: OCBC Al-Amin Bank Berhad
Amount outstanding as at the LPD	: RM65,400,000
Effective profit rate	: 4.19% per annum

Notes:

(1) The Islamic revolving credit facilities were obtained by Loob Holding to fund the working capital requirements of our Group including for the purpose of purchase of raw materials and packaging materials, payment of distribution expenses and payment of administrative and selling expenses.

4. DETAILS OF OUR IPO (Cont'd)

- (2) *The Islamic revolving credit facilities of RM18.0 million, RM4.0 million, RM10.0 million and RM33.4 million which were last drawn down on 14 February 2025, 24 February 2025, 28 February 2025 and 3 March 2025 have a tenure of 28, 32, 28 and 31 days respectively, and will mature on 14 March 2025, 28 March 2025, 28 March 2025 and 3 April 2025. For information purposes, upon maturity, the matured revolving credits will be rolled over into new revolving credit facilities on a monthly basis.*

The repayment of the Islamic revolving credit facilities is expected to have a positive financial impact on our Group with financing cost savings of approximately RM[●] million per annum based on the effective profit rate of approximately 4.19%. The repayment of bank borrowings will lower our gearing ratio and reduce our financing cost, thereby strengthening our Company's financial position and free up our cash flows that can be channelled towards initiatives that directly support the improvement in our SSSG such as expanding our product offerings, enhancing our marketing efforts and upgrading our Tealive App and Bask Bear App as set out in Section 7.3.1 of this Prospectus.

4.6.2 Capital expenditure for new Tealive Corporate Stores and Bask Bear Corporate Stores in Malaysia

We intend to use approximately RM[●] million of the total gross proceeds from our Public Issue to part finance the capital expenditure required to open up to 12 new Tealive Corporate Stores and 13 new Bask Bear Corporate Stores in shopping malls and/or standalone shop lots throughout Malaysia in tandem with our future plans as set out in Section 7.3.2 of this Prospectus, which will support our efforts to expand our retail footprint and enable us to capture a broader consumer base and grow our brand presence.

The historical average costs of setting up a new Tealive Corporate Store and a new Bask Bear Corporate Store are approximately RM[●] and RM[●] respectively, depending on location, store format and size of the stores. As such, we have used these historical costs as a basis for the capital expenditure required. Should there be any material variances in the future with regards to the set-up cost, the shortfall will be covered by our Group's internally generated funds. The capital expenditure per Tealive Corporate Store or Bask Bear Corporate Store includes, among others, renovation costs (flooring, piping, drainage, electrical works, carpentry and lightings), signage, POS system installation and purchase of kitchen equipment.

As at the LPD, we are still in the process of identifying suitable locations for the shopping malls and/or standalone shop lots store formats. The estimated capital expenditure required will depend on the final locations and sizes of the stores and may vary accordingly.

4.6.3 Defray fees and expenses for our IPO and Listing

The estimated fees and expenses for our IPO and Listing to be borne by us are estimated to be RM[●] million, comprising the following:

	RM'000	%
Professional fees ⁽¹⁾	[●]	[●]
Fees payable to authorities ⁽²⁾	[●]	[●]
Placement fees	[●]	[●]
Other fees and expenses such as printing, advertising, travel and roadshow expenses	[●]	[●]
Total	[●]	100.0

4. DETAILS OF OUR IPO (Cont'd)**Notes:**

- (1) *Includes professional fees for, among others, the Principal Adviser, legal advisers, Reporting Accountants, IMR, internal control consultant, company secretary, Issuing House and Share Registrar.*
- (2) *Includes fees payable to the SC and Bursa Securities.*

If the actual fees and expenses for our IPO and Listing are higher than budgeted, the shortfall will be covered by our Group's internally generated funds. On the other hand, if the actual fees and expenses are lower than budgeted, the difference will be used to repay existing bank borrowings.

The actual proceeds accruing to our Group will depend on the Institutional Price and the Final Retail Price. If the actual proceeds are higher than budgeted above, the excess will be used to fund our capital expenditure for new Tealive Corporate Stores or Bask Bear Corporate Stores. Conversely if the actual proceeds are lower than budgeted above, the proceeds allocated for our capital expenditure for new Tealive Corporate Stores or Bask Bear Corporate Stores will be reduced.

Given the timing of the use of proceeds to be raised from our Public Issue may not be immediate and as part of our efficient capital management to maximise profit income, we intend to place the proceeds raised from our Public Issue or any balance (including accrued profit, if any) in the interest-bearing accounts with the licenced financial institution(s) and/or in money-market deposit instruments/funds.

Our Company will not receive any proceeds from the Offer for Sale. The total gross proceeds from the Offer for Sale of up to approximately RM[●] million will accrue entirely to the Selling Shareholders. The Selling Shareholders will bear their own brokerage fees, underwriting fees and placement fees as well as other miscellaneous expenses for the Offer for Sale which are estimated to be approximately RM[●] million.

4.7 BROKERAGE FEE, UNDERWRITING COMMISSION AND PLACEMENT FEE**4.7.1 Brokerage fee**

The Selling Shareholders will pay brokerage in respect of our Offer Shares under the Retail Offering at the rate of [●]% (exclusive of applicable tax) of the Final Retail Price in respect of all successful applications which bear the stamp of either the participating organisations of Bursa Securities, members of the Association of Banks in Malaysia, members of the Malaysian Investment Banking Association and/or the Issuing House.

The Joint Bookrunners are entitled to charge brokerage commission to successful applicants under the Institutional Offering. For the avoidance of doubt, such brokerage commission under the Institutional Offering will not be payable by us or the Selling Shareholders.

4.7.2 Underwriting commission

As stipulated in the Retail Underwriting Agreement, the Sole Managing Underwriter and the Joint Underwriters have agreed to underwrite our Offer Shares under the Retail Offering for an underwriting commission of up to [●]% (exclusive of applicable tax) of the Retail Price multiplied by the total number of Offer Shares underwritten under the Retail Offering in accordance with the terms of the Retail Underwriting Agreement.

4. DETAILS OF OUR IPO (Cont'd)

4.7.3 Placement fee

The Selling Shareholders for our Offer Shares and us for our Issue Shares will pay the Joint Bookrunners a placement fee and selling commission of [●]% (exclusive of applicable tax) of the Institutional Price multiplied by the number of IPO Shares sold to the institutional and selected investors in accordance with the terms of the Placement Agreement.

4.8 DETAILS OF THE UNDERWRITING, PLACEMENT AND LOCK-UP ARRANGEMENTS**4.8.1 Underwriting**

We and the Selling Shareholders have entered into the Retail Underwriting Agreement with the Sole Managing Underwriter and the Joint Underwriters to severally and not jointly (nor jointly and severally) underwrite 146,148,700 Offer Shares under the Retail Offering, subject to the clawback and reallocation provisions as set out in Section 4.2.3 of this Prospectus and upon the terms and subject to the conditions of the Retail Underwriting Agreement.

Details of the underwriting commission are set out in Section 4.7.2 of this Prospectus, while the salient terms of the Retail Underwriting Agreement are as follows:

[●]

4.8.2 Placement

We and the Selling Shareholders expect to enter into the Placement Agreement with the Joint Bookrunners in relation to the placement of up to 204,608,200 IPO Shares under the Institutional Offering, subject to the clawback and reallocation provisions and the Over-allotment Option as set out in Sections 4.2.3 and 4.2.4 of this Prospectus. We and the Selling Shareholders will be requested to give various representations, warranties and undertakings, and to indemnify the Joint Bookrunners against certain liabilities in connection with our IPO. The terms of the Placement Agreement are subject to negotiations and may include termination events that are different from those under the Retail Underwriting Agreement as set out in Section 4.8.1 of this Prospectus.

4.8.3 Lock-up arrangement

[●]

4. DETAILS OF OUR IPO (Cont'd)

4.9 TRADING AND SETTLEMENT IN SECONDARY MARKET

Upon our Listing, our Shares will be traded through Bursa Securities and settled by book-entry settlement through the CDS, which is operated by Bursa Depository. This will be effected in accordance with the Rules of Bursa Depository and the provisions of the SICDA. Accordingly, we will not deliver share certificates to subscribers or purchasers of our IPO Shares.

Beneficial owners of our Shares are required under the Rules of Bursa Depository to maintain our Shares in CDS accounts, either directly in their names or through authorised nominees. Persons whose names appear in the Record of Depositors maintained by Bursa Depository will be treated as our shareholders in respect of the number of Shares credited to their respective CDS accounts.

Transactions in our Shares under the book-entry settlement system will be reflected by the seller's CDS account being debited with the number of Shares sold and the buyer's CDS account being credited with the number of Shares acquired. No transfer stamp duty is currently payable for our Shares that are settled on a book-entry basis, although there is a nominal transfer fee of RM10 payable for each transfer not transacted on the market.

Shares held in CDS accounts may not be withdrawn from the CDS except in the following instances:

- (i) to facilitate a share buy-back;
- (ii) to facilitate conversion of debt securities;
- (iii) to facilitate company restructuring process;
- (iv) where a body corporate is removed from the Official List;
- (v) to facilitate a rectification of any error; and
- (vi) in any other circumstances determined by Bursa Depository from time to time, after consultation with the SC.

Trading of shares of companies listed on Bursa Securities is normally done in "board lots" of 100 shares. Investors who desire to trade less than 100 shares are required to trade under the odd lot board. Settlement of trades done on a "ready" basis on Bursa Securities generally takes place on the second Market Day following the transaction date, and payment for the securities is generally settled on the second Market Day following the transaction date.

It is expected that our Shares will commence trading on Bursa Securities approximately ten (10) Market Days after the close of the Institutional Offering. Subscribers of our Shares will not be able to sell or otherwise deal in our Shares (except by way of book-entry transfer to other CDS accounts in circumstances which do not involve a change in beneficial ownership) prior to the commencement of trading on Bursa Securities.

5. RISK FACTORS

An investment in our Shares involves a number of risks, many of which are beyond our control. You should carefully consider all the information contained in this Prospectus, including the risks described below, before deciding to invest in our Shares. Our business, financial condition, results of operations and prospects could be materially and adversely affected by any of these risks. The market price of our Shares could decline due to any of these risks, and you may lose all or part of your investment

5.1 RISKS RELATING TO OUR BUSINESS

5.1.1 Our success depends on the value, perception and marketing of our brands, and as a result, we may increasingly become a target for public scrutiny, including complaints to regulatory agencies, incidents involving food or beverage borne illnesses, negative media coverage and malicious allegations, all of which could damage our reputation and adversely affect our business and prospects

We regard our brand names, logos, trademarks and other intellectual property of Tealive and Bask Bear to be of significant value and an important factor in our marketing and success. According to the IMR Report, we have a strong following on our social media platforms through our "Tealive Asia" and "Bask Bear Coffee" Instagram and Facebook pages and our brands hold a leading position in the F&B services industry in Malaysia. In particular, Tealive is recognised as the largest brand within the F&B services industry, and specifically in the tea shops segment, by number of stores as at the LPD. According to the estimate stated in the IMR Report, Bask Bear is the largest player within the café segment of the F&B services industry in Malaysia, by number of stores as at the LPD.

Our success depends largely on our ability to maintain and enhance the value, perception and marketing of our brand and our customers' connection to our brand. We have built our Tealive and Bask Bear brands to represent F&B services players that offer affordability, quality and convenience, while maintaining a focus on the consumer experience. We believe maintaining, protecting and enhancing recognition of the brand is critical to our business and market position. Our marketing is undertaken by our internal marketing division as well as external marketing agencies. For more details on our marketing efforts, see Section 7.5.7 of this Prospectus.

Further, consumers are increasingly using social media platforms to provide feedback on their purchasing experience in a manner that may result in a rapid and broad dissemination of such feedback. Our brands could be damaged by negative publicity on platforms which have pervasive customer reach, such as internet forums, food review websites or social media platforms or by claims or perceptions about the quality or safety of our stores or offerings or the quality of our suppliers and service, regardless of whether such claims or perceptions are true. Any untoward incidents such as litigation or negative publicity, whether isolated or recurring and whether originating from us or otherwise may severely damage our brand value. Such incidents may relate to the way we manage our relationship with our franchisees, our growth strategies or in the ordinary course of our business or our franchisees' business.

Through our strong social media presence, publicity about our business may generate more attention from the public, media, and regulators in various jurisdictions that we or our franchisees operate in. As we expand our operations both locally and internationally, we may increasingly become a target of public scrutiny. Any negative report or negative press regarding our business, our brands, our products, the industry in which we operate, our financial condition and results of operations, regardless of its truthfulness, could damage our brand image and severely affect the sales of our products and profitability. In addition, improper behaviours or statements of our spokespersons, endorsers and other celebrities we have cooperated with and our employees may result in substantial harm to our brand, reputation and operations.

5. RISK FACTORS (Cont'd)

We may also be subject to heightened regulatory and public concerns over customer protection and customer safety issues, which could subject us to additional legal and social responsibilities and increased scrutiny and negative publicity over these issues, due to the scale of our operations and continued business expansion. There is no assurance that we would not become a target for regulatory or public scrutiny in the future or that scrutiny and public exposure would not severely damage our reputation.

Other incidents may also arise from events that are, or may be, beyond our control and may damage our brand, such as actions taken by one or more of our franchisees or their employees. Our consumers are often unaware that certain stores of our two largest brands, namely Tealive and Bask Bear are Franchised/Licensed Stores, and may associate our franchisees/licensees as being part of our Group. While we have standard procedures in place and work closely with our franchisees/licensees on an ongoing basis to maintain a high and consistent standard of quality and service in our Franchised/Licensed Stores, we do not have complete control over our franchisees'/licensees' actions. While our franchise agreements in Malaysia (being the country in which we have the largest presence) are governed by the Franchise Act 1998, and therefore we are able to pursue legal action against our franchisees for any breach of the franchise agreements, there is no assurance there will not be any accidents or incidents in connection with our franchisees, which may affect consumer demand for our products and erode consumer confidence, which would further diminish our brand's value and have a negative impact on the reputation of our portfolio or brands.

Further, any instances or reports, whether true or not, of food-safety issues, such as food or beverage-borne illnesses, tampering, adulteration, contamination or mislabelling, either during growing, manufacturing, packaging, transportation, storing or preparation, employee hygiene and cleanliness failures or improper employee conduct, have in the past severely injured the reputations of companies in the F&B services industry. Any report linking us to such instances could severely hurt our sales and could possibly lead to product liability claims, litigation and/or temporary tea shop closures. In addition, instances of food or beverage-safety issues, even those involving or naming only our competitors, suppliers or distributors (regardless of whether we use or have used those suppliers or distributors), could result in negative publicity about us or the food service industry in general, which would in turn adversely affect our sales either locally or globally.

5.1.2 Our business and financial results primarily depend on the success of our Tealive business, in particular our Tealive business in Malaysia

A substantial portion of our revenue is derived from our Tealive business, including (i) the sale of F&B to retail consumers at our Corporate Stores; (ii) the supply of goods, comprising mainly ingredients, packaging materials, consumables and equipment subsequent to the initial setting up of a store to our Tealive and Bask Bear franchisees/licensees as well as sparkling water machines and carbonating gas cylinders to our SodaXpress customers; (iii) franchise/licence fees and royalty from our Tealive and Bask Bear franchisees/licensees; and (iv) management and marketing income. For the Financial Years Under Review, revenue derived from our Tealive business amounted to RM412.2 million, RM448.8 million and RM487.6 million, respectively, accounting for around 97.6%, 87.7% and 82.4% of our revenue, respectively. Approximately 77.9% of our revenue for the FYE 30 June 2024 was generated from Tealive's business in Malaysia.

5. RISK FACTORS (Cont'd)

We anticipate that our Tealive business in Malaysia will continue to be our main revenue driver following our Listing. Our financial results primarily depend on our ability to increase sales and efficiently manage costs in our existing and new Tealive Corporate Stores or Tealive Franchised Stores, as well as to grow our income from franchise agreements. In particular, the success of our Tealive business depends principally on our ability to maintain and increase our customer base and attract greater store traffic. Any adverse impact on the sales of Tealive beverages may thus disproportionately affect our Company's financial performance.

To this end, the F&B services industry in Malaysia and the international markets we operate in is dynamic and constantly evolving. Customer preferences and lifestyles are rapidly changing with modern stores as well as delivery options. According to the IMR Report, significant factors which might adversely impact our customer base and store traffic levels include, without limitation:

- (i) increased competition in the F&B services industry, including in the tea shop segment;
- (ii) changes in consumer preferences away from MTO beverages;
- (iii) declining economic conditions that may adversely affect discretionary consumer spending in the markets we serve;
- (iv) customer sensitivity to increases in our menu prices;
- (v) our reputation, as well as consumer perception of our Tealive brand and the quality, affordability and convenience of our product offerings; and
- (vi) customer experience.

The profitability of our Tealive Corporate Stores or Tealive Franchised Stores is also subject to increases in costs that may be partially or wholly beyond our control, including increases in:

- (i) rental costs under our lease agreements for our existing and new stores;
- (ii) costs of ingredients, packaging materials, consumables and equipment;
- (iii) labour costs;
- (iv) costs associated with any material interruptions in our supply chain; and
- (v) compliance costs relating to any changes in applicable government regulations.

Further, our success depends on various factors, including a preference for convenience in the ordering experience among both new and returning customers and ensuring brand familiarity and awareness by maintaining a consistent image under our Tealive brand across all our various store formats including mall shoplots, kiosks, shoplots, drive-through stores and petrol station stores. As we continue to grow our retail business by expanding our menu offerings, services and our geographic reach, maintaining quality and consistency may be more difficult and there is no assurance that our customers' confidence in our Tealive brand and offerings will not be diminished, and it may materially and adversely impact our business, prospectus, financial condition and results of operations.

5. RISK FACTORS (Cont'd)

There is also no assurance that we will be able to maintain our stores' sales growth or revenue growth in the future. See Section 7.2.6 of this Prospectus for details of the investment payback period of our Tealive Corporate Stores as at the LPD. The failure of our existing or new Tealive Corporate Stores or Tealive Franchised Stores to perform as expected could have a material adverse effect on our financial condition and results of operations. If we are unable to successfully adapt to the rapidly changing environment and retail landscape for bubble beverages, our market share of sales, volume growth and overall financial results could be negatively affected. Furthermore, even if our other brands may potentially record strong performances, there is no assurance that this negative impact on our business may be adequately offset by the performances of our other brands, given the disproportionately large contribution of our Tealive brand to our revenue.

5.1.3 Our business is dependent on our ability to attract new customers and maintain customer loyalty, and analyse customer trends to determine a suitable mix of product offerings

Our business relies on consumer demand for our products, which depends substantially on factors that are continuously evolving, such as our ability to acquire new customers, our customers' continuous loyalty to our brand, our ability to analyse constantly evolving customer trends in order to anticipate customer preferences and the discretionary spending power of consumers at large. We believe that the key factors that affect our customer retention and acquisition include our ability to:

- (i) maintain the quality of our products and services offered at our stores;
- (ii) anticipate constantly evolving customer demands to create new appealing products;
- (iii) expand our brand's presence;
- (iv) implement successful promotional, advertising and marketing strategies; and
- (v) offer a competitive price for our products.

Product development and innovation are important factors in the tea shop and café segments. We regularly develop and intend to continue to introduce new menu items and products through our product development team working in our headquarters. We utilise technology such as our CBIS to identify sales trends and customer preferences, as well as conduct various tests relating to new products before wide-scale implementation. See Section 7.5.4.6 of this Prospectus for further details. However, there is no assurance that our efforts to maintain customer loyalty will continue to be effective or that our new product offerings will gain market acceptance. Moreover, the popularity of some of our products may last for only a limited time, and we may be unable to attract sufficient customers in the long term. If we are unable to accurately adapt to constantly evolving customer preferences and successfully launch new products, our customers may turn to our other competitors in the tea shop and café segments. This could have a material adverse effect on our business, prospects, financial condition and results of operations.

5.1.4 If we are unable to successfully implement our future plans and strategies, our business and prospects may be adversely affected

Our operating history may not be indicative of our future growth and we may not be able to sustain our historical growth rates. Our future plans and strategies depend on, among others, our ability to:

- (i) maintain and grow the operations and financial performance of our existing stores;

5. RISK FACTORS (Cont'd)

- (ii) identify suitable sites and locations for new stores and successfully negotiate tenancy agreements on terms acceptable to us;
- (iii) accurately estimate expected consumer demand for our products in new locations and markets;
- (iv) secure and/or maintain the requisite permits and approvals for the operation of our stores;
- (v) optimise our product mix and offerings and minimise cannibalisation of sales at our existing stores;
- (vi) attract, train and retain skilled personnel in sufficient numbers for our expanding operations;
- (vii) effectively manage our supply chain and ensure our third-party suppliers and logistics providers continue to meet our quality and other standards;
- (viii) adapt and update our operational and management systems, including our IT systems, to support an expanded network;
- (ix) effectively control and manage the costs of our stores, such as purchase costs and expenses relating to rent, logistics, human resources and marketing;
- (x) successfully promote our stores through an enhanced digital marketing strategy and compete in the markets where our new stores are located;
- (xi) identify future trends in order to execute strategic partnerships (including intellectual property partnerships) through co-branding, recipe and popular anime and movie collaborations; and
- (xii) transpose our expertise into successful JVs, strategic alliances or investments in our efforts to expand our multi-brand business model.

By simultaneously undertaking these future plans and strategies, we may put additional strain on our operational and financial resources, as well as on our management, by potentially diverting their attention from our day-to-day business. We cannot be certain that we will successfully develop and implement our future plans and strategies or that we will successfully address the risks to which our plans will expose us. In the event that we do not effectively manage the increased requirements of our expanded network of stores, our business, prospects, financial condition and results of operations could be materially and adversely affected.

If we fail to achieve any of the above, we may not be able to achieve our future plans. We also intend to expand our digital sales channels such as our e-commerce and online delivery platforms. Our business model is premised on low capital investment and a short and efficient roll-out process. However, we may not be able to expand our store network as we planned. The ability to open new stores effectively is subject to a number of factors not entirely within our control, including the ability to identify suitable locations and secure leases on acceptable terms, to obtain adequate funding, to obtain the required licences, permits and approvals, managing design, decoration and pre-opening publicity and hiring and training skilled employees. Failure to overcome these risks may delay or prevent our store openings and may adversely affect our business, prospectus, financial condition and results of operations.

5. RISK FACTORS (Cont'd)

5.1.5 Our future plans and strategies for network expansion both in Malaysia and internationally may increase our business and operational risks

As part of our future plans and strategies, we intend to deepen our presence in Malaysia and strengthen our international presence through an expansion of our store network and a mass roll-out of new stores, both within and outside of Malaysia. In this regard, we intend to leverage on our instituted processes and criteria to establish:

- (i) 40 new Tealive stores in Malaysia in the FYE 30 June 2025 (in particular outside the Central Peninsular region, where we have achieved a per-capita penetration of 35.9 Tealive stores per 1 million people as at the LPD), as well as opening an additional 55 stores annually over the next three (3) financial years. As at the LPD, we have met our target for the FYE 30 June 2025 and opened 41 new Tealive stores across Malaysia for the FYE 30 June 2025;
- (ii) cost-efficient "asset-lite" kiosk store formats (approximately 100 sq. ft.) in order to achieve our abovementioned store rollout plan and increase our market penetration, with a target of opening five (5) new "asset-lite" Tealive kiosk stores in Malaysia in the FYE 30 June 2025, followed by 40 "asset-lite" Tealive kiosk stores annually over the next three financial years. As at the LPD, we have achieved our target of five (5) "asset-lite" kiosk Tealive stores for the FYE 30 June 2025, with one (1) "asset-lite" kiosk store each opened in Klang, Selayang and Puncak Alam, and two (2) "asset-lite" kiosk stores opened in Nilai;
- (iii) approximately ten (10) new Bask Bear stores across Malaysia in the FYE 30 June 2025, as well as maintaining a well-distributed rollout of 20 new Bask Bear stores annually over the next three (3) financial years; and
- (iv) over 400 Tealive stores in international territories based on a development schedule of five (5) to ten (10) years depending on the territory.

In addition, the expansion of our Tealive brand outside of Malaysia is also heavily dependent on our franchisees. Our growth will depend on our ability to identify suitable business partners, including franchisees or local JV partners. As at the LPD, we have six (6) master and area franchisees in Myanmar, Brunei, Cambodia, Mauritius, Philippines and Canada and five (5) Tealive Licenced Stores in Vietnam.

Our future plans and strategies may expose us to various further business and operational risks, including lower cash flows, inadequate funding capability and an inability to hire suitable staff. For example, we have entered into MFAs with parties in India, Thailand, and UAE and an ARDA for Bangladesh, with the intention to open additional stores in these countries. However, there is no assurance that the Tealive Franchised Stores opened in these countries will attract sufficient footfall to generate significant revenue, or that the new staff teams in such Tealive Franchised Stores will possess adequate experience to deliver high quality service, even after training. These operational issues may adversely affect our financial performance.

Additionally, new stores may not be immediately profitable. If: (i) revenues generated by new stores are lower than expected and/or (ii) the costs associated with such new stores are higher than anticipated, establishment of new stores may lower our profit margins until these stores start generating sufficient revenue and/or profits, and there is no assurance that they will always be able to do so. We may therefore be unable to recover our investment and/or suffer losses. In addition, we may be unable to successfully operate existing and new stores, which may on occasion have to close. If any of these events occur, our business, results of operations and financial condition may be materially and adversely affected.

5. RISK FACTORS (Cont'd)

Our Company may also face the challenge of maintaining product safety, consistency and quality while expanding our network of stores at an increasing pace. Although we have in place standard operating procedures, and have implemented semi-automated operation processes across our stores, our operations, as F&B service industry providers, remain labour-intensive by nature. As our operations expand, there is no assurance that customer experience across all of our stores will remain of a consistently high quality, and that all of our staff will comply with the relevant laws and regulations, especially the regulations relating to food safety. In addition, as the quantities of raw materials required for our operations increases in line with our expansion, it may become increasingly difficult to procure a stable supply of high-quality ingredients from reliable suppliers.

Our ability to manage our future growth will also depend on our ability to continue to successfully implement and improve our operational, financial and management systems in the evolving competitive markets. Failure to effectively execute our future plans and strategies may result in lower growth and reduced profitability which could have an adverse effect on our business, prospects, financial condition and results of operations.

5.1.6 Our extensive store network consists of franchised/licenced stores that we do not operate directly. We face certain risks associated with the use of our franchising/licensing business model

As at 30 June 2024, 34.5% of the stores in our network were franchised/licenced stores that we do not operate directly. Revenue generated from such franchised/licenced stores accounted for approximately 33.4%, 25.1% and 20.6% of our revenue for the FYE 30 June 2022, FYE 30 June 2023 and FYE 30 June 2024 respectively. Therefore, our business depends on the success of, and cooperation with, our franchisees/licensees.

We are subject to several risks relating to our franchisees and licensees:

- (i) Management of franchisees and licensees: While our FAs, MFAs, ARDAs and licence agreements set out the obligations of our franchisees and licensees including their obligations to ensure compliance with the relevant laws and regulations as further detailed in Section 7.19 of this Prospectus as well as our defined standards of operations, our ability to control our franchisees and licensees in managing and operating the Franchised/Licensed Stores is limited. Our franchisees and licensees are ultimately responsible for the day-to-day operations of the Franchised/Licensed Stores. We rely on the cooperation of our franchisees and licensees in performing their obligations under the respective FAs, MFAs, ARDAs and licence agreements as well as the relevant laws and regulations applicable to them, and there is no assurance that they will consistently and fully comply with these obligations. If their obligations under the agreements and the relevant laws and regulations are compromised or they do not deliver and perform up to the standards we set for them under our agreements with them, it may materially and adversely affect our brand and business. Specifically, failure to fulfil their obligations under the agreements such as adhering to standards of operations (e.g. use of unauthorised raw ingredients and/or supplies or unauthorised store closure) can lead to inconsistent customer experience and cause damage to our brand reputation, which ultimately impacts our business and prospects. Additionally, non-compliance by our franchisees and licensees with the relevant laws and regulations as detailed in Section 7.19 of this Prospectus may expose our Group to reputational harm and undermine customer confidence, adversely affecting our brand image, financial condition and results of operations.

5. RISK FACTORS (Cont'd)

During the Financial Years Under Review and up to the LPD, save for four (4) incidents of defaults by our Malaysian franchisees which led to the termination of their FAs, there have been no other material breach by our franchisees and licensees of their obligations under the FAs, MFAs, ARDAs and licence agreements that resulted in the termination of such agreements by our Group. These four (4) incidents of termination were due to our Malaysian franchisees' repeated failures to comply with their obligation and/or operational standards set out in their FAs, include, but are not limited to, the use of unauthorised raw ingredients and/or supplies, unauthorised store closure, failure to offer the full menu and/or failure to maintain sufficient inventory. Specifically, these breaches occurred on more than three (3) occasions within a calendar year for which notices of default were issued to them. As at the LPD, we have not received any complaints or notifications from the Registrar of Franchises in relation to the termination of the FAs and the affected Tealive Franchised Stores have been closed following the termination.

- (ii) Franchisees' and licensees' capability to operate Tealive and Bask Bear stores: The success of our Tealive and Bask Bear brands will depend on the quality and ability of our franchisees and licensees to operate the Tealive Franchised/Licensed Stores and the Bask Bear Franchised Stores effectively and promote our products, as well as their financial strength. Our franchisees and licensees may not be able to remain aligned with our operational standards. For example, they may not be able to hire and effectively train and retain qualified store personnel or achieve the expected business performance, which may adversely affect our operational and financial performance. Further, if we are unable to recruit or retain suitable franchisees in the future, there is a risk that the business, operations and financial performance of the current and future Tealive Franchised Stores and the Bask Bear Franchised Stores will be adversely affected, which in turn may affect our Group's financial performance.
- (iii) Maintaining good relationships with our franchisees and licensees: Maintaining good relationships with our franchisees and licensees, motivating them to improve the performance of their stores and attracting new franchisees to join our network are critical to our business and results of operations. However, we may not always be able to successfully maintain our working relationships with our existing and new franchisees and licensees due to various factors, some of which are beyond our control. For example, if our new or existing offerings fail to attract consumers or if our brand becomes the subject to negative media or regulatory attention, our franchisees and licensees may experience a decline in sales, which in turn reduces their motivation and ability to maintain our brand standards, potentially weakening our relationship with them. If we are unable to maintain cooperative relationships with our existing franchisees and licensees, this may result in our current partnerships being terminated, and divert management's attention from expanding our network.

If any of our franchisees/licensees defaults under our agreements with them or commits wrongdoing, such franchisee/licensee may not be in a position to sufficiently compensate us for losses which we have suffered as a result of such defaults or wrongdoings. While we can attempt to take action to terminate our franchisees/licensees who do not comply with the terms of our franchise/licence agreements or commit wrongdoing, we may not be able to identify problems and make timely responses and as a result, our brand image and reputation may suffer, which may have a material adverse effect on our results of operations.

5. RISK FACTORS (Cont'd)

5.1.7 We are subject to risks associated with leasing space subject to tenancy agreements, and our ability to secure attractive locations at commercially acceptable terms

As at the LPD:

- (i) Tealive has 831 stores across Malaysia, of which 547 are Tealive Corporate Stores and 284 are Tealive Franchised Stores; and
- (ii) Bask Bear has 135 stores across Malaysia, of which 129 are Bask Bear Corporate Stores and six (6) are Bask Bear Franchised Stores.

All our Corporate Stores, and most of our Franchised/Licensed Stores, are situated on tenanted properties. Our tenancies for our Corporate Stores typically carry lease duration between one (1) to three (3) years, with the option for us to extend, subject to a review of the lease rate. We expect our Corporate Stores which we open in the future to be on leased property.

In most of the existing tenancies for our Corporate Stores, we are able to terminate the tenancy agreement. Such early termination may subject us to penalties such as the forfeiture of the tenancy deposit, or the payment of rental for the unexpired term of the tenancy. If any of our existing or future Corporate Stores are not profitable, and we decide to close any of them, we may nonetheless be committed to performing our obligations under the applicable lease including, among others, paying the base rent for the notice period or the termination fee.

Further, there is no assurance that as our tenancies expire, we or our franchisees/licensees will be able to negotiate tenancies and renewal terms that are commercially acceptable to us/them. If we or our franchisees/licensees are unable to secure attractive and commercially competitive tenancies, or renew a tenancy at the end of its term or are subjected to unexpected termination, we/they may be forced to relocate to a different, potentially less attractive location, or pay a substantially higher rent.

In addition, the performance of our stores depends largely on our/our franchisees/licensees ability to secure attractive locations, which are typically those with high foot traffic and low rental prices. Such locations are in high demand in Malaysia generally, and in urban centres such as Kuala Lumpur and Selangor in particular. A continued increase in property rental prices in Malaysia will increase the costs that we incur in securing locations for our stores and may increase the costs associated with locations in which we already operate. Moreover, if demand for retail locations in Malaysia increases, there is no assurance that we will succeed in securing attractive locations.

There is also no assurance that our existing stores will continue to meet our/our franchisees'/licensees' expectations in terms of consumer foot traffic and rental prices due to events beyond our/our franchisees'/licensees control such as prolonged construction or renovation works in surrounding areas, which may affect the accessibility of our/our franchisees'/licensees' stores and/or reduce consumer traffic. If any of the locations of our/our franchisees'/licensees current stores become unattractive and receive a decrease in foot traffic due to changing economic conditions, demographic patterns, poor maintenance or less attractive tenant mix, we/our franchisees'/licensees may lose customers. Potential increase in rental rates, any difficulty in securing or renewing tenancies, or any reduction of the footfall in our/our franchisees'/licensees stores' current locations could have a material adverse effect on our business, prospects, financial condition and results of operations.

5. RISK FACTORS (Cont'd)

5.1.8 Any disruption in the supply of raw materials from our key suppliers or increase in the prices of raw materials from these suppliers may have a material adverse effect on our business, results of operations and financial condition

We are dependent on a consistent and adequate supply of raw materials that meet our quality control standards for the operation of our stores. We rely on a limited number of third-party suppliers for the supply of raw materials which includes ingredients comprising mainly our signature non-dairy creamer and fruit concentrate. The aggregate amount of purchases from our top five (5) major suppliers accounted for 36.1%, 30.2% and 32.6% of our total purchases for the Financial Years Under Review, respectively. While none of our major suppliers have ceased or indicated that they will cease supplying raw materials to us, and we have not in the past experienced any material delay or interruption in the supply of raw materials from our suppliers, there is no assurance that we will always be able to maintain stable business relationships with such suppliers. Their ability or willingness to continue supplying us with sufficient quantities of their products may be influenced by factors such as their capacity, financial position or material unforeseen circumstances. Any adverse impact to our relationship with our suppliers could disrupt their supply of products to us, and hence affect our business operations. If any of these suppliers are for any reason unable to deliver sufficient quantities of raw materials or raw materials of acceptable quality on a timely basis, we may be forced to purchase raw materials from alternative suppliers, which may be of a lesser quality or offered to us on less favourable terms. This may have a material adverse effect on our business, financial condition and results of operations.

Additionally, we do not generally purchase equal quantities of materials from each supplier. Instead, our practice is to purchase the bulk of materials required from one main supplier, in order to increase our bargaining power in price negotiations. As such, in the event the main supplier for each material is unable or unwilling to honour its delivery obligations, the disruption to our supply chain and resulting impact on our operations and financial performance may be exacerbated.

Our supply of raw materials may also be interrupted by any disruptions to the storage and transfer of raw materials to our stores. We rely on third party logistics and warehousing providers in Malaysia to provide warehousing facilities for our inventory before it is despatched to our stores as required, and to also provide transportation services of our raw materials to and from our stores. While we have not experienced any material issues with our logistics providers in the past, any future disruptions to the storage and transfer of raw materials may prevent us from being able to meet our customers' demands. In such an event, there is no assurance that we would be able to find suitable alternative logistics and warehousing providers on equally competitive terms.

The transportation of raw materials to our stores may also be affected by flooding, adverse weather conditions, traffic congestion and other force majeure events which could compromise the transportation and transmission infrastructure in the countries where we operate. All of the above disruptions could materially adversely affect our business, financial condition and reputation.

There is no assurance that we will be able to anticipate decreases in supply and/or increases in ingredient costs, or secure supplies of alternative ingredients that comply with our stringent standards. If we are unable to procure sufficient supplies of key ingredients or pass on increased costs of such ingredients to our customers, our business, prospects, financial condition and results of operations may be adversely affected.

5. RISK FACTORS (Cont'd)

5.1.9 Our business is particularly susceptible to increases in operating costs and expenses and we are exposed to inflation risk

Our results of operations are particularly susceptible to increases in our operating costs and expenses, such as increases in labour costs, rental rates, cost of raw materials and administrative overheads. For example, inflation, which may arise from various factors outside of our control such as disruptions to production of commodities, disruptions to the supply chain as well as geopolitical tensions, resulting in any increase in basic expenses and the price of our raw materials, which would lead to higher costs incurred and could affect our profit margins. The prices and supply of our raw materials and ingredients are also in turn subject to various factors beyond our control, including climate, seasonality, exchange rates, import tariffs and applicable laws, rules, regulations and policies in relation to the sale and/or import of these ingredients. If our operating costs and expenses increase in the future and we are unable to manage or offset those costs by passing the costs to our customers, this may reduce our margins and overall profitability. There is no assurance that we are able to offset all price increases by raising the selling prices of our products, or that such increase will not have a negative effect on our affordability attraction, or that we will not lose our competitive advantage if the selling prices of our products increases significantly. As a result, this may adversely affect our business, prospects, financial condition and results of operation. Inflation may also lead to decreases in consumer spending and demand for our products. Should there be a prolonged decrease in demand for our products, our business, prospects, financial condition and results of operation may be adversely affected.

5.1.10 Failure to maintain the quality of our products could have a material and adverse effect on our reputation

The operations of our stores are dependent on our ability to provide quality F&B products as well as the consistent supply of food ingredients that meet our quality requirements. As we operate in the F&B services industry, we are prone to food and safety and food-borne illness concerns. We have implemented various quality control measures, including providing training on food safety and legislative requirements to all our staff, conducting quarterly audits of all our stores, and requiring our third-party warehouse providers to operate on a first-in-first-out system. For more information on quality control, see Section 7.5.6 of this Prospectus. There is no assurance that we, our franchisees or warehouse providers will always be fully compliant with all relevant food safety laws. Due to the scale of our operations, our rapid growth and our franchise structure, maintaining consistent product quality depends significantly on a number of factors, including but not limited to the design of our quality control system, ensuring that employees and franchisees adhere to procedures and policies and monitoring any potential violations of procedures and policies.

Our sales include perishable F&B products. Preparation, packaging, transportation, storage and sale of perishable F&B products entail the inherent risk of product contamination, tampering, deterioration or defect, which could potentially lead to liability claims and adverse publicity. F&B products may contain contaminants that could, in certain cases, cause illness, injury or death.

5. RISK FACTORS (Cont'd)

Although we have not received any complaints or claims about the quality of our products in the past which had a material adverse effect on our business and operations, if customers become ill after consuming our products, we could be forced to temporarily close some stores and/or become involved in administrative, civil and criminal proceedings initiated by the Government, or civil proceedings initiated by individuals. While complaints are dealt with centrally at our headquarters, there are nonetheless risks of negative press, product liability claims or government scrutiny, all of which could give rise to adverse publicity. A decrease in customer traffic as a result of food-safety concerns or negative publicity, or as a result of a temporary closure of any of our stores, product recalls or food or beverage-safety claims or litigation, and any such negative publicity could have an adverse effect on our business, prospects, financial condition and results of operations. Furthermore, actual or perceived allegations of food contaminations in the industry could cause customers to choose other products.

5.1.11 Our business relies on the satisfactory performance of our IT systems and any significant disruption or loss of data could materially and adversely affect our ability to operate

The proper functioning of our technology infrastructure is essential to our business. For more information, see Section 7.5.4.6 of this Prospectus. We use an integrated POS platform and a CBIS for inventory tracking and ordering, monitoring real-time sales, and the timely exchange of business information between our headquarters and individual stores. These systems are critical to our day-to-day business operations as we use them to manage store procurement, sales and inventory, to collect and analyse information to understand and respond to the needs of our customers and to oversee our cash management and internal controls processes.

There is no assurance that the IT systems we have in place will always operate without interruption or malfunction in the future and that we will not lose data. Moreover, we do not own the IT systems we utilise, but outsource the development and maintenance of our IT system to third parties. For example, in addition to the above platforms, our Tealive App and Bask Bear App are also developed by third party IT developers. Although we have historically had a good relationship with our IT developers, there is no assurance that this will always be the case. The risks we face in relation to the disruption of our technology include encountering problems when upgrading our technology infrastructure (including mobile apps, systems and software), unauthorised access to our IT systems and resultant data loss, or systems crashing due to cyber-attacks, computer viruses and force majeure. Any disruption to our IT systems may cause unavailability of our Apps, hinder our ability to ensure adequate inventory levels and oversee our cash management as well as expose us to other operational inefficiencies and risks, including legal and financial liability.

IT failures may also adversely affect the innovative technologies which our customers currently enjoy, such as our Apps. In order to remain competitive, we must continue to adopt new technologies that allows us to offer customers a seamless experience. If we fail to effectively adopt and utilise new technologies and adapt to changing markets our business may suffer from reduced sales and profitability.

In addition, our business generates and processes a large quantity of personal, transactional and behavioural data through our Apps, and IT systems. We rely on the security of our IT systems as well as the integrity of our staff and physical security of our premises to preserve confidentiality of this information. We face risks inherent in handling large volumes of data and protecting security of such data. We must also comply with applicable laws, rules and regulations relating to the collection, use, disclosure and security of personal information. While we utilise various computer systems, including our POS systems which are customised web-based systems, third parties may have the technology or knowhow to break into the security system containing customer information transmitted in connection with our credit card sales.

5. RISK FACTORS (Cont'd)

Further, our technology vendors may be unable to prevent others from obtaining improper access to this information. Our servers may be vulnerable to hacking, data theft and subsequent leakage of confidential information to unauthorised third parties. It is our contractual obligations to our customers to preserve confidentiality of information. Any compromise of our security systems or failure to comply with policies and regulations may result in proceedings taken by government authorities, the imposition of penalties, damage to our reputation and loss of customer confidence, all of which could adversely affect our business, prospects, financial condition and results of operations.

As at the LPD, there has been no security breaches in the past that have affected our operations. Although we have in place measures to prevent security breaches, such efforts may not always be sufficient or effective and there is no assurance that our Group will not be subject to any security breaches that would materially affect our business, prospects, financial condition and results of operations in the future.

5.1.12 Our success depends significantly on the strength of our Key Senior Management team

Our business performance and future growth are dependent on our ability to consistently attract and retain highly qualified personnel, including our Key Senior Management team. The leadership and deep industry expertise of our management team have been instrumental in increasing the number of stores under our Tealive and Bask Bear brands. The loss of any of our Key Senior Management could impair our ability to operate and impede the execution of our strategies. In particular, our CEO and our COO who are also two of our substantial shareholders and our Promoters, have been instrumental in formulating our business strategies and spearheading the increase in the number of our stores, as well as maintaining our relationships with key stakeholders, such as our business partners and the franchisees/licensees of our brands. They are supported by other members of our management team who are experienced professionals in their respective areas of expertise. Our continued success is dependent, to a large extent, on our ability to retain the services of our CEO, COO and other members of our Key Senior Management team. We may not be able to replace such persons within a reasonable period of time with individuals who possess equivalent expertise and experience. In the event we fail to retain these experienced individuals or encounter issues in recruitment, our business, prospects, financial condition and results of operations could be materially and adversely affected.

5.1.13 There is no assurance that our insurance coverage is adequate

Our significant insurance policies consist of coverage for risks relating to property and equipment, glass, fire, stock, money, fidelity, burglary, personal accident, employer's liability, public liability, machinery breakdown on all plant, machineries and mechanical equipment which is owned/leased or under our control or custody, marine cargo and goods in transit insurance on business goods whilst in transit including loading and unloading of any vehicle by land. There is no assurance that any insurance proceeds we receive under our existing policies would be sufficient to cover expenses relating to insured losses or liabilities. We do not currently maintain any business interruption insurance, which may cover any business interruption arising from incidents such as flooding or other unforeseen incidents. As such, there is no assurance that any insurance proceeds we receive under our existing policies would be sufficient to cover any other losses that we may incur as a result of any reduced operations of our stores due to disruptions outside of our existing coverage. We are also subject to risks of increased premiums or deductibles, reduced coverage and additional or expanded exclusions in connection with our existing insurance policies.

5. RISK FACTORS (Cont'd)

In addition, during storage and transportation, our raw materials are covered by insurance taken out by our storage providers and logistics providers. We therefore rely on the ability of third parties' insurance policies to cover any potential losses incurred during the storage and transportation of materials.

If we suffer any uninsured losses, damages or liabilities in the course of our operations, we may not have sufficient funds to cover any such losses, damages or liabilities. To the extent that we suffer losses or damages as a result of a risk for which we do not maintain insurance, which is not covered by our insurance policies or where the cost of the losses or damages exceeds our insurance coverage, we will have to bear such costs and consequently our business, prospects, financial condition and results of operations may suffer a material adverse impact.

5.1.14 Any unexpected events, such as extreme weather or other natural conditions or accidental fires may result in closures of our stores

Our stores and business operations are vulnerable to any unexpected events outside of our control, such as extreme weather resulting in flooding, or other natural conditions or accidental fires. Such events could result in damage being caused to our stores, which would then need to be closed in order for us to rectify any damage sustained. This in turn would disrupt our operations and prevent our stores from providing products to our consumers. Adverse weather conditions may also cause severe traffic accidents and delays, which could also lead to delayed or lost deliveries of supplies to our stores. Such events could materially and adversely affect our business operations and results of operations.

5.1.15 We may not be able to prevent third parties from unauthorised use of our intellectual property rights and we may be involved in legal and other disputes arising out of the unauthorised use of our intellectual property rights which may result in significant liabilities

We rely on our brand to attract customers. With regards to our trademarks which forms our brand, there is no assurance that third parties or competitors will not infringe our rights. To establish and protect our intellectual property, we register our trademarks as soon as possible when entering new jurisdictions and authorise licensees or franchisees use by way of licence or franchise. There is no assurance that such registration (or any other measures we may take to establish and protect our intellectual property rights) will prevent third parties from misappropriating our intellectual property as we will not be aware of the misappropriation until it is discovered.

Litigation may be necessary to enforce our intellectual property rights or to determine the validity and scope of the proprietary rights of others. Legal proceedings and disputes in which we may be involved with are subject to many uncertainties, and their outcomes are difficult to predict. Further, any dispute could lead to the erosion of customers' confidence in our brand and stores and a subsequent reduction in sales. There is no assurance that the resolution of any particular legal proceeding or dispute will be in our favour, and any result that is not in our favour may have a material adverse effect on our business, prospects, financial condition and results of operations.

5. RISK FACTORS (Cont'd)

Further, as we expand into new jurisdictions, we may also become exposed to intellectual property claims, which may be expensive to defend and disruptive to business. Such proceedings may result in prohibition of our ability to use such intellectual property or possible licensing requirements, which could incur substantial costs, and there is no assurance that we would prevail in any such litigation. During the Financial Years Under Review, we issued two separate letters of infringement to third parties in Malaysia that had used trademarks similar to that of our Tealive brand, and succeeded in our claims. We had also successfully objected to the registration of a separate trademark in Malaysia that adopted essential features of our Tealive trademarks which would also be used to cover similar tea shop offerings covered under our Tealive trademarks. Notwithstanding, litigation of this type may result in counterclaims or other claims against us and diversion of resources, and could have a material adverse effect on our business, prospects, financial condition and results of operations.

Further, in respect of our Cambodian franchised stores which are carried out pursuant to an MFA, the non-registration of the MFA with Department of Intellectual Property Rights of the Ministry of Commerce of Cambodia ("**DIPR**") does not constitute a non-compliance with any applicable laws of Cambodia and there are no legal implication including penalties or fines which may be imposed on the franchisee or our Group as a result. However, failure to register the MFA with the DIPR may render the franchisee unable to exercise its rights in relation to third parties under the MFA, including taking legal action against third parties for the infringement of intellectual property rights such as trademarks. In the event that third parties infringe on our trademarks, the franchisee will be unable to litigate against the third parties, which could result in the misappropriation of our intellectual property or delay in enforcing our intellectual property rights by us as the registered trademark owner, which could have a material adverse effect on our brand image and consequently, our business, prospects, financial condition and results of operations in Cambodia. If the MFA is renewed upon the expiry of the initial term on 29 December 2025, our Group intends to register the renewed agreement with the DIPR.

5.1.16 We may not be able to obtain or renew the regulatory licences, permits and approvals and permits we need in order to operate our stores

In accordance with the relevant laws and regulations, our stores require a number of licences, including licences to operate cafes or restaurants and signage licences. As at the LPD, we have obtained the necessary licences, permits and approvals to carry out our business activities. See Annexure A of this Prospectus for details of our major licences, permits and approvals.

The licences, permits and approvals that we have obtained are subject to conditions and requirements imposed by the various issuing bodies. In the event of non-compliance by our Group, the licences, permits and approvals we have obtained may be terminated, revoked, or may not be renewed upon its expiry. Our Group and/or our Directors may be subject to penalties, fines or prosecution in the event of our non-compliance. Moreover, we are required to maintain and must regularly renew our licences, permits and approvals. We may not obtain all the requisite licences, permits, and approvals that we are required to obtain from the various authorities, or renew existing licences, approvals and permits as they lapse, in a timely manner to operate and continue with our business, or at all. As a result, the authorities may prohibit us from selling particular products, require us to cease operations at a store until the local business licences are obtained, charge us compounds or penalties for non-compliances, or, in some instances, seize those products that we stock in the event that we do not possess the appropriate licence.

5. RISK FACTORS (Cont'd)

As disclosed in Section 7.18 of this Prospectus, as at 26 May 2025:

(a) non-compliance related to CCCs

We have not obtained CCCs in respect of certain of our Group's tenanted properties. Although we have, and will continue with the implementation of our rectification measures, such as liaising with landlords and/or main tenants, local councils and the Board of Engineers Malaysia to obtain the relevant CCCs, confirmation letters from the landlords and/or main tenants that the CCCs have been issued and/or undertaking letters from the landlords and/or main tenants to indemnify our Group against all costs, losses, penalties and claims in respect of the premises arising from any non-issuance of CCCs, our Group may be liable, on conviction, to a maximum potential fine of RM10.1 million which represents approximately 1.7% of the revenue of our Group and 13.5% of the PBT of our Group for the FYE 30 June 2024, for occupying the remaining 44 premises without the relevant CCCs or to imprisonment for a term not exceeding ten (10) years or to both.

The aggregate revenue contribution of the 34 Tealive Corporate Stores and ten (10) Bask Bear Corporate Stores is approximately 3.7% of the revenue of our Group for the FYE 30 June 2024 and the aggregate operating profit of these stores is only approximately 2.0% of the PBT of our Group for the FYE 30 June 2024, respectively based on our audited combined financial statements for the FYE 30 June 2024. Any impact to our Group's revenue would occur only during the relocation period of between three (3) to six (6) months.

We intend to carry on our operations at the affected stores while working to obtain the relevant CCCs, confirmation and/or undertakings. In the event that the CCCs, confirmations and/or undertakings are not forthcoming, our Group will liaise with the landlords and/or main tenants to apply for CCCs. If the application is not made by June 2026, the affected stores will either be relocated or closed within three (3) months.

In addition, as mentioned above, while we have taken steps to address non-compliance issues related to CCCs, risks associated with land laws, rules and regulations in respect of our tenanted properties remain. As all of our Corporate Stores located at shop lots, shopping malls, petrol stations, commercial buildings and complexes are tenanted, we are not always in a position to ascertain whether the landlords and/or main tenants have complied with all land laws, rules and regulations in respect of such properties including but not limited to the category of land use and/or express condition in the issue documents of title ("IDT"), or the availability of the CCC of such properties. The landlords and/or main tenants may not co-operate in providing us or may not be able to provide us with sufficient information pertaining to the properties. As such, we are susceptible to risks of fines and penalties of any non-compliance of applicable land laws, regulations and rules to such extent it affects us as occupiers of the tenanted properties.

While we endeavour to fully comply with all laws, rules and regulations in respect of such properties to the extent possible in our capacity as a tenant, and where possible, negotiate with our landlords and/or main tenants to apply to the relevant authorities to convert the land use of the tenanted properties that we occupy and/or procure the necessary CCC in respect of such properties, we may not always be successful in doing so. Even if we are able to make the necessary application and procure the conversion of land use or the necessary CCC, or procure the registered proprietor to do so, such procedures will take time and there is no assurance that we will not be subject to any penalties or fines in the meantime as an occupier of such land or the lands will not be subject to forfeiture in the meantime.

5. RISK FACTORS (Cont'd)

If such applications are unsuccessful, or in the event that we are certain that we would not receive any response from the landlord and/or main tenants, or that we are unable to arrive at a mutual agreement with the landlord to convert the land use and/or procure the CCC, we may be required to shut down the relevant store and relocate it to another location. There is no assurance that we would be able to secure a suitable property for the relocation whether or not within the same vicinity or in a timely manner, or at all, and we may lose the opportunity to operate and remain competitive in the area concerned.

(b) non-compliance related to business and signage licences

We have yet to obtain business and signage licences for certain of our Corporate Stores. Our Group may be liable, on conviction, to a maximum fine of RM0.5 million for operating without valid business and signage licences or a term of imprisonment not exceeding one (1) year or both.

The aggregate revenue contribution of these stores is approximately 8.4% of our Group's revenue for the FYE 30 June 2024 and the aggregate store operating profit of these stores is approximately 2.3% of our Group's PBT for the FYE 30 June 2024, respectively, based on the audited combined financial statements for the FYE 30 June 2024. Any impact on our Group's sales would only occur during the suspension or closure period.

(c) non-compliance related to storage space

We have not obtained storage licenses for 52 external storage spaces of our Group from the relevant local councils, of which 18 applications have been submitted and 34 applications for storage licences are pending. In the event that the relevant local councils require us to vacate the external storage spaces for which the storage licences are pending applications, our Group would need to secure alternative storage spaces or increase restocking frequency of our ingredients, packaging materials and consumables. The estimated costs to rectify these non-compliances and the potential maximum penalties are in aggregate approximately RM0.2 million, which represents approximately 0.2% of our Group's PBT for the FYE 30 June 2024, and is not material to the business operations and financial condition of our Group.

See Section 7.18 of this Prospectus for further details on the non-compliances with the relevant laws, regulations, rules and requirements governing the conduct of the operations of our Group.

As we continue to grow and expand into new jurisdictions, we may face increased scrutiny from regulatory authorities, which may require, us to increase our resources, including manpower and headcount, to ensure sufficient oversight and training of staff for compliance with various regulations and requirements. Failure to do so may result in damage to our business, prospects, financial condition and results of operations.

5. RISK FACTORS (Cont'd)

5.1.17 We and our franchisees rely on third-party delivery platform to carry out delivery services for online orders

We and our franchisees offer our order delivery options primarily through orders directly placed on and fulfilled by third-party online delivery platforms. Our and our franchisees' delivery options are reliant on a few service providers with whom we and our franchisees partner with from time to time to offer promotional deals. Any disruption or challenges in our and our franchisees' collaboration with the third-party providers — be it disruptions in their delivery service, issues with order accuracy or quality control during the delivery process, interruption to their business operations, termination or suspension of our and our franchisees' cooperation, disputes or deterioration with respect to our and our franchisees' relationships, or adverse changes in key contractual terms such as increased fee rate — all of which might lead to order delivery delays, heighten our and our franchisees' costs, or have other negative impacts on our business and results of operations. There is no assurance that our and our franchisees' existing relationships with these third-party service providers will continue on terms that are favourable to us. Furthermore, our and our franchisees' attempts to form new partnerships with other delivery service providers may not always result in success. If we face challenges in sustaining or developing positive relationships with these service providers or if we struggle to engage with new service providers, our store sales and brand image could suffer, which would negatively impact our business, prospects, financial condition and results of operations.

5.1.18 We may be exposed to foreign currency exchange risk

Our exposure to foreign currency exchange risk is primarily related to fluctuations in the RM relative to the USD and JPY. This exposure arises mainly from transaction risk, where there is a time difference between the transaction date and the settlement date, during which exchange rate movements can affect the final amount paid or received by our Group.

A number of our ingredients, packaging materials and consumables such as syrup, cocoa powder, fruit concentrate and pulp, tea and pudding powder are procured from overseas suppliers, and payments for such ingredients, packaging materials and consumables are predominantly denominated in USD and JPY. Although we also make certain purchases in other foreign currencies such as TWD and CNY, our exposure to these foreign currencies is immaterial relative to our overall foreign currency-denominated payments and purchases.

We are also exposed to foreign currency exchange rate fluctuations through our international Franchised Stores, where franchise fees, royalty fees, and sales of goods are denominated in USD. As such, we are subject to movements in the USD against RM, which may affect the amount received from these transactions.

The sensitivity of our net profit for the financial year to a reasonably possible fluctuation in the RM against the USD and JPY is set out in Note 27.6.1 of the Accountants' Report in Section 13 of this Prospectus.

Currently, we practice natural hedging by maintaining a foreign currency bank account in USD whereby the collections in USD can be used to settle payments of USD directly. Payments made in foreign currencies other than USD will be settled by converting RM to the respective foreign currencies through our bank accounts in RM. Our Group does not use any formal financial instruments to manage our foreign currency exchange risk. In the future, should the need arise, we may consider other hedging instruments such as derivative contracts to further mitigate our exposure to foreign currency exchange risks. However, there is no assurance that any adverse fluctuation in foreign currency exchange rates will not affect the future revenue and financial performance of our Group.

5. RISK FACTORS (Cont'd)

5.1.19 Our Group is in net current liabilities position which may adversely affect our liquidity and financial condition

Our Group has been in net current liabilities position of RM3.4 million, RM38.1 million and RM46.6 million as at 30 June 2022, 30 June 2023 and 30 June 2024, respectively. This was mainly due to the utilisation of short-term borrowings to finance our capital expenditures and working capital requirements in support of our store expansion plans while maintaining financial flexibility. There can be no assurance that we will be able to generate sufficient net income or operating cash flows to meet our working capital requirements or to repay our liabilities as they fall due. There can be no assurance that we will be able to prudently manage our working capital or raise additional equity or debt financing on terms that are acceptable to us. Our inability to do so, if and when required, could materially and adversely affect our liquidity, results of operations and financial condition.

5.2 RISKS RELATING TO THE JURISDICTIONS AND INDUSTRY IN WHICH WE OPERATE

5.2.1 The F&B services industry in Malaysia is highly competitive

The F&B services industry in Malaysia, in particular the tea shop as well as the café segments, is intensely competitive in respect of amongst other factors, new offerings, product mixes, presentation, the quality, consistency, taste, price, value, location and convenience of products available at tea shops and/or cafés, as well as the quality of service offered by our employees. Our ability to attract new customers and retain existing customers in a cost-effective manner is crucial to driving growth and achieving profitability. The products that we and our franchisees sell compete directly against products sold at other tea shops and/or café, such as competitor tea shops offering MTO beverages (including bubble beverages) and snacks, as well as cafés offering caffeinated drinks as well as food products comparable with that of restaurants.

According to the IMR Report, Malaysia's F&B services industry is fragmented, which makes it difficult for both established chains and independent operators to distinguish themselves and gain customer attention. Despite such fragmentation, the entrance hurdles to create a new brand in Malaysia are minimal, which allows for the entry of new players to establish a presence although sustainable function in the long term is a key issue for such entrants. There is no assurance that we will be able to outperform other key players if they are able to provide alternative and more attractive offerings, or if they sell similar products as we do, given that our recipes are not proprietary. There is no assurance that we will be able to continue to attract new customers and that existing customers will remain loyal to us. If we are unable to maintain our competitive position, we could experience lower demand for our products and a loss of market share, each of which could have a material adverse effect on our business, prospects, financial condition and results of operations.

5. RISK FACTORS (Cont'd)

Furthermore, as we continue to expand our product offerings, we will increasingly compete against other businesses such as coffee shops, convenience stores and supermarkets. According to the IMR Report, coffee shops are F&B establishments that heavily focus on coffee beverages rather than food, and have a greater focus on takeaway. While our Bask Bear brand emphasises providing a balanced menu of both food and beverage products, our coffee-based offerings may overlap with the coffee shop segment. Many of these key players bear recognised brand names and have significant customer loyalty. Key competitive factors include the number and location of stores, quality and speed of service, price, attractiveness of facilities, effectiveness of advertising, marketing and operational programmes, demographic patterns and trends, customers' preferences and spending patterns, and perceptions of new product development. For instance, key players might adopt aggressive pricing strategies or offer a broader range of products, which could divert customers away from our stores. Similarly, if competitors establish stores in close proximity to our stores, it could reduce our customer footfall and revenue. We may not be able to compete directly with some of our competitors who may have lower costs than we do due to their economies of scale and who have gained international brand recognition through operating for decades.

5.2.2 Our performance depends on the performance of the economy and consumer spending patterns in the jurisdictions in which we currently operate or plan to operate

Our performance in jurisdictions in which we currently operate or plan to operate depends on consumer demand for our products, some of which are discretionary products, and, consequently, is sensitive to various factors that may affect consumer spending, including general economic conditions, consumer confidence in future economic and political conditions, disposable consumer income, consumer demographics and consumer perceptions of personal well-being.

Malaysia is currently our primary market and as such, our performance in Malaysia and general consumer demand may be similarly affected by the foregoing factors. According to the IMR Report, the Malaysian economy grew between 2019 and 2024 despite global headwinds, at a CAGR of 3.0%^{1&2}. This is notwithstanding a recorded CAGR decline of -5.5% in 2020 due to the initial political uncertainty at the beginning of the year and the economic impact of the COVID-19 pandemic. The Malaysian economy grew by 3.6% and 5.1% in 2023 and 2024³ respectively and is forecasted to grow at a CAGR of 4.1% from 2024E to 2029F^{4&5}, supported by government initiatives such as the National Energy Transition Roadmap, the New Industrial Master Plan 2030 and the Mid-Term Review of the Twelfth Malaysia Plan⁶. However, there is no assurance that Malaysian economic conditions will grow as forecasted, or will they continue to be as favourable as they have been in the recent past.

¹ International Monetary Fund ("IMF"), World Economic Outlook ("WEO"), October 2024

² Department of Statistics, Malaysia ("DOSM"), Gross Domestic Product, Fourth Quarter of 2024

³ DOSM, Gross Domestic Product, Fourth Quarter of 2024

⁴ 2024E indicates an estimated value for the year 2024 and 2029F indicates a forecasted value for the year 2029

⁵ IMF, WEO October 2024

⁶ Ministry of Finance, Economic Outlook 2025

5. RISK FACTORS (Cont'd)

As our products are not staple food or necessities to consumers, the demand for our products and our results of operations typically move in tandem with general economic conditions in the jurisdictions in which we currently operate or plan to operate. If a general economic downturn does occur, then as a tea shop and café provider, demand for our products may reduce, due to a decrease in spending on non-essential goods. In an economic downturn, as consumer discretionary spending decreases, it is possible that consumer demand for our products will decrease or they will increasingly purchase products from our indirect, lower-cost competitors. The following factors may affect the performance of the economy and overall levels of business activity in the jurisdictions in which we currently operate or plan to operate:

- (i) decreases in business, industrial, manufacturing or financial activities;
- (ii) fluctuation of the respective local currencies against foreign currencies;
- (iii) scarcity of credit or other financing, resulting in lower demand for products provided by companies in the respective country;
- (iv) a prolonged period of inflation or increase in interest rates;
- (v) changes in the government's taxation policies;
- (vi) political instability, terrorism or military conflict in the South East Asia region or globally;
- (vii) other regulatory, political or economic developments; and
- (viii) amount of foreign investment flowing into the respective country.

While the factors listed above are not exhaustive, they could have a material adverse effect on our business, prospects, financial condition and results of operation.

We believe that the success of our stores is directly dependent on customer traffic and consumer discretionary spending. Customer visits to our stores are usually linked to recreational activities and leisure. Discretionary spending and leisure activities of customers are influenced by general economic conditions, employment levels and the availability of income.

Any adverse development in the economy of the jurisdictions in which we currently operate or plan to operate generally, or developments that impacts consumer discretionary spending, in particular, could slow our pace of growth, result in forced closure of our stores and in turn, materially affect our business, prospects, financial condition and results of operations.

5. RISK FACTORS (Cont'd)

5.2.3 Natural disasters, epidemics and other catastrophes as well as political, economic, legal, regulatory and other developments in the jurisdictions where we currently operate or plan to operate may adversely affect us

Our business, prospects, financial position and results of operations may be adversely affected by political, economic, social, legal, regulatory and other developments in the jurisdictions where we currently operate or plan to operate, and may also be affected to a lesser extent by macro developments in or around South East Asia and the rest of Asia. Such developments in these jurisdictions, which may be uncertain, include, but are not limited to, the risks of war, terrorism, riots, health epidemics, expropriation, nationalisation, renegotiations or nullification of existing contracts, deterioration of international bilateral relationships, changes in laws and regulations (including increases in the minimum wage), changes in interest rates, inflation, economic recession, foreign currency exchange control regulations and methods of taxation (including customs, excise, duties and tariffs). Some types of losses, such as from terrorism and acts of war, may be either uninsurable or too expensive to justify insuring against. Should an uninsured loss or a loss in excess of insured limits occur, our business, prospects, financial condition and results of operation may be materially and adversely affected.

Any adverse changes in the economy, household consumption and retail sector in the jurisdictions where we currently operate in or that we intend to grow our presence in, may also affect our business, financial position and results of operations. The countries where we operate may experience varying changes in their economic condition, and there is no assurance that the economic outlook will remain positive across all of these countries. For example, according to the IMR Report, rising costs for key ingredients can significantly affect the pricing of F&B products. Supply imbalances, often caused by unfavourable weather conditions, labour shortages, or geopolitical tensions, have driven up the prices of products such as coffee beans and cocoa. This may in turn affect our production costs, disrupt supply chains, affect customer demand and spending behaviour and have a material adverse impact on our financial performance and results of operation.

Our operations, investments and expansion plans may also be adversely affected by changes in the legal and regulatory landscapes in the countries where we operate. For example, our operations in Malaysia must comply with all applicable labour laws in Malaysia, including compliance with the monthly minimum wage, which has increased from RM1,500 to RM1,700 since 1 February 2025. There is no assurance that the minimum wage will not be further increased substantially or in the near future. In the event of any increase in minimum wage, this could cause a material increase in our operating costs, which could in turn affect its business, prospects, financial condition and results of operation.

Any adverse public health developments, including health epidemics and disease outbreaks, in the jurisdictions in which we operate, may result in government authorities imposing measures to curb the spread of diseases, which in turn may negatively impact foot traffic and offline sales recorded by our stores and disrupt our supply chain. Further, the government authorities may order movement restrictions or the closure of non-essential services, which may affect our operations if we are forced to shut down or reduce our workforce capacity for the duration of any such order. There is no assurance that our business activities will not be materially affected by such orders, and if prolonged, this may have a material adverse impact on our business, prospects, financial condition and results of operation.

5. RISK FACTORS *(Cont'd)*

5.3 RISKS RELATING TO OUR SHARES AND OUR LISTING

5.3.1 The offering of our Shares may not result in an active and liquid market for our Shares

There is no assurance as to the liquidity of the market that may develop for our Shares, the ability of shareholders to sell our Shares or the prices at which shareholders would be able to sell our Shares. Neither we nor our Promoters have an obligation to make a market for our Shares or, if such a market does develop, to sustain it. In addition, there is no assurance that the trading price of our Shares will reflect our operations and financial condition, our growth prospects or the growth prospects of the industry in which we operate.

5.3.2 Our Share price and trading volume may be volatile

The market price of our Shares could be affected by numerous factors, including the following:

- (i) general market, political and economic conditions;
- (ii) trading liquidity of our Shares;
- (iii) differences in our actual financial and operating results and those expected by investors and analysts;
- (iv) changes in earnings estimates and recommendations by financial analysts;
- (v) changes in market valuations of listed shares in general or shares of companies comparable to ours;
- (vi) perceived prospects of our business and the industry in which we operate;
- (vii) adverse media reports regarding us or our shareholders;
- (viii) changes in government policy, legislation or regulation; and
- (ix) general operational and business risks.

In addition, many of the risks described in Section 5 of this Prospectus could materially and adversely affect the market price of our Shares. Accordingly, there is no assurance that our Shares will not trade at prices lower than the Final Retail Price.

Over the past few years, the Malaysian, regional and global equity markets have experienced significant price and volume volatility that has affected the share prices of many companies. Share prices of many companies have experienced wide fluctuations that were not always related to the operating performance of such companies. There is no assurance that the price and trading of our Shares will not be subject to similar fluctuations.

5.3.3 The sale, or the possible sale, of a substantial number of our Shares in the public market following our Listing could adversely affect the price of our Shares

Following our Listing, we will have in issue 1,169,188,203 Shares, of which up to 350,756,900 Shares, representing up to approximately 30.0% of our enlarged issued Shares, will be held by investors participating in our IPO, and not less than approximately 52.1% will be held by our Promoters via their direct interests in our Company. Our Shares sold in our IPO will be tradable on the Main Market without restriction following our Listing.

5. RISK FACTORS (Cont'd)

In addition, our Promoters could dispose of some or all of our Shares that they hold after the moratorium period pursuant to their own investment objectives. If our Promoters sell, or is perceived as intending to sell, a substantial amount of our Shares that they hold, the market price for our Shares could be adversely affected.

5.3.4 There may be a delay in, or termination of, our Listing

The occurrence of certain events, including the following, may cause a delay in, or termination of, our Listing:

- (i) the Sole Managing Underwriter's or the Joint Underwriters' exercise of their rights under the Retail Underwriting Agreement, to discharge themselves of their obligations under such agreements;
- (ii) our inability to meet the minimum public shareholding spread requirement of having at least 25.0% of the total number of our Shares for which our Listing is sought being in the hands of at least 1,000 public shareholders holding at least 100 Shares each at the point of our Listing; or
- (iii) the revocation of the approvals from the relevant authorities for our Listing for whatever reason.

Where prior to the issuance and allotment or transfer of our IPO Shares:

- (i) the SC issues a stop order under Section 245(1) of the CMSA, the applications shall be deemed to be withdrawn and cancelled and we and the Selling Shareholders shall repay all monies paid in respect of the applications for our IPO Shares within 14 days of the stop order, failing which we shall be liable to return such monies with interest at the rate of 10.0% per annum or at such other rate as may be specified by the SC pursuant to Section 245(7)(a) of the CMSA; or
- (ii) our Listing is aborted other than pursuant to a stop order by the SC under Section 245(7)(a) of the CMSA, investors will not receive any IPO Shares, and all monies paid in respect of all applications for our IPO Shares will be refunded free of interest.

Where subsequent to the issuance and allotment or transfer of our IPO Shares and the proceeds from our Public Issue form part of our share capital:

- (i) the SC issues a stop order under Section 245(1) of the CMSA, any issue of our Issue Shares shall be deemed to be void and all monies received from the applicants shall be forthwith repaid and if any such money is not repaid within 14 days of the date of service of the stop order, we shall be liable to return such monies with interest at the rate of 10.0% per annum or at such other rate as may be specified by the SC pursuant to Section 245(7)(b) of the CMSA; or
- (ii) our Listing is aborted other than pursuant to a stop order by the SC, a return of monies to our shareholders could only be achieved by way of a cancellation of our share capital as provided under the Act and its related rules. Such cancellation can be implemented by the sanction of our shareholders by special resolution in a general meeting and supported by either (a) consent by our creditors (unless dispensation with such consent has been granted by the High Court of Malaya) and the confirmation of the High Court of Malaya, in which case there is no assurance that such monies can be returned within a short period of time or at all under such circumstances, or (b) a solvency statement from the directors.

5. RISK FACTORS (Cont'd)

5.3.5 We may not be able to pay dividends

As part of our Board's guidance on dividends, we aim to declare a certain portion of our retained earnings for the year, subject to the approval of our Board and to any applicable law and contractual obligations, as dividends, provided that such distribution will not be detrimental to our Group's cash requirements or to any plans approved by our Board. See Section 12.4 of this Prospectus for further details of our dividend policy. We propose to pay dividends after setting aside the necessary funds for capital expenditure and working capital and taking into account applicable restrictive covenants under our financing documents such that any declaration of dividends shall not exceed our distributable profits. We believe that we have sufficient working capital for the next 12 months from the date of this Prospectus, based on our cash generated from our operating activities, cash and bank balances, credit facilities and the gross proceeds of approximately RM[●] million that we expect to raise from our Public Issue. However, there is no assurance that our working capital will be sufficient or that we will be able to make dividend payments in the future. Even if we are able to pay dividends, our Board may decide, in its sole and absolute discretion, at any time and for any reason, not to pay dividends or to pay smaller dividends than we currently propose. Further, if we incur new borrowings subsequent to our Listing, we may be subject to additional covenants restricting our ability to pay dividends. If we do not pay dividends, or we pay dividends at levels lower than anticipated by investors, the market price of our Shares may be negatively affected and the value of your investment in our Shares may be reduced.

Our Company is a holding company and substantially all of our operations are conducted through our subsidiaries, JVs and associate. Accordingly, dividends and other distributions received from our subsidiaries, JVs and associate are our Company's principal source of income. Our Company, subsidiaries, JVs or associate may also enter into financing agreements which could further limit our ability to pay dividends, and we may incur expenses or liabilities that would reduce or eliminate the cash or profit available for the distribution of dividends.

Further, our payment of dividends may adversely affect our ability to fund unexpected capital expenditure as well as our ability to make interest and principal repayments on any borrowings that we may have outstanding at the time. As a result, we may be required to borrow additional money or raise capital by issuing equity securities, which may not be on favourable terms or available at all.

5.3.6 This Prospectus contains forward-looking statements which may not be accurate

This Prospectus contains forward-looking statements. All statements, other than statements of historical facts, included in this Prospectus, including without limitation to those regarding our financial position, business strategies, plans and objectives for future operations, are forward-looking statements. Such forward-looking statements are made based on assumptions that we believe to be reasonable as at the date of this Prospectus. Forward-looking statements can be identified by the use of forward-looking terminologies, such as the words "may", "will", "would", "could", "believe", "expect", "anticipate", "intend", "estimate", "aim", "plan", "forecast" or similar expressions, and include all statements that are not historical facts. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements, or industry results, to be materially different from any future results, performance, achievements, or industry results expressed or implied by such forward-looking statements.

5. RISK FACTORS *(Cont'd)*

Such forward-looking statements are based on numerous assumptions regarding our present and future business strategies and the environment in which we will operate in the future. Such factors include, among others, general economic and business conditions, competition, the impact of new laws and regulations affecting our industry and government initiatives.

In light of these uncertainties, the inclusion of such forward-looking statements in this Prospectus should not be regarded as a representation or warranty by us or our advisers that such plans and objectives will be achieved.

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6. INFORMATION ON OUR GROUP

6.1 OUR COMPANY

6.1.1 History and background

Our Company was incorporated in Malaysia under the Act on 23 December 2019 as a private limited company under the name of Loob Sdn Bhd. Our Company was converted to a public company on 17 March 2020.

Our Company is principally involved in investment holding activities whilst the principal activities of the Material Subsidiaries, our JVs and our associate are set out in Section 6.3 of this Prospectus.

Our journey began in October 2010 with our first bubble tea franchise in Malaysia and have since strategically expanded our portfolio. In November 2014, we launched SodaXpress in Malaysia, followed by the introduction of our Tealive brand in February 2017 with our first Tealive store in Pavilion Kuala Lumpur. We further diversified in October 2019 with the launch of our Bask Bear brand, opening our first Bask Bear store in 1 Utama Shopping Centre. In May 2024, we refreshed our Tealive brand with a new tagline and mascot, and in November 2024, we solidified our ownership of SodaXpress by acquiring the remaining equity interest, making it our wholly-owned subsidiary.

6.1.2 Restructuring exercise

We carried out a restructuring exercise prior to our Listing which had involved the following exercises:

- (i) On 20 January 2025, Loob Holding entered into a deed of assignment of shares of stock to transfer all 250,049 common shares of stock of Loob Philippines owned by Loob Holding, representing approximately 100.0% equity interest in Loob Philippines to TrueScale Ventures, a company owned by the then shareholders of Loob Holding, namely Bryan Loo, Loo Chuu Lin, Loo Chee Leng, Singli Aerovest and Zhejiang Boduo.

The purchase consideration of PHP25,004,900 (equivalent to approximately RM1,893,821.12), representing the total par value of common shares of stock of Loob Philippines, for the Transfer of Loob Philippines was arrived at on a “willing-buyer willing-seller” basis, which corresponds to the invested amount by Loob Holding was entirely satisfied in cash. This consideration is not detrimental to Loob Holding as it allows recovery of the invested capital despite the net liabilities position of Loob Philippines. See Section 6.1.3 of the Prospectus for further information. The Transfer of Loob Philippines was completed on 20 January 2025. Following the completion of the Transfer of Loob Philippines, Loob Philippines is now our franchisee and is operating our Tealive Franchised Stores. Loob Philippines has also undertaken to change its name by removing any reference to Loob by 30 September 2026.

- (ii) On 29 November 2024, Loob Holding entered into a capital transfer agreement to transfer its whole contributed capital of VND58,572,860,000, representing 100.0% of the charter capital of LV Holdings VN to TrueScale Ventures.

The purchase consideration of RM50,960 for the Transfer of LV Holdings VN was entirely satisfied in cash. The purchase consideration was arrived at on a “willing-buyer willing-seller” basis after taking into consideration the audited NA of LV Holdings VN as at 30 June 2024 of approximately RM50,960. The Transfer of LV Holdings VN was completed on 24 February 2025.

6. INFORMATION ON OUR GROUP (Cont'd)

6.1.3 Pre-IPO Restructuring

Our Company had, on 21 March 2025, entered into a conditional share sale agreement to acquire the entire issued share capital of Loob Holding, comprising 526,017 ordinary shares (“**Loob Holding Sale Shares**”) for a purchase consideration of RM28,767,873.33 (“**Loob Holding Share Sale Agreement**”), which was satisfied entirely by the issuance and allotment of 1,110,728,700 new Shares at an issue price of RM0.0259 each as fully paid-up to the then shareholders of Loob Holding in the following manner:

Shareholders	No. of Loob Holding Shares held	%	No. of new Loob Shares issued
Uttama	157,805	30.0	333,218,700
Bryan Loo	114,867	21.8	242,551,400
Loo Chuu Lin	106,223	20.2	224,298,900
Loo Chee Leng	89,739	17.1	189,491,500
Singli Aerovest	28,246	5.4	59,643,800
Zhejiang Boduo	8,623	1.6	18,208,200
Loo Lian Hiyok	5,260	1.0	11,106,900
Loo Kheng Sing	5,260	1.0	11,106,900
Loo Ay Lian	5,260	1.0	11,106,900
Quah Chin Voo	1,820	0.3	3,843,000
Lim Li Zhi	592	0.1	1,250,000
Wong Shu Yan	539	0.1	1,138,100
Tan Jie Yi	487	0.1	1,028,300
Tan Boon Keng	382	0.1	806,600
Woon Tai How	224	<0.1	472,900
Loo Huei Ju	192	<0.1	405,400
Wong Kok Yee	158	<0.1	333,600
Lo Yu Foh	66	<0.1	139,300
Lau Chun Foo	46	<0.1	97,100
Tang Mei Ling	46	<0.1	97,100
Ooi Tiat Huay	46	<0.1	97,100
Choo Lee Sze	46	<0.1	97,100
Lim Ai Yen	20	<0.1	42,200
Jeremy Tai Kim Hui	20	<0.1	42,200
Tan Hon Phang	20	<0.1	42,200
Kuan, Shu-Ching	20	<0.1	42,200
Chook Pui Man	10	<0.1	21,100
Total	526,017	100.0	1,110,728,700

The purchase consideration was arrived at on a “willing-buyer willing-seller” basis after taking into consideration the adjusted consolidated NA attributable to the owners of Loob Holding as at 30 June 2024 of RM28,875,405 which was derived as follows:

	RM
Audited consolidated NA attributable to the owners of Loob Holding as at 30 June 2024	89,531,836
Add: Transfer of Loob Philippines ⁽¹⁾	1,972,960
Less: Acquisition of the remaining 48.9% equity interest in Sodaxpress International	(2,261,483)
Less: Transfer of LV Holdings VN ⁽²⁾	(343,055)
Less: Pre-IPO Dividends ⁽³⁾	(60,024,853)
Adjusted consolidated NA attributable to the owners of Loob Holding	28,875,405

6. INFORMATION ON OUR GROUP (Cont'd)**Notes:**

- (1) Based on the gain on disposal arising from the Transfer of Loob Philippines of RM1,972,960 which was derived as follows:

	RM
Proceeds from the Transfer of Loob Philippines	1,893,821
Add: Audited net liabilities of Loob Philippines as at 30 June 2024	19,087,464
Less: Impairment of remaining balances with TrueScale Ventures ^(a)	(19,008,325)
Gain on disposal	1,972,960

Note:

- (a) Upon the Transfer of Loob Philippines, all outstanding amounts owed by Loob Philippines to Loob Holding and LRTS Retail will be novated to TrueScale Ventures. For illustrative purposes only, the amount novated from Loob Philippines to TrueScale Ventures is assumed to be RM39.8 million, representing the balance as at 30 June 2024. This amount is used solely for illustration as the actual novated amount may differ given that the Transfer of Loob Philippines was only completed on 20 January 2025. Of this assumed amount of RM39.8 million, RM20.9 million is to be settled by TrueScale Ventures by way of the dividend payable by Loob Holding to Bryan Loo, Loo Chuu Lin, Loo Chee Leng, Singli Aerovest and Zhejiang Boduo, which was assigned to TrueScale Ventures.

Since TrueScale Ventures is a newly incorporated investment holding company with investments in Loob Philippines and LV Holdings VN, both of which have yet to achieve profitable operations, Loob Holding will recognise an impairment loss of RM19.0 million on the remaining amount owed by TrueScale Ventures to Loob Holding as repayment from TrueScale Ventures is not foreseeable in the near future. Even if the Transfer of Loob Philippines and IPO did not take place, an impairment is necessary due to Loob Philippines' financial challenges and limited repayment capacity, with full settlement expected to take several years.

- (2) Based on the loss on disposal arising from the Transfer of LV Holdings VN of RM343,055 which was derived as follows:

	RM
Proceeds from the Transfer of LV Holdings VN	50,960
Less: Audited NA of LV Holdings VN as at 30 June 2024	(50,960)
Less: Impairment of amount due from LV Holdings VN ^(a)	(343,055)
Loss on disposal	(343,055)

Note:

- (a) LRTS Retail is one of the suppliers of LV Holdings VN and had previously impaired the amount due from LV Holdings VN in the FYE 30 June 2024. At the group level, this impairment was eliminated as both LRTS Retail and LV Holdings VN were subsidiaries of Loob Holding at that time. Following the disposal of LV Holdings VN, the previously eliminated impairment will be recognised in the consolidated statement of profit or loss of Loob Holding.
- (3) Comprising dividends of RM18.0 million declared in respect of the FYE 30 June 2024 and RM42.0 million declared in respect of the FYE 30 June 2025. See Section 12.4 and note 1.1.1 of Section 12.5 of this Prospectus for further details.

6. INFORMATION ON OUR GROUP (Cont'd)

The Loob Holding Sale Shares were acquired free from all charges, liens, pledges, trusts and other encumbrances and with all rights, benefits and entitlements attaching thereto from the date of completion for the Pre-IPO Restructuring. The Pre-IPO Restructuring is conditional upon, among others, the approvals of the SC and Bursa Securities in respect of our Listing which were obtained on [●] and [●] respectively. The Pre-IPO Restructuring was completed on [●].

6.1.4 Share capital

As at the date of this Prospectus, our issued share capital is RM28,767,876 comprising 1,110,728,703 Shares and our Company does not have any treasury shares.

Save as disclosed below, there have been no changes in our issued share capital during the Financial Years Under Review and up to the LPD:

<u>Date of allotment</u>	<u>No. of Shares</u>	<u>Nature of transaction</u>	<u>Consideration</u>	<u>No. of cumulative Shares</u>	<u>Cumulative issued share capital (RM)</u>
23 December 2019	2	Subscriber's shares	Cash	2	2
6 March 2025	1	Subscription of share	Cash	3	3
[●]	1,110,728,700	Settlement of the purchase consideration	Other than cash ⁽¹⁾	1,110,728,703	28,767,876

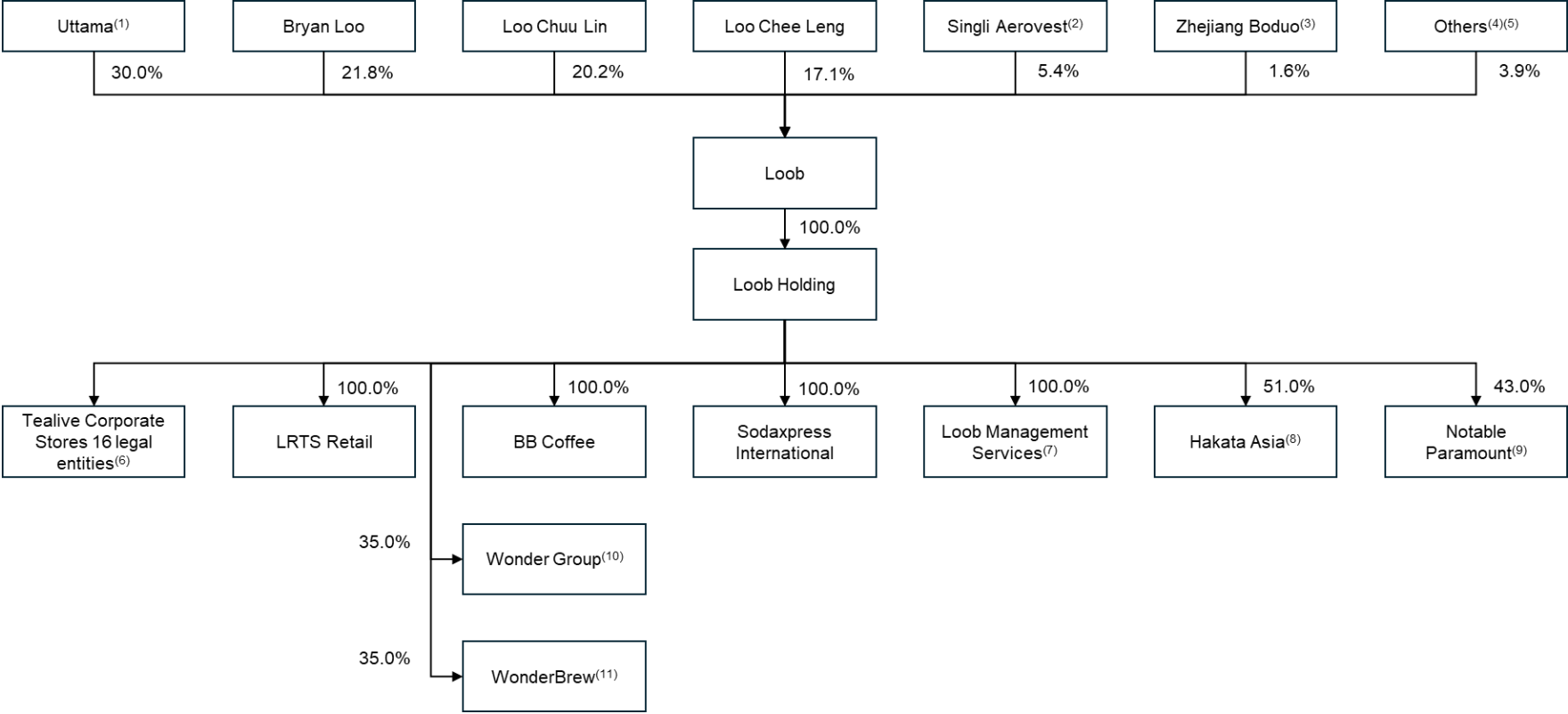
Note:

(1) Issued and allotted pursuant to the Pre-IPO Restructuring.

6. INFORMATION ON OUR GROUP (Cont'd)

6.2 OUR GROUP STRUCTURE

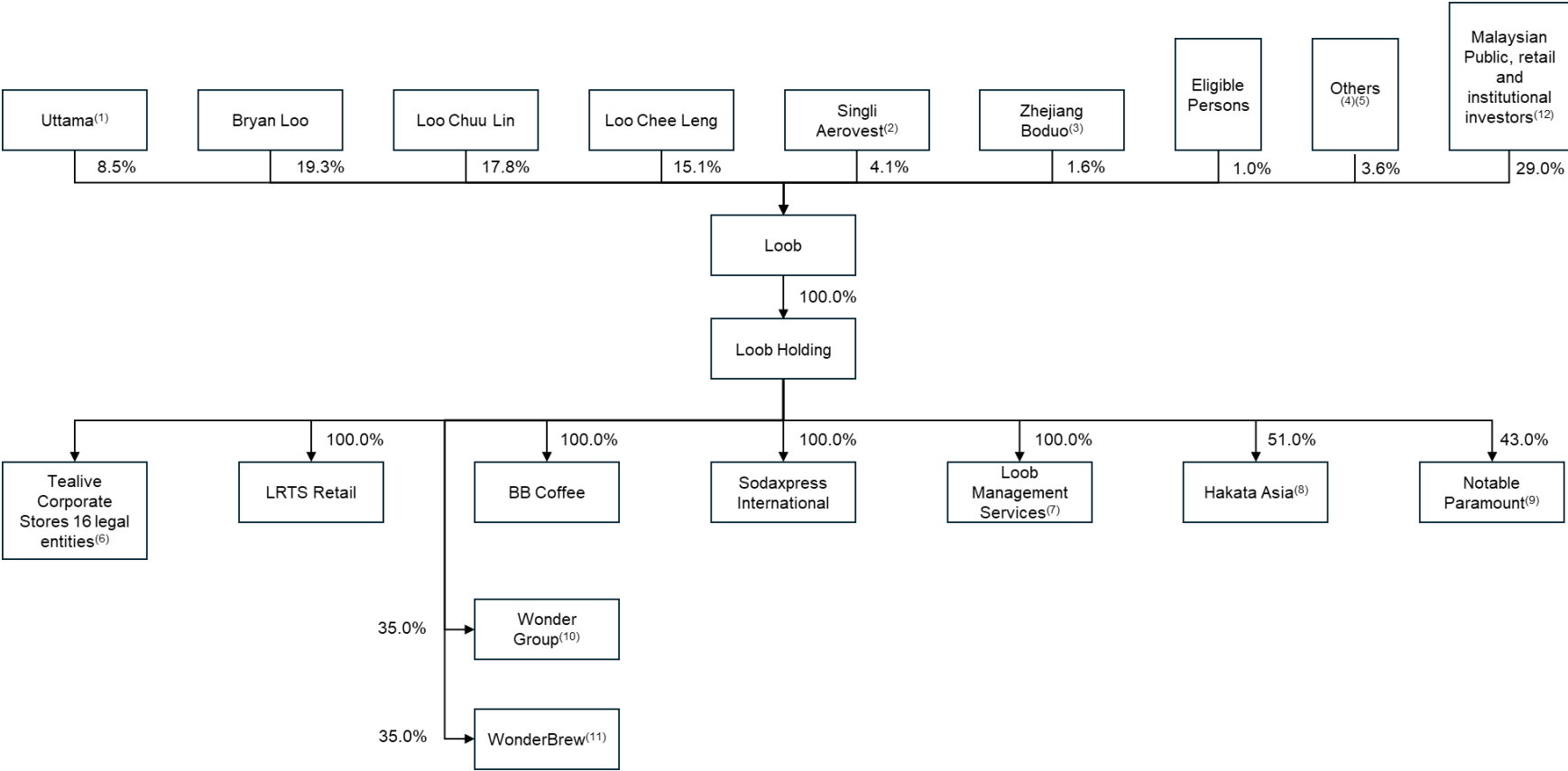
Our group structure after the Pre-IPO Restructuring but before our IPO is as follows:



6. INFORMATION ON OUR GROUP (Cont'd)

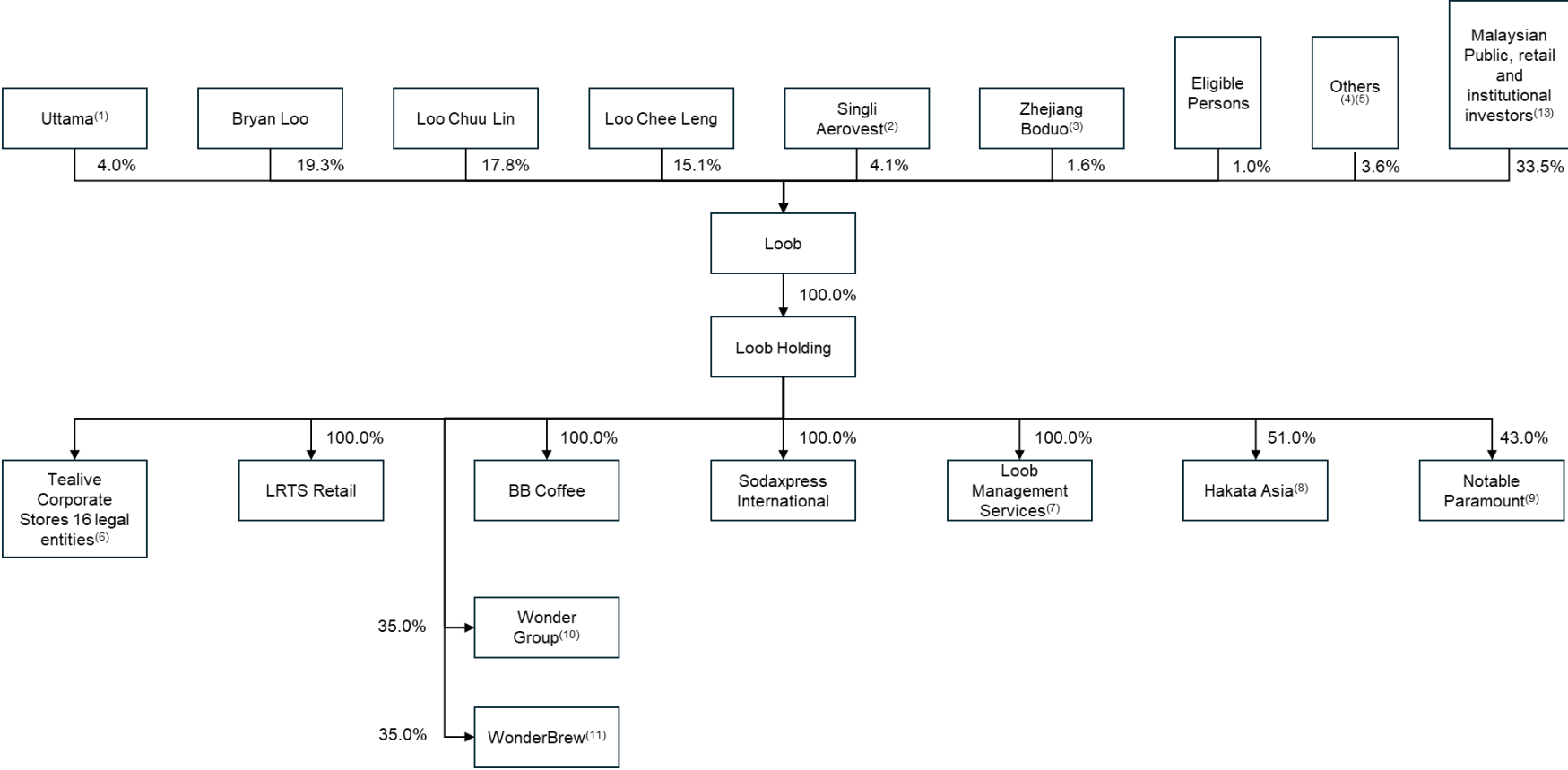
Our group structure after our IPO is as follows:

Assuming the Over-allotment Option is not exercised



6. INFORMATION ON OUR GROUP (Cont'd)

Assuming the Over-allotment Option is fully exercised



6. INFORMATION ON OUR GROUP (Cont'd)

Notes:

- (1) *The entire equity interest in Uttama is held by Creador IV. Uttama and Creador IV do not have any substantial shareholding in public listed companies, other than Creador IV's indirect interest in Sapphire Foods India Limited, a public company listed in India, held through the investment holding entity, namely Sapphire Foods Mauritius Limited via Karikala (Mauritius) Ltd. See Section 9.1.1(v) of this Prospectus for the profile of Uttama.*
- (2) *The shareholders of Singli Aerovest are Dato' Mah Yew Lay (70.0%) and Mah Kok Weng (30.0%). There is no association or family relationship between our Promoters and any of them. Dato' Mah Yew Lay and Mah Kok Weng are not involved in the day-to-day operations of our Group. Singli Aerovest, Dato' Mah Yew Lay and Mah Kok Weng do not hold any directorship and/or have any substantial shareholding in public listed companies. See Section 9.1.1(iv) of this Prospectus for the profile of Singli Aerovest.*
- (3) *Zhejiang Boduo is principally involved in F&B business. The entire equity interest in Zhejiang Boduo is held by Zhejiang Boduo Food Technology Co., Ltd. The sole shareholder of Zhejiang Boduo Food Technology Co., Ltd is Zhejiang Boduo Holding Group Co., Ltd. The shareholders of Zhejiang Boduo Holding Group Co., Ltd are Yu Tong (93.0%), Zhang Aiqun (5.0%) and Peng Qiusheng (2.0%). There is no association or family relationship between our Promoters and any of them, other than Yu Tong being a non-executive director of Hakata Asia and Notable Paramount. Yu Tong, Zhang Aiqun and Peng Qiusheng are not involved in the day-to-day operations of our Group. Zhejiang Boduo, Zhejiang Boduo Food Technology Co., Ltd, Zhejiang Boduo Holding Group Co., Ltd, Yu Tong, Zhang Aiqun and Peng Qiusheng do not hold any directorship and/or have any substantial shareholding in public listed companies. For your information, Zhejiang Boduo's equity interest in Loob is 1.64% following the Pre-IPO Restructuring but prior to our IPO, and 1.56% after our IPO.*
- (4) *Being Loo Lian Hiyok (1.0%), Loo Kheng Sing (1.0%) and Loo Ay Lian (1.0%), collectively. There is no association or family relationship between our Promoters and Loo Lian Hiyok, Loo Kheng Sing and Loo Ay Lian other than them being the siblings of Loo Chuu Lin. Loo Lian Hiyok, Loo Kheng Sing and Loo Ay Lian are not involved in the day-to-day operations of our Group. Neither of them holds any directorship or has any substantial shareholding in public listed companies.*
- (5) *Being Quah Chin Voo^(a) (0.3%), Lim Li Zhi^(b) (0.1%), Wong Shu Yan^(c) (0.1%), Tan Jie Yi^(d) (0.1%), Tan Boon Keng^(e) (0.1%), Woon Tai How^(e) (<0.1%), Loo Huei Ju^(f) (<0.1%), Wong Kok Yee^(g) (<0.1%), Lau Chun Foo^(e) (<0.1%), Lo Yu Foh^(e) (<0.1%), Tang Mei Ling^(e) (<0.1%), Ooi Tiat Huay^(e) (<0.1%), Choo Lee Sze^(h) (<0.1%), Lim Ai Yen^(e) (<0.1%), Jeremy Tai Kim Hui^(e) (<0.1%), Tan Hon Phang^(e) (<0.1%), Kuan, Shu-Ching^(e) (<0.1%) and Chook Pui Man^(e) (<0.1%), collectively. This excludes the Offer Shares under the Retail Offering that may be subscribed for by these individuals who are Eligible Persons. In regard to this group of shareholders:*
 - (a) *there is no association or family relationship between our Promoters and Quah Chin Voo other than Quah Chin Voo being our employee and the father-in-law of Loo Woi Lip. Quah Chin Voo does not hold any directorship or have any substantial shareholding in public listed companies.*
 - (b) *there is no association or family relationship between our Promoters and Lim Li Zhi other than Lim Li Zhi being our employee and a non-executive director of Notable Paramount. Lim Li Zhi does not hold any directorship or have any substantial shareholding in public listed companies.*
 - (c) *there is no association or family relationship between our Promoters and Wong Shu Yan other than Wong Shu Yan being our Projects and Business Development Director, a minority shareholder of Evergreen Locate and a former director and shareholder of Archiva F&B (dissolved). Wong Shu Yan does not hold any directorship or have any substantial shareholding in public listed companies.*
 - (d) *there is no association or family relationship between our Promoters and Tan Jie Yi other than Tan Jie Yi being our Director of Strategy & Portfolio, a non-executive director of WonderBrew and Wonder Group and a shareholder of Good Foodie and Good Foodie Media Pte Ltd in which our Promoters, Loo Chuu Lin, Bryan Loo and/or Loo Chee Leng, is a director and/or substantial shareholder of such companies. Tan Jie Yi does not hold any directorship or have any substantial shareholding in public listed companies.*

6. INFORMATION ON OUR GROUP (Cont'd)

- (e) *there is no association or family relationship between our Promoters and Tan Boon Keng, Woon Tai How, Lau Chun Foo, Lo Yu Foh, Tang Mei Ling, Ooi Tiat Huay, Lim Ai Yen, Jeremy Tai Kim Hui, Tan Hon Phang, Kuan, Shu-Ching and Chook Pui Man other than them being our employees. Neither of them holds any directorship or have any substantial shareholding in public listed companies.*
- (f) *there is no association or family relationship between our Promoters and Loo Huei Ju other than Loo Huei Ju being our employee, a non-executive director and major shareholder of Pure Infinite (under members' voluntary liquidation) and a non-executive director of Zendeck, Yunan Bridge Noodle and Bubbly Tales (dissolved), in which our Promoters, Loo Chuu Lin, Bryan Loo and/or Loo Chee Leng, is a director and/or substantial shareholder of such companies. Loo Huei Ju does not hold any directorship or have any substantial shareholding in public listed companies.*
- (g) *there is no association or family relationship between our Promoters and Wong Kok Yee other than Wong Kok Yee being our ex-employee, a minority shareholder of Evergreen Locate, a former director of Evergreen Locate and a former director and shareholder of Maven Beverage (dissolved). Wong Kok Yee is not involved in the day-to-day operations of our Group. Wong Kok Yee does not hold any directorship or have any substantial shareholding in public listed companies.*
- (h) *there is no association or family relationship between our Promoters and Choo Lee Sze other than Choo Lee Sze being our Finance Director. Choo Lee Sze does not hold any directorship or have any substantial shareholding in public listed companies.*

(6) List of the entities operating Tealive Corporate Stores:

No.	Name of entity	Loob Holding's shareholding
1.	Loob Integrated	100.0%
2.	Premium Delicious	80.0%
3.	Evergreen Locate	70.0%
4.	QSL Management Service	65.0%
5.	Nucoz	51.0%
6.	Oishinbo	51.0%
7.	TT Heritage	51.0%
8.	Rivietta ^(a)	100.0%

6. INFORMATION ON OUR GROUP (Cont'd)

No.	Name of entity	Loob Holding's shareholding	Reason for members' voluntary liquidation
<u>Companies under members' voluntary liquidation^(b)</u>			
9.	Everland Beverage ^(c)	100.0%	<i>This company undertook a members' voluntary liquidation after Loob Holding acquired the interest held by the minority shareholders and transferred the assets and liabilities of the company to Loob Integrated.</i>
10.	Famous Flavour ^(d)	100.0%	<i>This company undertook a members' voluntary liquidation after Loob Holding acquired the interest held by the minority shareholders and transferred the assets and liabilities of the company to Loob Integrated.</i>
11.	VLL Food & Beverage	100.0%	<i>This company undertook a members' voluntary liquidation after Loob Holding acquired the interest held by the minority shareholders and transferred the assets and liabilities of the company to Rivietta which has unabsorbed tax losses.</i>
12.	Archiva F&B ^(e)	70.0%	<i>This company undertook a members' voluntary liquidation after its assets and liabilities were consolidated with Evergreen Locate as both companies have common minority shareholders.</i>
13.	Maven Beverage ^(c)	70.0%	<i>This company undertook a members' voluntary liquidation after its assets and liabilities were consolidated with Evergreen Locate as both companies have common minority shareholders.</i>
14.	Merry Cafe ^(c)	60.0%	<i>This company undertook a members' voluntary liquidation after its assets and liabilities were consolidated with Evergreen Locate as both companies have common minority shareholders.</i>
15.	Bubbling Bubbles ^(c)	51.0%	<i>This company undertook a members' voluntary liquidation after the expiry of its tenancy agreement as the minority shareholders decided not to proceed with the operations.</i>
16.	Pure Infinite	40.0%	<i>As the major shareholder wished to exit from the Tealive business, Loob Integrated acquired the assets and liabilities from Pure Infinite and subsequently Pure Infinite undertook a members' voluntary liquidation.</i>

6. INFORMATION ON OUR GROUP (Cont'd)**Notes:**

- (a) *This company had ceased operations of its F&B stores since June 2023 as part of a restructuring exercise to streamline our Group's corporate structure. It ceased operating the central kitchen in July 2024. It also ceased providing management services in August 2024 following the conversion of the franchised stores for which they had provided management services into directly-owned stores operated by Loob Integrated. It is currently dormant following the full utilisation of tax losses and the transfer of its assets (including the F&B stores), except for a trademark registered under its name in India which is pending assignment to Loob Holding as at the LPD, and the trademark applications in Thailand which are pending the outcome of appeal from the court as at the LPD, and liabilities to Loob Integrated. See Annexure C of this Prospectus for further details on the status of the trademarks.*
- (b) *Prior to the members' voluntary liquidation, the Tealive Corporate Stores operated by this entity have ceased their operations.*
- (c) *This company was dissolved on 2 April 2025 pursuant to Section 459(5) of the Act.*
- (d) *This company was dissolved on 25 May 2025 pursuant to Section 459(5) of the Act.*
- (e) *This company was dissolved on 28 July 2025 pursuant to Section 459(5) of the Act.*
- (7) *This company is currently inactive and undergoing members' voluntary liquidation. It ceased its shared services function (including payroll services for our Group) in January 2021. The shared services function was transferred to Loob Holding as part of a restructuring exercise to streamline our Group's corporate structure by reducing the number of legal entities in our Group.*
- (8) *The remaining 49.0% equity interest in Hakata Asia is held by Zhejiang Boduo.*
- (9) *The remaining 57.0% equity interest in Notable Paramount is held by Zhejiang Boduo.*
- (10) *The remaining 65.0% equity interest in Wonder Group is held by Poh Wen Xian (39.0%) and Loke Boon Eng (26.0%). There is no association or family relationship between our Promoters, Poh Wen Xian and Loke Boon Eng.*
- (11) *The remaining 65.0% equity interest in WonderBrew is held by Poh Wen Xian (39.0%) and Loke Boon Eng (26.0%). There is no association or family relationship between our Promoters, Poh Wen Xian and Loke Boon Eng.*
- (12) *Comprises 11.5% of our enlarged issued Shares to the Malaysian Public under the Retail Offering and 17.5% of our enlarged issued Shares to the institutional and selected investors under the Institutional Offering.*
- (13) *Comprises 11.5% of our enlarged issued Shares to the Malaysian Public under the Retail Offering, 17.5% of our enlarged issued Shares to the institutional and selected investors under the Institutional Offering and 4.5% of our enlarged issued Shares under the Over-allotment Option.*

All the remaining equity interest not held by our Group in the Material Subsidiaries, our JVs and our associate are held by third parties save for Wong Shu Yan, our Projects and Business Development Director, who is also one of the shareholders of Evergreen Locate.

6. INFORMATION ON OUR GROUP (Cont'd)**6.3 MATERIAL SUBSIDIARIES, JVs AND ASSOCIATE**

The Material Subsidiaries, our JVs and our associate as at the LPD are as follows:

Name and Registration number	Date and country of incorporation	Share capital	Our effective equity interest (%)	Principal activities
Subsidiary of Loob				
Loob Holding (201001021759 (905529-P))	23 June 2010 Malaysia	RM15,300,002	100.0	Investment holding activities, managing of F&B retail outlets and provision of outsourcing services on finance and accounting, human resources and training, procurement and supply chain, and marketing
Subsidiaries of Loob Holding				
BB Coffee (201201028615 (1013102-H))	8 August 2012 Malaysia	RM1,000,000	100.0	Operation of F&B retail outlets
Evergreen Locate (201201039029 (1023507-U))	6 November 2012 Malaysia	RM300,000	⁽¹⁾ 70.0	Operation and management of F&B outlets
Hakata Asia (201801022089 (1284108-P))	19 June 2018 Malaysia	RM1,000,000	⁽²⁾ 51.0	Trading and supply of raw materials to F&B outlets
Loob Integrated (201401023291 (1099378-M))	27 June 2014 Malaysia	RM1,500,000	100.0	Operation and management of F&B retail outlets
LRTS Retail (201301012172 (1042010- K))	10 April 2013 Malaysia	RM250,000	100.0	Wholesale of F&B
Nucoz (201201030105 (1014592-X))	22 August 2012 Malaysia	RM200,000	⁽³⁾ 51.0	Operation and management of F&B outlets
Oishinbo (201201032458 (1016946-V))	13 September 2012 Malaysia	RM100,000	⁽⁴⁾ 51.0	Operation and management of F&B outlets
Premium Delicious (201401011755 (1087832-H))	7 April 2014 Malaysia	RM100,000	⁽⁵⁾ 80.0	Operation and management of F&B outlets
QSL Management Service (201101042422 (970542-A))	5 December 2011 Malaysia	RM250,100	⁽⁶⁾ 65.0	Operation and management of F&B outlet

6. INFORMATION ON OUR GROUP (Cont'd)

Name and Registration number	Date and country of incorporation	Share capital	Our effective equity interest (%)	Principal activities
Rivietta (201101010755 (938885-P))	1 April 2011 Malaysia	RM900,000	100.0	Dormant ⁽⁷⁾
Sodaxpress International (201401022869 (1098955-A))	24 June 2014 Malaysia	RM2,000	100.0	Retail business of importing, marketing and selling of soda machine
TT Heritage (201201022419 (1006911-M))	21 June 2012 Malaysia	RM50,000	⁽⁸⁾ 51.0	Operation and management of F&B retail outlets
JVs of Loob Holding				
WonderBrew (202201016783 (1462480-K))	12 May 2022 Malaysia	RM100	⁽⁹⁾ 35.0	Retail sale of tea, coffee, soft drinks, mineral water and other beverages
Wonder Group (201201008108 (1408407-D))	8 March 2021 Malaysia	RM600,011.14	⁽¹⁰⁾ 35.0	Manufacture and wholesale of tea, cocoa and other beverages
Associate of Loob Holding				
Notable Paramount (201401002583 (1078657-P))	23 January 2014 Malaysia	RM2,500,000	⁽¹¹⁾ 43.0	Processing and production of F&B products

Notes:

- (1) The remaining 30.0% equity interest in Evergreen Locate is held by Wong Shu Yan, Wong Kok Yee and Tan Johan with shareholding of 10.0% each respectively.
- (2) The remaining 49.0% equity interest in Hakata Asia is held by Zhejiang Boduo.
- (3) The remaining 49.0% equity interest in Nucoz is held by NC Galaxy Sdn Bhd.
- (4) The remaining 49.0% equity interest in Oishinbo is held by Key Preference Sdn Bhd.
- (5) The remaining 20.0% equity interest in Premium Delicious is held by Yip Yuen Meeh.
- (6) The remaining 35.0% equity interest in QSL Management Service is held by Neoh Yen Yen.
- (7) Rivietta had ceased operations of its F&B stores since June 2023 as part of a restructuring exercise to streamline our Group's corporate structure. It ceased operating the central kitchen in July 2024. It also ceased providing management services in August 2024 following the conversion of the franchised stores for which they had provided management services into directly-owned stores operated by Loob Integrated. It is currently dormant following the full utilisation of tax losses and the transfer of its assets (including the F&B stores), except for a trademark registered under its name in India which is pending assignment to Loob Holding as at the LPD, and the trademark applications in Thailand which are pending the outcome of appeal from the court as at the LPD, and liabilities to Loob Integrated. See Annexure C of this Prospectus for further details on the status of the trademarks.
- (8) The remaining 49.0% equity interest in TT Heritage is held by Ena Chu Kah Yee and Belinda Tan with shareholding of 30.0% and 19.0% respectively.

6. INFORMATION ON OUR GROUP (Cont'd)

- (9) *The remaining 65.0% equity interest in WonderBrew is held by Poh Wen Xian and Loke Boon Eng with shareholding of 39.0% and 26.0% respectively. There is no association or family relationship between our Promoters, Poh Wen Xian and Loke Boon Eng.*
- (10) *The remaining 65.0% equity interest in Wonder Group is held by Poh Wen Xian and Loke Boon Eng with shareholding of 39.0% and 26.0% respectively. There is no association or family relationship between our Promoters, Poh Wen Xian and Loke Boon Eng.*
- (11) *The remaining 57.0% equity interest in Notable Paramount is held by Zhejiang Boduo.*

The details of the Material Subsidiaries, our JVs and our associate as at the LPD are as follows:

6.3.1 Loob Holding

Loob Holding was incorporated in Malaysia under the Companies Act 1965 on 23 June 2010 and is deemed registered under the Act as a private limited company under its present name.

Loob Holding is principally engaged in the investment holding activities, managing of F&B retail outlets and provision of outsourcing services on finance and accounting, human resources and training, procurement and supply chain, and marketing. The principal place of business of Loob Holding is at No.14 (Block C), Jalan Teknologi, Taman Sains Selangor 1, Kota Damansara, 47810 Petaling Jaya, Selangor.

The issued share capital of Loob Holding is RM15,300,002.70 comprising 526,017 ordinary shares. There has been no change in the issued share capital of Loob Holding during the period covered by the Financial Years Under Review and up to the LPD.

Loob Holding is a wholly-owned subsidiary of our Company. As at the LPD, save as disclosed in Section 6 of this Prospectus, Loob Holding does not have any subsidiary, JV or associate.

6.3.2 BB Coffee

BB Coffee was incorporated in Malaysia under the Companies Act 1965 on 8 August 2012 and is deemed registered under the Act as a private limited company under the name of Best Tea Gallery Sdn Bhd. It assumed its present name on 27 December 2019.

BB Coffee is principally engaged in the operation of F&B retail outlets. The principal place of business of BB Coffee is at No.14 (Block C), Jalan Teknologi, Taman Sains Selangor 1, Kota Damansara, 47810 Petaling Jaya, Selangor.

The issued share capital of BB Coffee is RM1,000,000 comprising 1,000,000 ordinary shares. Save as disclosed below, there has been no change in the issued share capital of BB Coffee during the Financial Years Under Review and up to the LPD:

<u>Date of allotment</u>	<u>No. of ordinary shares</u>	<u>Consideration</u>	<u>Cumulative issued share capital (RM)</u>
28 April 2022	999,900	Cash	1,000,000

BB Coffee is a wholly-owned subsidiary of Loob Holding. As at the LPD, BB Coffee does not have any subsidiary, JV or associate.

6.3.3 Evergreen Locate

Evergreen Locate was incorporated in Malaysia under the Companies Act 1965 on 6 November 2012 and is deemed registered under the Act as a private limited company under its present name.

6. INFORMATION ON OUR GROUP (Cont'd)

Evergreen Locate is principally engaged in the operation and management of F&B outlets. The principal place of business of Evergreen Locate is at No.14 (Block C), Jalan Teknologi, Taman Sains Selangor 1, Kota Damansara, 47810 Petaling Jaya, Selangor.

The issued share capital of Evergreen Locate is RM300,000 comprising 300,000 ordinary shares. There has been no change in the issued share capital of Evergreen Locate during the Financial Years Under Review and up to the LPD.

As at the LPD, the shareholders of Evergreen Locate and their respective shareholding are as follows:

Shareholder	No. of ordinary shares	%
Loob Holding	210,000	70.0
Wong Shu Yan ⁽¹⁾	30,000	10.0
Wong Kok Yee ⁽²⁾	30,000	10.0
Tan Johan ⁽³⁾	30,000	10.0

Notes:

(1) See Note (5)(c) of Section 6.2 of this Prospectus for further information.

(2) See Note (5)(g) of Section 6.2 of this Prospectus for further information.

(3) There is no association or family relationship between our Promoters and Tan Johan other than Tan Johan being a non-executive director of Evergreen Locate and a former director and shareholder of Merry Cafe (dissolved). Tan Johan is not involved in the day-to-day operations of our Group. Tan Johan does not hold any directorship or have any substantial shareholding in public listed companies.

Evergreen Locate is a 70.0%-owned subsidiary of Loob Holding.

As at the LPD, Evergreen Locate does not have any subsidiary, JV or associate.

6.3.4 Hakata Asia

Hakata Asia was incorporated in Malaysia under the Act on 19 June 2018 as a private limited company under its present name.

Hakata Asia is principally engaged in the trading and supply of raw materials to F&B outlets. The principal place of business of Hakata Asia is at No.14 (Block C), Jalan Teknologi, Taman Sains Selangor 1, Kota Damansara, 47810 Petaling Jaya, Selangor.

The issued share capital of Hakata Asia is RM1,000,000 comprising 1,000,000 ordinary shares. There has been no change in the issued share capital of Hakata Asia during the Financial Years Under Review and up to the LPD.

As at the LPD, the shareholders of Hakata Asia and their respective shareholding are as follows:

Shareholder	No. of ordinary shares	%
Loob Holding	510,000	51.0
Zhejiang Boduo ⁽¹⁾	490,000	49.0

6. INFORMATION ON OUR GROUP (Cont'd)**Note:**

- (1) *Zhejiang Boduo is a private limited company wholly-owned by Zhejiang Boduo Food Technology Co., Ltd. The sole shareholder of Zhejiang Boduo Food Technology Co., Ltd is Zhejiang Boduo Holding Group Co., Ltd. The shareholders of Zhejiang Boduo Holding Group Co., Ltd are Yu Tong (93.0%), Zhang Aiqun (5.0%) and Peng Qiusheng (2.0%). See Note (3) of Section 6.2 of this Prospectus for further information.*

Hakata Asia is a 51.0%-owned subsidiary of Loob Holding.

As at the LPD, Hakata Asia does not have any subsidiary, JV or associate.

6.3.5 Loob Integrated

Loob Integrated was incorporated in Malaysia under the Companies Act 1965 on 27 June 2014 and is deemed registered under the Act as a private limited company under its present name.

Loob Integrated is principally engaged in the operation and management of F&B retail outlets. The principal place of business of Loob Integrated is at No.14 (Block C), Jalan Teknologi, Taman Sains Selangor 1, Kota Damansara, 47810 Petaling Jaya, Selangor.

The issued share capital of Loob Integrated is RM1,500,000 comprising 1,500,000 ordinary shares. There has been no change in the issued share capital of Loob Integrated during the Financial Years Under Review and up to the LPD.

Loob Integrated is a wholly-owned subsidiary of Loob Holding. As at the LPD, Loob Integrated does not have any subsidiary, JV or associate.

6.3.6 LRTS Retail

LRTS Retail was incorporated in Malaysia under the Companies Act 1965 on 10 April 2013 and is deemed registered under the Act as a private limited company under its present name.

LRTS Retail is principally engaged in the wholesale of F&B. The principal place of business of LRTS Retail is at No.14 (Block C), Jalan Teknologi, Taman Sains Selangor 1, Kota Damansara, 47810 Petaling Jaya, Selangor.

The issued share capital of LRTS Retail is RM250,000 comprising 250,000 ordinary shares. There has been no change in the issued share capital of LRTS Retail during the Financial Years Under Review and up to the LPD.

LRTS Retail is a wholly-owned subsidiary of Loob Holding. As at the LPD, LRTS Retail does not have any subsidiary, JV or associate.

6.3.7 Nucoz

Nucoz was incorporated in Malaysia under the Companies Act 1965 on 22 August 2012 and is deemed registered under the Act as a private limited company under its present name.

Nucoz is principally engaged in the operation and management of F&B outlets. The principal place of business of Nucoz is at No.14 (Block C), Jalan Teknologi, Taman Sains Selangor 1, Kota Damansara, 47810 Petaling Jaya, Selangor.

The issued share capital of Nucoz is RM200,000 comprising 200,000 ordinary shares. There has been no change in the issued share capital of Nucoz during the Financial Years Under Review and up to the LPD.

6. INFORMATION ON OUR GROUP (Cont'd)

As at the LPD, the shareholders of Nucoz and their respective shareholding are as follows:

Shareholder	No. of ordinary shares	%
Loob Holding	102,000	51.0
NC Galaxy Sdn Bhd ⁽¹⁾	98,000	49.0

Note:

- (1) *NC Galaxy Sdn Bhd is an investment holding company. NC Galaxy Sdn Bhd is a private limited company owned by Goh Lee Fung (50.0%) and Anthony Chan Chee Wee (50.0%), respectively. There is no association or family relationship between our Promoters, Goh Lee Fung and Anthony Chan Chee Wee other than: (i) Goh Lee Fung being a non-executive director of Nucoz; and (ii) Anthony Chan Chee Wee being a former director of Nucoz. Goh Lee Fung and Anthony Chan Chee Wee are not involved in the day-to-day operations of our Group. NC Galaxy Sdn Bhd, Goh Lee Fung and Anthony Chan Chee Wee do not hold any directorship and/or have any substantial shareholding in public listed companies.*

Nucoz is a 51.0%-owned subsidiary of Loob Holding.

As at the LPD, Nucoz does not have any subsidiary, JV or associate.

6.3.8 Oishinbo

Oishinbo was incorporated in Malaysia under the Companies Act 1965 on 13 September 2012 and is deemed registered under the Act as a private limited company under its present name.

Oishinbo is principally engaged in the operation and management of F&B outlets. The principal place of business of Oishinbo is at No.14 (Block C), Jalan Teknologi, Taman Sains Selangor 1, Kota Damansara, 47810 Petaling Jaya, Selangor.

The issued share capital of Oishinbo is RM100,000 comprising 100,000 ordinary shares. There has been no change in the issued share capital of Oishinbo during the Financial Years Under Review and up to the LPD.

As at the LPD, the shareholders of Oishinbo and their respective shareholding are as follows:

Shareholder	No. of ordinary shares	%
Loob Holding	51,000	51.0
Key Preference Sdn Bhd ⁽¹⁾	49,000	49.0

Note:

- (1) *Key Preference Sdn Bhd an investment holding company. Key Preference Sdn Bhd is a private limited company owned by Wong Ai Mei (33.3%), Leong Su San (33.3%) and George Leong Kwong Hon (33.3%), respectively. There is no association or family relationship between our Promoters, Wong Ai Mei, Leong Su San and George Leong Kwong Hon other than Wong Ai Mei being a non-executive director of Oishinbo. Wong Ai Mei, Leong Su San and George Leong Kwong Hon are not involved in the day-to-day operations of our Group. Key Preference Sdn Bhd, Wong Ai Mei, Leong Su San and George Leong Kwong Hon do not hold any directorship and/or have any substantial shareholding in public listed companies.*

Oishinbo is a 51.0%-owned subsidiary of Loob Holding.

As at the LPD, Oishinbo does not have any subsidiary, JV or associate.

6. INFORMATION ON OUR GROUP (Cont'd)

6.3.9 Premium Delicious

Premium Delicious was incorporated in Malaysia under the Companies Act 1965 on 7 April 2014 and is deemed registered under the Act as a private limited company under its present name.

Premium Delicious is principally engaged in the operation and management of F&B outlets. The principal place of business of Premium Delicious is at G58, Aeon Mall Seremban 2, 112, Persiaran S2 B1, Seremban 2, 70300 Seremban, Negeri Sembilan.

The issued share capital of Premium Delicious is RM100,000 comprising 100,000 ordinary shares. There has been no change in the issued share capital of Premium Delicious during the Financial Years Under Review and up to the LPD.

As at the LPD, the shareholders of Premium Delicious and their respective shareholding are as follows:

Shareholder	No. of ordinary shares	%
Loob Holding	80,000	80.0
Yip Yuen Meeh ⁽¹⁾	20,000	20.0

Note:

- (1) *There is no association or family relationship between our Promoters and Yip Yuen Meeh other than Yip Yuen Meeh being a non-executive director of Premium Delicious. Yip Yuen Meeh is not involved in the day-to-day operations of our Group. Yip Yuen Meeh does not hold any directorship or have any substantial shareholding in public listed companies.*

Premium Delicious is an 80.0%-owned subsidiary of Loob Holding.

As at the LPD, Premium Delicious does not have any subsidiary, JV or associate.

6.3.10 QSL Management Service

QSL Management Service was incorporated in Malaysia under the Companies Act 1965 on 5 December 2011 and is deemed registered under the Act as a private limited company under its present name.

QSL Management Service is principally engaged in the operation and management of F&B outlet. The principal place of business of QSL Management Service is at G63, Jalan Prima SG 3/1, Taman Prima Sri Gombak, 68100 Batu Caves, Selangor.

The issued share capital of QSL Management Service is RM250,100 comprising 250,100 ordinary shares. Save as disclosed below, there has been no change in the issued share capital of QSL Management Service during the Financial Years Under Review and up to the LPD:

Date of allotment	No. of ordinary shares	Consideration	Cumulative issued share capital (RM)
20 February 2025	250,000	Other than cash	250,100

Note:

- (1) *Issued and allotted in satisfaction of shareholders' advances.*

6. INFORMATION ON OUR GROUP (Cont'd)

As at the LPD, the shareholders of QSL Management Service and their respective shareholding are as follows:

Shareholder	No. of ordinary shares	%
Loob Holding	162,565	65.0
Neoh Yen Yen ⁽¹⁾	87,535	35.0

Note:

- (1) *There is no association or family relationship between our Promoters and Neoh Yen Yen other than Neoh Yen Yen being our employee and an executive director of QSL Management Service. Neoh Yen Yen does not hold any directorship or have any substantial shareholding in public listed companies.*

QSL Management Service is a 65.0%-owned subsidiary of Loob Holding.

As at the LPD, QSL Management Service does not have any subsidiary, JV or associate.

6.3.11 Rivietta

Rivietta was incorporated in Malaysia under the Companies Act 1965 on 1 April 2011 and is deemed registered under the Act as a private limited company under its present name.

Rivietta is principally engaged in operating a central kitchen, F&B outlets and provision of management services. Rivietta had ceased operations of its F&B stores since June 2023 as part of a restructuring exercise to streamline our Group's corporate structure. It ceased operating the central kitchen in July 2024. It also ceased providing management services in August 2024, following the conversion of the franchised stores for which they had provided management services into directly-owned stores operated by Loob Integrated. It is currently dormant following the full utilisation of tax losses and the transfer of its assets (including the F&B stores), except for a trademark registered under its name in India which is pending assignment to Loob Holding as at the LPD, and the trademark applications in Thailand which are pending the outcome of appeal from the court as at the LPD, and liabilities to Loob Integrated. The principal place of business of Rivietta is at No.14 (Block C), Jalan Teknologi, Taman Sains Selangor 1, Kota Damansara, 47810 Petaling Jaya, Selangor.

The issued share capital of Rivietta is RM900,000 comprising 900,000 ordinary shares. There has been no change in the issued share capital of Rivietta during the Financial Years Under Review and up to the LPD.

Rivietta is a wholly-owned subsidiary of Loob Holding. As at the LPD, Rivietta does not have any subsidiary, JV or associate.

6.3.12 Sodaxpress International

Sodaxpress International was incorporated in Malaysia under the Companies Act 1965 on 24 June 2014 and is deemed registered under the Act as a private limited company under its present name.

Sodaxpress International is principally engaged in the retail business of importing, marketing and selling of soda machine. The principal place of business of Sodaxpress International is at No.14 (Block C), Jalan Teknologi, Taman Sains Selangor 1, Kota Damansara, 47810 Petaling Jaya, Selangor.

6. INFORMATION ON OUR GROUP (Cont'd)

The issued share capital of Sodaxpress International is RM2,000 comprising 2,000 ordinary shares. Save as disclosed below, there has been no change in the issued share capital of Sodaxpress International during the Financial Years Under Review and up to the LPD:

<u>Date of allotment</u>	<u>No. of ordinary shares</u>	<u>Consideration</u>	<u>Cumulative issued share capital (RM)</u>
18 August 2021	1,000	Cash	2,000

Sodaxpress International is a wholly-owned subsidiary of Loob Holding. As at the LPD, Sodaxpress International does not have any subsidiary, JV or associate.

6.3.13 TT Heritage

TT Heritage was incorporated in Malaysia under the Companies Act 1965 on 21 June 2012 and is deemed registered under the Act as a private limited company its present name.

TT Heritage is principally engaged in the operation and management of F&B retail outlets. The principal place of business of TT Heritage is at No.14 (Block C), Jalan Teknologi, Taman Sains Selangor 1, Kota Damansara, 47810 Petaling Jaya, Selangor.

The issued share capital of TT Heritage is RM50,000 comprising 50,000 ordinary shares. There has been no change in the issued share capital of TT Heritage during the Financial Years Under Review and up to the LPD.

As at the LPD, the shareholders of TT Heritage and their respective shareholding are as follows:

<u>Shareholder</u>	<u>No. of ordinary shares</u>	<u>%</u>
Loob Holding	25,500	51.0
Ena Chu Kah Yee ⁽¹⁾	15,000	30.0
Belinda Tan ⁽²⁾	9,500	19.0

Notes:

(1) *There is no association or family relationship between our Promoters and Ena Chu Kah Yee other than Ena Chu Kah Yee being a non-executive director of TT Heritage. Ena Chu Kah Yee is not involved in the day-to-day operations of our Group. Ena Chu Kah Yee does not hold any directorship or have any substantial shareholding in public listed companies.*

(2) *There is no association or family relationship between our Promoters and Belinda Tan other than Belinda Tan being a former director of TT Heritage. Belinda Tan is not involved in the day-to-day operations of our Group. Belinda Tan does not hold any directorship or have any substantial shareholdings in public listed companies.*

TT Heritage is a 51.0%-owned subsidiary of Loob Holding.

As at the LPD, TT Heritage does not have any subsidiary, JV or associate.

6.3.14 WonderBrew

WonderBrew was incorporated in Malaysia under the Act on 12 May 2022 as a private limited company under its present name.

WonderBrew is principally engaged in the retail sale of tea, coffee, soft drinks, mineral water and other beverages. The principal place of business of WonderBrew is at No.7, Jalan PJS 7/19, Bandar Sunway, 47500 Subang Jaya, Selangor.

6. INFORMATION ON OUR GROUP (Cont'd)

The issued share capital of WonderBrew is RM100 comprising 100 ordinary shares. There has been no change in the issued share capital of WonderBrew during the Financial Years Under Review and up to the LPD.

As at the LPD, the shareholders of WonderBrew and their respective shareholding are as follows:

Shareholder	No. of ordinary shares	%
Poh Wen Xian ⁽¹⁾	39	39.0
Loob Holding ⁽²⁾	35	35.0
Loke Boon Eng ⁽¹⁾	26	26.0

Notes:

- (1) There is no association or family relationship between our Promoters, Poh Wen Xian and Loke Boon Eng.
- (2) Pursuant to the WonderBrew Shareholders Agreement, Poh Wen Xian and Loke Boon Eng have granted Loob Holding a call option to purchase, acquire and/or otherwise transfer 8.8% and 7.2% equity interest, representing a total of 16 ordinary shares, in WonderBrew held by them respectively. For further details on the call option and the WonderBrew Shareholders Agreement, see Section 14.6.3 of this Prospectus.

WonderBrew is regarded as a JV of Loob Holding by virtue of an agreement between the shareholders of WonderBrew which confers the right to Loob Holding to jointly control WonderBrew.

As at the LPD, WonderBrew does not have any subsidiary, JV or associate.

6.3.15 Wonder Group

Wonder Group was incorporated in Malaysia under the Act on 8 March 2021 as a private limited company under its present name.

Wonder Group is principally engaged as manufacture and wholesale of tea, cocoa and other beverages. The principal place of business of Wonder Group is at No.7, Jalan PJS 7/19, Bandar Sunway, 47500 Subang Jaya, Selangor.

The issued share capital of Wonder Group is RM600,011.14 comprising 307,708 ordinary shares. Save as disclosed below, there has been no change in the issued share capital of Wonder Group during the Financial Years Under Review and up to the LPD:

Date of allotment	No. of ordinary shares	Consideration	Cumulative issued share capital (RM)
14 July 2021	107,698	Cash	600,011.14

As at the LPD, the shareholders of Wonder Group and their respective shareholding are as follows:

Shareholder	No. of ordinary shares	%
Poh Wen Xian ⁽¹⁾	120,006	39.0
Loob Holding ⁽²⁾	107,698	35.0
Loke Boon Eng ⁽¹⁾	80,004	26.0

6. INFORMATION ON OUR GROUP (Cont'd)**Notes:**

- (1) *There is no association or family relationship between our Promoters, Poh Wen Xian and Loke Boon Eng.*
- (2) *Pursuant to the Wonder Group Subscription and Shareholders Agreement, Poh Wen Xian and Loke Boon Eng have granted Loob Holding a call option to purchase, acquire and/or otherwise transfer 8.8% and 7.2% equity interest, representing a total of approximately 49,233 ordinary shares, in Wonder Group held by them respectively. For further details on the call option and the Wonder Group Subscription and Shareholders Agreement, See Section 14.6.2 of this Prospectus.*

Wonder Group is regarded as a JV of Loob Holding by virtue of an agreement between the shareholders of Wonder Group which confers the right to Loob Holding to jointly control Wonder Group.

As at the LPD, Wonder Group does not have any subsidiary, JV or associate.

6.3.16 Notable Paramount

Notable Paramount was incorporated in Malaysia under the Companies Act 1965 on 23 January 2014 and is deemed registered under the Act as a private limited company under its present name.

Notable Paramount is principally engaged in the carrying on the business of processing and production of F&B products. The principal place of business of Notable Paramount is at No.14 (Block C), Jalan Teknologi, Taman Sains Selangor 1, Kota Damansara, 47810 Petaling Jaya, Selangor.

The issued share capital of Notable Paramount is RM2,500,000 comprising 2,500,000 ordinary shares. There has been no change in the issued share capital of Notable Paramount during the Financial Years Under Review and up to the LPD.

As at the LPD, the shareholders of Notable Paramount and their respective shareholding are as follows:

Shareholder	No. of ordinary shares	%
Zhejiang Boduo ⁽¹⁾	1,425,000	57.0
Loob Holding	1,075,000	43.0

Note:

- (1) *Zhejiang Boduo is a private limited company wholly-owned by Zhejiang Boduo Food Technology Co., Ltd. The sole shareholder of Zhejiang Boduo Food Technology Co., Ltd is Zhejiang Boduo Holding Group Co., Ltd. The shareholders of Zhejiang Boduo Holding Group Co., Ltd are Yu Tong (93.0%), Zhang Aiqun (5.0%) and Peng Qiusheng (2.0%). See Note (3) of Section 6.2 of this Prospectus for further information.*

Notable Paramount is a 43.0%-owned associate of Loob Holding.

As at the LPD, Notable Paramount does not have any subsidiary, JV or associate.

Save as disclosed above, as at the LPD, our Company, the Material Subsidiaries, our JVs and our associate do not have any outstanding warrants, options, convertible securities or uncalled capital.

None of our Shares and share capital in the Material Subsidiaries, our JVs and our associate were issued and allotted at a discount or have any special terms or instalment payment terms. Our issued Shares and the issued shares of the Material Subsidiaries, our JVs and our associate are fully paid-up.

6. INFORMATION ON OUR GROUP *(Cont'd)*

As at the LPD, neither our Company nor the Material Subsidiaries, our JVs and our associate are involved in any bankruptcy, receivership or similar proceedings.

During the last financial year and up to the LPD, there were no:

- (i) public take-over offers by third parties in respect of our Shares; and
- (ii) public take-over offers by our Company in respect of other companies' securities.

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7. BUSINESS OVERVIEW

7.1 OVERVIEW

We own (2) brands, namely Tealive and Bask Bear, that we operate in two (2) segments within the F&B services industry. According to the estimate stated in the IMR Report, Tealive is the largest F&B services brand in Malaysia by number of stores and the largest player within the tea shops segment by number of stores as at the LPD. The tea shops segment refers to F&B services establishments that predominantly focus on serving MTO beverages including bubble beverages, with tea as the base ingredient. According to the estimate stated in the IMR Report, Bask Bear is the largest player in the café segment by number of stores as at the LPD. Cafés refer to casual dining establishments that are food-focused, with a balance of caffeinated beverage.

Our operations for these two (2) brands are carried out through our Corporate Stores and our Franchised/Licensed Stores.

We commenced business in October 2010 when we opened our first tea shop that predominantly sold bubble beverages in Malaysia as a franchisee of a third-party brand. Building on over six (6) years of operational experience and industry know-how as a bubble beverage focused tea shop franchisee, in February 2017, following the end of the franchise arrangement, we launched our Tealive brand in Malaysia with the introduction of our first Tealive store in Pavilion Kuala Lumpur, Kuala Lumpur, Malaysia. In May 2024, Tealive underwent a brand refresh and introduced several new elements to enhance our identity. The brand debuted a new tagline, "Brewing Positivity," along with a quirky and fun mascot named "Bru". There were also several new features and initiatives that were introduced for our Tealive brand, including an enhancement to the store ambience with a new catchy brand anthem, new paper cup packaging from plastic cups used previously and an expanded merchandise line, including the release of a reusable bottle called the "Yumbler". We believe this rebranding marked a significant milestone in the evolution of our Tealive brand by aligning ourselves with market trends and making the brand more relevant and appealing, which can potentially lead to a strengthened emotional connection with our customers, improved sales volume, enhanced customer perception and further brand loyalty in the long run.

Tealive is our most established brand with the largest scale of operations and widest network of stores, accounting for approximately 82.4% of our Group's revenue for the FYE 30 June 2024. Our Tealive stores sell MTO cold and hot non-alcoholic beverages, which include tea-based beverages, coffee and smoothies, with our most popular drinks being the wide variety of flavoured, fruit and milk teas also commonly referred to as "bubble tea". Our Tealive menu also includes snacks such as chicken rolls and popcorn chicken.

According to a survey conducted by NielsenIQ in the first quarter of 2024, as quoted in the IMR Report, Tealive is leading in top-of-mind awareness among other players in the tea shops segment in Malaysia and commanding the highest level of monthly usage with 57% of survey respondents consuming Tealive in the month prior to the first quarter of 2024. We believe we achieved this outstanding customer awareness of our Tealive brand in Malaysia through our Tealive stores nationwide that are commonly located at high pedestrian and/or high vehicle traffic areas as at the LPD and by offering a varied menu of F&B products in convenient or dine-in-friendly environments and at affordable prices.

7. BUSINESS OVERVIEW (Cont'd)

The scale of operations of our Tealive store network is supported by our vertically integrated manufacturing capabilities. In December 2019, we ventured upstream and invested in a tapioca pearls manufacturing plant in Malaysia, owned by Notable Paramount, which was established by our Chinese partner, Zhejiang Boduo and produces tapioca pearls which are used in most of our Tealive stores. While the main customer of Notable Paramount is currently our Group, there is no restriction preventing Notable Paramount from supplying tapioca pearls to third parties. We believe that the in-house production of tapioca pearls improves ingredient quality and consistency, ensures the availability and timely delivery of ingredients and provides economies of scale. Additionally, in-house production allows us to extend the shelf life of tapioca pearls from six (6) to eight (8) months, as well as reduces waste and improves inventory management. It also eliminates the lag time associated with shipping tapioca pearls from Taiwan, thereby enabling faster replenishment and operational efficiency across most of our Tealive stores. However, to mitigate possible supply chain disruptions, we do not source all of our tapioca pearls from this plant as we have also sourced tapioca pearls from a third-party supplier who is not related to our Group. Such pearls are used across Tealive stores, and are comparable in quality to the tapioca pearls produced by Notable Paramount, ensuring product consistency while supporting operational flexibility across our Tealive store network.

Bask Bear is our second largest revenue contributor, accounting for approximately 16.9% of our Group's revenue for the FYE 30 June 2024. Launched in October 2019, our Bask Bear stores offer MTO beverages such as coffee, chocolate and milkshakes, as well as other MTO food items such as toasties, burgers and sides. Our Bask Bear food menu focuses on quality through the use of carefully sourced ingredients. For example, the beef patties for our burgers are sourced from reputable Halal manufacturers and our fried boneless chicken are made using whole chicken cuts rather than processed chicken meat. Our Bask Bear stores offer MTO F&B to ensure freshness in every meal.

Our principal market is Malaysia, where, as at the LPD, there are 831 Tealive stores, comprising 547 Tealive Corporate Stores and 284 Tealive Franchised Stores, and 135 Bask Bear stores, comprising 129 Bask Bear Corporate Stores and six (6) Bask Bear Franchised Stores, which are located across several states in Malaysia and at locations with high foot traffic, such as shopping malls. As at the LPD, Halal certificates have been obtained for 493 Tealive Corporate Stores and 266 Tealive Franchised Stores in Malaysia, representing 91.3% of the 831 Tealive stores in Malaysia. As at the LPD, Halal certificates have been obtained for 119 Bask Bear Corporate Stores and all six (6) Bask Bear Franchised Stores in Malaysia, representing 92.6% of the 135 Bask Bear stores in Malaysia. Further details for both Tealive and Bask Bear stores are set out in Annexure A of this Prospectus. We do not require our international franchisees and licensees to apply for Halal certification as it may not always be applicable or practical for our international stores, due to, among others, varying consumer demand (where the majority of the customer base may not prioritise Halal-certified offerings), local sourcing practices and regulatory differences that affect the availability of Halal-certified raw materials.

7. BUSINESS OVERVIEW (Cont'd)

The table below sets out the total number of stores under our Tealive and Bask Bear brands in operation both in Malaysia and internationally as at the LPD:

Brand	Description	Country	Number of stores		
			Directly-owned ⁽¹⁾	Franchised	Licenced
Tealive	Tea shops	Malaysia	531	283	-
		Philippines	-	78	-
		Myanmar	-	13	-
		Brunei	-	12	-
		Mauritius	-	5	-
		Vietnam	-	-	5
		Cambodia	-	3	-
		Canada	-	5	-
		Subtotal	531	399	5
Tealive Plus	Tea shops	Malaysia	16	1	-
		Tealive Subtotal	547	400	5
Bask Bear	Café	Malaysia	129	6	-
		Total	676	406	5

Note:

- (1) Comprising Corporate Stores as well as Tealive stores that are established pursuant to the Collaboration Agreement.

The total number of stores under our Tealive and Bask Bear brands since the FYE 30 June 2020 until the FYE 30 June 2024 are as follows:

Brand	Type of stores	Number of stores in the FYE 30 June				
		2020	2021	2022	2023	2024
Tealive	Directly-owned ⁽¹⁾	288	322	443	522	580
	Franchised/Licenced	265	328	356	371	366
	Total	⁽²⁾ 553	⁽³⁾ 650	⁽⁴⁾ 799	893	946
Bask Bear	Directly-owned ⁽¹⁾	7	9	20	91	123
	Licenced	1	1	4	4	5
	Total	8	10	24	95	128

Notes:

- (1) Comprising Corporate Stores as well as Tealive stores that are established pursuant to the Collaboration Agreement.
- (2) Includes three (3) Tealive Franchised Stores located in the United Kingdom ("UK"), three (3) Tealive Corporate Stores located in Vietnam as well as three (3) Tealive Corporate Stores and two (2) Tealive Franchised Stores located in Australia.
- (3) Includes three (3) Tealive Franchised Stores located in the UK, two (2) Tealive Corporate Stores and one (1) Tealive Franchised Store located in Vietnam as well as three (3) Tealive Corporate Stores and one (1) Tealive Franchised Store located in Australia.
- (4) Includes one (1) Tealive Franchised Store located in the UK, two (2) Tealive Corporate Stores and one (1) Tealive Franchised Store located in Vietnam as well as one (1) Tealive Corporate Store and two (2) Tealive Franchised Store located in Australia, all of which were discontinued by the FYE 30 June 2022.

7. BUSINESS OVERVIEW (Cont'd)

As at the LPD, we have subsisting MFAs in the Philippines (excluding Ilocos region), Myanmar, Mauritius, Cambodia and Canada, subsisting ARDAs in the Philippines (Ilocos region) and Brunei, as well as three (3) executed MFAs in India (August 2024), the UAE (September 2024) and Thailand (October 2024) and one (1) FA in the areas of Dhaka and Chittagong in Bangladesh (December 2024). While no Tealive Franchised Stores have been opened in these markets, there is a target to open over 400 Tealive Franchised Stores across these countries and regions based on a development schedule of five (5) to ten (10) years depending on the territory as part of our future plans. See Section 7.5.4.3 of this Prospectus for further details on our franchising arrangements for our international Tealive Franchised Stores.

The average capital expenditure to set up a new Tealive store and a new Bask Bear store in Malaysia are approximately RM[●] and RM[●], respectively, depending on location, store format and size of the stores, based on our Tealive Corporate Stores and Bask Bear Corporate Stores which were opened in the FYE 30 June 2024.

In addition to our Tealive and Bask Bear operations, we also sell sparkling water machines and carbonating gas cylinders to businesses and consumers under the SodaXpress brand which we launched in 2014, initially as a complementary business to our Tealive operations. As at the LPD, SodaXpress sparkling water machines and carbonating gas cylinders are sold regionally in Indonesia via local resellers and locally in Malaysia via various distribution channels, for example through direct distribution, online e-commerce sales, as well as B2B sales to F&B industry players such as dealers and wholesalers, restaurants and cafés and B2C sales to customers through online e-commerce platforms. The SodaXpress operations are managed by SodaXpress International.

We also hold a 35.0% equity interest in each of Wonder Group and WonderBrew, which produces and distributes WonderBrew kombucha, a ready-to-drink fermented tea. See Section 7.5.3.2 of this Prospectus for further details.

On 14 March 2025, we entered into a MOU with Aik Cheong to explore and establish a JV to develop, manufacture and distribute a new FMCG range, commencing with instant 3-in-1 versions of our most popular Tealive beverages. See Section 7.3.3 of this Prospectus for further details on the MOU and proposed JV with Aik Cheong.

7.2 COMPETITIVE STRENGTHS

Our competitive strengths are as follows:

7.2.1 We own a diverse portfolio of brands within the fast-growing tea shops and café segments of the F&B service industry in Malaysia, with Tealive being the largest F&B services brand in Malaysia by number of stores according to the estimate stated in the IMR Report

We have among the highest revenue, gross profit margin and profit before tax margin compared to the top F&B services chains in Malaysia, according to the estimate stated in the IMR Report. The tea shops and cafés segments in Malaysia are fast-growing, presenting significant growth potential. Our strong brand image, bolstered by multiple awards, reflects our commitment to quality and innovation, positioning us for continued success in this ever-evolving industry.

Market leadership through direct brand ownership

Our strategy of developing our Tealive and Bask Bear brands through direct control and ownership has allowed us to establish independent brands, distinguishing us from some of our competitors in the F&B services industry in Malaysia. This ownership enables us to oversee the operational aspects of our stores, ensuring consistent consumer experience and quality product offerings across all locations. This presents us with the flexibility to make more responsive decisions with respect to our business, product offerings and store rollouts across Malaysia and internationally.

7. BUSINESS OVERVIEW (Cont'd)

Tealive is the largest F&B services brand in Malaysia by number of stores and the largest player within the tea shops segment by number of stores as at the LPD, according to the estimate stated in the IMR Report. The second and third largest brands are KFC and ZUS Coffee, each with fewer than 700 stores as at the LPD. On the other hand, Bask Bear is the largest player within the café segment by number of stores as at the LPD, according to the estimate stated in the IMR Report. In addition, as a local brand, we believe that we are attuned to consumer preferences and tastes, allowing us to tailor our products to better meet customer demand.

Fast-growing tea shop and café segments

Since launching our first Tealive store in 2017 and our first Bask Bear store in 2019, we have recorded strong growth. Our revenue generated in Malaysia grew at a faster rate of 26.2% between FYE 30 June 2019 and FYE 30 June 2024, compared to the growth of the whole F&B services industry of 0.9% from 2019 to 2024E, according to the IMR Report. Tealive's sales also grew faster at 12.6%, compared to the growth of the tea shops segment of 8.1% from 2019 to 2024E, according to the IMR Report.

According to the IMR Report, the younger consumer base, influenced by social media and viral trends, is increasingly drawn to experiential F&B experiences, while Malaysia's tropical climate and preference for sweet drinks create an attractive market for new F&B brands, especially those specialising in cold beverages like coffee and tea. This drives the market size growth of the tea shop and café segments and we believe that both Tealive and Bask Bear are well-positioned to capture additional market shares.

According to the IMR Report, the market size of the tea shops segment in Malaysia has increased at a CAGR of 8.3%, rising from RM1.2 billion in 2019 to RM1.8 billion in 2024E. Looking ahead, the market size of the tea shops segment in Malaysia is projected to grow at a 2024E to 2029F CAGR of 9.6%, reaching RM2.8 billion by 2029. This growth will be driven by the rapid expansion of tea shops, along with a cultural acceptance and rising interest in tea drinking among locals.

The average tea consumption in Malaysia in 2022 is still low at 1.2 kg per capita compared to selected Southeast Asian countries, according to the IMR Report. By comparison, the average tea consumption in the Southeast Asian countries of Indonesia, Laos and Thailand in 2022 were approximately 2.2 kg, 2.0 kg and 1.7 kg per capita respectively, implying large potential for Malaysia to grow.

On the other hand, the market size of the café segment in Malaysia has increased at a CAGR of 3.1%, rising from RM3.2 billion in 2019 to RM3.7 billion in 2024E. Looking ahead, the market size of the café segment in Malaysia is projected to grow at a 2024E to 2029F CAGR of 9.3%, reaching RM5.8 billion by 2029.

Large and growing follower and member base

Leveraging our strong brand presence, we have built a large and growing social media following, with over 710,000 followers for Tealive and over 82,000 followers for Bask Bear across platforms including Facebook, Instagram, TikTok, X and Xiaohongshu, as at the LPD. As at the LPD, Tealive and Bask Bear have recorded over 1.1 million engagements across the aforementioned social media platforms. Since launching our Tealive App in 2022, our membership has grown rapidly, surpassing 2.8 million registered members as at the LPD. For Bask Bear, we have also achieved over 220,000 registered members since its launch in January 2024 as at the LPD. We believe that our extensive social media following and large App user base amplifies brand awareness and enhance customer engagement.

7. BUSINESS OVERVIEW (Cont'd)

To expand our member base and encourage more frequent visits to our stores, we consistently offer App-exclusive LTO and promotions. Our Tealive App and Bask Bear App users enjoy priority access to our seasonal and limited-time-only drinks, with exclusive discounts and early access. We also offer App-only promotions such as “Up to 4X TPoints for Every RM1 Spent” and “RM5 off for the First 5 Drinks” for Tealive App users, as well as “Up to 2X Paw Points for Every RM1 Spent” and “Buy 1 Free 1 Drink for up to 3 Times for First-time Buyers” for Bask Bear App users. These programs are structured to ensure not just initial trial but a habitual adoption of our Tealive App and Bask Bear App for sustained purchases.

We have also deployed QR coverage across our marketing collaterals and our store network to streamline ordering experiences. Our QR code ordering directs customers to our Apps for seamless ordering or prompts them to download the Apps if they have not done so. Looking ahead, we expect consumer loyalty to strengthen as our follower and member base grows.

Strong brand image and winner of multiple awards

Over the years, we have developed a strong brand image for Tealive. According to a survey conducted by NielsenIQ in the first quarter of 2024, as quoted in the IMR Report, Tealive also has a notable strength in location convenience and diverse range of beverages. We believe that our commitment to these values has provided customers with a reliable and satisfying experience, and also fostered brand loyalty.

In recognition of our brand's strength, Tealive has garnered several awards, including Best Engagement Strategy – App, Diversity Impact Award, International Franchisor of The Year and Platinum – Most Trusted Bubble Tea Brand in Malaysia.

Tealive also stands out as the dominant brand, leading in top-of-mind awareness and it also ranks high for Net Promoter Score compared to other players, indicating that customers are highly likely to recommend it to others, according to a survey conducted by NielsenIQ in the first quarter of 2024, as quoted in the IMR Report. Tealive also commands the highest level of monthly usage with 57% of the respondents consumed Tealive in the past month, according to a survey conducted by NielsenIQ in the first quarter of 2024, as quoted in the IMR Report.

On the other hand, as a testament to the popularity of Bask Bear's toasties, the brand is the most frequently mentioned by customers who have tried the toastie with price points accepted by many, according to a survey conducted by NielsenIQ in the first quarter of 2024, as quoted in the IMR Report.

7.2.2 We offer a diverse F&B range tailored to meet the varying consumption needs of different consumer groups

Tealive's and Bask Bear's competitive strengths are anchored in our ability to offer a diverse array of F&B products that cater to the varied consumption demands of different consumer groups. Our commitment to consistent taste and quality, bolstered by our product development capabilities, have allowed us to innovate and adapt swiftly to changing market trends, thereby reinforcing our position as a market leader.

Wide product variety catering to various preferences

Tealive is recognised as one of the established MTO beverage brands in Malaysia, offering an extensive range of beverages and the widest selection of toppings. Our Tealive menu features over 45 types of MTO beverages that can be customised to individual tastes, with main bases including tea, coffee, cocoa, fruit and dairy as at the LPD. This variety, coupled with our diverse toppings, ensures that our offerings appeal to customers of all ages.

7. BUSINESS OVERVIEW (Cont'd)

The launch of Bask Bear in October 2019 marks our entry into the café segment in Malaysia. Since its inception, Bask Bear has grown to offer 65 F&B products on its menu as at the LPD, including a diverse array of coffee drinks and fast casual food items. In 2021, we introduced our signature line of toasts, known as toasties, which quickly gain popularity, with over 1,700 toasties sold within the first three (3) months of launch. Building on this success, we expanded our menu to include other offerings like burgers, fried boneless chicken and sides such as macaroni and cheese, muffins and hash brown bites, catering to a wider customer base.

Consistent taste and quality in our F&B

We have developed standard operating procedures for the various phases of store operations and implemented a uniform kitchen display system in all Tealive stores, providing our employees with clear instructions on the exact ingredients and methodologies required to create each beverage. The uniform kitchen display system, is a standardised digital interface used across all Tealive stores to display customer orders in real time, enabling staff to efficiently manage and prepare orders in the correct sequence. In addition, we have equipped our stores with advanced machinery, such as tea dispensers, tea brewers and coffee machines which operate at pre-set settings to semi or fully-automate key processes. These systems enhance operational efficiency and enable us to deliver consistency across large volume of beverages prepared.

To ensure consistency in raw material supplies, longer shelf lives and better quality across our Tealive bubble beverages, we ventured upstream in December 2019 and invested in a tapioca pearls manufacturing plant in Malaysia, owned by Notable Paramount, which was established by our Chinese partner, Zhejiang Boduo, for the production of tapioca pearls which are used in most of our Tealive stores. In addition, we use aren palm sugar, which has a lower glycaemic index, retains key nutrients and is less processed than refined sugars, giving a unique savoury-sweet flavour with a hint of smokiness that sets us apart from competitors. In terms of taste profile, Tealive outperforms the key MTO F&B brands and has been recognised for its “delicious taste”, according to a survey conducted by NielsenIQ in the first quarter of 2024, as quoted in the IMR Report.

For Bask Bear, our specialty coffee is made from 100% Arabica beans sourced from Ethiopia and Guatemala, offering a creamy, well-rounded flavour. We also use premium ingredients such as fresh beef patties and full-meat chicken tenders in some of our food options to ensure the highest quality and a wholesome experience for our customers.

Product development capabilities

Our product development capabilities stem from our extensive experience in expanding our Tealive network, providing us with valuable insights into the demographic and geographic landscape of MTO beverage consumers in Malaysia, and enables us to craft unique flavours and elevate the overall consumer experience. Our proven track record is evident in the success of our LTO flavours. For example, our “Mangold”, “Fancy Melon” and “Italian Hazelnut Indulgence” LTO flavours each generated over RM7.0 million in POS sales during their limited-time launches, within just three (3) months.

We also consistently introduce LTO approximately once every four (4) to six (6) weeks for Tealive and Bask Bear, which contribute ten (10) to 15 percent of our total POS sales. We believe this strategy keeps our product line-up fresh and engaging, thus sustaining consumer interest. By regularly launching innovative and seasonal options, we create excitement and encourage repeat visits, while catering to evolving tastes and trends.

7. BUSINESS OVERVIEW (Cont'd)

7.2.3 Our brand appeals to a wide base of new-age consumers

Our competitive strengths are exemplified by our ability to resonate with a wide base of new-age consumers, driven by strong brand presence. We employ diversified store formats for Tealive that specifically target different consumer groups, effectively expanding our reach and accessibility. In response to consumers' growing preference for convenience, we ensure that our offerings are readily available and easy to order. In addition, crossover co-branding, recipe collaborations, ESG and brand awareness campaigns, strategic collaborations and intellectual property partnerships enhance brand visibility and attract new customers, further solidifying our market position.

Diversified store formats for Tealive allowing us to expand our reach

We have strategically positioned our Tealive stores at various key locations, including shopping malls, transportation hubs, commercial units, banks, petrol stations and drive through stores, to establish a strong presence in both urban and suburban areas and expand our brand's reach to a broader consumer base.

We currently have multiple Tealive store formats, including mall shoplots (200 sq. ft. up to 1,200 sq. ft.), mall kiosks (150 sq. ft. up to 800 sq. ft.), standalone shoplots (400 sq. ft. up to 1,500 sq. ft.), drive through stores (400 sq. ft. up to 3,000 sq. ft.), petrol station stores (150 sq. ft. up to 500 sq. ft.) and transportation hub kiosks to select from for each store opening.

Our diverse range of store formats allows us to quickly respond to market opportunities and expand into areas with significant growth potential. Our shoplots and kiosks in malls leverage high foot traffic generated by Malaysia's vibrant mall culture. Our standalone shoplots provide convenience and attract repeat foot traffic within targeted communities. In addition, our drive through stores and petrol station stores allow our customers to grab-and-go.

We also employ an efficient "kiosk" format which enables us to open smaller stores in prime locations with higher rental costs, expanding our footprint while improving capital efficiency and reducing overall investment. These kiosks are opened at high-traffic transportation hubs, including train, MRT, LRT and bus stations, capturing sales from the commuters in transit.

Catering to modern consumers' strong preference for convenience

In response to consumers' increasing demand for convenience, we have implemented several initiatives to streamline the ordering experience.

Our Tealive App and Bask Bear App enable App users to place orders quickly and easily, minimising the need for direct interaction. These systems also support cashless payments, ensuring a smooth and efficient transaction process. Recognising the shift toward convenience and doorstep delivery, our Tealive App and Bask Bear App also allow users to order products via the Apps and use algorithms to assign third-party deliverers.

Our drive through stores and pick-up feature available through our Tealive App and Bask Bear App reduce wait times and provide a more personalised and seamless experience that caters to the fast-paced lifestyle of today's consumers. We believe our commitment to innovation also keeps us ahead of industry trends, delivering convenience and satisfaction at every touchpoint.

7. BUSINESS OVERVIEW (Cont'd)

In addition, we have also expanded our delivery capabilities through partnerships with food delivery aggregators such as Grab Food, foodpanda and Shopee Food to enhance our reach and accessibility to a broader customer base. Customers can order Tealive and Bask Bear products via food delivery aggregators, which charge a percentage of sales with delivery fees paid by the customers.

Notably, our sales from Tealive App and Tealive food delivery aggregators contribute approximately 32.5% of our total Tealive POS Sales for the FYE 30 June 2024 and our Bask Bear App and Bask Bear food delivery aggregators contribute approximately 45.5% of our total Bask Bear POS Sales for the FYE 30 June 2024.

Driving growth through creative collaborations

We actively pursue unique collaborations through co-branding initiatives, recipe collaborations, strategic collaborations and intellectual property partnerships with well-known brands to enhance our brand awareness and grow our customer base.

By jointly developing and launching creative co-branded products that align with our brand image, we have seen widespread consumer enthusiasm, particularly for collaborations with household names. For instance, in May 2020, our Tealive brand collaborated with Unilever Wall's to launch the special edition Tealive Boba Ice Cream, blending Tealive's soft chewy pearl and rich milk tea with Wall's creamy ice cream. In December 2023, our Tealive brand collaborated with Golden Screen Cinemas to introduce sensational new Golden Caramel Popcorn series featuring four (4) delectable varieties, namely Golden Caramel Popcorn Smoothie, Golden Caramel Popcorn Choc, Golden Caramel Popcorn Coffee and Golden Caramel Popcorn Milk Tea.

Our recipe collaborations with renowned brands allow us to create unique beverage offerings that capture consumer interest. These collaborations not only enhance our product portfolio but also leverage shared marketing efforts, resulting in increased brand visibility and sales. For example, our Tealive brand collaborated with Secret Recipe Malaysia to launch the Cream Cloud Red Velvet series in January 2024, featuring Red Velvet Smoothie, Red Velvet Mocha and Red Velvet Chocolate. Our Bask Bear brand also collaborated with myBurgerLab to create Burger Toasties, pairing myBurgerLab's signature burger patties with Bask Bear's toasties.

To boost sales and enhance product visibility, we have established strategic collaborations that bridged industries in unconventional ways. In August 2024, Tealive collaborated with Santan Restaurant Sdn Bhd, the inflight catering and F&B subsidiary of Capital A Berhad, to provide our healthy beverages on its menu. Our ZERO Original Milk Tea with Konjac Pear was featured on selected AirAsia flights, which not only enhances our brand publicity but also expands our customer reach.

We also actively secure and leverage intellectual property rights to use popular anime and movie characters in our marketing and branding efforts. In 2024 and 2025, Tealive collaborated with Squid Game, Joker-Batman-Harley Quinn, Kuromi and Pokémon to launch exclusive collections of co-branded, limited-edition beverages, snacks and merchandise. These special edition series generated heightened interest in our products and resulted in strong sales performance during the launch periods over the Financial Years Under Review. We launched the Pokémon Yogurt Smoothie series in May 2024, which recorded notable sales of approximately RM4.36 million, representing an increase in POS Sales of 0.8% in the FYE 30 June 2024. Pokémon Yogurt Smoothie series further contributed sales of RM1.9 million for the FYE 30 June 2025. We launched the Squid Game Spicy Budae and Honey Toffee series in November 2024, Joker-Batman-Harley Quinn Choco Lava series in January 2025 and Kuromi Royale Mangold series in August 2024 which recorded notable sales of approximately RM3.26 million, RM4.45 million, RM6.62 million, respectively. The total selected LTO sales for the FYE 30 June 2025 amounted to RM16.23 million, representing an increase in POS Sales of 3.7%.

7. BUSINESS OVERVIEW (Cont'd)***ESG and brand awareness campaigns***

In November 2024, we pledged to provide one million free school meals in support of the Jom Kosong campaign, an initiative by the MDTCL to promote zero-sugar options. For each cup sold under the campaign, 20 sen will be donated to our Tealive School Meals Fund, with contributions going directly to *Yayasan Didik Negara*. The campaign was launched on 1 December 2024 and we aim to raise the RM3.5 million needed to fund the meals within a year, depending on customer support.

During Ramadan in 2023, we engaged with four (4) celebrities (actor Fikry Ibrahim, actor and model Meirul Aiman, TikTok Imran Brad and comedian, TikTok, Youtuber and TV presenter Mark O'Dea) to create awareness for our new Tealive Bang-Bang Bazaar Combo and maintain top-of-mind awareness, such that consumers would instantly associate our brand with bubble tea beverages, and generate engagement among influencers on social media. This campaign generated more than 2.6 million media reach on TikTok and Instagram and 80 times value-added Instagram stories.

7.2.4 We utilise technology to deliver a compelling value proposition to customers

Our competitive strengths are rooted in our adaptive use of technology, which delivers a compelling value proposition to customers. Our Tealive App and Bask Bear App enable us to gain deeper insights into our customers, allowing us to further enhance their overall experience. Leveraging data-driven analytics through our CBIS, we gain valuable insights which drive continuous improvement and our future strategies. In addition, our digitalised marketing efforts effectively engage consumers and amplify brand awareness. See Section 7.5.4.6 of this Prospectus for further details on the technological and operational developments which we have implemented.

Enhanced customer experience with our Tealive App and Bask Bear App

We have developed our Tealive App and Bask Bear App that enable customers to pre-pay for store credits which allow us to secure sales from customers at first instance. Our Tealive App and Bask Bear App feature a loyalty program that allows customers to earn points redeemable for purchases at our stores across Malaysia, as well as enjoy exclusive member promotions like free birthday beverages. Our Tealive App and Bask Bear App also gather valuable data on user demographics, helping us better understand customer preferences and tailor our products and marketing efforts accordingly. In addition, it serves as a communication channel, allowing us to share information about new products, store openings and promotional activities.

To enhance customer experience, we have incorporated a pre-ordering feature that allows customers to place orders in advance, which aims to reduce wait times and boost satisfaction. This functionality improves operational efficiency, allowing our staff to focus on preparing pre-ordered beverages rather than taking manual orders, leading to higher customer turnover and increased sales.

Our Tealive App and Bask Bear App are also able to track key metrics such as total registered users, total monthly active users, total transacting users, newly registered members, as well as identify members that have been inactive. This enables us to launch tailored promotions such as coupons and discount vouchers based on customers' historical purchasing data to stimulate purchases again.

7. BUSINESS OVERVIEW (Cont'd)***Data-driven analytics driven by our CBIS***

Our CBIS collects real-time data from all our stores, enabling us to analyse operations and financial performance effectively. This includes our integrated POS software, installed across all locations, which allows us to track real-time sales data. Our CBIS also enables us to efficiently monitor inventory levels, make timely adjustments to marketing, products and operations in response to market conditions and shifts in customer purchasing patterns, while also improving the accuracy of demand forecasts.

We use this data to identify key areas for targeted marketing strategies aimed at expanding our customer base. Our CBIS also provides performance metrics across our stores, allowing us to swiftly address any underperforming locations or operational issues. By analysing this data, we gain valuable insights into business opportunities, trends and consumer preferences, all of which are crucial for evaluating potential sites for new stores.

Digitalised marketing

Given the high internet usage and social media penetration in Malaysia, our social media channels like Facebook, Instagram, TikTok, X and Xiaohongshu are crucial for us to reach a wide consumer base and enhance brand visibility. We have successfully implemented several targeted digital marketing strategies to foster connections with customers. A notable example is Tealive's School Holiday Bonanza Social Media Contest which garnered over 8.5 million and 4.9 million impressions on Instagram and Facebook, respectively. For Bask Bear, The Contest of Enter the Shop Dancing to Get a Free Americano has garnered more than 20,000 engagements on TikTok.

We have also evolved our social media presence into a direct revenue channel through social commerce and marketplace integrations. For example, we have expanded our presence through live commerce on platforms like Shopee Live, TikTok Shop and Lazada Live, leveraging interactive livestreams to showcase our products and drive product discovery and impulse purchases.

7.2.5 We have a scalable platform that enables us to expand our sales channels and drive our future growth

Our competitive strengths are anchored in our scalable platform, which empowers us to expand our sales channels and drive future growth effectively. Our modular store design formats enable new stores to commence operations quickly and efficiently, maximising our market presence. Coupled with a standardised training program, we ensure that all staff deliver good service and product quality consistently across our existing and new stores.

Modular store design formats

We have developed a modular format for opening new stores by using prefabricated furnishings and standardised store schematics such as lighting, equipment and signage. Our in-house team of interior designers and project managers also ensure that each store is fitted out according to our internal guidelines. This approach achieves consistency in design and layout across locations and minimises on-site installation time.

In addition, we have streamlined our store opening process, enabling new stores to commence operations quickly and efficiently within two (2) months from securing the sites. This efficiency has significantly contributed to our rapid growth, with the opening of 163, 165 and 86 net new stores in the FYE 30 June 2022, FYE 30 June 2023 and FYE 30 June 2024, respectively, reflecting a two-year CAGR of 14.7%.

7. BUSINESS OVERVIEW (Cont'd)***Standardised training programme***

We have established standardised training procedures for Tealive and Bask Bear to ensure that our staff possess the necessary skills to meet our quality standards before opening new stores. In addition, we have developed an e-learning application that allows employees to undertake training and refresher courses on F&B preparation, including new products. This e-learning application also provides regular updates on new product offerings and marketing initiatives across our stores. Employees can revisit training sessions via the e-learning platform whenever needed to familiarise themselves. By utilising this application, we ensure consistent training for our employees, which has significantly reduced training costs and time while enhancing productivity and efficiency.

7.2.6 We have operational expertise powered by effective supply chain management and robust internal IT infrastructure

Our operational expertise enables streamlined processes and reduced overhead costs, while ensuring the quality of raw materials and consistency in supplies. As a result, we are able to achieve an average payback period of approximately 2.8 years for Tealive Corporate Stores and 2.2 years for Bask Bear Corporate Stores for the FYE 30 June 2024, compared to approximately 2.9 years for both Tealive Corporate Stores and Bask Bear Corporate Stores for the FYE 30 June 2023.

We have established a dedicated procurement team at our headquarters responsible for centralised supply chain management for both Tealive and Bask Bear. This team carefully selects suppliers who meet our stringent quality standards and diversifies our supplier base to minimise reliance risks. We also continuously strengthen our partnerships with leading suppliers to secure a reliable supply of raw materials. In addition, we collaborate with multiple established logistics providers to coordinate deliveries to all stores, ensuring a timely and dependable supply of raw materials to consistently meet consumer demand.

As part of our expansion efforts for Tealive and Bask Bear, we have also upgraded our internal IT infrastructure by customising and installing an ERP system in August 2022. This ERP system automates and streamlines core business processes, reducing manual tasks, data entry errors and duplication of efforts. It provides real-time data, enhances decision-making and improves collaboration by centralising information across departments. With better data accuracy, the ERP system fosters collaboration between departments and improve cross-functional communication. This has further strengthened our management of stores, inventory and supply chains.

7.2.7 We have an experienced and dedicated founder-led management team with significant expertise

Our Group is managed by our founder-led Key Senior Management team which is headed by our CEO, Bryan Loo, who has over 14 years of experience in the F&B industry. Bryan Loo led the team that developed the business plan, raised capital, secured relevant licences and approvals and negotiated the terms of agreements in relation to our stores. He is also a key member driving the expansion and modernisation strategies of our operations including the introduction of CBIS in our Group's operations which has been instrumental to our business growth. His leadership was significant for our development thus far and which has in turn laid a strong foundation for our future expansion. He has won a number of accolades, including being awarded "EY Emerging Entrepreneur" by Ernst & Young in 2013 and being featured as one of Asia's Most Influential by Tatler in 2022, 2023 and 2024.

7. BUSINESS OVERVIEW (Cont'd)

The experience of our Key Senior Management team is also invaluable in delivering our strong historical growth and executing our strategies going forward. Our Key Senior Management members (including our COO, International Business Director and Business Development Director) are experienced professionals in their respective areas of practice and have been critical in strategic planning for store-roll out, building relationships with suppliers and creating our innovative operating systems.

According to the IMR Report, Tealive has showed resilience in overcoming challenges, surpassing competitors and further reinforcing its market share during periods of intense competition, such as the 2020 to 2021 phase marked by an influx of new products and the impact of COVID-19, as well as the 2022 to 2025 period characterised by the rise of premium tea brands and aggressive low-price strategies. This resilience is largely attributed to Tealive's experienced management team to navigate market volatility, according to the IMR Report. The management team's strategic focus on retaining and acquiring new customers, prioritising LTO and building brand equity has enabled Tealive to thrive during those periods without engaging in price wars, according to the IMR Report.

7.3 FUTURE PLANS AND STRATEGIES

We believe there are significant opportunities to grow our brands in Malaysia and globally, expand Tealive's and Bask Bear's market positions and deliver shareholder value by executing the following strategies:

7.3.1 We plan to increase same-store sales to drive increased consumption and profitability

We plan to increase same-store sales as a key strategy to improve profitability and target to achieve a positive SSSG with implementation being an ongoing effort. To this end, we will focus on expanding our existing product offerings and extending our product lines through various promotional and marketing strategies, all aimed at increasing foot traffic and consequently, boosting store sales. As disclosed in Section 7.5.7 of this Prospectus, we have a budget of approximately RM6.0 million, for marketing initiatives and a dedicated marketing and creative team. This budget will be funded by our internally generated funds. In addition to the existing marketing efforts we will develop our digital marketing strategy and enhance our overall marketing efforts to engage consumers effectively. Forming strategic partnerships will also play a crucial role in our growth, allowing us to acquire new customers. By prioritising customer satisfaction and loyalty, we aim to create a loyal customer base that drives sustained success.

Launch new products

Recognising that identifying and meeting changing consumer demands is essential for our growth, we remain committed to proactively introducing new and innovative Tealive and Bask Bear product offerings. Our product development team will increase the frequency of LTO by introducing "blockbuster hits", tailored to the evolving preferences and buying patterns of our customers in Malaysia. These offerings are designed to attract new customers and drive sales for our core products. We also plan to pair our existing top-selling beverages with exciting new flavours and toppings, as well as refresh our menu with product variations to further engage our current customer base. These product variations refer to building on the success of our original product and offering variations to the product. The associated cost for this initiative will be covered by our aforementioned internal marketing budget. In addition, we will explore and introduce new food offerings to complement the existing Bask Bear menu, aiming to enhance the overall customer experience and expand our reach.

7. BUSINESS OVERVIEW (Cont'd)***Increase customers' satisfaction and retain customers' loyalty through our Tealive App and Bask Bear App***

Customer satisfaction is crucial for driving higher consumption across our network of stores and we are committed to enhancing our engagement with them, primarily through our Tealive App and Bask Bear App. We plan to further develop our Tealive App and Bask Bear App to enhance user engagement. Key initiatives include updating users about member-exclusive benefits, promotions and new developments through timely and personalised communications, along with regular campaign updates. We will also enhance our existing points redemption program and expand it to include third-party partnerships, providing users with more ways to earn and redeem rewards. In addition, we aim to enhance our user data capturing to better understand customer preferences, which will allow us to effectively promote upsell and cross-sell opportunities, as well as encourage repeat purchases.

To encourage more frequent visits to Tealive stores, we offer in-app privileges such as "Up to 4 times Points for Every RM1 Spent", "RM5 for the First 5 Drinks" for first-time app users, loyalty rewards, birthday treats and monthly surprise deals. For Bask Bear, we provide similar in-app benefits, including "40% OFF On Us" for new users, "2 Points for Every RM1 Spent", "Birthday Cheers, On Us!" and "Paw-some Member Deals!". These initiatives are designed to drive repeat purchases and enhance customer loyalty.

Develop our digital market strategy

With social media penetration in Malaysia reaching 83.1% in January 2024, according to the IMR Report, we aim to enhance our digital communication and strengthen customer affinity for our brand.

We plan to ramp up our efforts in our digital marketing strategy to engage this substantial target market by utilising tailored content formats and various engagement mechanics on social media platforms such as Facebook, Instagram, TikTok and Xiaohongshu. Some engagement strategies include trend-based content, interactive challenges, shoppable videos, polls, contests, giveaways and live question and answer.

On our social-commerce, live-commerce and marketplace channels, we plan to deploy creators and influencers to expand reach, enhance brand trust and boost conversions. We also intend to sell exclusive bundles and merchandise on marketplaces, creating higher-value transactions.

Through these initiatives, we are broadening our digital footprint into a comprehensive ecosystem that not only enhances customer experience but also drives higher transaction volume, increased retention and sustainable long-term growth.

Enhance our marketing efforts

We will continue to implement dynamic "push" marketing strategies such as sales promotions to bring Tealive and Bask Bear products directly to customers through our extensive network of stores and strategic partnerships with food delivery aggregators. In addition, our "pull" marketing initiatives will leverage online channels, social media platforms and advertising campaigns to drive store traffic.

7. BUSINESS OVERVIEW (Cont'd)

We will also continue targeted marketing campaigns to build brand awareness and enlarge our follower base. For instance, in May 2024, Tealive unveiled its brand refresh, introducing several new elements to enhance its identity. In the rebranding exercise featuring a fun mascot named “Bru”, Tealive introduced a new “Brewing Positivity” theme to our store ambiance, complemented by a catchy brand anthem. We also switched to paper cups across all stores and launched the 'Yumbler,' a reusable bottle, further reinforcing our commitment to ESG. The event was a resounding success, attracting 120,000 attendees and featuring 22,000 participants in various activities.

Continue with crossover co-branding, recipe collaborations, strategic partnerships and intellectual property partnerships

We will continue to pursue crossover co-branding and recipe collaborations with existing and new brand owners to introduce F&B featuring unique flavours. We believe these products will complement our offerings and, more importantly, facilitate cross-promotion between customer bases, allowing us to tap into the existing clientele of our partners. In addition, we will form selected strategic partnerships and continue to obtain intellectual property rights for using popular anime and movie characters on our packaging materials.

7.3.2 We intend to continue our store expansion in Malaysia and internationally

We believe that our existing network of stores, along with our diverse store formats and new Tealive’s “asset-lite” kiosk store format which mainly applies to Tealive Corporate Stores, provides a strong foundation to accelerate our nationwide store rollout and expand into new markets. While we aim to accelerate our store network expansion, we will remain disciplined in our execution, adhering to our established processes and criteria for selecting suitable store locations and international master franchisees. The store expansion in Malaysia will be funded by a combination of the proceeds from our Public Issue, internally generated funds and/or bank borrowings, if required, whereas the efforts for our international market expansion will be led by our international expansion team focused on exploring such international opportunities which will not require additional funding.

Increase Tealive’s penetration in Malaysia

We see a significant opportunity to expand our Tealive stores in Malaysia, particularly outside the Central Peninsular region where we have achieved a per-capita penetration of 35.9 Tealive stores per 1.0 million people as at the LPD. In line with our growth strategy, we have opened 41 new Tealive stores across Malaysia during the FYE 30 June 2025 and we are committed to opening an additional 55 Tealive stores annually over the next three (3) financial years.

Rollout “asset-lite” kiosk store format

To achieve our Tealive store rollout plan and increase our market penetration, we plan to adopt a cost-efficient “asset-lite” kiosk store format (approximately 100 sq. ft.). The kiosk store format is built on a modular basis, is designed to be easily and cost-effectively assembled, relocated or dismantled, offering greater operational flexibility and lower setup costs. This is primarily due to its compact footprint and streamlined equipment setup which excludes bulky equipment such as coffee machines, coffee grinders and tea dispensers. This approach will significantly reduce our average capital expenditure per Tealive store from RM[●] for our Tealive Corporate Stores for the FYE 30 June 2024, to an estimated RM150,000 per “asset-lite” kiosk store. As a result, the payback period is expected to decrease to approximately 1.5 years, accelerating our Tealive store expansion in Malaysia. In this regard, we have opened five (5) “asset-lite” kiosk Tealive stores during the FYE 30 June 2025, located across Selangor and Negeri Sembilan, with one (1) store each in Klang, Selayang and Puncak Alam and two (2) stores in Nilai.

7. BUSINESS OVERVIEW (Cont'd)

We plan to open 40 “asset-lite” Tealive kiosk stores annually over the next three (3) financial years.

Increase Bask Bear's penetration in Malaysia

Since Bask Bear was introduced in 2019, we see a significant opportunity for store expansion across Malaysia to increase our per-capita penetration. For our expansion plans, we have opened ten (10) new Bask Bear stores across Malaysia during the FYE 30 June 2025 and we plan to maintain a well-distributed rollout of 20 new Bask Bear stores annually over the next three (3) financial years.

Drive international growth of our brands using a disciplined approach

For our international market expansion, we will continue to seek suitable master franchising opportunities and collaborate with local partners to leverage their expertise and market insights for new store rollouts. By partnering with local entities, we believe we can better adapt our brand to align with local business practices and consumer preferences. To this end, we have identified four key markets for expansion, namely the UAE, India, Bangladesh and Thailand.

As at the LPD, we have subsisting MFAs in the Philippines (excluding Ilocos region), Myanmar, Mauritius, Cambodia and Canada, subsisting ARDAs in the Philippines (Ilocos region) and Brunei, as well as three (3) executed MFAs in India (August 2024), the UAE (September 2024) and Thailand (October 2024) and one (1) FA in the areas of Dhaka and Chittagong in Bangladesh (December 2024). While no stores have been opened in these markets, there is a target to open over 400 stores across these countries and regions based on a development schedule of five (5) to ten (10) years depending on the territory as part of our future plans. For the Indian market, we entered into a MFA with Devyani International Limited (“**Devyani**”), one of India's largest operators of chain quick-service restaurants that is listed on the National Stock Exchange of India Ltd. and are in the midst of developing a business plan, planning our entry strategy in India in partnership with Devyani and exploring localisation options for our F&B offerings.

7.3.3 We introduced new FMCG range across modern trade and key accounts including chained hypermarkets, supermarkets, minimarts and convenience stores as well as independent retailers such as sundry shops and local grocers

As disclosed in Section 7.1 of this Prospectus, we have, on 14 March 2025, entered into a binding MOU to establish a JV with Aik Cheong to develop, manufacture and distribute our FMCG range, commencing with instant 3-in-1 versions of our most popular beverages. Pursuant to the MOU, we launched three (3) product categories on 5 June 2025, each comprising three (3) SKUs, totalling nine (9) SKUs, which were funded by our internally generated funds. These include:

- Milk tea series: Signature, teh tarik Gula Melaka and matcha
- Chocolate series: Signature, salted dark chocolate and hazelnut
- Coffee series: Signature, caramel macchiato and hazelnut

7. BUSINESS OVERVIEW (Cont'd)

Following this, on 6 June 2025, Loob Holding entered into a joint venture and shareholders agreement with Aik Cheong Coffee Roaster Sdn Bhd and Pinnacle Beverages Sdn Bhd, the JV, to govern and regulate the relationship of the shareholders of the JV pursuant to the collaboration. The subscription of shares under the joint venture and shareholders' agreement was completed on 9 July 2025, pursuant to which Loob Holding holds a 51% stake, and Aik Cheong Coffee Roaster Sdn Bhd holds the remaining 49% stake in Pinnacle Beverages Sdn Bhd. Under the collaboration, Aik Cheong is responsible for, among others, the production and distribution of the products while we are responsible for branding and marketing. This collaboration combines the strengths of both companies leveraging our strong brand recognition and appeal among consumers aged 18 to 39, alongside Aik Cheong's expertise in ready-to-drink manufacturing and extensive distribution network across modern and general trade channels in Malaysia and the ASEAN region. Our largest customer base falls within the 18 to 39 age group according to a survey conducted by NielsenIQ in the first quarter of 2024, as quoted in the IMR Report. This group of customers is already familiar with our products, which enhances the likelihood of successful adoption and repeat purchase of our FMCG offerings.

Our products will be made available nationwide in Malaysia through a dual distribution strategy. We will directly distribute to modern trade and key accounts, including chained hypermarkets, supermarkets, minimarts and convenience stores. In addition, third-party distributors will serve the traditional trade sector, ensuring availability in independent retailers such as sundry shops and local grocers, particularly in areas outside the Klang Valley. Key retail partners targeted for the product launch include Lotus's, AEON, AEON Big, Econsave, Mydin, NSK, Village Grocer and Jaya Grocer.

As such, we are better-positioned to capture a share in the large grocery-based retail industry in Malaysia which grew from RM71.6 billion in 2019 to RM85.0 billion in 2024E and is projected to grow at a CAGR of 5.7% to reach RM112.3 billion by 2029, according to the IMR Report.

7.3.4 We intend to continue to innovate and automate using technology to drive our sales

We are committed to improve our existing technology infrastructure and apply new technologies to improve productivity and support our rapid expansion. We intend to invest in and improve our existing technologies such as POS systems, kitchen display systems, e-learning application, self-serve kiosks and digital signage (if required) to provide us optimal control over our operations. These technological enhancements will be funded by internally generated funds and are targeted for phased implementation on an ongoing basis.

We also believe that strong data analytics capabilities are needed for us to enhance the customer experience and increase customer engagement. By leveraging data insights from our CBIS and being aware of our customer preferences, we can ensure that our promotions are relevant and targeted, tailor product offerings and achieve brand loyalty.

7.3.5 We intend to further expand and develop our brand portfolio to capture a broader consumer segment

We aim to expand our existing multi-brand business model to offer our customers a greater variety of choices. In addition, we will continue to develop premium brands to elevate their perceived value and quality and attract discerning consumers. This comprehensive approach will enable us to drive growth and enhance our competitive edge in the industry.

7. BUSINESS OVERVIEW (Cont'd)

Expand our existing multi-brand business model

To remain competitive in the market and offer a wider selection to our customers, we plan to expand our brand portfolio. Our Group's expansion plan under this multi-brand business model is limited exclusively to the F&B sector only. As opportunities arise, we may explore joint ventures, strategic alliances, acquisitions or investments to continually introduce new brands and concepts that enhance our competitive edge and drive growth. In evaluating potential opportunities, we will assess the commercial attractiveness of each brand, considering factors such as its complementarity with our existing portfolio, its potential to attract new customers and any synergies with our existing business. These initiatives will be funded by internally generated funds and are targeted for implementation in phases on an ongoing basis.

Introduce premiumisation of brand

Alongside adjusting the mix of products at Tealive, we have recognised a growing demand among higher-income customers for more premium offerings. In response to this, we have developed Tealive Plus, a new concept that elevates the foundations of our Tealive brand. This initiative is designed to cater specifically to this discerning market, offering an enhanced experience through premium products and services that align with the evolving expectations of our more affluent consumers.

First introduced in 2022 at Pavilion Kuala Lumpur, we currently operate 17 Tealive Plus stores in prime malls such as Pavilion Kuala Lumpur, The Gardens Mall, 1 Utama Shopping Centre, Suria KLCC and Sunway Pyramid Shopping Mall as at the LPD. Tealive Plus elevates the consumer experience with its premium store design and high-quality ingredients, including fresh berries and premium tea leaves, catering to the upscale markets we serve. By offering an exclusive range of products made with fresh ingredients, our Tealive Plus stores can command higher price points than our Tealive stores, appealing to a more affluent customer base. Some of our Tealive Plus stores also feature a hot kitchen, enabling us to offer exclusive food options and enhancing their appeal to customers.

While premiumisation leads to higher operating and ingredient costs, it enables us to target a discerning and affluent market segment that is less price-sensitive and more willing to spend. This strategic focus allows us to charge higher prices that not only cover the increased costs but also maintain healthy profit margins, ultimately enhancing our Group's overall profitability. Although a Tealive Plus store requires a higher initial setup cost of approximately RM440,000 based on our Tealive Plus stores opened in the FYE 30 June 2024, its revenue potential is expected to shorten the payback period to around two (2) years.

Moving forward, we plan to refurbish selected Tealive stores in prime Grade A shopping malls into Tealive Plus concept, or open new Tealive Plus stores in strategically selected affluent areas.

7.4 KEY MILESTONES

The following table highlights our key milestones:

Year	Key milestone
October 2010	1 st bubble tea beverage franchise store opened in Malaysia under a third-party brand
November 2014	Launched SodaXpress in Malaysia

7. BUSINESS OVERVIEW *(Cont'd)*

Year	Key milestone
February 2017	Launched Tealive in Malaysia, with the introduction of the 1 st Tealive store in Pavilion Kuala Lumpur, Kuala Lumpur, Malaysia
July 2019	Launched Tealive in Brunei, with the opening of the 1 st Tealive store in Bandar Seri Begawan, Brunei
August 2019	Launched Tealive in Myanmar, with the opening of the 1 st Tealive store in Yangon, Myanmar
September 2019	Commenced collaboration with PETRONAS to roll out Tealive stores at PETRONAS stations across Malaysia
October 2019	Launched Bask Bear in Malaysia, with the opening of the 1 st Bask Bear in 1 Utama, Petaling Jaya, Malaysia
January 2020	Launched Tealive in the Philippines, with the opening of the 1 st Tealive store in Ilocos Norte, Philippines
February 2020	Embarked on our IPO journey with a pre-submission consultation with the SC followed by a relief application in March 2020 which was approved by the SC in June 2020. However, the IPO was not pursued due to the COVID-19 outbreak
April 2020	Launched Tealive e-commerce series, a bubble tea kit for home use
April 2021	Launched Tealive in Cambodia, with the opening of the 1 st Tealive store in Phnom Penh, Cambodia
June 2021	Uttama acquired a 30% stake in Loob Holding from its existing shareholders
July 2021	Invested in WonderBrew
April 2022	Launched Tealive Plus in Malaysia, with the opening of the 1 st Tealive Plus store in Pavilion Kuala Lumpur, Kuala Lumpur, Malaysia
July 2022	Launched Tealive in Mauritius, with the opening of the 1 st Tealive store in Curepipe, Mauritius
November 2022	Launched Tealive in Canada, with the opening of the 1 st Tealive store in Ottawa, Canada
January 2023	Commenced roll-out of bank-branch-integrated Bask Bear stores in three (3) locations in Malaysia, namely Sungai Dua (Penang), Sungai Petani (Kedah) and Bandar Baru Bangi (Selangor)
May 2024	Tealive underwent a brand refresh and introduced several new elements including a new tagline "Brewing Positivity" to enhance our identity

7. BUSINESS OVERVIEW (Cont'd)**7.5 OUR OPERATIONS****7.5.1 Tealive****7.5.1.1 Introduction**

Our Tealive brand was launched in 2017 and is the largest brand in our portfolio. Our Tealive operations accounts for approximately 82.4% of our Group's revenue for the FYE 30 June 2024. Our Tealive stores sell MTO cold and hot non-alcoholic beverages, which include tea-based beverages, coffee and smoothies, with our most popular drinks being the wide variety of flavoured, fruit and milk teas also commonly referred to as "bubble tea". Our Tealive menu also includes snacks such as chicken rolls and popcorn chicken.

We initially launched our Tealive brand in Malaysia where we operate most of our stores and have since expanded our operations internationally. All our Tealive Corporate Stores are located in Malaysia and our Tealive Franchised/Licensed Stores are owned and operated by our franchisees/licensees in Malaysia or internationally. For the Financial Years Under Review, we recorded 99.4%, 96.7% and 94.5% of our Tealive revenue respectively from our Malaysian entities. The table below sets out details of revenue from our Tealive operations by geographical selling location for each of the Financial Years Under Review:

	FYE 30 June					
	2022		2023		2024	
	RM'000	%	RM'000	%	RM'000	%
Malaysia ⁽¹⁾	409,507	99.4	433,770	96.7	460,833	94.5
International ⁽²⁾	2,673	0.6	15,007	3.3	26,775	5.5
Revenue from Tealive stores	412,180	100.0	448,777	100.0	487,608	100.0

Notes:

- (1) *Malaysia refers to the revenue generated by the Malaysian-incorporated entities within our Group (comprising revenue generated from F&B sales, supply of goods, franchise/licence fees and royalty from our franchisees/licensees and management and marketing income).*
- (2) *International refers to the revenue generated by our foreign-incorporated entities within our Group which operate overseas during the Financial Years Under Review. This includes revenue generated by foreign-incorporated entities that were previously within our Group in countries such as Vietnam, Australia and the Philippines. In the FYE 30 June 2023, we ceased our operations in Australia.*

7. BUSINESS OVERVIEW (Cont'd)**7.5.1.2 Tealive Menu**

The following table shows the percentage of POS sales generated by the different categories of our Tealive store menu offerings in Malaysia for the Financial Years Under Review:

	FYE 30 June					
	2022		2023		2024	
	RM'000	% of total POS sales	RM'000	% of total POS sales	RM'000	% of total POS sales
Beverage	494,148	92.9	502,350	93.1	513,338	90.1
Food	15,982	3.0	28,086	5.2	40,878	7.2
Others ⁽¹⁾	21,887	4.1	9,396	1.7	15,396	2.7
Total POS sales⁽²⁾	532,017	100.0	539,832	100.0	569,612	100.0

Notes:

- (1) *Comprising add-ons (including additional toppings), packaging and application delivery charges.*
- (2) *Includes both Tealive Corporate Stores and Tealive Franchised/Licensed Stores located in Malaysia.*

Beverages

As at the LPD, our Tealive menu offers over 45 types of MTO beverages. The MTO beverages can be customised and may be served with a variety of flavours, topping options and ice and sugar levels.

The MTO beverages span a range of categories designed to appeal to a variety of customers throughout the day, including our milk tea, "Signature Bang Bang", "Coco", smoothies, coffee and fruit tea, further details of which are described below:

- (i) **Milk tea:** There are various milk tea offerings on our Tealive menu, including signature, original and classic roasted milk tea, as well as flavoured milk tea such as hazelnut, which are customisable with a variety of toppings including grass jelly, tapioca pearls and coconut jelly.
- (ii) **"Signature Bang Bang":** The "Signature Bang Bang" beverages are served with soft and chewy brown sugar warm tapioca pearls and represents the signature beverage of our Tealive brand.
- (iii) **"Coco" and smoothies:** "Coco" is a rich chocolate drink that is customisable with different flavours and toppings and is another signature drink on our Tealive menu. Our "Coco" beverages are also available in the form of ice-blended smoothies.
- (iv) **Coffee:** In addition to our signature drinks, we also offer coffee in our menus at our Tealive stores, which feature our signature blend of 100% premium Arabica coffee, which is available in a variety of options such as hazelnut latte and caramel macchiato.
- (v) **Sparkling fruit tea, fruit juice and fruity smoothies:** As an alternative to tea and coffee beverages, our Tealive menu also offers a wide range of fruit-based beverages which can also be customisable with toppings such as chia seeds and 3Q jelly.

7. BUSINESS OVERVIEW (Cont'd)

To keep up with customer preferences and demand, which are constantly evolving, we update our beverage menu from time to time by introducing new types of beverages, flavours or toppings or craft unique flavours through our LTOs. We also customise product offerings local to the different international countries in which we have Tealive stores by taking into consideration the preferences of consumers in these international countries. See Sections 7.2.2, 7.7 and 7.12 of this Prospectus for further details. We believe our high-quality beverages and customisation offering is a key factor that contributes to the high volume of return visits from customers. According to a survey conducted by NielsenIQ in the first quarter of 2024, as quoted in the IMR Report, Tealive's customer base is demographically diverse with a balanced gender mix. The largest customer segments are the 18-29 and 30-39 age groups.

Food

Our Tealive menu offers a variety of snacks to complement the beverages, further details of which are described below:

- (i) Chicken rolls or popcorn chicken: These are juicy chicken bites and fried popcorn chicken snacks, which can also be topped with our signature cheese sauce and/or spicy Korean sauce.
- (ii) "Mac & Cheese": Creamy and cheesy macaroni and cheese, available in flavours like "Bolognese Chicken" and "Creamy Carbonara", which can be topped with our crunchy popcorn chicken.
- (iii) "Toastea": Our buttery toast available in various flavours.
- (iv) "FunFries": Fries served with a selection of our signature dips for an enhanced snacking experience.

These snacks are offered at a majority of our Tealive stores and can be purchased a la carte or as a combo with our Tealive beverages. Our "Toastea" and "FunFries" snacks are available at over 100 Tealive stores which have hot kitchens. For the Financial Years Under Review, we derived 3.0%, 5.2% and 7.2% of our total Tealive Malaysia POS food sales from Tealive stores in Malaysia which offer food, respectively.

7.5.1.3 Tealive stores

Tealive Malaysia operations

As at the LPD, we have 831 Tealive stores in Malaysia, of which 547 stores are Tealive Corporate Stores and the remaining 284 are Tealive Franchised Stores. We have also established one (1) Tealive experience centre pursuant to a sponsorship and licencing arrangement with Rakan Riang Sdn Bhd at KidZania Kuala Lumpur, which includes a small-scale reproduction of a Tealive store where children are able to act out simulations of life as staff in a Tealive store and which also has a limited Tealive menu. See Sections 7.5.4.1 and 7.5.4.2 of this Prospectus for further details.

We operate across all states in Malaysia, with the majority of our Tealive stores being situated in Klang Valley at 337 Tealive stores as at the LPD. Our Malaysia Tealive stores are commonly located at high pedestrian and/or high vehicle traffic areas with the intention to make them easily accessible and convenient for customers.

7. BUSINESS OVERVIEW (Cont'd)

The following table sets out the number of Tealive stores in Malaysia that we had at the beginning and end of each financial year indicated:

Number of Tealive stores in Malaysia⁽¹⁾	FYE 30 June 2022	FYE 30 June 2023	FYE 30 June 2024
As at the beginning of the relevant financial year	609	753	829
As at the end of the relevant financial year	753	829	838

Note:

(1) *Comprising Tealive Corporate Stores and Tealive Franchised Stores*

Tealive International Operations

In addition to the 831 Tealive stores in Malaysia, as at the LPD, we have subsisting Tealive operations in the Philippines, Myanmar, Brunei, Mauritius, Vietnam, Cambodia and Canada.

The following table sets out the number of Tealive stores in the respective international markets as at the end of each financial year indicated:

Number of international Tealive stores as at the end of the relevant financial year⁽¹⁾	FYE 30 June 2022	FYE 30 June 2023	FYE 30 June 2024
Philippines ⁽²⁾	6	28	66
Myanmar	13	15	15
Brunei	10	10	11
Mauritius	-	3	5
Vietnam ⁽³⁾	9	5	5
Cambodia	1	2	3
Canada	-	1	3
Total	39	64	108

Notes:

- (1) *All of our international Tealive stores are Tealive Franchised Stores or Tealive Licenced Stores (as the case may be).*
- (2) *In relation to our Philippines Tealive stores, we operated both Tealive Corporate Stores and Tealive Franchised Stores during the Financial Years Under Review. Following the completion of the Transfer of Loob Philippines on 20 January 2025. Following the completion of the Transfer of Loob Philippines, Loob Philippines is now our franchisee and is operating our Tealive Franchised Stores. As such, we no longer operate any Tealive Corporate Stores in the Philippines. See Section 6.1.2 of this Prospectus for further details on our Tealive operations in Vietnam.*
- (3) *In relation to our Vietnam Tealive stores, in the FYE 30 June 2022 and FYE 30 June 2023, we operated both Tealive Corporate Stores and Tealive Licenced Stores. By December 2022, we closed down all Tealive Corporate Stores and in the FYE 30 June 2023 and the FYE 30 June 2024, all of our Vietnam Tealive stores were Tealive Licenced Stores. Following the completion of the Transfer of LV Holdings VN on 24 February 2025, LV Holdings VN Group is no longer part of our Group and operates as our licensee. See also Sections 6.1.2, 7.5.4 and 7.18.3 of this Prospectus for further details on our Tealive operations in Vietnam.*

For our international Tealive stores, our business model is currently structured by way of a MFA, an ARDA or a licencing agreement (as applicable). See Section 7.5.4.3 of this Prospectus for further details.

7. BUSINESS OVERVIEW (Cont'd)

As at the LPD, we have entered into franchising arrangements in respect of certain geographical areas, via (i) MFAs in the Philippines (excluding Ilocos Region), Myanmar, Mauritius, Cambodia, Canada as well as executed MFAs in India (August 2024), the UAE (September 2024) and Thailand (October 2024); (ii) ARDAs in the Philippines (for the Ilocos Region) and Brunei; and (iii) an executed FA in the areas of Dhaka and Chittagong in Bangladesh (December 2024).

7.5.2 Bask Bear

7.5.2.1 Introduction

Our Bask Bear brand was launched in 2019 and its operations accounts for approximately 16.9% of our Group's revenue for the FYE 30 June 2024. Bask Bear operates on a café format, with a Halal-certified menu that features MTO coffee-based beverages that are made with our medium roast Arabica brews and freshly-made toasties.

Our Bask Bear menu also offers other MTO beverages such as chocolate and milkshakes, as well as food offerings such as burgers, fried boneless chicken and sides. With a comprehensive menu of premium coffee and specialty beverages, complemented with extensive food options, our Bask Bear cafés aim to provide high quality, affordable and convenient F&B options to customers across Malaysia. As at the LPD, all our 135 Bask Bear stores are located across Malaysia. Our Bask Bear brand accounted for approximately RM8.3 million, RM60.0 million and RM99.7 million representing 1.9%, 11.7% and 16.9% of our Group's revenue in each of the Financial Years Under Review.

7.5.2.2 Bask Bear Menu

Beverages

As at the LPD, our Bask Bear menu offers over 25 types of MTO beverages. Bask Bear's beverages are mainly focused on coffee-based beverages and also offers other beverages such as chocolate and milkshakes, further details of which are set out below:

- (i) Coffee: Our Bask Bear brand is known for its specialty coffee, made from our signature blend which is creamy, well-rounded and is intended to give our customers an enjoyable coffee experience. The extensive coffee menu features traditional coffee beverages such as americano and latte and also specialty coffee beverages such as Aren caramel latte, coconut latte and espresso Aren frappe latte.
- (ii) Chocolate and frappes: The chocolate beverages on our Bask Bear menu includes the signature chocolate latte and other specialty chocolate beverages such as chocolate coconut latte, sea salt chocolate chip and double chocolate frappe. Bask Bear also offers flavoured ice blended drinks (or frappes) which are available in a variety of flavours, including creamy cookie frappe and summer strawberry frappe.
- (iii) Milkshake, refresher and tea: As an alternative to the coffee-based beverages, our Bask Bear menu also offers fruit-based beverages in the form of milkshakes and refreshing fizzy drinks which are available in flavours such as lemon, white peach, grapefruit and yuzu, as well as tea-based beverages such as Japanese matcha latte and Japanese matcha Aren caramel latte.

7. BUSINESS OVERVIEW (Cont'd)**Food**

Our Bask Bear menu also features toasties and is supplemented by other food options such as burgers, fried boneless chicken and sides, further details of which are set out below:

- (i) **Toasties:** The signature toasties are all freshly-toasted to order and are available in a variety of flavours, across the chicken series, beef series, hashbrown series; and egg and cheese series. From time to time, special flavours are developed and launched for a limited time as LTOs.
- (ii) **Burgers and fried boneless chicken:** Our Bask Bear menu also features our “XL Fried Chicken Burger”, 100% premium beef burgers and fried boneless chicken.
- (iii) **Sides:** Our Bask Bear menu also includes a variety of sides, to complement the main food offerings, which include fries, loaded fries, macaroni and cheese and muffins.

These food offerings are available at all our Bask Bear stores and can be purchased *ala carte* or as a combo with our Bask Bear beverages.

7.5.2.3 Bask Bear POS Sales

The following table shows the percentage of POS sales generated by the different categories of our Bask Bear store menu offerings in for the Financial Years Under Review:

		FYE 30 June					
		2022		2023		2024	
		RM'000	% of total POS sales	RM'000	% of total POS sales	RM'000	% of total POS sales
Beverage		3,705	62.9	26,608	41.7	38,040	37.3
Food ⁽¹⁾		1,985	33.7	36,175	56.8	61,699	60.6
Others ⁽²⁾		203	3.4	950	1.5	2,163	2.1
Total POS sales		5,893	100.0	63,733	100.0	101,902	100.0

Notes:

- (1) *Comprising toasties, burgers, fried boneless chicken and sides.*
- (2) *Comprising add-ons (including additional toppings), combos (comprising delivery or in-store items that include a set of one (1) beverage and one (1) food item) and packaging.*

7.5.2.4 Bask Bear Stores

As at the LPD, we have 135 Bask Bear stores in Malaysia, of which 129 are Bask Bear Corporate Stores and six (6) are Bask Bear Franchised Stores. As at the LPD, Bask Bear only has operations in Malaysia.

We operate across most states in Malaysia, with the majority of stores located in Klang Valley, which has 57 Bask Bear stores as at the LPD. Our Bask Bear stores are commonly located at high pedestrian and/or high vehicle traffic areas with the intention to make them easily accessible and convenient for customers.

7. BUSINESS OVERVIEW (Cont'd)

The following table sets out the number of Bask Bear stores in Malaysia that we had at the beginning and end of each financial year indicated:

Number of Bask Bear stores in Malaysia⁽¹⁾	FYE 30 June 2022	FYE 30 June 2023	FYE 30 June 2024
As at the beginning of the relevant financial year	10	24	95
As at the end of the relevant financial year	24	95	128

Note:

(1) *Comprising Bask Bear Corporate Stores and Bask Bear Franchised Stores.*

7.5.3 Other Brands**7.5.3.1 SodaXpress**

We launched SodaXpress in 2014 to sell sparkling water machines as well as refill carbonating gas cylinders that are used to carbonate drinks and create sparkling beverages under our SodaXpress brand. As at the LPD, we also use SodaXpress sparkling water machines and carbonating gas cylinders to carbonate drinks at all the 831 Tealive stores and 135 Bask Bear stores in Malaysia.

As at the LPD, SodaXpress sparkling water machines and refill carbonating gas cylinders are sold regionally in Indonesia via local resellers and locally in Malaysia via various distribution channels, for example through direct distribution, online e-commerce sales, as well as B2B sales to F&B industry players such as dealers and wholesalers, restaurants and cafés and B2C sales to customers through online e-commerce platforms. The SodaXpress operations are managed by SodaXpress International.

7.5.3.2 WonderBrew

WonderBrew, founded in 2018, is a lifestyle fermented tea brand in Malaysia and is sold online, as well as via B2B sales to players in the hotel, restaurant and café/catering industries and also in locations that include grocery stores, convenience stores, organic stores and petrol stations. The WonderBrew operations are managed by Wonder Group and WonderBrew where we have a 35.0% interest in each entity.

7.5.4 Business Model for our Brands***Tealive and Bask Bear******Corporate Stores***

We own, manage and operate our Corporate Stores and retain any operating profits generated from such stores. We are solely responsible for all capital expenditures in connection with the opening as well as on-going operating expenses in connection with all our Corporate Stores, save for our collaboration with PETRONAS where capital expenditures are shared between PETRONAS and us. See Section 7.20 of this Prospectus for further details. We operate all of our Corporate Stores on tenanted properties. Typical operating hours are from 10:00 a.m. to 10:00 p.m. Depending on store location, some of our Corporate Stores have extended operating hours before or after the standard operating hours. Some of our Corporate Stores may also comprise Franchised/Licensed Stores that were previously owned and managed by our franchisees/licensees and subsequently bought over by us to become our Corporate Stores.

7. BUSINESS OVERVIEW (Cont'd)*Malaysian Tealive Franchised Stores*

To further promote brand presence and accelerate the expansion of the network of stores across territories in Malaysia where we wish to grow our Tealive brand, we may enter into FAs with entities outside our Group for them to operate and manage Tealive Franchised Stores in specific locations or areas in Malaysia. Under the FA entered into with a franchisee, we grant the relevant franchisee an exclusive right limited to the development and operation of one (1) Tealive Franchised Store within the territory and the right to use our trademarks, standard operating procedures and raw materials, while we provide technical and operational support to our franchisee, including training, operations manuals, access to our supply network and advertising and promotion assistance. Under the FA, the franchisee is solely responsible for all capital expenditures and on-going operating expenses in connection with our Tealive Franchised Store.

Each FA typically lasts for five (5) years with an option to renew for a further period of five (5) years. Loob Holding receives certain fees under the FA, including franchise fees (at the initial term and every five (5) years upon renewal), monthly royalties based on a percentage of gross sales generated by our franchisees and one-off payments for initial training and support as well as equipment and service fees. Upon the expiration or termination of the FA, there is an option for us to require the franchisee to assign the tenancy agreements for the premises where our Tealive Franchised Stores are operating at to us, to ensure business continuity. During the Financial Years Under Review and up to the LPD, there had been 31 instances where upon the expiry or termination of the FAs with the franchisees, we have continued the operation of the stores as our Corporate Stores either by way of assignment of the tenancy agreements by our franchisees to us or by entering into new tenancy agreements with the landlords of the respective premises. This has occurred once in the FYE 30 June 2022, three (3) times in the FYE 30 June 2023, 11 times in the FYE 30 June 2024 and 16 times from 1 July 2024 up to the LPD.

See Annexure D.1 of this Prospectus for the salient terms of the FA entered into with our Malaysian franchisees.

7. BUSINESS OVERVIEW (Cont'd)

International Tealive Franchised Stores

On the other hand, our international Tealive Franchised Stores are stores that are operated and managed by entities outside our Group under MFA, ARDA or FA in specific locations to promote our brand presence and accelerate the expansion of our network of Tealive stores. MFA typically applies to arrangement with franchisees who are granted the rights to develop and operate our Tealive brand nationally across an entire country, whereas ARDA typically applies to arrangement with franchisees who are granted the rights to develop and operate our Tealive brand within defined geographic area such as a state or province. Our Brunei franchisee currently operates under an ARDA which was signed in 2019 during the early stages of our international franchising efforts, before we standardised the use of MFAs for nation-wide franchises. FAs typically applies to arrangement with franchisees operating a single store within a specific venue (for example, a mall or an airport) or for multi-unit development within a particular city or city area. Under the MFA, ARDA or FA entered into with a master franchisee or area franchisee, we grant the relevant master franchisee or area franchisee the limited exclusive right to develop and operate a certain number of Tealive Franchised Stores for the entire country or area, save for (i) the Philippines, where the territory is separated into two (2), namely by the Ilocos region (which is assigned to the area franchisee) and the entire Philippines excluding the Ilocos region (which is assigned to the master franchisee); and (ii) Bangladesh, where our area franchisee is granted the rights to develop and operate only in the areas of Dhaka and Chittagong. Our international franchisees are also granted the right to use our trademarks, standard operating procedures and raw materials, while we provide technical and operational support to our international franchisees, including training, operations manuals, access to our supply network and advertising and promotion assistance. Our international franchisees are solely responsible for all capital expenditures and on-going operating expenses in connection with our Tealive Franchised Stores.

Each MFA, ARDA or FA typically lasts for five (5) to ten (10) years. Loob Holding receives certain fees under such franchising arrangements, including franchise fees (at the initial term and every renewal term), monthly royalties based on a percentage of gross sales generated by our master or area franchisees.

Other than the franchisee for the areas of Dhaka and Chittagong, Bangladesh, our master or area franchisees are also permitted to appoint sub-franchises within their territory. Upon expiration or termination of the relevant MFA or ARDA, the master or area franchisee's rights and interests in any unit franchise or sub-franchise agreements are automatically assigned to us. There is also an option for us to require the master or area franchisee to assign the tenancy agreements for the premises where our Tealive Franchised Stores are operating at to us, to ensure business continuity, save for the MFA for UAE where we are only entitled to purchase assets from the master franchisee upon termination of the MFA.

See Annexure D.2 of this Prospectus for the salient terms of the MFA, ARDA or FA entered into with our international franchisees.

Licenced Stores

Licenced Stores are managed and operated by licensees which are entities outside our Group under licence or management service arrangements. As at the LPD, we have five (5) Tealive Licenced Stores located at various airports in Vietnam. See Section 7.18.3 of this Prospectus for further details on the arrangement with Kim Le Vy Trading, which is expected to be replaced with our franchise model as described above by August 2025.

7. BUSINESS OVERVIEW (Cont'd)

All of our stores use our operational programmes and tools, including, but not limited to, our information technology and training systems. We have put in place an integrated business intelligence system which provides, among others, real-time sales data for all stores and financial data for all our stores to our headquarters for monitoring which can be analysed and used to streamline procedures to ensure management and operational efficiency. Additionally, periodic site visits and quality, service and cleanliness audits are conducted to ensure that the stores meet the requisite operational standards.

SodaXpress

Our revenue for SodaXpress is generated through sales of sparkling water machines and carbonating gas cylinders both regionally in Indonesia via local resellers and locally in Malaysia via various distribution channels, for example through direct distribution, online e-commerce sales, as well as B2B sales to F&B industry players such as dealers and wholesalers, restaurants and cafés and B2C sales to customers through online e-commerce platforms.

Revenue Contribution

We generate revenue from: (i) the sale of F&B to retail consumers at our Corporate Stores; (ii) the supply of goods, comprising mainly ingredients, packaging materials, consumables and equipment subsequent to the initial setting up of a store to our franchisees/licensees as well as sparkling water machines and carbonating gas cylinders to our SodaXpress customers; (iii) franchise/licence fees and royalty from our franchisees/licensees; and (iv) management and marketing income.

A table showing the breakdown of the revenue contribution of our Tealive, Bask Bear and SodaXpress brands is set out below:

	FYE 30 June					
	2022		2023		2024	
	RM'000	%	RM'000	%	RM'000	%
Revenue from Tealive						
F&B sales	273,084	64.6	325,044	63.5	369,422	62.4
Supply of goods	119,020	28.2	99,322	19.4	96,221	16.3
Franchise/licence fees and royalty ⁽¹⁾	11,698	2.8	16,410	3.2	12,935	2.2
Management and marketing income ⁽²⁾	8,378	2.0	8,001	1.6	9,030	1.5
	<u>412,180</u>	<u>97.6</u>	<u>448,777</u>	<u>87.7</u>	<u>487,608</u>	<u>82.4</u>
Revenue from Bask Bear						
F&B sales	6,407	1.5	55,433	10.8	96,229	16.3
Supply of goods	1,234	0.3	2,139	0.4	2,265	0.4
Licence fees ⁽³⁾	623	0.1	2,416	0.5	1,202	0.2
	<u>8,264</u>	<u>1.9</u>	<u>59,988</u>	<u>11.7</u>	<u>99,696</u>	<u>16.9</u>
Revenue from SodaXpress						
Supply of goods	2,042	0.5	2,982	0.6	3,939	0.7
Total	<u>422,486</u>	<u>100.0</u>	<u>511,747</u>	<u>100.0</u>	<u>591,243</u>	<u>100.0</u>

Notes:

- (1) Includes (i) recurring fees such as franchise/licence fees (at initial term and every five (5) years upon renewal) and monthly royalty, (ii) non-recurring fees such as initial training and support fee, equipment fee and service fee.

7. BUSINESS OVERVIEW (Cont'd)

- (2) *Management and marketing income comprises (i) maintenance income charges to franchisee/licensee for the facilitation of POS system and management and marketing income charged to the franchisee for the business and operation support and on marketing support; and (ii) unredeemed cash/product vouchers and pre-paid top up credits, upon expiry of such vouchers and credits.*
- (3) *Includes (i) recurring fees such as licence fees (at initial term and every three (3) years upon renewal) and monthly management fee and marketing fee, (ii) non-recurring fees such as equipment fee, service fee and first stock purchase.*

7.5.4.1 Corporate Stores

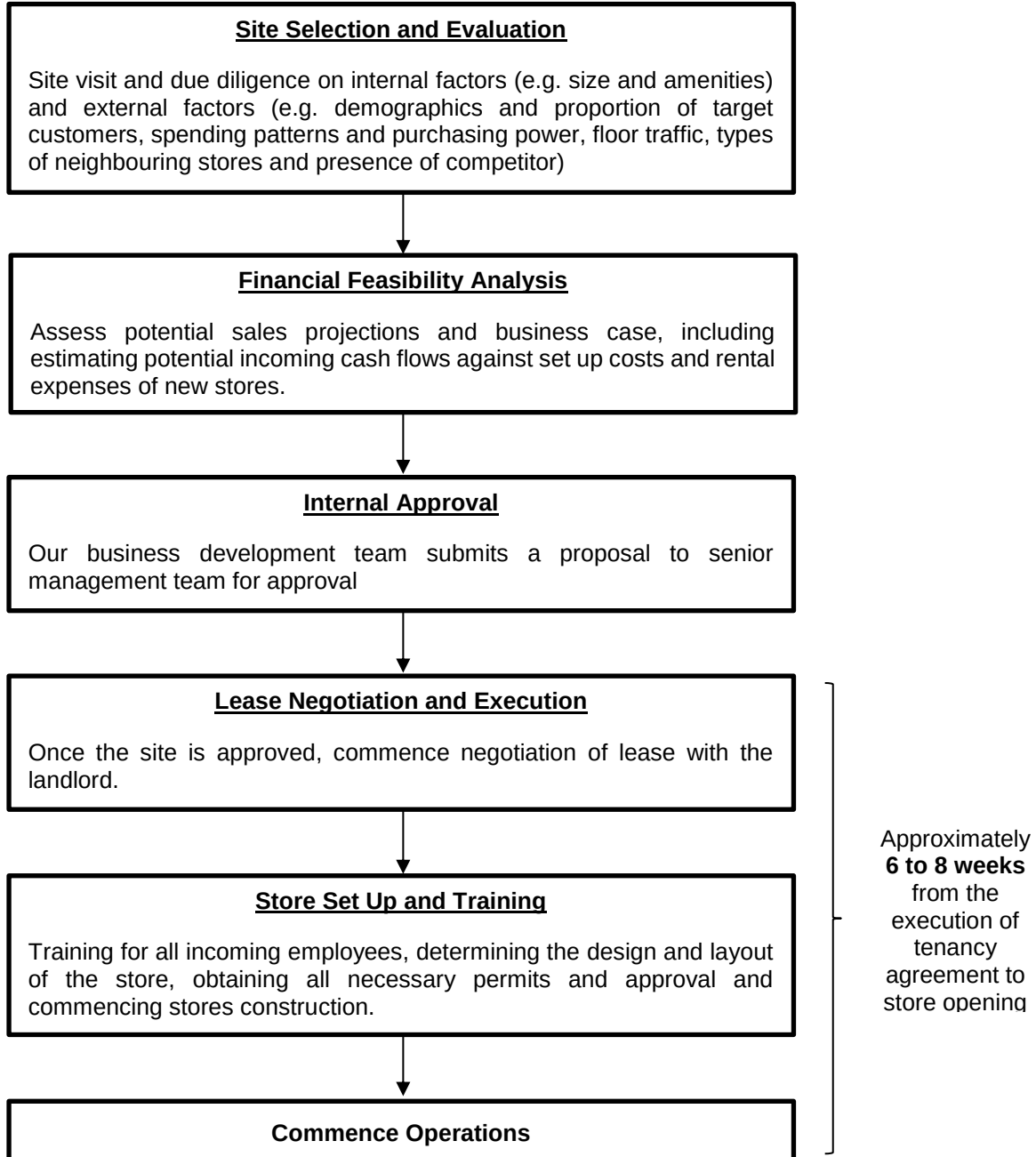
As at the LPD, we have a total of 676 Corporate Stores. Having a majority of our Tealive and Bask Bear stores as Corporate Stores allows us to have greater control and oversight over operations. Some of the factors which we consider when selecting a store site are accessibility, visibility, surrounding complementary stores, population density and foot traffic. See Section 7.5.4.5 of this Prospectus for further details. Performance related and strategic decision making for the stores is made at our corporate headquarters. This control system enables us to be directly responsive to any problems that the store may be experiencing.

All of our stores benefit from the full range of services and support which we provide such as training, technological innovation and marketing.

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7. BUSINESS OVERVIEW (Cont'd)***Opening process for Corporate Stores***

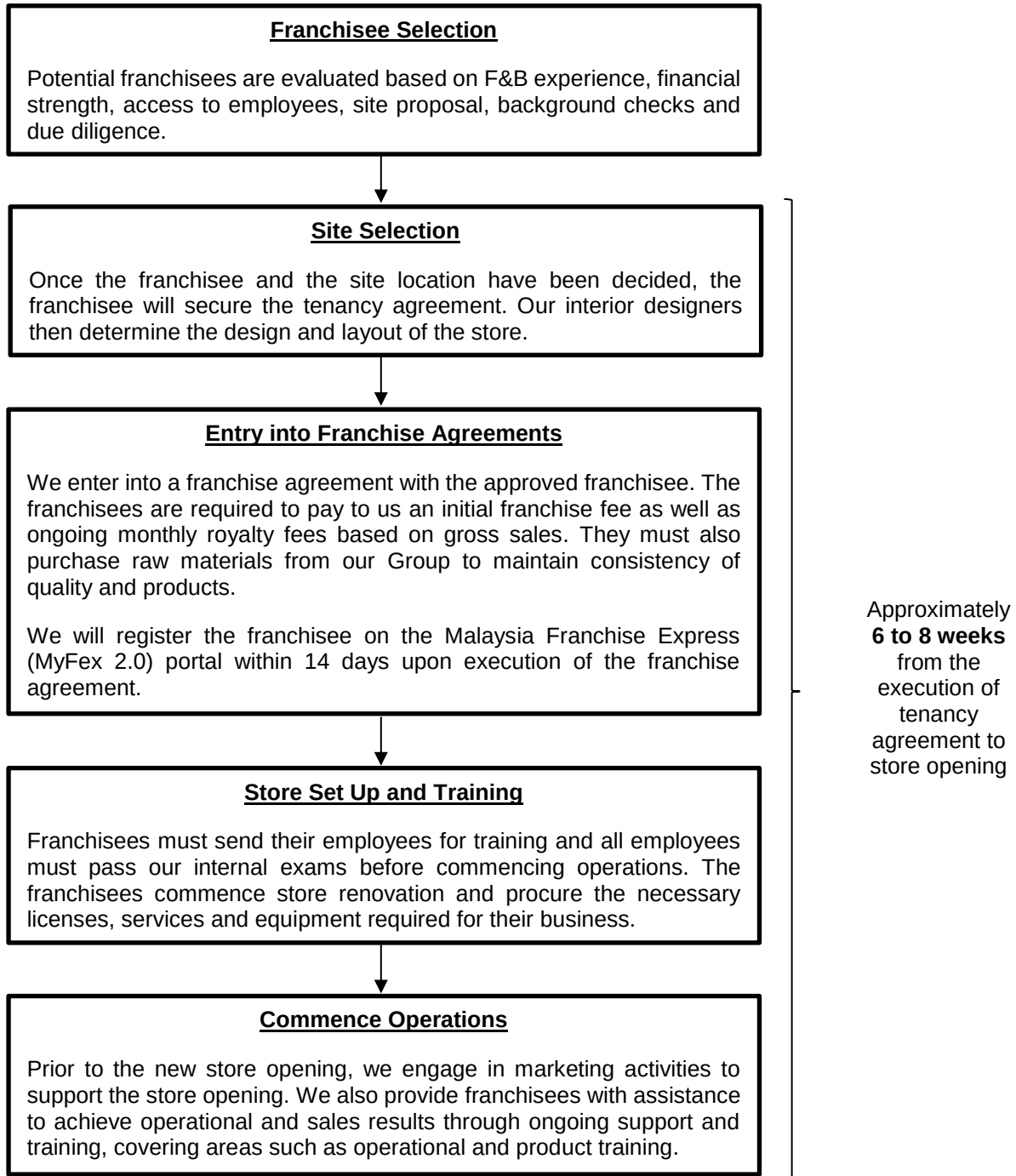
Our ability to adopt business model flexibility, integrate systems and implement SOPs enables us to rapidly roll out our Corporate Stores. Our Corporate Stores opening timeline and methodology is elaborated in the flowchart below:



7. BUSINESS OVERVIEW (Cont'd)

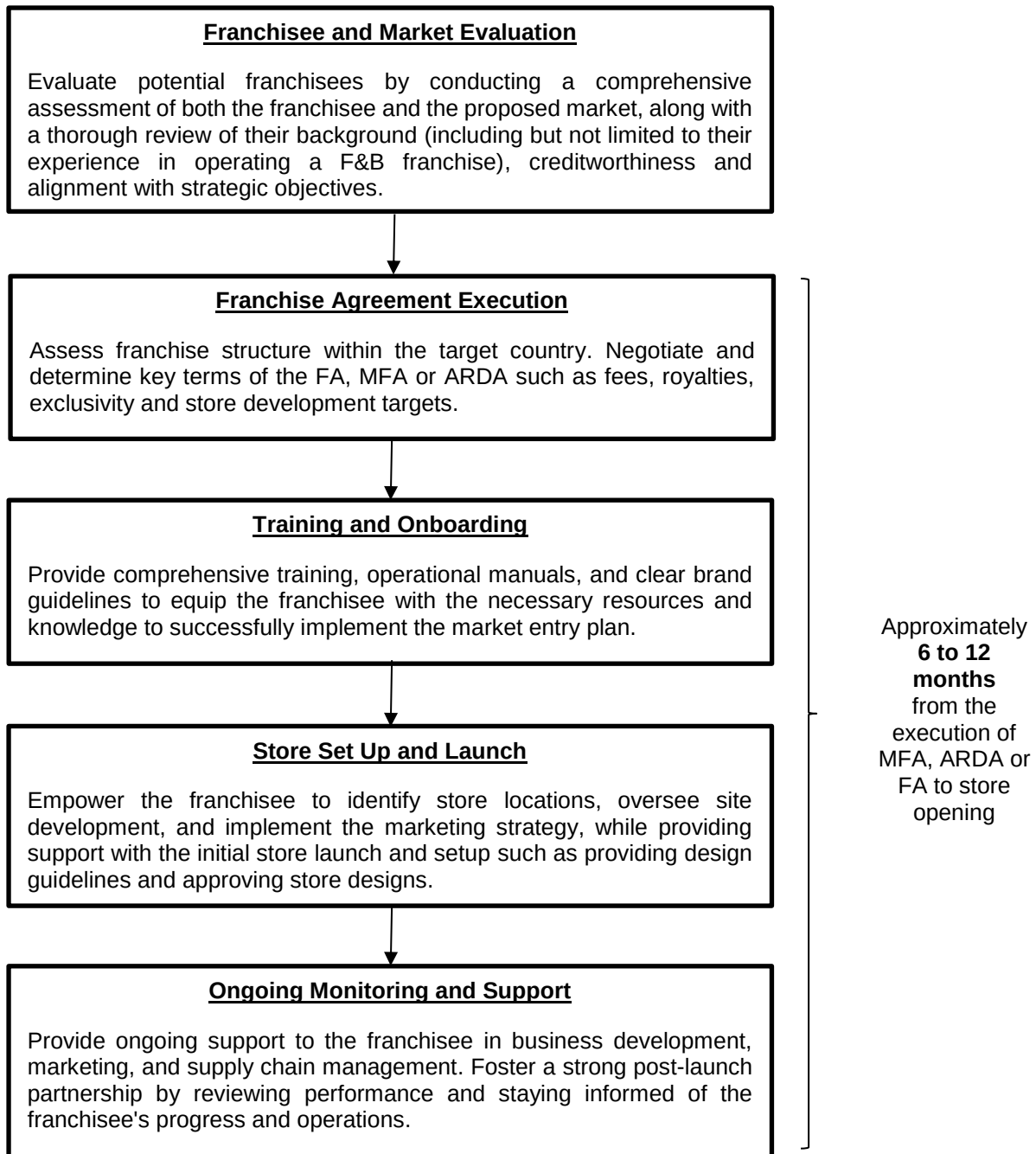
7.5.4.2 Malaysian Tealive Franchised Stores and Bask Bear Franchised Stores

As at the LPD, we have a total of 284 Tealive Franchised Stores and six (6) Bask Bear Franchised Stores in Malaysia. Our franchising process in Malaysia is elaborated in the flowchart below:



7. BUSINESS OVERVIEW (Cont'd)**7.5.4.3 International Tealive Franchised Stores**

As at the LPD, we have a total of 116 Tealive Franchised Stores internationally. Our franchising process in international locations is elaborated in the flowchart below:



As disclosed in Sections 7.5.4 and 7.18.3 of this Prospectus, as at the LPD, we have five (5) Tealive Licenced Stores in Vietnam. See Section 7.18.3 of this Prospectus for information on our Tealive Licenced Stores, which will be replaced with our franchise model by August 2025.

7. BUSINESS OVERVIEW (Cont'd)

7.5.4.4 Our sales channels

Our Tealive and Bask Bear offerings are sold through both direct and indirect channels in order to achieve greater customer reach. Further details of our various sales channels are set out below.

Direct sales channels

Our direct sales channels take the form of physical POS located in our stores situated in various locations through varying store formats, such as shop lots, mall shop lots or mall kiosks, petrol stations, transportation hub kiosks, standalone structures, drive-through stores and airport/hospital/university stores.

Shop lots

As at the LPD, we have 320 Tealive stores and 102 Bask Bear stores in a 'shop lot' format which typically range between 400 sq. ft. and 1,500 sq. ft.. This is our larger store format as it offers our full range of products and provides a seating area for customers. These stores are mainly located specifically in areas of high footfall, such as residential districts and office lots.

Certain Bask Bear stores and Tealive concept stores are integrated within bank branches located in shop lots. This integration aims to support the bank in attracting younger consumers by offering an integrated lifestyle tea menu while also creating a conducive social meeting place. We had also partnered with another bank to open Bask Bear stores at certain of the bank's branches in Malaysia, which is similarly aimed at creating a differentiated experience and to stay relevant to meet the ever-changing needs of consumers.

Mall shop lots or mall kiosks

As at the LPD, we have 267 Tealive stores and 28 Bask Bear stores located in shopping malls. These stores are beneficial as they generally require lower capital expenditure and can take the form of either a shop lot or a kiosk in the shopping mall.

The mall shop lot format varies in size and ranges from 200 sq. ft. up to 1,200 sq. ft.. As at the LPD, we have 135 Tealive stores in mall shop lot formats which offer the full range of products, with some Tealive stores providing seating and 23 Bask Bear stores in mall shop lot formats.

As at the LPD, we also have 132 Tealive stores and five (5) Bask Bear stores in mall kiosk formats. These mall kiosks can operate effectively in a space as little as 150 sq. ft., enabling us to offer our products in areas of heavy footfall with lower capital expenditure.

Apart from the regular Tealive mall shop lots and kiosks, we also operate Tealive Plus stores in either a mall shop lot or mall kiosk format. Tealive Plus is a brand concept which offers an enhanced experience through premium products and services. We operate 17 Tealive Plus stores in mall shops and mall kiosk formats in prime malls such as Pavilion Kuala Lumpur, The Gardens Mall, 1 Utama Shopping Centre, Suria KLCC and Sunway Pyramid Shopping Mall as at the LPD. Tealive Plus elevates the consumer experience with its premium store design that offers additional ambience and comfort for the customers' experience and an exclusive menu that is not available at our non-Tealive Plus stores. Some of our Tealive Plus stores in the mall shop lot format feature a hot kitchen, enabling us to offer more extensive food options and enhancing their appeal to customers.

7. BUSINESS OVERVIEW (Cont'd)*Petrol station*

As at the LPD, we have 209 Tealive stores and two (2) Bask Bear stores at petrol stations throughout Malaysia with PETRONAS and other petrol station brands. These stores, like the standalone kiosks in a shopping mall, generally require lower capital expenditure. Depending on the size of the stores in the petrol stations, the menu of beverages at such stores may vary from a limited menu only, to a full menu providing the full range of product offerings.

Since September 2019, we have collaborated with PETRONAS to roll out Tealive stores at PETRONAS petrol stations across Malaysia, with 155 PETRONAS-branded petrol station Tealive stores launched as at the LPD. See Section 7.20 of this Prospectus for further details.

Transportation hub kiosks

As at the LPD, we also operate 12 Tealive kiosks and one (1) Bask Bear kiosk located at various transportation hubs, such as train, MRT and LRT stations. Operating in transportation hubs allows us to garner sales from commuters in transit, or those waiting for their scheduled means of transport.

Standalone structures

As at the LPD, we have 11 Tealive stores comprising eight (8) drive-through stores, one (1) container store and two (2) kiosks, and two (2) Bask Bear drive-through stores, as standalone structures. These standalone structure stores are stores that are not attached to or contained within any other buildings.

Drive-through stores

As at the LPD, we have 22 Tealive drive-through stores, comprising 13 petrol station stores, eight (8) stores in a standalone structure format and one (1) shoplot store, and three (3) Bask Bear drive-through stores, comprising one (1) petrol station store and two (2) standalone structure stores. These drive-through stores offer customers a different experience and a high level of convenience by allowing them to purchase the MTO beverages while on the road without having to exit their vehicle.

Airport/Hospital/University stores

As at the LPD, we have 12 Tealive stores comprising five (5) stores located in airports, six (6) stores located in hospitals and one (1) store located in a university.

7. BUSINESS OVERVIEW (Cont'd)***Indirect sales channels***

Our indirect sales channels encompass the sale of our products through third party platforms instead of directly from our stores without any intermediaries. This includes from orders placed on social-commerce, live-commerce and marketplace channels as well as delivery websites and applications. To this end, we have partnered with several businesses such as Grab Food, foodpanda, Shopee Food and other delivery companies to provide customers access to our products without visiting any of our physical stores via third party delivery applications. We also use live-commerce platforms like Shopee Live, TikTok Shop and Lazada Live to leverage our social media presence into a direct revenue channel. Our Tealive App and Bask Bear App are loyalty program platforms that are also used by customers to order and arrange for in-store pick-up and delivery. The last mile delivery for delivery services made through our Tealive App and Bask Bear App are performed by third party on-demand delivery platforms. See Section 7.5.4.6 of this Prospectus for further details on our Tealive App and Bask Bear App. Our sales from Tealive App and Tealive food delivery aggregators contributed approximately 32.5% of our total Tealive POS Sales for the FYE 30 June 2024 and our Bask Bear App and Bask Bear food delivery aggregators contributed approximately 45.5% of our total Bask Bear POS sales for the FYE 30 June 2024.

7.5.4.5 Network expansion

As at the LPD, there are 831 Tealive stores in operation across Malaysia, 121 Tealive stores in operation in other countries and 135 Bask Bear stores in operation across Malaysia. We believe that we can leverage on our track record, flexible business model and experienced management team to rapidly expand our presence in Malaysia and international markets. Our flexible business model enables us to adapt to local requirements and open a store in the form and size that best suits the specific location. This allows us to scale our operations in a cost-effective way based on overheads such as rent prices. For details of the type of stores which form the network of our direct sales channel, see Section 7.5.4.4 of this Prospectus.

Design, Layout and Presentation of Stores

We employ a team of in-house interior designers and project managers who are responsible for creating new store designs and for overseeing renovations. To maintain a consistent brand image, we ensure all stores have the same designs and similar layouts. Having our designs curated by a centralised team enables us to produce and customise store layouts in a timely and cost-efficient manner. We also use prefabricated and modular furnishings to streamline the fit-out process for a store opening. The renovation works are carried out by external contractors that are selected based on tenders that are submitted to our in-house interior design team and project managers based on the scope provided.

7.5.4.6 Innovation and technology

We pride ourselves on achieving operational efficiency and enhancing customer experience through innovative systems. Below are some examples of the technological and operational developments which we have implemented:

Development of the Tealive App and Bask Bear App

Our Company utilises both our in-house development team and external vendor(s) to fully support the Tealive App and Bask Bear App. Our in-house team focuses on core strategic functions like user interface, user experience, customer relationship management and data analysis, while the external vendor(s) are responsible for the technical aspects, including coding and app functionality.

7. BUSINESS OVERVIEW (Cont'd)

Customer-front tea dispenser

Our front tea dispensers allow our Tearistas to prepare beverages while facing customers. Customers can see their drinks being prepared and Tearistas are able to interact with customers while concurrently preparing their orders, enhancing in-store customer experience.

Loyalty programmes

The loyalty programmes for Tealive and Bask Bear are operated under our Tealive App and Bask Bear App respectively. As at the LPD, we have over 2.8 million and 220,000 members that have subscribed to our Tealive App and Bask Bear App respectively. Our Tealive App and Bask Bear App offer customers the ability to earn points for Tealive and Bask Bear when purchases are made at our stores and these points can subsequently be used to redeem F&B products at our stores across Malaysia, as well as receive members-only promotions such as free birthday beverages. Our Tealive App and Bask Bear App also have a pre-ordering feature that allows customers to place orders in advance, potentially reducing wait times and boost satisfaction.

Our Tealive App and Bask Bear App allow access to data such as the age, location and drink preferences of our customers. By leveraging on such data, for example through data reflecting the frequency and types of products purchased, we can analyse customer behaviour and transaction data to more accurately identify customer preferences, purchasing trends and gives us visibility on the products which are more popular, which allows us to tailor our product and marketing efforts accordingly.

E-learning application

Our e-learning application is accessible by employees of all our stores. It enables us to provide in-person training courses for our employees and franchisees, as well as online training courses through our e-learning application, which further allows us to train employees and/or franchisees/licensees in a short timeframe and on a consistent basis through easily accessible training sessions and quizzes. Our employees and/or franchisees/licensees can access this resource at any time in order to familiarise themselves with our operating procedures. Our e-learning application also acts as a manual to assist the employees and/or franchisees/licensees in their day-to-day work. This on-going training enables us to increase efficiency and staff capabilities by giving employees and/or franchisees/licensees access to training sessions at any time if they require a refresher. It has also reduced time and resources previously required to run training sessions for our stores across Malaysia when new products or processes are launched. Our team ensures that the e-learning application provides training in a simplified, timely and effective manner.

Kitchen display system

We offer our employees ongoing support through our kitchen display system, which is used in our Tealive stores. Once an order is entered into the system, server-facing screens show our Tearistas the exact ingredients and recipes to make the customer their beverage of choice. This improves the efficiency, ensures consistency in our offerings and reduces training time across our Tealive stores.

7. BUSINESS OVERVIEW (Cont'd)***Cloud-based Business Information System***

Our CBIS collects real-time data from all our Tealive and Bask Bear stores which enables us to analyse operations and sales performance effectively. It includes our integrated POS system that is installed across all stores which allows us to track real-time sales data. Our CBIS also allows us to monitor our inventory and make timely adjustments to marketing, products and operations in response to market conditions and changes in customer purchasing patterns, while also enhancing the accuracy of demand forecasts.

We use this data to identify important areas for targeted marketing strategies aimed at expanding our customer base. Our CBIS also provides performance metrics across our stores, enabling us to quickly address underperforming locations or operational challenges. Through analysing this data, we receive valuable insights into business opportunities, trends and consumer preferences which are important for evaluating potential sites for new stores.

Semi-automated operation processes

We adopt SOPs for both Tealive and Bask Bear operations and have implemented semi-automated operation processes for our Tealive network of stores, for example through the uniform kitchen display system in all Tealive stores, providing our employees with clear instructions on the exact ingredients and methodologies required to create each beverage. In addition, we have equipped our stores with advanced machinery, such as tea dispenser, tea brewers and coffee machines which operate at pre-set settings to semi or fully-automate key processes. These systems enhance operational efficiency and enable us to deliver consistency across large volume of beverages prepared, as we believe that safety, consistency and quality are crucial elements for maintaining consumers' confidence in our brands. Further, these measures allow us to better replicate our systems and processes for our expansion plans and to create new F&B brands for our growth in the future.

7.5.5 Operational Data**7.5.5.1 Same store sales performance**

Revenue growth from our stores over the Financial Years Under Review may not only be driven by the expansion of our network of stores, but also potentially by growing sales within our existing stores.

The SSSG of our stores directly affects our revenue and gross profit. SSSG is used as an indicator to monitor store performance by measuring the organic growth of existing stores, as it excludes the impact of new store openings or closures. The SSSG of our stores for each financial year is calculated by dividing (a) the POS sales generated by our same stores during such financial year after deducting the POS sales generated by those same stores during the immediately preceding financial year, by (b) the POS sales generated by those same stores during the immediately preceding financial year. Therefore, the SSSG for each financial year can only be calculated for the stores which have been in operation for a minimum of 12 months. The SSSG excludes POS sales generated by the stores that were closed temporarily in the month.

7. BUSINESS OVERVIEW (Cont'd)

The table below sets out the SSSG and Same Store ADSS of our stores including the net increase in number of same stores during the Financial Years Under Review:

	FYE 30 June		
	2022	2023	2024
<u>Tealive</u>			
SSSG (%)	(0.5) ⁽¹⁾	(12.5)	(0.8)
Same Store ADSS (RM)	2,113	1,872	1,868
Number of same stores included in the calculation of SSSG and ADSS ⁽¹⁾	606	748	825
Net increase in number of same stores during the financial year ⁽³⁾	-	142	77
<u>Bask Bear</u>			
SSSG (%)	20.9	40.4	(17.6)
Same Store ADSS (RM)	711	2,576	2,508
Number of same stores included in the calculation of SSSG and ADSS ⁽²⁾	7	22	95
Net increase in number of same stores during the financial year ⁽³⁾	-	15	73

Notes:

- (1) *Tealive brand recorded Same Stores ADSS of RM2,113 for the FYE 30 June 2022 which is slightly lower than RM2,124 for the FYE 30 June 2021. The higher Same Stores ADSS for the FYE 30 June 2021 was supported by the early adoption of a delivery model, leveraging on strategic store formats and retail presence to capture the surge in delivery orders ahead of competitors during the COVID-19 pandemic. The slight decline in Same Stores ADSS resulted in an SSSG of -0.5% for the FYE 30 June 2022.*

Tealive brand recorded lower Same Stores ADSS of RM1,872 for the FYE 30 June 2023 compared to Same Stores ADSS of RM2,139 for the FYE 30 June 2022. The decline was mainly due to a shift in consumer behaviour, leading to an adjustment in Same Stores ADSS as economic activity normalised following the COVID-19 pandemic. During the lockdown period in the FYE 30 June 2022, consumer footfall and spending patterns were heavily influenced by movement restrictions and work-from-home arrangements, which increased reliance on delivery platforms. However, as the economy reopened and consumer routines returned to pre-pandemic norms (i.e. in the FYE 30 June 2023) such as increased out-of-home mobility, return to offices, and greater social activity, there was a noticeable decline in demand on delivery platform as consumers resumed visiting malls, city centres and other commercial hubs. Additionally, post-pandemic inflationary pressures and cautious spending behaviours also contributed to reduced discretionary spending, particularly among younger consumers, who form a key segment of Tealive's customer base. This shift in consumer sentiment and combined with greater competition, placed further pressure on maintaining historical ADSS levels. As a result, despite the recovery of overall foot traffic in the retail and F&B sectors, the change in consumption patterns and store dynamics led to a modest but measurable decline in same-store sales performance. Changes in consumer preferences for F&B offerings, together with changes in store dynamics due to competitors establishing stores in close proximity to our stores, particularly in high density retail areas, have had an impact on our customer footfall and revenue. Tealive brand recorded an SSSG of -12.5% for the FYE 30 June 2023, reflecting the gradual reversion of same stores ADSS towards the pre-COVID-19 levels of approximately RM1,800 recorded in the FYE 30 June 2017 and FYE 30 June 2018.

Tealive brand recorded Same Stores ADSS of RM1,868 for the FYE 30 June 2024 compared to Same Stores ADSS of RM1,884 for the FYE 30 June 2023, reflecting stable sales trends following post COVID-19 pandemic adjustments and a normalised business environment. SSSG was recorded at -0.8% for the financial year.

7. BUSINESS OVERVIEW (Cont'd)

- (2) *Bask Bear brand recorded a Same Stores ADSS of RM711 for the FYE 30 June 2022, an increase from RM588 for the FYE 30 June 2021, reflecting a period of heavy reliance on virtual sales channels, operating with a limited physical presence, where growth was primarily driven by a small store base, which resulted in an SSSG of 20.9% for the FYE 30 June 2022.*

Bask Bear brand recorded higher Same Stores ADSS of RM2,576 for the FYE 30 June 2023 compared to Same Stores ADSS of RM1,835 for the FYE 30 June 2022. This growth was driven by the successful introduction of toasties in the FYE 30 June 2023, which garnered strong consumer interest supported by marketing efforts. Additionally, our Group ramped up its Bask Bear Corporate Store expansion amid rising demand and transitioned from a coffee-centric model to a dual-core focus on beverages and food, which contributed to the substantial increase in sales. As a result, SSSG for the FYE 30 June 2023 was 40.4%.

Bask Bear brand recorded Same Stores ADSS of RM2,508 for the FYE 30 June 2024 compared to Same Stores ADSS of RM3,044 for the FYE 30 June 2023, reflecting the stabilisation of business and the successful long-term repositioning of the brand. This followed the initial surge from the toasties launch in the FYE 30 June 2023, which had settled, with sustained consumer interest supported by the continued expansion of the food menu. The launch of Bask Bear toasties in the FYE 30 June 2023 generated a strong initial sales surge, driven by consumer curiosity, effective marketing campaigns and the novelty factor of introducing hot food offerings to complement the brand's coffee beverage range. As expected, this surge tapered off and normalised in the subsequent financial year (i.e. in the FYE 30 June 2024) as the product transitioned from a new offering to a regular part of the menu. While the initial hype tapered off, consumer interest in toasties remained resilient, supported by ongoing food menu enhancements. As growth normalised post-launch, SSSG for the FYE 30 June 2024 was -17.6%.

- (3) *Calculated as the difference between the number of same stores included in the calculation of SSSG and ADSS for the financial year and that of the immediately preceding financial year.*

7.5.6 Quality Control

Quality control is of fundamental importance to the continuing operations of our business. In order to ensure that we continue to offer high quality products and services, we provide training on food safety and legislative requirements to all our employees. This ensures that the handling and preparation of raw materials are done in line with strict criteria and that equipment is being used correctly. Prior to a store opening, the premises and equipment are inspected by our store audit team. We also require all stores to undergo periodic pest control treatments.

We are committed to providing quality products to our customers as well as maintaining high standards of hygiene at our stores. We conduct scheduled and unannounced quality services and control audits of all our stores and provide store managers with clear equipment cleaning guidelines to ensure our standards are maintained. In addition to this, we evaluate our employees on a regular basis and conduct regular review of our quality and safety framework.

Further, our third-party warehouses providers operate on a 'first-in, first-out' basis based on the dates on which the goods expire.

See Section 7.5.9 of this Prospectus for details on the purchase of our raw materials from our suppliers and how we select our suppliers.

7. BUSINESS OVERVIEW (Cont'd)

7.5.7 Sales and marketing

As disclosed in Section 7.2.3 of this Prospectus, one of our competitive strengths is our ability to resonate with a wide base of consumers. As such, our brand identity is central to our business model and we undertake marketing strategies and coordinate national and local marketing to promote brand awareness, sustain sales and retain customer loyalty. We have a budget for marketing initiatives and a dedicated marketing and creative team based in our headquarters who is responsible for planning, creating and implementing various promotional and marketing strategies. The team has the following responsibilities in respect of the development of all the brands in our portfolio:

- (i) designing materials for display at our POS, such as posters and banners for our store fronts and roadshows, in order to promote existing and new products as well as to highlight promotions;
- (ii) formulating our digital marketing strategy and using social media platforms such as Tiktok, Xiaohongshu, Instagram and Facebook to promote our products and provide updates and driving direct revenue growth through the use of live-commerce platforms like TikTok Shop and Shopee Live;
- (iii) engaging media agencies to create brand awareness through public relations activities;
- (iv) working with celebrities and influencers to create brand awareness through paid partnerships and product placement;
- (v) organising marketing campaigns, roadshows and promotional events at shopping malls, music and food festivals, universities and schools; and
- (vi) collaborating creatively with strategic partners to introduce new product offerings and to create unique beverage offerings to capture consumer interest.

Our Tealive website in Malaysia is at <http://tealive.com.my> and our Bask Bear website is at <https://www.baskbear.com/> and our websites display our menus, loyalty programmes, business opportunities and news updates.

We also conduct a variety of sales and promotional campaigns. Among the major marketing initiatives carried out by us include:

Public relations – news and media

We use various online and offline news portals to promote our products and increase brand value. We have been featured in a number of Malaysian and international newspapers that discuss our expansion and plans for the future and we continue to be open to being featured and interviewed by local and international newspapers and publications.

Digital marketing

We have a team based in our headquarters who is responsible for designing and managing our social media marketing. Our digital marketing strategy uses Facebook, Instagram and Tiktok accounts to directly and instantly reach customers with special promotions, new offerings and news updates. From time to time we work with celebrities and social media influencers to promote Tealive and Bask Bear by featuring our products in their posts. We use their networks to increase our brand awareness and popularity of our products. By sharing frequently online we create awareness of our products and promotional campaigns.

7. BUSINESS OVERVIEW (Cont'd)

We also leverage our existing customer bases, for example through tactical marketing campaigns, the use of loyalty points to encourage repeat visits and notifications pushed through our Tealive App and Bask Bear App to remind them of our brands. Our customers' social media networks can also help promote our brand, especially when these customers update their social media accounts with photos of our products or our store locations, sharing their customer journey.

Event marketing

We use various means of event marketing to promote our products and in particular, the promotion of our new product offerings. For new product offerings, we often organise a product launch event which allows us to build activity around the new product(s) with an aim of achieving increased sales when the product is launched. Product launch events help create awareness and promote our product offerings, whether new or currently existing on our menu and typically allow for enhanced customer experience where customers may participate in promotional activities and sample the new product offerings. For example, in November 2024, we launched a Korean coffee concept for Tealive, K-Coffee at Sunway Pyramid shopping mall in Malaysia. Customers were invited to an exclusive K-Coffee Pop-up Cafe for pre-tasting with the popular Korean coffee drink made available in all Tealive stores from November 2024 onwards.

Local store marketing

All stores are encouraged to carry out localised marketing plans to suit the preference and needs of their respective customer base. Localised marketing plans are designed and executed by the respective stores but the local teams are required to obtain prior approval from our core marketing team before implementing such plan.

7.5.8 Major customers and suppliers***Major customers***

Our customer base comprises walk-in customers at our physical stores, customers who purchase products on delivery websites or applications, our franchisees/licensees and B2B customers comprising external retailers and distributors.

We supply our franchisees/licensees with goods, comprising mainly ingredients, packaging materials and consumables necessary for their operations. In addition, we also receive franchise/licence fees and royalty from our franchisees/licensees. The revenue contribution from any franchisee/licensee was less than 1.0% of our Group's revenue for the Financial Years Under Review while the revenue contribution from our Group's top five (5) franchisees/licensees in aggregate was less than 2.8% of our Group's revenue for the Financial Years Under Review. Therefore, franchisees/licensees are not considered our major customers.

Our B2B customer base primarily consists of retailers and distributors who purchase SodaXpress machines and carbonating gas cylinders. The total revenue contribution from the SodaXpress customers which mainly comprises of B2B customers was less than 0.8% of our Group's revenue for the Financial Years Under Review and as such, B2B customers are not considered our major customers.

The sales contributed from our top five (5) customers collectively accounted for less than 5.0% of our revenue for the Financial Years Under Review. As such, we do not have any major customers and hence we are not dependent on any single customer.

7. BUSINESS OVERVIEW (Cont'd)**Major suppliers**

As at the LPD, our list of suppliers mainly comprises (i) suppliers of ingredients and materials for our stores and (ii) suppliers of sparkling water machines and refill carbonating cylinders required for the operations of our SodaXpress business.

Our top five (5) major suppliers for the Financial Years Under Review are as follows:

FYE 30 June 2022

Name of supplier	Country of origin	Products sourced	Length of relationship as at the LPD (years) ⁽¹⁾	Purchases RM'000	Percentage of our Group's purchases ⁽²⁾ %
Supplier A	Malaysia	Milk	6	16,815	9.3
Supplier B	Japan	Matcha powder	7	13,652	7.6
Supplier C	Malaysia	Non-dairy creamer	7	12,431	6.9
Supplier D	Malaysia	Cheese sauce, syrup, biscuit crumbs	5	11,396	6.3
Supplier E	Malaysia	Plastic cups	7	10,840	6.0
Total				65,134	36.1

FYE 30 June 2023

Name of supplier	Country of origin	Products sourced	Length of relationship as at the LPD (years) ⁽¹⁾	Purchases RM'000	Percentage of our Group's purchases ⁽²⁾ %
Supplier C	Malaysia	Non-dairy creamer	7	20,594	10.9
Supplier D	Malaysia	Cheese sauce, syrup, biscuit crumbs	5	10,691	5.7
Supplier E	Malaysia	Plastic cups	7	10,569	5.6
Supplier F	Taiwan	Syrup	8	7,782	4.1
Supplier G	Malaysia	Packaging materials ⁽³⁾	5	7,315	3.9
Total				56,951	30.2

FYE 30 June 2024

Name of supplier	Country of origin	Products sourced	Length of relationship as at the LPD (years) ⁽¹⁾	Purchases RM'000	Percentage of our Group's purchases ⁽²⁾ %
Supplier C	Malaysia	Non-dairy creamer	7	17,429	9.0
Supplier H	Malaysia	Milk	2	16,989	8.8
Supplier I	Malaysia	Cocoa powder	2	10,432	5.4
Supplier J	Malaysia	Frozen items ⁽⁴⁾ and oat milk	8	9,300	4.8
Supplier F	Taiwan	Syrup	8	8,921	4.6
Total				63,071	32.6

Notes:

(1) Rounded up to the nearest whole year if six (6) months or more and vice versa.

7. BUSINESS OVERVIEW (Cont'd)

- (2) *Comprising ingredients, packaging materials, consumables, sparkling water machines and carbonating gas cylinders procured by us.*
- (3) *Comprising paper bags, cup carriers and straws.*
- (4) *Comprising burger beef patties, chicken cutlets, chicken sandwich slices, slice cheese, hashbrown and fries.*

To safeguard the competitive position of our Group, the names of Suppliers A, B, C, D, E, F, G, H, I and J have not been disclosed due to the commercial sensitivity of our suppliers' identity and their company policies.

Supplier A is a company incorporated in Malaysia which is involved in distribution of F&B products such as dairy products, juices, pastry, bakery and food ingredients and etc. The principal market in which Supplier A operates is Malaysia. Supplier A is not listed on any stock exchange.

Supplier B is a company incorporated in Japan which is involved in exporting Japanese food ingredients like matcha and squid ink powder, as well as importing healthy food ingredients like essential oils, whey and soy protein powders and epsom salt. The principal markets in which Supplier B operates are Asia, North America, New Zealand, Australia, Middle East and Europe. Supplier B is not listed on any stock exchange.

Supplier C is a company incorporated in Malaysia which is involved in specialising in advanced spray drying and innovative food ingredients, including high-fat powders, nutritional lipids, creamers and malted products. The principal markets in which Supplier C operates are Asia, Africa and North America. Supplier C is not listed on any stock exchange.

Supplier D is a company incorporated in Malaysia which is involved in providing market expansion services, delivering end-to-end solutions such as marketing, sales, distribution and value-added services for FMCG, luxury goods, food services and lifestyle products. The principal market in which Supplier D operates is Malaysia. Supplier D is a subsidiary of a company listed on Bursa Securities and the parent company is listed on the SIX Swiss Exchange.

Supplier E is a company incorporated in Malaysia which is involved in production and distribution of FMCG, as well as warehousing, logistics and assembly of two-wheeler automotive parts. The principal market in which Supplier E operates is Asia. Supplier E is not listed on any stock exchange.

Supplier F is a company incorporated in Taiwan which is involved in production of concentrated syrup, frozen fruit juice and frozen fruit, flavoured powders, tapioca pearls and other drink-related ingredients. The principal markets in which Supplier F operates are Asia, Europe and North America. Supplier F is not listed on any stock exchange.

Supplier G is a company incorporated in Malaysia which is involved in F&B packaging items and printing labels. The principal market in which Supplier G operates is Malaysia. Supplier G is not listed on any stock exchange.

Supplier H is a company incorporated in Malaysia which is involved in farming, manufacturing and distribution of dairy products and plant-based products. The principal market in which Supplier H operates is Asia. Supplier H is listed on Bursa Securities.

Supplier I is a company incorporated in Malaysia which is involved in manufacturing of speciality lipid powders, cheese and dairy powders, snack seasonings, batters and coatings in the food ingredient industry. The principal markets in which Supplier I operates are Asia, North America and Africa. The parent company of Supplier I is listed on the Dublin and London Stock Exchanges.

7. BUSINESS OVERVIEW (Cont'd)

Supplier J is a company incorporated in Malaysia which is involved in the import, trade and wholesale of dairy products, frozen meat and other food products with integrated logistics and warehousing capabilities. The principal market in which Supplier J operates are Asia and Middle East. Supplier J is not listed on any stock exchange.

For each of the Financial Years Under Review, the supplies from our top five (5) major suppliers accounted for 36.1%, 30.2% and 32.6% of our total purchases for the Financial Years Under Review. In addition, for the FYE 30 June 2024, as the purchases from each of the major suppliers are less than 10.0% of the total purchases of our Group, we are not exposed to any concentration risk or dependent on any of the major suppliers in sourcing the ingredients, packaging materials and consumables needed for its businesses as there are a variety of alternative suppliers in the market which provide ingredients, packaging materials and consumables at similar prices.

7.5.9 Procurement and logistics

We centralise the purchase of most of our raw materials and supplies through LRTS Retail. Centralising our purchases allows us to obtain the best prices. We source a variety of raw materials, including tea, fruit concentrate and creamer from a list of selected suppliers who produce the ingredients based on our specific requirements. We select our suppliers by evaluating their overall track record, financial strengths, reliability, stability of supply, quality control measures and reasonableness of prices as well as logistics arrangements. In particular, we select our suppliers of raw materials based on stringent standards to ensure quality and safety for our customers. We will also evaluate samples of their supplies, and, if such samples are satisfactory during the sensory taste, the supplier will need to obtain or maintain certain certifications and provide us with a material safety data sheet or certificate of analysis for their supplies. Having met our selection criteria, the supplier will become our pre-qualified supplier. As we believe that stringent quality and safety standards are important, we closely communicate with and monitor our suppliers and require all raw material provided by them to meet our stringent internal and relevant national and/or international quality standards. We have multiple pre-qualified suppliers with whom we have established production capabilities, which gives us the flexibility to optimise our sourcing as needed and ensures we are not dependent on a single supplier for most of our core raw materials.

The team operating at our headquarters uses our analytics system and collects data and forecast the estimated raw materials required, based on trends and seasonality. We typically place an order with our suppliers as and when required.

For our Corporate Stores, the store supervisor performs weekly stock takes and make orders once stock falls below specific thresholds.

Once we have received a stock order from a store, materials are delivered to stores from our warehouse within one (1) to three (3) business days. Generally, deliveries are then organised through our third-party logistics providers, who are responsible for storing our raw materials and providing timely deliveries to the stores. During the Financial Years Under Review and as at the LPD, we have not experienced any delay in the delivery of raw materials to our stores which materially disrupted our business operations. We believe the use of third-party logistics service providers will continue to provide us with sufficient transportation capacity to support the future expansion of our network.

7. BUSINESS OVERVIEW (Cont'd)

7.6 TRAINING AND DEVELOPMENT

We recognise the importance of having a strong team of management and technical personnel to meet our growth plans. We also depend on store employees to ensure our operations are efficiently run and that our customers receive the desired experience. For these reasons we place a great emphasis on training and development.

For all new stores our employees and franchisees/licensees are required to go through a series of training sessions. The training includes all aspects covering operations training, customer service, food and workplace safety and IT training. New employees are also required to undergo the same training. Following the opening of a store, our employees and franchisees/licensees are required to periodically undergo additional training to ensure that they remain up to date on the standard operating procedures.

We have developed an e-learning application which enables our Tealive employees and franchisees/licensees and our Bask Bear employees and licensees to have access to training and tutorials on a consistent basis. This keeps them informed on new product offerings and allows them to re-take training sessions if necessary. This has increased efficiency of our training delivery and reduced training time as employees do not have to travel for class sessions. See Section 7.5.4.6 of this Prospectus for further details.

7.7 PRODUCT DEVELOPMENT

We have a dedicated product development team which regularly crafts new food products and beverage flavours to be introduced under our Tealive and Bask Bear brands. We also engage in product and brand development activities as we recognise the importance of offering new menu items from time to time in response to taste preferences of customers, F&B trends, seasonality and customer feedback. Our product development team experiments with new products for our Tealive and our Bask Bear operations, or engages with selected suppliers or ingredient manufacturers to formulate new beverage concepts from time to time. Other than standard menu items, we also offer LTOs, which are seasonal or themed beverages approximately once every four (4) to six (6) weeks for Tealive and Bask Bear. In tailoring our beverage offerings, we may use data gathered from our Tealive App and Bask Bear App to understand customer preferences.

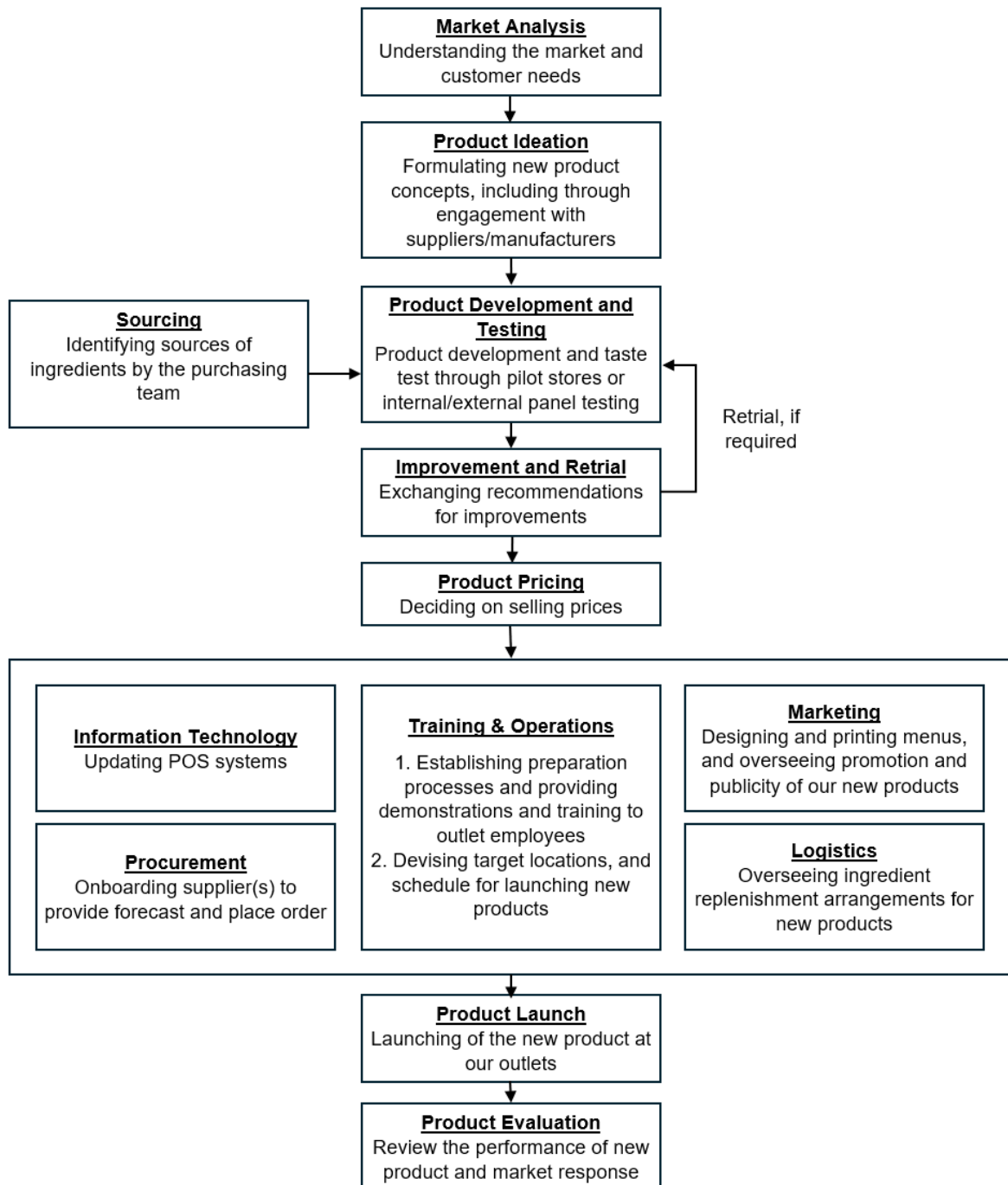
New and seasonal food as well as beverage menu items are reviewed, revised and approved by our product development and operations teams. Prior to launching a new beverage, our product development team runs product testing internally with our operations team, which involves our employees and also occasionally conducts in-store customer tasting with customers or unrelated third parties. Upon the successful completion of this stage, the new beverage menu items are launched in selected pilot stores nationwide. Feedback is then gathered from these pilot launches and analysed to refine and optimise the product prior to the official launch across all stores.

Prior to launching a new food item, we organise focus groups to conduct both internal and external panel tests where the panelists will taste a group of food samples and rate their experience and overall liking of the beverage product, evaluating on factors such as appearance, portion size, taste, texture, perceived value and purchase intention. The internal panel test consists of our employees or other members of management and the external panel test is conducted with external third parties or non-employees.

Once the new product is developed, our various business teams will create a SOP and training video for the production of such product, to ensure that it will be prepared correctly by all employees and franchisee/licensees. We also make other preparations for the product to be rolled out at our Tealive and Bask Bear stores, such as arranging for POS systems to be updated, onboarding suppliers to place orders for specific supplies, conducting promotion and publicity of the new products and reviewing inventory for ingredient replenishment arrangements post-launch.

7. BUSINESS OVERVIEW (Cont'd)

The following diagram illustrates our beverage development process for our menu:



For LTOs or project-based beverages such as creative collaborations involving third-party intellectual property, the process is largely the same save that we will negotiate and enter into a collaboration agreement for such projects prior to the commencement of development or testing.

7. BUSINESS OVERVIEW (Cont'd)**7.8 INSURANCE**

We have purchased insurance policies to cover a variety of risks that are relevant to our business needs and operations. As at the LPD, we have the following insurance policies in place:

- (i) all-risks insurance on all fixed office equipment and machines including signboard in the relevant premises against loss or damage caused by any accident or misfortune;
- (ii) fire insurance for our moveable and immoveable property in relation to any damage caused by fire, explosions, water or other fire extinguishing agent accidentally discharged or leaking from the sprinklers or extinguishing installation or apparatus and civil disorders;
- (iii) burglary insurance in relation to any goods held in trust or on commission, furnitures, fixtures, fittings and office equipment stored in the relevant premises;
- (iv) money insurance in relation to any loss of money in the relevant premises or in transit to/from bank and money in locked safe;
- (v) glass insurance in relation to all external and internal glass doors, mirrors, frameworks and windows in the relevant premises;
- (vi) deterioration of stock insurance for all frozen stocks;
- (vii) personal accident insurance for accidental death or total permanent disability on our employees, which is limited to three (3) employees per store with worldwide coverages;
- (viii) public liability insurance for third party accidental bodily injury and/or accidental property damage;
- (ix) employer's liability insurance for accidental bodily injury or disease on our employees arising out of or in the course of employment;
- (x) fidelity guarantee insurance on all direct pecuniary loss sustained by any act or fraud or dishonesty committed by our employees;
- (xi) machinery breakdown insurance on all plant, machineries and mechanical equipment which is owned/leased or under our control or custody;
- (xii) marine cargo insurance on goods for loss of or damage to goods shipped during transportation; and
- (xiii) goods in transit insurance on business goods while in transit including loading and unloading of any vehicle by land.

The insurance policies that we currently hold are customary in the industry in which we operate and we will review our insurance coverage annually.

7. BUSINESS OVERVIEW (Cont'd)**7.9 MAJOR LICENCES AND PERMITS**

We have various licences, permits and approvals for our operations in Malaysia and other jurisdictions where we operate. Details of our major licences, permits and approvals are set out in Annexure A of this Prospectus. Save as disclosed in Annexure A of this Prospectus, as at the LPD, our Group is not dependent on any major licences, permits and approvals for our business operations.

7.10 SEASONALITY

As a F&B provider, we experience seasonality in our Tealive and Bask Bear operations. We generally experience increased customer traffic and sales during public holidays and festive periods.

7.11 EMPLOYEES

As at the LPD, we have approximately 4,148 employees in Malaysia, out of which we have four (4) contractual employees and 20 foreign employees.

The following table sets out the number of our employees by function as at the dates indicated:

Category	Number of employees as at	
	30 June 2024	LPD
Management	13	10
Administration	184	191
Operations		
- Headquarters	110	126
- Stores (full-time)	2,261	2,150
- Stores (part-time)	1,831	1,671
Total	4,399	4,148

None of our employees belong to any labour union. During the Financial Years Under Review and up to the LPD, there has been no industrial disputes pertaining to our employees.

7.12 COMPETITION

According to the estimate stated in the IMR Report, Tealive is the largest F&B services brand in Malaysia by number of stores and the largest player within the tea shops segment by number of stores as at the LPD while Bask Bear is the largest player within the cafe shops segment by number of stores as at the LPD. However, the products that we and our franchisees/licensees sell compete directly against products sold by other selected key players.

We also offer extensive beverage categories across different price points, coupled with a wide range of toppings on our menu. This enables us to serve broader categories of customers with different health preferences. The introduction of Tealive Plus enhances this experience by providing premium ingredients and a more extensive drinks menu compared to the standard Tealive stores. The ability to innovate as well as continuously develop and introduce new and localised flavours enables us to capture local market interest and satisfies changes in consumer preferences. Additionally, the adoption of technologies such as our POS systems, CBIS and Tealive App and Bask Bear App allow us to remain competitive by delivering a better customer experience as well as improving our operational efficiency. Our expansion into upstream ventures such as the production of tapioca pearls in Malaysia enables us to oversee and manage the quality and consistency of one of the key ingredients used in our MTO beverages.

7. BUSINESS OVERVIEW (Cont'd)**7.13 INTELLECTUAL PROPERTY AND TRADEMARKS**

Our intellectual property is used by all our stores for their operations. As at the LPD, we have registered 51 material trademarks and made 14 material trademark applications which are pending registration in the principal markets in which we and our franchisees/licensees currently operate and/or intend to operate. As part of our business operations, we have granted licences to external entities to use our trademarks, such as our franchisees, licensees and collaborative business partners. Our major trademarks include our Tealive logo and Bask Bear logo. Save as disclosed in Annexure C of this Prospectus, as at the LPD, we do not have any other material patents, trademarks, brand names, technical assistance agreements, franchises and other intellectual properties on which we are materially dependent.

7.14 BUSINESS INTERRUPTION

We did not experience any disruption to our business which had a significant effect on our operations for the 12-month period prior to the date of this Prospectus.

7.15 MATERIAL PROPERTIES AND MATERIAL EQUIPMENT

Details of our material properties and our material equipment are set out in Annexure B of this Prospectus.

7.16 CASH MANAGEMENT POLICY

Though our transactions are moving towards cashless payment methods such as through e-wallets, a notable amount of our in-store transactions are still settled in cash. For example, in the FYE 30 June 2024, cash sales contributed approximately 37.4% of our total sales for our Tealive and Bask Bear operations and therefore, we have adopted a cash management policy to ensure the authorised access to cash proceeds and proper handling of cash and to avoid misappropriation or illegal use of cash received from our operations. Our cash collection policy is designed to standardise practices across our stores with respect to cash handling. We also designate authorised personnel to handle cash at each store and have strict cash bank-in or cash collection procedures. We have also installed closed-circuit television systems at all our stores to monitor operations including cash handling.

At our headquarters, we perform reconciliation and cross-checking procedures to detect possible variances in our cash management process. In the event of fraud, mismanagement or mishandling of cash, appropriate actions such as internal inquiries are taken.

7.17 GOVERNING LAWS AND REGULATIONS

Our Group's business is regulated by and in some instances required to be licenced under specific laws of Malaysia and foreign jurisdictions. The relevant laws and regulations governing our Group which are material to our operations are summarised below. The below does not purport to be an exhaustive description of all relevant laws and regulations of which our business is subject to and is only intended to provide general information to investors. It is not intended to be a substitute for independent professional advice. Non-compliance with the relevant laws and regulations below may result in monetary and/or custodial penalties and/or any other orders being made.

7. BUSINESS OVERVIEW (Cont'd)

7.17.1 Malaysia

Our Group's business operations in Malaysia are subject to the following governing laws and regulations:

(i) Franchise Act

Franchise Act applies throughout Malaysia to the sale and operation of any franchise in Malaysia. A franchisor or a foreign person who has obtained an approval to sell a franchise in Malaysia or to any Malaysian citizen under Section 54 of the Franchise Act shall register his franchise with the Registrar of Franchises before he can operate a franchise business or make an offer to sell the franchise to any person. The Franchise (Prescription of Period of Effectiveness of Registration) Regulations 2022 prescribes a period of five (5) years as a period of effectiveness of registration of a franchise. A franchisor may apply to the Registrar of Franchises for renewal of the registration of franchise by submitting an application in such form as may be determined by the Registrar of Franchises together with the prescribed fee within 30 days from the expiration date of such registration. Any person who contravenes any provision under the act and/or regulations as mentioned above shall, upon conviction, be liable to a monetary fine and/or imprisonment.

(ii) Local Government Act 1976, Trades Licensing Ordinance 1949, Local Authorities Ordinance 1996, Businesses, Professions and Trades Licensing Ordinance 1958, Local Authorities Ordinance 1996, Local Authorities (Advertisements) By-Laws 2012 and the by-laws of the respective local councils and authorities

It is a legal requirement under the Local Government Act 1976, Trades Licensing Ordinance 1949, Local Authorities Ordinance 1996, Businesses, Professions and Trades Licensing Ordinance 1958, Local Authorities Ordinance, 1996 of Sarawak and the by-laws of respective councils and authorities applicable to where our Tealive Corporate Stores and Bask Bear Corporate Stores are located that business and signage licences shall be obtained prior to commencement of our Tealive Corporate Stores and Bask Bear Corporate Stores. No person shall operate any activity of trade, business and industry or use any place or premises for any activity of trade, business and industry without a licence issued pursuant to the relevant by-laws. Generally, these business and signage licences are valid for a period of 12 months and renewable on a yearly basis. Any person who contravenes any provision under the act, ordinances and/or by-laws as mentioned above shall, upon conviction, be liable to a monetary fine and/or imprisonment.

(iii) Food Act 1983, Food Regulations 1985 and Food Hygiene Regulations 2009

The Food Act 1983 and the Food Regulations 1985 are laws governing the food safety and quality control including standards, hygiene, import and export, advertisement and accreditation of laboratories. The objective is to protect the public from health hazards and fraud in the preparation, sale and use of foods and for other related matters. The legislation applies to all foods, locally produced or imported, which are sold in the country. It covers a broad spectrum from compositional standards to food additives, nutrient supplements, contaminants, packages and containers, food labelling, procedure for taking samples, food irradiation, provision for food not specified in the regulations and penalties.

7. BUSINESS OVERVIEW (Cont'd)

The Food Hygiene Regulations 2009 governs the registration of food premises and conduct and maintenance of food premises in Malaysia. No person shall use any food premises specified in the Food Hygiene Regulations 2009 for the purposes of, or in connection with the preparation, preservation, packaging, storage, conveyance, distribution or sale of any food or the relabelling, reprocessing or reconditioning of any food except the premises is registered under the Food Hygiene Regulations 2009. A certificate of registration for food premises shall be valid for a period not exceeding three (3) years from the date of its issuance. An application for renewal of a certificate of registration for food premises shall be made at least 30 days before its expiry date. Any proprietor, owner, occupier of food premises who fails to comply with any provision under the act and/or regulations as mentioned above shall, upon conviction, be liable to a monetary fine and/or imprisonment.

(iv) SDBA, Uniform Building By-Laws 2022 under the Local Government Ordinance 1961, Buildings Ordinance 1994 ("Building Laws")

The Building Laws is enforced by the local authorities of Malaysia and it provides for the requirement of having a CCC or equivalent for the occupation of any building or any part thereof. Any person who occupies or permits to be occupied any building or any part thereof without a CCC shall, upon conviction, be liable to a monetary fine and/or imprisonment.

(v) Trade Descriptions Act 2011, Trade Descriptions (Definition of Halal) Order 2011 and Trade Descriptions (Certification and Marking of Halal) Order 2011

The Trade Descriptions Act 2011 aims to promote good trade practices and protect the interest of consumers by eliminating false trade descriptions and false or misleading statements, conduct and practices in relation to the supply of goods and services. Halal certification and surveillance in Malaysia has been assigned to the government bodies by virtues of the act.

The Trade Descriptions Act 2011 further standardises the issuance of Halal certificates. JAKIM is appointed as the sole issuer of Halal certificates for any food, goods or related services.

The Trades Description (Definition of Halal) Order 2011 and the Trade Descriptions (Certification and Marking of Halal) Order 2011 give specific legal proviso on matters pertaining to Halal. It provides protection to traders and consumers from unhealthy trade practices. Any person who contravenes any provision under the act and/or orders as mentioned above shall, upon conviction, be liable to a monetary fine and/or imprisonment.

7. BUSINESS OVERVIEW (Cont'd)**(vi) Personal Data Protection Act 2010**

The Personal Data Protection Act 2010 regulates the processing of personal data in commercial transactions in Malaysia. Personal data relates directly or indirectly to a data subject, who is identified or identifiable from that information or from that and other information in the possession of a data user, including any sensitive personal data and expression of opinion about the data subject. The processing of personal data by a data user must comply with the personal data protection principles as provided under the Personal Data Protection Act 2010. Our Group from time to time collects, stores and processes certain personal data of our franchisees/licensees during franchisee/licensing onboarding process and our consumers when they place orders through our Tealive App and Bask Bear App. Therefore, we are required to comply with the personal data protection principles as provided under the Personal Data Protection Act 2010. Any person who fails to comply with any provision under the act as mentioned above shall, upon conviction, be liable to a monetary fine and/or imprisonment.

7.17.2 International markets where our Group operates through a franchise model

Most of the countries in which our Group has signed MFA, FA or ARDA (as the case may be) with local franchisees namely, Bangladesh, Brunei, Cambodia, India, Mauritius, Myanmar, the Philippines, Thailand and the UAE, do not have dedicated franchise laws. In the absence of specific laws and regulations governing franchise arrangements, franchise agreements are considered commercial transactions between private parties and are thereby governed under contract law in general. In these countries, there is no requirement for the franchisor and master franchisee to obtain any approval, registration or consent from governmental or regulatory authorities to exercise their rights or perform their obligations under the franchise agreements.

In Canada, the offering of franchises is regulated in some Provinces. In the Province of Ontario, the Arthur Wishart Act (Franchise Disclosure), 2000, SO 2000, c 3 is the legislation governing franchises. This law imposes on each party a duty of fair dealing in every franchise agreement. A franchisee has the freedom to associate with other franchisees and join an organisation of franchisees. The law further requires franchisors to comply with mandatory franchise disclosure requirements (e.g. a franchisor must provide a prospective franchisee with a disclosure document not less than 14 days before the signing by the prospective franchisee of the franchise agreement and the payment of any consideration to the franchisor. A franchisee may rescind a franchise agreement no later than 60 days after receiving the disclosure document or no later than two (2) years after entering into the franchise agreement if a disclosure document was never provided). The parties will have a right of action for damages if in breach of the duty of fair dealing, in addition to other rights and remedies available under contract law. However, there is no requirement for franchisor and franchisee to obtain prior approval, registration or consent from governmental or regulatory authorities before offering a franchise in Canada.

7. BUSINESS OVERVIEW (Cont'd)

However, for the Philippines, Loob Holding is required under the Intellectual Property Code of the Philippines to obtain and has obtained the approval, registration or consent from the Intellectual Property Office of the Philippines, through the Documentation, Information, Technology Transfer Bureau to enter into, exercise their rights or perform their obligation under the MFA and ARDA in the Philippines. While the certificate of registration (“**COR**”) covering the MFA remains valid to date, the COR covering the ARDA had expired on 16 January 2025. Notwithstanding the expiration of the COR, the parties to the ARDA have agreed to extend the term of the ARDA for an additional period of six (6) months until 16 July 2025. The parties are currently negotiating on the renewal terms for the ARDA. The non-renewal of the COR does not constitute a breach or non-compliance of any applicable Philippine laws. Furthermore, the ARDA, despite non-renewal of the COR, may still be considered an enforceable contract by virtue of ratification as it is an executed and implemented contract where the parties benefited from the fulfillment of each other’s obligations.

In Vietnam, pursuant to the Commercial Law of Vietnam, franchising is a commercial activity in which the franchisor allows and requires the franchisee to conduct the purchase and sale of goods and provision of services on its own according to the following conditions:

- (a) the purchase and sale of goods and provision of services are conducted in a business organisation manner prescribed by the franchisor and are associated with the franchisor’s trademark, trade name, business secrets, business slogan, business symbol and advertisement; and
- (b) the franchisor has the right to control and assist the franchisee in operating the business.

Foreign franchisors who operate through a franchise system in Vietnam must register their franchise business with the Ministry of Industry and Trade, Vietnam before entering into a franchise agreement with a local franchisee. See Section 7.18.3 of this Prospectus for further details on the status of registration by Loob Holding of our Tealive franchise business in Vietnam.

7.18 Non-compliances with the relevant laws, regulations, rules and requirements governing the conduct of the operations of our Group

7.18.1 Tealive Corporate Stores and Bask Bear Corporate Stores without CCC

In Peninsular Malaysia, pursuant to Section 70(27)(f) of the SDBA, any person who occupies or permits to be occupied any building or any part thereof without a CCC commits an offence and shall on conviction, be liable to a fine not exceeding RM250,000 or to imprisonment for a term not exceeding ten (10) years or to both.

In Sabah, pursuant to Sections 220, 233(f) and 235 of the Uniform Building By-Laws 2022 under the Local Government Ordinance 1961, any person who occupies or permits to be occupied any building or any part thereof without a CCC commits an offence and shall on conviction, be liable to a fine not exceeding RM100,000 or to imprisonment for a term not exceeding one (1) year or to both and in the case of a continuing offence, to a further fine not exceeding RM5,000 for every day during which the offence continues after conviction.

In Sarawak, pursuant to Section 24 of the Fourth Schedule of the Buildings Ordinance 1994, any person who occupies or permits to be occupied any building or any part thereof without a CCC commits an offence and shall on conviction, be liable to a fine not exceeding RM10,000 and in the case of a continuing offence, to a further fine not exceeding RM300 for every day during which the offence continues after notice to cease occupying the building has been issued on such person.

7. BUSINESS OVERVIEW (Cont'd)

As at 26 May 2025, all of the 684 tenanted Tealive Corporate Stores and Bask Bear Corporate Stores, comprising 555 Tealive Corporate Stores and 129 Bask Bear Corporate Stores, have CCCs save for the following:

- (i) 34 Tealive Corporate Stores representing 6.1% of our total 555 Tealive Corporate Stores and 5.0% of our total Corporate Stores

<u>No. of stores</u>	<u>Category and Status</u>
27 (4.9%)	Landlords did not provide CCCs: The landlords have indicated that they do not possess a copy of the CCC in their records either due to (i) the buildings having been completed many years ago; (ii) the CCCs were not issued as the buildings are constructed before the SDBA came into effect; or (iii) the building has a newly built structure or has undertaken renovations. Out of these stores, 16 Tealive Corporate Stores (2.9%) are located in petrol stations.
7 (1.2%)	Local councils do not have CCCs in their records: The landlords or we have received letters from the respective local councils indicating that the CCCs are not in their records. Out of these stores, two (2) Tealive Corporate Stores (0.4%) are located in petrol stations.

(The above shall hereinafter be referred to collectively as “**Tealive Outstanding CCCs**”)

- (ii) Ten (10) Bask Bear Corporate Stores, representing 7.8% of our total 129 Bask Bear Corporate Stores and 1.5% of our total Corporate Stores

<u>No. of stores</u>	<u>Category and Status</u>
5 (3.9%)	Landlords did not provide CCCs: The landlords have indicated that they do not possess a copy of the CCC in their records due to (i) the building having been completed many years ago; or (ii) the building has a newly built structure or has undertaken renovations. Out of these stores, four (4) Bask Bear Corporate Stores (3.1%) are located in bank branches.
5 (3.9%)	Local councils do not have CCCs in their records: The landlords have received letters from the respective local councils indicating that the CCCs are not in their records.

(The above shall hereinafter be referred to collectively as “**Bask Bear Outstanding CCCs**”)

(The 34 Tealive Outstanding CCCs and ten (10) Bask Bear Outstanding CCCs are collectively referred to as “**Outstanding CCCs**”)

7. BUSINESS OVERVIEW (Cont'd)

The rectification steps for the Outstanding CCCs are as follows:

Category	Rectification step												
Landlords did not provide CCCs	<u>Confirmation from landlords</u> Our Group has written to the landlords for 27 Tealive Corporate Stores and five (5) Bask Bear Corporate Stores for confirmation that CCCs have been issued for the respective premises in accordance with the relevant act, by-laws and approved plans. The status of the landlords' confirmation as at 26 May 2025 is as follows: <table><tr><th></th><th>No. of Tealive Corporate Store(s)</th><th>No. of Bask Bear Corporate Store(s)</th></tr><tr><td>Stores for which written confirmation have been received</td><td>18⁽¹⁾</td><td>4⁽²⁾</td></tr><tr><td>Stores which are awaiting responses</td><td>9</td><td>1</td></tr><tr><td>Total</td><td>27</td><td>5</td></tr></table>		No. of Tealive Corporate Store(s)	No. of Bask Bear Corporate Store(s)	Stores for which written confirmation have been received	18 ⁽¹⁾	4 ⁽²⁾	Stores which are awaiting responses	9	1	Total	27	5
	No. of Tealive Corporate Store(s)	No. of Bask Bear Corporate Store(s)											
Stores for which written confirmation have been received	18 ⁽¹⁾	4 ⁽²⁾											
Stores which are awaiting responses	9	1											
Total	27	5											

Notes:

- (1) Out of these 18 Tealive Corporate Stores, 16 Tealive Corporate Stores are located in petrol stations where the main tenant of these Corporate Stores had provided an undertaking to indemnify our Group against all costs, losses, penalties and claims in respect of the premises arising from any non-issuance of CCC.
- (2) These four (4) Bask Bear Corporate Stores are located in bank branches where the main tenant and/or landlord of these Corporate Stores had provided an undertaking to indemnify our Group against all costs, losses, penalties and claims in respect of the premises arising from any non-issuance of CCC.

Extraction of CCC from local councils

As at 26 May 2025, our Group and/or the landlords have written to the local councils and/or submitted applications to extract a copy of the CCC for the 27 Tealive Corporate Stores and five (5) Bask Bear Corporate Stores. The status of the local councils' responses as at 26 May 2025 is as follows:

	No. of Tealive Corporate Store(s)	No. of Bask Bear Corporate Store(s)
Stores which are in various stages of obtaining CCCs, approval and/or licence to occupy	6 ⁽¹⁾	1 ⁽¹⁾
Stores where the tenancy will be ending by the third quarter of 2025 and will not be renewed	2 ⁽²⁾	-
Stores which are awaiting responses	19	4
Total	27	5

7. BUSINESS OVERVIEW (Cont'd)

Category	Rectification step

Notes:

- (1) Out of these six (6) Tealive Corporate Stores and one (1) Bask Bear Corporate Store, our Group has received responses from the local councils stating that CCC has not been issued for two (2) Tealive Corporate Stores and one (1) Bask Bear Corporate Store. Our Group will not be following up for the remaining responses for these stores as we are already in the midst of obtaining CCCs, approval and/or license to occupy.
- (2) Out of these two (2) Tealive Corporate Stores, our Group has not received any response from the local councils. Our Group will not be following up for the responses for these stores as the tenancies for these stores will not be renewed when they end by the third quarter of 2025.

For the remaining 19 Tealive Corporate Stores and four (4) Bask Bear Corporate Stores, our Group has been following up with the respective local councils for their responses, including making in-person visits. Our Board anticipates receiving responses from the relevant local councils within three (3) to six (6) months from the submission date.

Request for CCC from the Board of Engineers Malaysia ("BEM")

In addition to the written requests to the local councils to extract a copy of the CCC from local councils, our Group has also written to the BEM requesting for a copy of the CCCs for the 27 Tealive Corporate Stores and five (5) Bask Bear Corporate Stores. The status of the BEM's responses as at 27 May 2025 is as follows:

	No. of Tealive Corporate Store(s)	No. of Bask Bear Corporate Store(s)
Stores which are in various stages of obtaining CCCs, approval and/or licence to occupy	6 ⁽¹⁾	1 ⁽¹⁾
Stores where the tenancy will be ending by the third quarter of 2025 and which will not be renewed	2 ⁽²⁾	-
Responses received from the BEM that there are no records of the CCC	1	-
Stores which are awaiting responses	18	4
Total	27	5

Notes:

- (1) Out of these six (6) Tealive Corporate Stores and one (1) Bask Bear Corporate Store, our Group has received responses from the BEM stating that they do not have records of the CCCs for five (5) Tealive Corporate Stores and one (1) Bask Bear Corporate Store. Our Group will not be following up for the response for the remaining store as we are already in the midst of obtaining CCCs, approval and/or license to occupy.
- (2) Out of these two (2) Tealive Corporate Stores, our Group has received responses from the BEM stating that they do not have records of the CCC for one (1) Tealive Corporate Store. Our Group will not be following up for the response for the remaining store as the tenancy will not be renewed when it ends by the third quarter of 2025.

7. BUSINESS OVERVIEW (Cont'd)**Category Rectification step**

Our Group has been following up with the BEM for their responses, for the remaining 18 Tealive Corporate Stores and four (4) Bask Bear Corporate Stores. Our Board anticipates receiving responses from the BEM within three (3) to six (6) months from the request date.

Additional measures taken based on store type or location

The additional measures taken based on the type or location of stores are as follows:

Type or location of store	No. of Tealive Corporate Store(s)	No. of Bask Bear Corporate Store(s)	Current status / Next step
Shoplot	8	4	For one (1) Tealive Corporate Store located in government building, our Group has written to the relevant administrator to confirm that the premises have been duly constructed and completed in accordance with the relevant act, by-laws and approved plans. Our Group has been following up and will continue to follow up with the relevant administrator for their response. With respect to five (5) Tealive Corporate Stores, the landlords are in various stages of obtaining the approvals from the relevant authorities in relation to the issuance of the CCCs, approval and/or licence to occupy these Corporate Stores. Our Group has been and will continue to follow up with the relevant authorities to obtain the CCCs, approval and/or licence to occupy these Corporate Stores. Our Group will be closing down one (1) Tealive Corporate Store whose tenancy will end by the third quarter of 2025 and which will not be renewed due to continued underperformance. With respect to one (1) Tealive Corporate Store which was taken over from our existing franchise operator in May 2025 and four (4) Bask Bear Corporate Stores located in bank branches, our Group will continue to follow up with the local councils and the BEM for their responses.

7. BUSINESS OVERVIEW (Cont'd)

Category	Rectification step		
Type or location of store	No. of Tealive Corporate Store(s)	No. of Bask Bear Corporate Store(s)	Current status / Next step
Petrol Station	16	-	The main tenant is in the process of locating the CCCs. Our Group has been and will continue to follow up with the main tenant for the status of the CCCs.
Mall	1	-	Our Group will be closing down this Tealive Corporate Store whose tenancy will end by the third quarter of 2025 and which will not be renewed due to continued underperformance.
Standalone store	1	1	With respect to one (1) Tealive Corporate Store and one (1) Bask Bear Corporate Store, the landlords are in various stages of obtaining the approvals from the relevant authorities in relation to the issuance of the CCCs, approval and/or licence to occupy these Corporate Stores. Our Group has been and will continue to follow up with the relevant authorities to obtain the CCCs, approval and/or licence to occupy these Corporate Stores.
Transportation Hub – LRT /MRT/R&R	1	-	Our Group has written to the relevant expressway operator to confirm that the premise has been duly constructed and completed in accordance with the relevant act, by-laws and approved plans. Our Group has been following up and will continue to follow up with the relevant expressway operator for their response.
Total	27	5	

It is the intention of our Group to carry on our operations at the affected stores while we work towards obtaining the CCCs, confirmation and/or undertakings.

In the event that the CCCs and/or the confirmations from the landlords, relevant administrators and expressway operator are not forthcoming, our Group will liaise with the landlords to apply for CCCs. If the application is not made by June 2026 by the landlord, the affected stores will either be relocated or closed within three (3) months.

7. BUSINESS OVERVIEW (Cont'd)

Category	Rectification step

Local councils do not have CCC in their records	<u>Confirmation from landlords</u> Our Group has written to the landlords and/or main tenants of all seven (7) Tealive Corporate Stores and five (5) Bask Bear Corporate Stores for confirmation that CCCs have been issued for the respective premises in accordance with the relevant act, by-laws and approved plans and the landlords undertake to indemnify our Group against all costs, losses, penalties and claims in respect of the premises arising from any non-issuance of CCC. The status of the landlords' confirmation as at 26 May 2025 is as follows: <table border="1"> <thead> <tr> <th></th> <th>No. of Tealive Corporate Store(s)</th> <th>No. of Bask Bear Corporate Store(s)</th> </tr> </thead> <tbody> <tr> <td>Stores for which written confirmation have been received</td> <td>3</td> <td>2</td> </tr> <tr> <td>Stores which are awaiting responses</td> <td>4</td> <td>3</td> </tr> <tr> <td>Total</td> <td>7</td> <td>5</td> </tr> </tbody> </table> Our Group will continue to follow up with the remaining seven (7) landlords for their responses by October 2025. <u>Request for CCC from the BEM</u> In addition to the above, our Group has also written to the BEM requesting for a copy of the CCCs for the seven (7) Tealive Corporate Stores and five (5) Bask Bear Corporate Stores. The status of the BEM's responses as at 27 May 2025 is as follows: <table border="1"> <thead> <tr> <th></th> <th>No. of Tealive Corporate Store(s)</th> <th>No. of Bask Bear Corporate Store(s)</th> </tr> </thead> <tbody> <tr> <td>Responses received that there is no CCC in BEM's records</td> <td>5</td> <td>5</td> </tr> <tr> <td>Stores which are awaiting responses</td> <td>2</td> <td>-</td> </tr> <tr> <td>Total</td> <td>7</td> <td>5</td> </tr> </tbody> </table> Our Group has been following up with the BEM for their responses for the remaining two (2) Tealive Corporate Stores. Our Board anticipates receiving responses from the BEM within three (3) to six (6) months from the request date.		No. of Tealive Corporate Store(s)	No. of Bask Bear Corporate Store(s)	Stores for which written confirmation have been received	3	2	Stores which are awaiting responses	4	3	Total	7	5		No. of Tealive Corporate Store(s)	No. of Bask Bear Corporate Store(s)	Responses received that there is no CCC in BEM's records	5	5	Stores which are awaiting responses	2	-	Total	7	5
	No. of Tealive Corporate Store(s)	No. of Bask Bear Corporate Store(s)																							
Stores for which written confirmation have been received	3	2																							
Stores which are awaiting responses	4	3																							
Total	7	5																							
	No. of Tealive Corporate Store(s)	No. of Bask Bear Corporate Store(s)																							
Responses received that there is no CCC in BEM's records	5	5																							
Stores which are awaiting responses	2	-																							
Total	7	5																							

	No. of Tealive Corporate Store(s)	No. of Bask Bear Corporate Store(s)
Stores for which written confirmation have been received	3	2
Stores which are awaiting responses	4	3
Total	7	5

	No. of Tealive Corporate Store(s)	No. of Bask Bear Corporate Store(s)
Responses received that there is no CCC in BEM's records	5	5
Stores which are awaiting responses	2	-
Total	7	5

7. BUSINESS OVERVIEW (Cont'd)**Category Rectification step****Additional measures taken based on store type or location**

The additional measures taken based on the following type or location of stores are as follows:

Type or location of store	No. of Tealive Corporate Store(s)	No. of Bask Bear corporate store(s)	Current status / next step
Shoplot	5	4	With respect to one (1) Tealive Corporate Store, the landlord is in the midst of obtaining the necessary confirmation from the approving architect in relation to the issuance of the CCC. Our Group has been and will continue to follow up closely with the approving architect for his confirmation.⁽¹⁾ With respect to four (4) Tealive Corporate Stores and four (4) Bask Bear Corporate Stores, our Group will liaise with the landlords and/or main tenants to apply for CCCs. With respect to three (3) Tealive Corporate Stores and two (2) Bask Bear Corporate Stores whose tenancies will end by the end of 2025, our Group will only renew the tenancies on a short-term basis while discussing with the landlord on the application for the CCCs. With respect to two (2) Tealive Corporate Stores whose tenancies have expired, our Group is currently negotiating the renewal of the expired tenancies on a short-term basis and continues to occupy the premises on a month-to-month basis at the previous rental rates pending the outcome of these negotiations. If these tenancies are not renewed by July 2025, our Group will proceed to relocate or close these stores within three (3) months.

7. BUSINESS OVERVIEW (Cont'd)

Category	Rectification step		
Type or location of store	No. of Tealive Corporate Store(s)	No. of Bask Bear corporate store(s)	Current status / next step
Petrol station	2	-	With respect to these two (2) Tealive Corporate Stores, BEM's responses are pending, and our Group has been following up with the BEM for their responses. ⁽¹⁾
Standalone store	-	1	With respect to this one (1) Bask Bear Corporate Store located in government leased building, our Group has also written to the relevant administrator to confirm that the premises have been duly constructed and completed in accordance with the relevant act, by-laws and approved plans. Our Group has been following up and will continue to follow up with the relevant administrator for their response. ⁽¹⁾
Total	7	5	

Note:

- (1) If the responses from these parties are not forthcoming, our Group will liaise with the landlords and/or main tenants to apply for CCCs. If the application is not made by June 2026, the affected stores will either be relocated or closed within three (3) months.

It is the intention of our Group to carry on with our operations at the affected stores while we work towards obtaining the CCCs, confirmation and/or undertakings.

The above non-compliances were due to deficiencies in adherence to the established procedures by the business development unit, resulting in the failure to obtain the CCCs from our landlords or main tenants. Notwithstanding the above, our Group has since further enhanced its internal control system to ensure future compliance with the proper procedures. See Section 7.18.7 of this Prospectus for further details on the steps taken to prevent a recurrence of such non-compliance including measures implemented to enhance the internal control system of our Group.

The estimated relocation cost is up to RM250,000 per store where the relocation period is expected to be between three (3) to six (6) months. In addition, our Group may be liable, on conviction, to a maximum potential fine of RM10.1 million for occupying the 34 Tealive Corporate Stores and ten (10) Bask Bear Corporate Stores without CCC or to imprisonment for a term not exceeding ten (10) years or to both.

7. BUSINESS OVERVIEW (Cont'd)

Our Board is of the view that there is no material adverse impact to our Group's business operations and financial condition as:

- (a) the total cost of rectification of approximately RM6,300, has already been incurred, which is mostly administrative in nature and is not material to our Group; and
- (b) the maximum potential fine of RM10.1 million is unlikely due to the following:
 - (i) the affected stores are dispersed throughout Malaysia under the jurisdiction of different local councils which operate independently, with varying enforcement practices and timelines. As such, it is unlikely that enforcement actions will be carried out simultaneously and/or uniformly across all jurisdictions;
 - (ii) the majority of the affected stores are situated in petrol stations (40.9%) whose operations are highly regulated and as such, it is unlikely that CCCs have not been issued for such petrol stations; and in rows of commercial shop lots (50.0%) that have neighbouring tenants that are operating similar retail businesses and are not operating businesses that are large scale and/or industrial in nature;
 - (iii) the records for certain older buildings are no longer available in the records of the local councils and the local councils have not requested for CCCs in most, if not all, of the affected areas. when applying for business licences; and
 - (iv) in the event of enforcement, the local councils may grant a rectification period before imposing any penalties.

The aggregate revenue contribution of the 34 Tealive Corporate Stores and ten (10) Bask Bear Corporate Stores is only approximately 3.7% of the revenue of our Group for the FYE 30 June 2024 and the aggregate operating profit of these stores is only approximately 2.0% of the PBT of our Group for the FYE 30 June 2024, respectively based on our audited combined financial statements for the FYE 30 June 2024. Any impact to our Group's sales would occur only during the relocation period of between three (3) to six (6) months.

The 22 Corporate Stores for which indemnities have been provided by the landlords and/or main tenants comprise the following:

- (i) 18 Tealive Corporate Stores located in petrol stations where their aggregate revenue contribution and aggregate operating profit is approximately 1.4% of our Group's revenue for the FYE 30 June 2024 and approximately 1.0% of our Group's PBT for the FYE 30 June 2024; and
- (ii) four (4) Bask Bear Corporate Stores located in shop lots where bank branches are located where their aggregate revenue contribution and aggregate operating profit is approximately 0.2% of our Group's revenue for the FYE 30 June 2024 and approximately 0.1% of our Group's PBT for the FYE 30 June 2024.

7. BUSINESS OVERVIEW (Cont'd)

In aggregate, this amounts to approximately 1.6% of our Group's revenue for the FYE 30 June 2024 and approximately 1.0% of our Group's PBT for the FYE 30 June 2024 based on our audited combined financial statements for the FYE 30 June 2024.

7.18.2 Delay in obtaining business and signage licences for Tealive Corporate Stores and Bask Bear Corporate Stores

In Peninsular Malaysia, pursuant to subsection 107(6) of the Local Government Act 1976, any person who fails to exhibit or produce his licences on the premises shall be liable for a fine not exceeding RM500 or to imprisonment for a term not exceeding six (6) months or to both. In addition, as a general penalty, a fine of not exceeding RM2,000 or a term of imprisonment not exceeding one (1) year or both will be imposed on anyone who is guilty of any offence against the Local Government Act 1976 or any by-law, rule or regulation for which no penalty is expressly provided under Section 119 of the Local Government Act 1976. In addition to any other powers conferred upon it by the Local Government Act 1976 or by any other written law, a local authority shall have power, among others, to do all things necessary for or conducive to the public safety, health and convenience pursuant to Section 101(v) of the Local Government Act 1976 which may include suspension or closure of business.

In Sabah, pursuant to Section 3 of the Trades Licensing Ordinance, 1949, any persons who carry on any business without a valid trading licence shall be liable to a fine of four (4) times the amount of the licence fee and a further fine of RM10 for each day or part of a day during which the contravention continues.

In Sarawak, pursuant to Sections 145 and 150 of the Local Authorities Ordinance, 1996, any person who fails to exhibit or produce his licences on the premises shall be liable for a fine not exceeding RM2,000. In addition, pursuant to Section 3 of the Businesses, Professions and Trades Licensing Ordinance 1958, any persons who carry on business without a licence shall be liable to a fine of RM1,000 and pursuant to Section 28 of the Local Authorities (Advertisements) By-Laws 2012 of Sarawak, any person who exhibits advertisement without a licence shall be liable for a fine of not exceeding RM5,000 and imprisonment of not exceeding six (6) months and in the case of a continuing offence, a further fine not exceeding RM200 for each day during which the offence continues.

As at 15 August 2025, our Group has obtained all the business and signage licences for our Tealive Corporate Stores and Bask Bear Corporate Stores, save for the following:

- (a) 29 Tealive Corporate Stores, representing 5.2% of our Group's total 555 Tealive Corporate Stores and 4.2% of our Group's total Corporate Stores, of which:
 - 15 Tealive Corporate Stores (2.7%) are pending renewal of the business and signage licences; and
 - 14 Tealive Corporate Stores (2.5%) are pending the submission of an application for the new business and signage licences,
- (b) three (3) Bask Bear Corporate Stores, representing 2.3% of our Group's total 129 Bask Bear Corporate Stores and 0.4% of our Group's total Corporate Stores, of which:
 - two (2) Bask Bear Corporate Stores (1.5%) are pending renewal of the business and signage licences; and

7. BUSINESS OVERVIEW (Cont'd)

- one (1) Bask Bear Corporate Store (0.8%) is pending the submission of an application for the new business and signage licence.

(collectively, “**Outstanding Licences**”)

As at 15 August 2025, our Group has submitted two (2) out of 17 applications to the local councils for renewal of the business and signage licences and one (1) out of 15 applications for new business and signage licences and is pending approval from the local councils.

Our Group is in the midst of preparing the required documents for the application to renew or apply for new business and signage licences (e.g. building plan or support letter from the relevant authorities) and is expecting to submit the remaining applications by November 2025.

The issuance of business and signage licences is administrative in nature. The delay in obtaining the licence is mainly due to:

- the need to submit additional documents that may be requested by the local councils such as the latest year assessment bill and renewed tenancy agreement for renewal of the business and signage licences application; and
- awaiting inspection from Bomba and/or the local council for new business and signage licences application.

Based on our Group’s experience, the business and signage licences for new stores are typically obtained within one (1) to three (3) months after the opening of the stores. Applications for the business and signage licences can only be made after the stores have been fitted out and stocked up as verification to the local councils and authorities that the stores are ready for opening. For this reason, in most cases, such licences remain pending at the time of store opening. This situation affects only the opening of new stores. Moving forward, we will ensure that, to the extent permitted by the relevant authorities, all the necessary applications are submitted to the authorities prior to the new stores being fitted out and ready for opening. Where such avenue is available, we will also procure a temporary business licence prior to the store opening.

Our Group will continue to follow up with the relevant local councils to expedite the process of obtaining the business and signage licences.

The estimated average cost per store for the application of business and signage licences are as follows:

- RM900 for the administrative costs;
- RM600 for the licence fees; and
- RM6,000 for the architect fee, where new building plans are required for the application.

Barring any unforeseen circumstances, our Board anticipates the Outstanding Licences to be obtained and the above non-compliance to be rectified by March 2026.

Our Group may be liable, on conviction, to a maximum fine of RM0.5 million for operating without valid business and signage licences or a term of imprisonment not exceeding one (1) year or both.

7. BUSINESS OVERVIEW (Cont'd)

Our Board is of the view that there is no material adverse impact to our Group's business operations and financial condition as the total estimated cost of rectification of RM0.3 million and the potential maximum penalty of RM0.5 million is not material to our Group and the simultaneous closure of all the affected stores is unlikely as they are dispersed throughout Malaysia and are under the jurisdiction of different local councils.

The aggregate revenue contribution of these stores is only approximately 8.4% of our Group's revenue for the FYE 30 June 2024 and the aggregate store operating profit of these stores is only approximately 2.3% of our Group's PBT for the FYE 30 June 2024, respectively, based on our audited combined financial statements for the FYE 30 June 2024. Any impact on our Group's sales would only occur during the suspension or closure period.

(The above non-compliances in relation to the stores, comprising:

- (i) occupation of premises for which no CCC has been provided, or where the local councils do not have the CCCs in their records; and
- (ii) delay in renewing and obtaining business and signage licences,

are collectively referred to as "**Store Non-Compliances**")

The overall impact of the Store Non-Compliances as stated in Sections 7.18.1 and 7.18.2 of this Prospectus as at 26 May 2025 is summarised below:

State	Total Loob stores as at 26 May 2025	No. of affected store(s)	Revenue contribution towards revenue of our Group's Corporate Stores for the FYE 30 June 2024 (%)
Perlis	3	1	0.1
Kedah	28	4	0.2
Pulau Pinang	46	4	0.3
Perak	41	7	0.9
Kelantan	8	2	0.1
Terengganu	12	1	0.2
Pahang	26	1	0.2
Kuala Lumpur	84	17	1.5
Selangor	198	31	2.8
Putrajaya	7	1	0.1
Negeri Sembilan	26	6	0.4
Melaka	24	6	1.0
Johor	89	5	0.3
Labuan	1	1	*
Sabah	52	22	3.1
Sarawak	39	31	3.8
Total	684	140	15.0

Note:

* Negligible

Simultaneous enforcement on all the affected stores resulting in the forced closure of all the affected stores at once is remote and the risk is diversified as the affected stores are located throughout Malaysia and under various different local councils.

7. BUSINESS OVERVIEW (Cont'd)

For stores without signage licences, the authorities may impose a fine not exceeding RM5,000 or order for the removal of such signage.

In addition, although certain stores have been imposed fines by the relevant authorities, there has been no stop work order issued by the relevant authorities on the non-compliance stores for the Financial Years Under Review, which may have a material adverse impact to the business operations or financial condition of our Group.

7.18.3 Our Company did not register with the Ministry of Industry and Trade, Vietnam for its Tealive franchise business prior to 26 April 2025

LV Holdings VN had granted Kim Le Vy Trading the exclusive right to operate Tealive outlets in Vietnam for a period of 10 years effective from 18 September 2017. In turn, Kim Le Vy Trading had on 16 October 2019 entered into an intellectual property rights sub-licence agreement with Autogrill VFS F&B Co., Ltd (“**Sub-Licensee**”) granting the Sub-Licensee the rights to operate five (5) Tealive outlets located at various airports in Vietnam (“**Sub-Licence Agreement**”).

Pursuant to the Commercial Law of Vietnam, franchising is a commercial activity in which the franchisor allows and requires the franchisee to conduct the purchase and sale of goods and provision of services on its own according to the following conditions:

- (a) the purchase and sale of goods and provision of services are conducted in a business organisation manner prescribed by the franchisor and are associated with the franchisor's trademark, trade name, business secrets, business slogan, business symbol and advertisement; and
- (b) the franchisor has the right to control and assist the franchisee in operating the business.

At the time of entering into the Sub-Licence Agreement in Vietnam, our Group did not register its Tealive franchise business in Vietnam with the Ministry of Industry and Trade, Vietnam. No legal adviser was appointed to assess the legal implications of the arrangement and no comprehensive legal review was undertaken to determine whether the agreement fell within the definition of a “franchise” under Vietnamese law. As a result, the arrangement was structured as a licence agreement rather than a franchise agreement. However, having sought legal advice, the Vietnamese local counsels have opined that the Sub-Licence Agreement satisfies the conditions of a “franchise”, regardless of what the agreement is titled as and as such, Loob Holding is required under the laws of Vietnam to register with the Ministry of Industry and Trade, Vietnam for its Tealive franchise business.

Pursuant to Article 4.4.b; 75.3.a; and 75.6 of Decree No. 98/2020/ND-CP amended by Decree No. 17/2022/ND-CP, foreign franchisors operating in Vietnam without proper registration may face:

- administrative fines of up to VND20,000,000 (equivalent to RM3,480 based on an exchange rate of VND100: RM0.0174, being the middle rate prevailing at 5.00 p.m. on the LPD as published by BNM); and
- mandatory return of benefits illegally obtained.

On 17 March 2025, our Group submitted the application for the registration of Loob Holding as a franchisor in Vietnam and such application was approved by the Ministry of Industry and Trade, Vietnam on 26 April 2025.

7. BUSINESS OVERVIEW (Cont'd)

Following the approval, on 27 May 2025, Loob Holding has entered into an MFA with Kim Le Vy Trading, granting Kim Le Vy Trading the exclusive master franchise rights for the Tealive brand in Vietnam, effective from 26 April 2025.

Kim Le Vy Trading is currently in the process of terminating the existing Sub-Licence Agreement and will be entering into a new sub-franchise agreement with the Sub-Licensee. The draft sub-franchise agreement is under review by both the Sub-Licensee and local legal counsel appointed by us and is expected to be finalised and executed by September 2025 due to extended negotiations with the Sub-Licensee and the time required to complete the Vietnamese translation of the agreement.

Our Board is of the view that there is no material adverse impact to our Group's business operations and financial condition as there are no benefits illegally obtained from the Sub-Licensee and no fines imposed by the Ministry of Industry and Trade, Vietnam following the registration approval obtained on 26 April 2025, and the cost of rectification of RM80,000 (being legal and professional fees) which is approximately 0.1% of our Group's PBT of approximately RM75.0 million based on our audited combined financial statements for the FYE 30 June 2024 is not material to our Group.

7.18.4 BB Coffee did not register with the Registrar of Franchises for commencement of our Bask Bear franchise business prior to 22 May 2025

Pursuant to Section 6(1) of the Franchise Act, a franchisor or a foreign person who has obtained an approval to sell a franchise in Malaysia or to any Malaysian citizen under Section 54 of the Franchise Act shall register his franchise with the Registrar of Franchises before he can operate a franchise business or make an offer to sell the franchise to any person.

Pursuant to Section 4 of the Franchise Act,

- “franchise” means a contract or an agreement, either expressed or implied, whether oral or written, between two or more persons by which-
 - (a) the franchisor grants to the franchisee the right to operate a business according to the franchise system as determined by the franchisor during a term to be determined by the franchisor;
 - (b) the franchisor grants to the franchisee the right to use a mark, or a trade secret, or any confidential information or intellectual property, owned by the franchisor or relating to the franchisor and includes a situation where the franchisor, who is the registered user of, or is licenced by another person to use, any intellectual property, grants such right that he possesses to permit the franchisee to use the intellectual property;
 - (c) the franchisor possesses the right to administer continuous control during the franchise term over the franchisee's business operations in accordance with the franchise system; and
 - (d) in return for the grant of rights, the franchisee may be required to pay a fee or other form of consideration.
- “franchisor” means a person who grants a franchise to a franchisee and includes a master franchisee with regard to his relationship with a sub-franchisee;
- “franchisee” means a person to whom a franchise is granted and includes a master franchisee with regard to his relationship with a franchisor and a sub-franchisee with regard to his relationship with a master franchisee; and

7. BUSINESS OVERVIEW (Cont'd)

- “franchise agreement” means a contract or an agreement made between a franchisor and a franchisee in respect of a franchise in return for any form of consideration but does not include any contract or agreement made for the purpose of direct selling as provided by the Direct Sales Act, 1993 of Malaysia.

BB Coffee Sdn Bhd did not have the three (3)-year track record required to register as a franchisor in Malaysia. As a result, and as Bask Bear primarily operates as a corporate model, our Group had no intention to expand it through a franchise model at that point in time. No legal adviser was appointed to assess the legal implications of the arrangement. Hence, BB Coffee entered into licencing agreements with six (6) licensees to grant the right and licence to the licensees to operate and manage six (6) Bask Bear stores in Malaysia (“**Licencing Agreements**”) in June 2022, July 2022, November 2022, December 2022, August 2023 and July 2024 respectively.

Pursuant to the definition “franchise” under Section 4 of the Franchise Act, the Licencing Agreements may have satisfied the conditions of a “franchise”, regardless of the title of the agreement and as such, BB Coffee is required to register with the Registrar of Franchises of Malaysia under Section 6(1) of the Franchise Act before offering the franchise for sale.

As such, there is a potential non-compliance with Section 6(1) of the Franchise Act by BB Coffee for failure to register with the Registrar of Franchises before the commencement of our Bask Bear franchise business. BB Coffee may be liable, on conviction, to a fine not exceeding RM250,000 and for a second or subsequent offence, to a fine of not exceeding RM500,000.

After obtaining legal advice, BB Coffee and all the licensees mutually terminated the Licencing Agreements and entered into the LMSAs on 31 December 2024 to address the potential non-compliance. Further, the licensees have expressly executed undertaking letters confirming that they will not lodge any complaints, claims or reports to the Registrar of Franchises of Malaysia, or initiate, file or pursue any legal action, suit or proceeding against BB Coffee (including its officers, agents, or affiliates) asserting that the earlier Licencing Agreements and LMSA are illegal or constitute franchise agreements under the Franchise Act.

On 3 January 2025, Loob Holding filed an application for the registration of Loob Holding as franchisor with the Registrar of Franchises and such application was approved by the Registrar of Franchises of Malaysia on 22 May 2025. Following the approval, all LMSAs were terminated and ceased to have any force or effect after 21 May 2025 and Loob Holding entered into franchise agreements with all the licensees (now franchisees of Bask Bear) in June 2025, which took effect from 22 May 2025.

Our Board is of the view that there is no material adverse impact to our Group's business operations and financial condition as no penalties have been imposed on Loob Holding and BB Coffee following the registration approval obtained on 22 May 2025, and the total cost of rectification of RM81,050 (comprising RM1,050, being the franchise registration and RM80,000, being legal and professional fees incurred) which is approximately 0.1% of our Group's PBT of approximately RM75.0 million based on our audited combined financial statements for the FYE 30 June 2024 is not material to our Group.

7. BUSINESS OVERVIEW (Cont'd)

7.18.5 Non-material operational non-compliances

As at 26 May 2025, our Group has not obtained storage licences for 52 external storage spaces which are used to store ingredients, packaging materials and consumables for the business operations from the relevant local councils as our Group was not aware that a storage licence was required for such storage spaces. 18 applications have been submitted and 34 applications for storage licences are pending ("**Operational Non-Compliances**"). Our Group is expecting to submit the remaining applications by November 2025.

In the event that the relevant local councils require us to vacate the external storage spaces for which the storage licences are pending applications, our Group would need to secure alternative storage spaces or increase restocking frequency of our ingredients, packaging materials and consumables, which is not expected to disrupt store operations or materially impact the business operations and financial conditions, as alternative storage spaces are readily available.

The estimated costs to rectify these non-compliances and the potential maximum penalties are in aggregate approximately RM0.2 million, which represents approximately 0.2% of our Group's PBT for the FYE 30 June 2024, and is not material to the business operations and financial condition of our Group.

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7. BUSINESS OVERVIEW (Cont'd)**7.18.6 Summary of nature of breaches of the properties with non-compliances**

The table below summarises the nature of non-compliances of the directly-owned stores as at 26 May 2025:

Nature of non-compliance/ Type or location of store	Tealive Corporate Stores				Bask Bear Corporate Stores			
	Landlord did not provide CCC	Local councils do not have CCC in their records	Delay in obtaining business and signage licences	Delay in obtaining storage licences	Landlord did not provide CCC	Local councils do not have CCC in their records	Delay in obtaining business and signage licences	Delay in obtaining storage licences
Shoplot	8	5	37	1	5	4	6	2
Petrol Station	16	2	15	-	-	-	-	-
Mall	1	-	38	43	-	-	2	4
Standalone	1	-	2	1	-	1	-	-
Transportation Hub – LRTMRTR&R	1	-	3	-	-	-	1	-
Airport/Hospital/University	-	-	-	1	-	-	-	-
Total	27	7	95	46	5	5	9	6
Total operating profit (RM'000)	688	150	1,614	(1)-	49	634	107	(1)-
% to our Group's PBT for the FYE 30 June 2024	0.9	0.2	2.2	-	0.1	0.8	0.1	-
Total revenue (RM'000)	11,811	4,594	46,087	(1)-	1,377	4,142	3,471	(1)-
% to our Group's revenue for the FYE 30 June 2024	2.0	0.8	7.8	-	0.2	0.7	0.6	-
Total rectification cost (RM'000)	-	-	287	69	-	-	26	9
Total potential penalty (RM'000)	5,850	1,750	428	92	1,250	1,250	51	12
Total potential penalty (excluding 22 Corporate Stores, comprising 18 Tealive Corporate Stores located in petrol stations and four (4) Bask Bear Corporate Stores located in bank branches, for which indemnities have been provided) (RM'000)	2,300	1,250	428	92	250	1,250	51	12

Note:

- (1) The external storages do not generate any revenue and profit for these Tealive Corporate Stores and Bask Bear Corporate Stores. The delay in obtaining storage licences for the external storage spaces would not result in the closure of these Tealive Corporate Stores and Bask Bear Corporate Stores.

7. BUSINESS OVERVIEW (Cont'd)**7.18.7 Overall impact of the outstanding non-compliances**

The table below summarises the total estimated cost of compliance (including potential maximum penalties applicable) relating to the abovementioned non-compliances that are pending rectification as at 26 May 2025:

No.	Summary description of non-compliances	Reference to section in this Prospectus	Estimated cost to rectify non-compliances (RM'000)	Potential maximum penalty (RM'000)	Total estimated costs (RM'000)	% of our Group's PBT for the FYE 30 June 2024 (%)
(1)	Tealive Corporate Stores and Bask Bear Corporate Stores without CCC:	7.18.1				
	(a) Landlord did not provide CCC					
	(i) Corporate Stores for which the landlords and/or main tenants have provided indemnities (comprising Corporate Stores located in petrol stations and shop lots where bank branches are located)		-	4,550	4,550	6.1
	(ii) Other Corporate Stores		-	2,550	2,550	3.4
	Subtotal of (a)		-	7,100	7,100	9.5
	(b) Local councils do not have CCC in their records					
	(i) Corporate Stores for which the main tenants have provided indemnities (comprising Corporate Stores located in petrol stations)		-	500	500	0.7
	(ii) Other Corporate Stores		-	2,500	2,500	3.3
	Subtotal of (b)		-	3,000	3,000	4.0
	Subtotal of (1)		-	10,100	10,100	13.5

7. BUSINESS OVERVIEW (Cont'd)

No.	Summary description of non-compliances	Reference to section in this Prospectus	Estimated cost to rectify non-compliances (RM'000)	Potential maximum penalty (RM'000)	Total estimated costs (RM'000)	% of our Group's PBT for the FYE 30 June 2024 (%)
(2)	Delay in obtaining business and signage licences for Tealive Corporate Stores and Bask Bear Corporate Stores:	7.18.2				
(a)	Pending approval for renewal application		117 ⁽¹⁾	369	486	0.7
(b)	Pending approval for new application		195 ⁽²⁾	110	305	0.4
	Subtotal of (2)		312	479	791	1.1
(3)	52 external storage spaces for which storage licences or applications are pending	7.18.5	78 ⁽³⁾	104 ⁽⁴⁾	182	0.2
	Total		390	10,683	11,073⁽⁵⁾	14.8

Notes:

- (1) Consists of administrative costs of RM900 and licence fees of RM600 per store for 71 Tealive Corporate Stores and seven (7) Bask Bear Corporate Stores.
- (2) Consists of administrative costs of RM900, licence fees of RM600 and architect fees of RM6,000 per store for 24 Tealive Corporate Stores and two (2) Bask Bear Corporate Stores.
- (3) Consists of administrative costs of RM900 and licence fees of RM600 per storage space.
- (4) Maximum penalty of RM2,000 per storage space.
- (5) The total estimated costs exclude any penalties that may be incurred due to early termination of the tenancies, including rent payable for the remaining tenure, the amount of which has yet to be determined at this juncture.

7. BUSINESS OVERVIEW (Cont'd)

Impact of the estimated cost to rectify non-compliances and the potential maximum penalties

As shown in the table above, the estimated costs to rectify the non-compliances and the potential maximum penalties are approximately RM11.1 million, which represents approximately 14.8% of our Group's PBT for the FYE 30 June 2024. Out of the above, the estimated costs to rectify the non-compliances and the potential maximum penalties for the Store Non-Compliances are approximately RM10.9 million, which represents approximately 14.5% of our Group's PBT for the FYE 30 June 2024.

Notwithstanding the above estimated costs to rectify the non-compliances and the potential maximum penalties, 22 landlords and/or main tenants for the Corporate Stores located in petrol stations and shop lots where bank branches are located have provided undertakings to indemnify our Group against all costs, losses, claims, fines and/or penalties arising from any non-issuance of CCC/CF, as set out in items (1)(a)(i) and (1)(b)(i) of the above table.

After excluding the estimated costs to rectify the non-compliances and the potential maximum penalties in relation to the Corporate Stores located in petrol stations and shop lots where bank branches are located where indemnities have been provided, the estimated costs to rectify the non-compliances and the potential maximum penalties for the remaining outstanding non-compliances are approximately RM6.0 million, which represents approximately 8.0% of our Group's PBT for the FYE 30 June 2024. Out of the above, the estimated costs to rectify the non-compliances and the potential maximum penalties for the Store Non-Compliances are approximately RM5.8 million, which represents approximately 7.8% of our Group's PBT for the FYE 30 June 2024.

For the Financial Years Under Review and up to the LPD:

- (i) no fines or penalties have been imposed on our Group by the relevant local authorities for the CCC non-compliances for the stores;
- (ii) fines ranging from RM50 to RM1,500 have been imposed on our Group for operating its stores without a business licence;
- (iii) fines between RM50 to RM1,000 have been imposed on our Group for operating its stores without a signage licence; and
- (iv) no fines or penalties have been imposed on our Group by the relevant local authorities for the Operational Non-Compliances.

Notwithstanding the above, the total fines imposed by the relevant authorities for the Store Non-Compliances for the Financial Years Under Review and up to the LPD of less than RM0.1 million do not have a material impact to the financial position of our Group ("**Past Penalties**").

Premised on the above, our Board is of the view that the estimated costs to rectify the outstanding non-compliances and the potential maximum penalties of approximately RM11.1 million, which represents approximately 14.8% of our Group's PBT for the FYE 30 June 2024, will not have a material adverse impact to our Group's business operations and financial condition, taking into consideration, among others, the following:

- (a) the indemnities provided by landlords and/or main tenants for certain Corporate Stores located in petrol stations and shop lots with bank branches will reduce our Group's exposure in respect of the estimated costs to rectify the outstanding non-compliances and the potential maximum penalties to approximately RM6.0 million, which represents approximately 8.0% of our Group's PBT for the FYE 30 June 2024;

7. BUSINESS OVERVIEW (Cont'd)

- (b) with respect to the estimated exposure of RM6.0 million set out in item (a) above:
- (i) the estimated cost to rectify the outstanding non-compliances is approximately RM0.4 million, representing only 0.5% of our Group's PBT for the FYE 30 June 2024; and
 - (ii) the probability of our Group being imposed with the maximum penalties of RM5.6 million, representing 7.5% of our Group's PBT for the FYE 30 June 2024 is low due to, among others, the following:
 - (a) based on the Past Penalties, the authorities typically do not impose the maximum penalty for the aforementioned offences;
 - (b) for stores which our Group had recently obtained the business and signage licence, the local councils did not impose any penalty for the past breaches; and
 - (c) the affected stores are dispersed throughout Malaysia under the jurisdiction of different local councils which operate independently, with varying enforcement practices and timelines. As such, it is unlikely that enforcement actions will be carried out simultaneously and/or uniformly across all jurisdictions.

See Sections 7.18.1, 7.18.2 and 7.18.5 of this Prospectus for further details on the outstanding non-compliances.

Notwithstanding that the outstanding non-compliances may remain unresolved at the time of our Listing, our Directors undertake to continue to make the necessary applications and/or engage with the relevant authorities to resolve and address the outstanding non-compliance incidents in accordance with the directions of the relevant authorities after our Listing. Our management is following up and liaising with relevant authorities to resolve the said non-compliances in the best interest of our Company. We will update our shareholders on the status of our outstanding non-compliance incidents in our annual report.

Steps taken or to be taken to rectify the non-compliances and prevent recurrence of such non-compliances

Our Group has established a CMC comprising of the Key Senior Management and the Director of Strategy and Portfolio. The CMC is responsible for:

- (i) monitoring and overseeing our Group's regulatory compliance matters including the compliance with licensing, certificates and approvals for the businesses and operations of our Group;
- (ii) overseeing the implementation of the Compliance Framework described in item (i) below as well as ensuring the framework remains up to date through periodic reviews and communication of regulatory changes; and
- (iii) addressing breaches to ensure that non-compliance incidents are adequately investigated and issues would be reported to appropriate parties in a timely manner.

7. BUSINESS OVERVIEW (Cont'd)

Our Group has implemented the following measures to enhance the internal control system of our Group and prevent the recurrence of the non-compliance incidents set out in Sections 7.18.1 to 7.18.5 of this Prospectus:

- (i) our Group has implemented a structured compliance framework based on the Institute of Internal Auditors' Three Lines Model ("**Compliance Framework**"), which clearly defines roles and responsibilities across the following functions:
 - (a) operations - responsible for identifying and managing compliance risks on a day-to-day basis, including maintaining valid licences, monitoring regulatory requirements and reporting breaches;
 - (b) compliance oversight - responsible for developing policies, assessing risks, conducting compliance reviews and monitoring of regulatory changes; and
 - (c) internal audit - provides independent assurance on the adequacy and effectiveness of compliance controls and reports directly to the Audit and Risk Management Committee.

To support the Compliance Framework, our Group has developed and implemented formal Compliance Monitoring Policies and Procedures covering key areas such as data protection, anti-bribery and corruption, health and safety, ethical conduct and sustainability. Compliance is reinforced through structured training programs, regular audits and centralised tracking of licences and regulatory obligations. Non-conformities and incidents are promptly investigated with corrective actions monitored to completion. This integrated approach fosters a strong culture of accountability, integrity and ongoing compliance across our Group;

- (ii) our Group has established a register of requisite approvals, licences and registrations with respect to the business operations of our Group detailing amongst others the timelines for registration and approvals, including renewal; and
- (iii) where necessary, our Group will seek professional advice and assistance from internal control consultants, external legal advisers and/or other appropriate independent professional advisers with respect to matters related to the internal controls and regulatory compliance of our Group, and to provide our Group with updates on the applicable laws relating to the business operations of our Group from time to time.

7.19 Franchisees' and licensees' obligations to ensure compliance with relevant laws and regulations

Under the FAs, MFAs and ARDAs with our franchisees and licence and management service agreements with our licensees, our franchisees and licensees have undertaken that they shall, among others:

- (i) comply with all applicable laws, regulations, by-laws and guidelines relating to the operation of our Tealive Franchised Stores and Bask Bear Franchised Stores, including but not limited to laws and regulations relating to product liability, consumer protection, handling and preparation of food and beverages, Halal certification, health, cleanliness, sanitation and hygiene, safety standards, occupational hazards and health, workers compensation insurance and taxes;
- (ii) secure and maintain in force, in the franchisees' and licensees' name, all required licences, permits, approvals and certificates relating to the operation of our Tealive Franchised Stores and Bask Bear Franchised Stores; and

7. BUSINESS OVERVIEW (Cont'd)

- (iii) promptly notify us in writing of any complaints, documents or summons received as a result of breach of applicable laws in relation to the operation of the business and the franchisees and licensees shall be responsible for and shall handle such complaints, documents or breaches at its own cost and expense.

In addition, according to the FAs for our Malaysian Tealive Franchised Stores, our franchisees shall, at its own cost and expense, obtain the required approvals from all governmental authority, departmental agency or local council before the opening of our Tealive Franchised Stores.

In the event of a breach of the above undertakings by the franchisees or licensees, the FAs, MFAs, ARDAs and the licence and management service agreements stipulate that we have the right to unilaterally terminate the agreements and the franchisees or licensees shall, among others:

- (i) immediately cease to operate the business of our Tealive Franchised Stores and Bask Bear Franchised Stores and the use in any way whatsoever of the intellectual property owned by us;
- (ii) indemnify us against and reimburse any claims, obligations and damages arising directly or indirectly out of:
 - (a) their operation of our Tealive Franchised Stores and Bask Bear Franchised Stores in any manner not in accordance with the FAs, MFAs, ARDAs or licence and management service agreements;
 - (b) the franchisees' or licensees' breach of the agreements entered into with us;
 - (c) negligence by the franchisees or licensees; and
 - (d) any civil wrong or criminal offences by the franchisees or licensees relating to the business of our Tealive Franchised Stores and Bask Bear Franchised Stores.

Furthermore, according to Section 29 of the Franchise Act, our Malaysian franchisees shall:

- (i) operate their businesses separately from us as the franchisor, and the relationship between us and our franchisees shall not at any time be regarded as a partnership, service contract or agency;
- (ii) act in a lawful manner and to pursue the best franchise business practice; and
- (iii) avoid, among others, conduct that is not reasonably necessary for the protection of our legitimate business interests, those of the franchisees, or the franchise system.

As at the LPD, we have not received any notification from our Malaysian and international franchisees or licensees of any complaints, documents or summons received as a result of breach of applicable laws in relation to the operation of their business. Notwithstanding, as part of our standard procedures, we conduct periodic site visits to the operations of our franchisees and licensees which allows us to, among others, send out reminders to our franchisees and licensees in respect of expiring business and signage licences, if applicable. We also conduct quality, service and cleanliness audits to ensure that the stores meet the requisite operational standards.

7. BUSINESS OVERVIEW (Cont'd)

7.20 Material dependency on commercial contracts, agreements or other arrangements

As at the LPD, there are no commercial contracts, agreements, other arrangements or other matters entered into by or issued to us which we are materially dependent on and which are material to our business and profitability save for the following:

7.20.1 Collaboration Agreement (as novated by PETRONAS to MRCSB via the Letter of Novation)

Loob Integrated has entered into the Collaboration Agreement with MRCSB to record their collaborative relationship with each other to roll out Tealive stores in PETRONAS petrol stations throughout Malaysia.

Term

The Collaboration Agreement shall continue in full force and effect for two (2) years ("**First Term**") and may be extended for a further term of two (2) years from 1 January 2026 till 31 December 2027 ("**Extended Term**"). Either MRCSB or Loob Integrated may give written notice of not less than three (3) months before the expiry of the First Term to the other whether it wishes to extend the First Term to the Extended Term based on the existing terms and conditions of the Collaboration Agreement. Any further extensions after the Extended Term shall be subject to terms and conditions to be mutually agreed between MRCSB and Loob Integrated. The Collaboration Agreement shall automatically lapse upon the expiry of the First Term in the event that such written notice is not given in the manner set out above unless MRCSB and Loob Integrated mutually agree otherwise.

PETRONAS Tealive outlets opening

For the opening of each new PETRONAS Tealive outlets to be set up and operated by Loob Integrated ("**New PETRONAS Tealive Outlets**"), MRCSB shall provide written notice ("**MRCSB's Notice**") to notify Loob Integrated the location where such New PETRONAS Tealive Outlet is proposed to be opened and shall obtain Loob Integrated's concurrence on the proposed location. If Loob Integrated is agreeable to the opening of a New PETRONAS Tealive Outlet at the proposed location, it shall indicate its concurrence in writing to MRCSB ("**Loob Integrated's Response**") within 14 business days upon receipt of MRCSB's Notice.

Loob Integrated shall also have the option to provide written notice ("**Loob Integrated's Notice**") to notify MRCSB the location where the New PETRONAS Tealive Outlet is proposed to be opened and shall obtain MRCSB's concurrence on the proposed location. If MRCSB is agreeable to the opening of a New PETRONAS Tealive Outlet at the proposed location, it shall indicate its concurrence in writing to Loob Integrated ("**MRCSB's Response**") within 14 business days upon receipt of Loob Integrated's Notice.

Upon receipt by MRCSB of Loob Integrated's Response or receipt by Loob Integrated of MRCSB's Response, where applicable for the concurrence of the selection of locations as stipulated above, once MRCSB and Loob Integrated have mutually agreed on the location, MRCSB and Loob Integrated shall also enter into an addendum to the Operating Agreement(s) for the operation of each New PETRONAS Tealive Outlet.

7. BUSINESS OVERVIEW (Cont'd)***Obligations of the parties***

The obligations of MRCSB include, among others, to identify suitable PETRONAS's petrol stations for Loob Integrated to set up and operate the New PETRONAS Tealive Outlets, subject to Loob Integrated's concurrence as stipulated above and to provide management of its dealers (i.e. petrol station operators) where the PETRONAS Tealive outlets are located to ensure full cooperation from such dealers throughout the entire term of the Collaboration Agreement to Loob Integrated to operate the PETRONAS Tealive outlets at an optimal level.

While the obligations of Loob Integrated include, among others, to manage the daily operations of all PETRONAS Tealive outlets and Loob Integrated will not operate (directly or through an affiliate) nor grant a franchise to a third party for the operation of a Tealive outlet except at the following locations:

- (a) shopping malls;
- (b) PETRONAS stations;
- (c) transportation hubs;
- (d) existing non-PETRONAS Tealive outlets opened prior to the date of the Collaboration Agreement;
- (e) premises that are mutually agreed upon by MRCSB and Loob Integrated; and/or
- (f) any premise located outside the specifically designated area of 0.5km radius from the front entrance of any PETRONAS Tealive outlet.

As for non-PETRONAS Tealive outlets to be opened within the specifically designated area of 0.5km radius from the front entrance of any PETRONAS station, Loob Integrated shall provide written notification of 30 days to notify MRCSB the location where such non-PETRONAS Tealive outlet is proposed to be opened prior to the opening of such non-PETRONAS Tealive outlet.

Non-Exclusivity

MRCSB and Loob Integrated acknowledge and agree that they are at liberty to enter into any agreement with any third party that are the same as, or comparable to the arrangements described in the Collaboration Agreement.

Termination

Either MRCSB or Loob Integrated ("**Terminating Party**") shall have the right to terminate the Collaboration Agreement if the defaulting party ("**Defaulting Party**") commits any breach of the terms of the Collaboration Agreement:

- (i) forthwith on giving notice in writing to the Defaulting Party where the breach is not capable of being remedied; or
- (ii) in the case of a breach capable of being remedied, forthwith on giving notice to the Defaulting Party after the Defaulting Party shall have failed, within 30 days after the receipt of a request in writing to do so, to remedy such breach.

7. BUSINESS OVERVIEW (Cont'd)

The Terminating Party shall have the right to terminate the Collaboration Agreement at any time with immediate effect without prejudice to any other rights or remedy available to it under the Collaboration Agreement or by law and without the requirement of notice and the opportunity for the Defaulting Party to remedy the breach in any of the following circumstances:

- (a) a petition for winding up or bankruptcy is presented against the Defaulting Party which has not been opposed or set aside under the laws of its incorporation;
- (b) an order is made which has not been opposed or set aside under the laws of its incorporation or a member's resolution is passed for the winding up of the Defaulting Party; or
- (c) an administrator, a receiver and/or manager is appointed by the court or pursuant to any statute or regulation or by any creditor pursuant to a debenture or any other security document in favour of such creditor over the undertaking, assets and properties of the Defaulting Party or any substantial part of the Defaulting Party's assets and properties.

The Terminating Party shall have the right to terminate the Collaboration Agreement forthwith after the Defaulting Party shall have failed, within 14 days after the receipt of a request in writing to do so, to remedy any of the following events:

- (a) change in the majority shareholding of the Defaulting Party without prior notification from the Defaulting Party⁽¹⁾;
- (b) where Loob Integrated, any of its affiliates, directors, officers or shareholders is investigated for, charged with or convicted of any breach of applicable laws, rules or requirements relating to anti-bribery, money laundering, competition or corruption and such investigation, charge or conviction has a material adverse effect on the collaboration between MRCSB and Loob Integrated; or
- (c) where MRCSB, in its reasonable discretion, determines that Loob Integrated has acted in a manner which is materially prejudicial to MRCSB and/or the PETRONAS brand and reputation.

Note:

- (1) *Loob Integrated has notified MRCSB on the change in the shareholding structure of our Company pursuant to our Listing, whereby Loob Integrated will become an indirect subsidiary of our Company via Loob Holding, upon completion of the change in the shareholding structure.*

Effect of Termination

All rights and obligations of MRCSB and Loob Integrated shall cease to have effect immediately upon termination of the Collaboration Agreement save for the survival provisions of the Collaboration Agreement (i.e. confidentiality clause, notice clause, governing law clause and any provision of the Collaboration Agreement necessary for interpretation or enforcement) which shall continue in force following termination of the Collaboration Agreement and further save that termination of the Collaboration Agreement shall be without prejudice to the respective rights and liabilities of each of MRCSB and Loob Integrated accrued prior to such termination including the right to claim for the loss, cost, expense, damage, consequence and third party claim for damages suffered directly or indirectly by MRCSB and Loob Integrated.

7. BUSINESS OVERVIEW (Cont'd)***Indemnification***

MRCSB and Loob Integrated (“**Indemnifying Party**”) undertake and agree to pay and to indemnify fully, hold harmless and defend the other party from and against any and all of the loss, cost, expense, damage, consequence and third-party claim for damages suffered directly or indirectly by the other party in connection with:

- (a) any inaccuracy or breach of any of the representations and warranties;
- (b) any proceedings taken by the other party claiming that any of the representations and warranties or the performance of the obligations under the Collaboration Agreement, as the case may be, is untrue or misleading in any material respects or has been breached in any material respects and in which judgment is given for the other party; and
- (c) breach of any of the terms and conditions of the Collaboration Agreement by the Indemnifying Party.

Loob Integrated undertakes and agrees to pay and to indemnify fully, hold harmless and defend MRCSB from and against any and all of the loss, costs, expense, damage and third party claims for damages suffered directly by MRCSB arising from Loob Integrated or its affiliates, franchisee, contractors or vendors’ act or omission in the operation and maintenance of PETRONAS Tealive outlets except where any of such loss, costs, expense, damage or third party claims is caused by the act, omission or negligence of MRCSB or its affiliates.

Confidentiality

MRCSB and Loob Integrated shall hold in strict confidence all provisions of the Collaboration Agreement and all confidential information furnished by the other party under the Collaboration Agreement. Any such information shall not be disclosed to any third party without the prior written consent of the party which had originally disclosed such information first being obtained, unless disclosure of such information is necessary for the proper discharge of either parties’ rights or obligations under the Collaboration Agreement and in law. The confidentiality undertakings provided herein shall survive any termination, whether herein envisaged in the Collaboration Agreement or otherwise.

The obligations of confidentiality shall not extend to:

- (a) any matter which is in or becomes part of the public domain otherwise than by reason of a breach of the obligations of confidentiality in the Collaboration Agreement or which any party receives from a third party independently entitled to disclose it;
- (b) matters which the party is required by law, any regulatory authority or the rules of a recognized stock exchange applicable to that party to disclose; or
- (c) any professional advisors or affiliates to the receiving party who are bound by a duty of confidence which applies to any information disclosed.

In the event Loob Integrated is required to disclose confidential information to Loob Holding, or its holding company, where applicable, or potential investors of Loob Holding or its holding company where applicable, relevant authorities or regulators, for purposes of any corporate exercises including but not limited to an initial public offering of the shares of Loob Holding or its holding company on a stock exchange, Loob Integrated shall seek the prior written consent from MRCSB for disclosure of such confidential information, however such consent shall not be unreasonably withheld by MRCSB.

7. BUSINESS OVERVIEW (Cont'd)

7.20.2 Operating Agreement

Loob Integrated has entered into the Operating Agreement with MRCSB whereby Loob Integrated was granted a licence by MRCSB to use and occupy a certain area of Petronas's petrol stations ("**Demised Premises**") for operating our Tealive business.

Term

The Operating Agreement shall continue two (2) years ("**First Term**") and shall be renewed for a further term of two (2) years ("**Subsequent Term**"). Either MRCSB or Loob Integrated may give written notice of not less than three (3) months before the expiry of the First Term to the other whether it wishes to extend the First Term to the Subsequent Term based on the existing terms and conditions of the Operating Agreement. Any further extensions after the Subsequent Term shall be subject to terms and conditions to be mutually agreed between MRCSB and Loob Integrated. The Operating Agreement shall automatically lapse upon the expiry of the First Term in the event that such written notice is not given in the manner set out above unless MRCSB and Loob Integrated mutually agree otherwise.

Contribution of the Parties and Profit Sharing

MRCSB and Loob Integrated shall each contribute up to RM200,000 for the purpose of purchasing items and services for each new PETRONAS Tealive outlet to be set up and operated by Loob Integrated.

In consideration of MRCSB allowing Loob Integrated to occupy and sell Loob Integrated's products at the Demised Premises, Loob Integrated shall pay to MRCSB a (i) variable rent of 10 to 20% of the monthly net product sales, (ii) equipment rental fee equivalent to a variable sum consisting of half of the monthly net product sales after deducting cost of goods sold, royalty fee, percentage rental fee, labour costs and other costs, (iii) security deposit and (iv) utility fee.

Loob Integrated shall provide and maintain, at its own costs, a bank guarantee for the due observance and performance by Loob Integrated of all terms and conditions of the Operating Agreement and as security during the term of the Operating Agreement ("**Bank Guarantee**"). The Bank Guarantee shall be provided to MRCSB within 30 business days upon execution of the Operating Agreement and shall be refunded to Loob Integrated without interest upon the expiration or termination of the Operating Agreement whichever is earlier but after deducting any outstanding payment from Loob Integrated to MRCSB.

Upon the expiry of the Operating Agreement and upon Loob Integrated redelivering the vacant possession of the Demised Premises in a reasonable and clean condition and in tenable repair (fair wear and tear excepted) to MRCSB or its agents, MRCSB shall refund or cause to be refunded the security deposit free of interest to Loob Integrated after deducting whatever sum that may then be due and payable by Loob Integrated to MRCSB including but not limited to the cost of any repairs or replacement of any damaged or lost fixtures belonging to MRCSB, any loss or damage suffered by MRCSB due to Loob Integrated's breach of any of terms in respect of the use and otherwise of the Demised Premises and any claims for cost, damages, penalties, fines or compensation in respect of any action or proceedings that may then be brought against MRCSB or his estate goods or effects by reason of or arising from Loob Integrated's breach of any of the terms conditions stipulations and covenants therein.

Provided always that it is hereby expressly agreed and declared by the parties hereto that the forfeiture of the security deposit by MRCSB or any deductions made by MRCSB from the same pursuant to the terms and conditions herein contained shall not prejudice the right of MRCSB to seek additional recovery or remedy against Loob Integrated for any breach of the Operating Agreement.

7. BUSINESS OVERVIEW (Cont'd)

Obligations of the parties

The obligations of MRCSB include, among others, to provide Loob Integrated and its employees, customers, guests, invitees, servants and agents with reasonable access to the Demised Premises and/or Loob Integrated's equipment located within MRCSB's operating premises at all times and to keep and maintain in a clean, safe and good condition all common areas on MRCSB's operating premises.

While the obligations of Loob Integrated include, among others, to provide, deliver and install at the Demised Premises all the facilities and equipment needed for Loob Integrated's business operation and to obtain all appropriate and necessary licences, approvals and permits for the operation of the PETRONAS Tealive outlet and sale of Loob Integrated's products.

Termination

Either MRCSB or Loob Integrated ("**Terminating Party**") shall have the right to terminate the Operating Agreement if the defaulting party ("**Defaulting Party**") commits any breach of the terms of the Operating Agreement:

- (i) forthwith on giving notice in writing to the Defaulting Party where the breach is not capable of being remedied; or
- (ii) in the case of a breach capable of being remedied, forthwith on giving notice to the Defaulting Party after the Defaulting Party shall have failed, within 30 days after the receipt of a request in writing to do so, to remedy such breach.

The Terminating Party shall have the right to terminate the Operating Agreement at any time with immediate effect without prejudice to any other rights or remedy available to it under the Operating Agreement or by law and without the requirement of notice and the opportunity for the Defaulting Party to remedy the breach in any of the following circumstances:

- (a) a petition for winding up or bankruptcy is presented against the Defaulting Party which has not been opposed or set aside under the laws of its incorporation;
- (b) an order is made which has not been opposed or set aside under the laws of its incorporation or a member's resolution is passed for the winding up of the Defaulting Party; or
- (c) an administrator, a receiver and/or manager is appointed by the court or pursuant to any statute or regulation or by any creditor pursuant to a debenture or any other security document in favour of such creditor over the undertaking, assets and properties of the Defaulting Party or any substantial part of the Defaulting Party's assets and properties.

The Terminating Party shall have the right to terminate the Operating Agreement forthwith after the Defaulting Party shall have failed, within 14 days after the receipt of a request in writing to do so, to remedy any of the following events:

- (a) change in the majority shareholding of the Defaulting Party without prior notification from the Defaulting Party⁽¹⁾;
- (b) where Loob Integrated, any of its affiliates, directors, officers or shareholders is investigated for, charged with or convicted of any breach of applicable laws, rules or requirements relating to anti-bribery, money laundering, competition or corruption and such investigation, charge or conviction has a material adverse effect on the collaboration between MRCSB and Loob Integrated; or

7. BUSINESS OVERVIEW (Cont'd)

- (c) where MRCSB, in its reasonable discretion, determines that Loob Integrated has acted in a manner which is materially prejudicial to MRCSB and/or the PETRONAS brand and reputation.

Note:

- (1) *Loob Integrated has notified MRCSB on the change in the shareholding structure of our Company pursuant to our Listing, whereby Loob Integrated will become an indirect subsidiary of our Company via Loob Holding, upon completion of the change in the shareholding structure.*

In the event of MRCSB giving notice to Loob Integrated to improve the sales performance of a particular PETRONAS Tealive outlet ("**Affected PETRONAS Tealive Outlet**"), in its reasonable discretion, determines that there is no satisfactory improvement to the performance of the Affected PETRONAS Tealive Outlet:

- (a) MRCSB shall offer Loob Integrated the first right but not the obligation to continue to operate the Affected PETRONAS Tealive Outlet as a non-PETRONAS Tealive outlet; and
- (b) If Loob Integrated did not opt to operate the Affected PETRONAS Tealive Outlet as per sub-clause (a) above, MRCSB may exercise the right to close the Affected PETRONAS Tealive Outlet by giving notice of three (3) months' and the parties agree to terminate the Affected PETRONAS Tealive Outlet in accordance with the terms and conditions of the Operating Agreement.

For the avoidance of doubt, in the event Loob Integrated elects to continue to operate the Affected PETRONAS Tealive Outlet, it shall notify MRCSB in writing within 14 days from the date notice given by MRCSB is received by Loob Integrated.

In the event of a material non-compliance to the health, safety and environment laws, regulations and requirements as determined by the relevant authorities and/or MRCSB at a PETRONAS Tealive outlet ("**Non-Compliant PETRONAS Tealive Outlet**"), the non-defaulting party may suspend the operation of the Non-Compliant PETRONAS Tealive Outlet until the non-defaulting party is satisfied that the cause for the material non-compliance has been rectified. Where such suspension continues for a period of more than two (2) consecutive months, the non-defaulting party may exercise the right to close such Non-Compliant PETRONAS Tealive Outlet by giving notice 14 days' and the parties agree to terminate the Non-Compliant PETRONAS Tealive Outlet in accordance with the terms and conditions of the Operating Agreement.

Pursuant to clauses stated above, Loob Integrated shall, within 30 days following the closure of the Affected PETRONAS Tealive Outlet, the closure of the Non-Compliant PETRONAS Tealive Outlet or Loob Integrated's decision to continue to operate the Affected PETRONAS Tealive Outlet, where applicable, acquire from MRCSB all of the fixed assets as listed in the Operating Agreement for the Affected PETRONAS Tealive Outlet or the Non-Compliant PETRONAS Tealive Outlet, where applicable, failing which MRCSB may, among others, charge variable rent of 10 to 20% of the monthly net product sales for the Affected PETRONAS Tealive Outlet or the Non-Compliant PETRONAS Tealive Outlet, where applicable under the Operating Agreement. For the avoidance of doubt, the depreciation of the fixed assets shall be based on a useful life policy.

7. BUSINESS OVERVIEW (Cont'd)

Effect of Termination

If either party exercises its right to terminate, the parties shall have no further rights, duties or obligations under the Operating Agreement, except such rights or duties that are expressly agreed to be unaffected by termination and/or any other antecedent breaches and that the monetary obligations due prior to the termination of the Operating Agreement shall be paid and that all fees and other monetary obligations that have been prepaid by either party, shall be prorated for the applicable period.

MRCSB shall permit Loob Integrated to remove and take away from the Demised Premises all equipment and fixtures therein belonging to Loob Integrated within one (1) month after the expiration or sooner determination of the term hereof. If Loob Integrated refuses or fails to remove the equipment and fixtures from the Demised Premises within the period aforesaid after expiration or sooner determination of the Operating Agreement, Loob Integrated shall be deemed to have abandoned the same and MRCSB may, at its sole discretion, dispose of such equipment and fixtures whereby the cost incurred thereto shall be deducted from the security deposit.

Upon the expiration or sooner determination of the Operating Agreement, Loob Integrated shall surrender the Demised Premises to MRCSB in good and tenantable condition subject to reasonable wear and tear.

Indemnification

MRCSB and Loob Integrated ("**Indemnifying Party**") undertake and agree to pay and to indemnify fully, hold harmless and defend the other party and its successors, assigns, officers, directors, shareholders, agents, affiliates, subsidiaries, holding company, franchisees, licensees and employees from and against any and all of the loss, cost, expense, damage, consequence and third party claim for damages suffered directly or indirectly by the other party in connection with:

- (a) any inaccuracy or breach of any of the representations and warranties;
- (b) any proceedings taken by the other party claiming that any of the representations and warranties or the performance of the obligations under the Operating Agreement, as the case may be, is untrue or misleading in any material respects or has been breached in any material respects and in which judgment is given for the other party; and
- (c) breach of any of the terms and conditions of the Operating Agreement by the Indemnifying Party.

Loob Integrated undertakes and agrees to pay and to indemnify fully, hold harmless and defend MRCSB and its successors, assigns, officers, directors, shareholders, agents, affiliates, subsidiaries, holding company, franchisees, licensees and employees from and against any and all of the loss, costs, expense, damage and third party claims for damages suffered directly by MRCSB arising from Loob Integrated or its affiliates, franchisee, contractors or vendors' act or omission in the operation and maintenance of PETRONAS Tealive outlets except where any of such loss, costs, expense, damage or third party claims is caused by the act, omission or negligence of MRCSB or its affiliates.

Neither party shall be liable to the other party for indirect or consequential losses arising out of or in connection with the Operating Agreement.

7. BUSINESS OVERVIEW (Cont'd)***Confidentiality***

MRCSB and Loob Integrated shall hold in strict confidence all provisions of the Operating Agreement and all confidential information furnished by the other party under the Operating Agreement. Any such information shall not be disclosed to any third party without the prior written consent of the party which had originally disclosed such information first being obtained, unless disclosure of such information is necessary for the proper discharge of either parties' rights or obligations under the Operating Agreement and in law. The confidentiality undertakings provided herein shall survive any termination, whether herein envisaged in the Operating Agreement or otherwise.

The obligations of confidentiality shall not extend to:

- (a) any matter which is in or becomes part of the public domain otherwise than by reason of a breach of the obligations of confidentiality in the Operating Agreement or which any party receives from a third party independently entitled to disclose it;
- (b) matters which the party is required by law, any regulatory authority or the rules of a recognised stock exchange applicable to that party to disclose; or
- (c) any professional advisors or affiliates to the receiving party who are bound by a duty of confidence which applies to any information disclosed.

In the event Loob Integrated is required to disclose confidential information to Loob Holding, or its holding company, where applicable, or potential investors of Loob Holding or its holding company where applicable, relevant authorities or regulators, for purposes of any corporate exercises including but not limited to an initial public offering of the shares of Loob Holding or its holding company on a stock exchange, Loob Integrated shall seek the prior written consent from MRCSB for disclosure of such confidential information, however such consent shall not be unreasonably withheld by MRCSB.

7.21 HEALTH AND SAFETY MATTERS

We value the health of our employees and place great emphasis on the safety of our employees at our stores. We ensure that new employees are advised of our OSHE requirements through onboarding inductions and are provided with in-house training tailored to their job functions, including fire safety, first aid and proper equipment handling for store operations.

Each employee is briefed and granted access to our SOP policies which describe our Company's and employee's responsibilities for employee health and safety. Our employee handbook also contains explanations of procedures to be followed in the event of accidents at the workplace and informs our employees of their eligibility for statutory compensation in the event of an injury or accident occurring in the course of their employment.

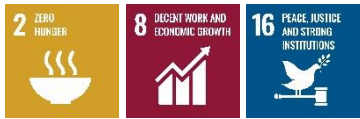
We have also established an OSHE committee that meets quarterly to promote and oversee the implementation of health and safety initiatives. The OSHE committee supports awareness campaigns through regular OSHE e-newsletters circulated to both HQ and store staff and leads the execution of safety programs, including annual risk assessments based on the Hazard Identification, Risk Assessment and Risk Control framework. To ensure ongoing compliance, our Quality Assurance team conducts store audits covering key OSHE elements. Through these combined initiatives, we continue to foster a safety-first culture across our Group.

7. BUSINESS OVERVIEW (Cont'd)

7.22 ENVIRONMENTAL, SOCIAL AND GOVERNANCE

Our Board holds the ultimate responsibility for integrating ESG considerations into Loob's overall strategy and overseeing our sustainability progress. Our Key Senior Management is tasked with executing the sustainability strategy. Key executives and key departments are responsible for operationalising this strategy across all business functions, ensuring alignment with our overarching ESG objectives.

Our approved sustainability strategy takes a holistic approach, balancing commercial growth, employee well-being, societal impact and environmental stewardship. It is built around three (3) core pillars:

Pillar 1: Nurturing Our Business - This pillar focuses on customer-centricity, brand trust and adherence to A+ business standards, contributing to UNSDGs 2, 8 and 16. We emphasise on quality, product safety, customer satisfaction and effective governance and risk management.	
Pillar 2: Nurturing Our People - This pillar emphasises empowering employees, fostering an inclusive work environment and contributing positively to society, aligning with UNSDGs 3, 5 and 10 with the overarching objective of benefiting both our people and the broader community.	
Pillar 3: Nurturing Our Planet - This pillar focuses on reducing our environmental impact, particularly through sustainable packaging and carbon reduction efforts, in line with UNSDGs 7, 12 and 13. Our aim is to incorporate sustainability throughout our business operations to ensure minimal environmental impact.	

7.22.1 Pillar 1: Nurturing Our Business

The pillar is guided by three (3) themes:

- (i) **Customer as King** – We deliver exceptional customer experiences through an omnichannel strategy, offering dedicated websites and mobile applications for Tealive and Bask Bear. Our integration with platforms like GrabFood, FoodPanda, ShopeeFood and Touch 'n Go eWallet ensures seamless access, enhancing convenience and meeting customer expectations.
- (ii) **Trusted Brand and Product** – We lead with purpose by fostering innovation, prioritising product safety and maintaining Halal certification for the menu offered at most of our stores in Malaysia and all of our stores in Malaysia are using all Halal-certified raw materials. See Section 7.24 of this Prospectus for details of the Halal certification for our stores in Malaysia. We do not require our international franchisees and licensees to apply for Halal certification as it may not always be applicable or practical for our international stores, due to, among others, varying consumer demand (where the majority of the customer base may not prioritise Halal-certified offerings), local sourcing practices and regulatory differences that affect the availability of Halal-certified raw materials. By regularly introducing new flavours, seasonal menu items and incorporating sustainable local ingredients such as Aren palm sugar, we deliver unique offerings that resonate with customer trends while supporting local communities.

7. BUSINESS OVERVIEW (Cont'd)

- (iii) A+ Business Standards and Governance – We uphold robust governance frameworks, emphasising compliance, risk management and ethical supply chain practices. This commitment includes a robust supplier quality management system and leveraging digital transformation to optimise operations and internal audits.

Our commitment to the themes is driven by three (3) material factors: (i) Quality and Product Safety, (ii) Ethical Supply Chain and (iii) Governance and Transparency.

(i) Quality and Product Safety:

By adhering to stringent safety standards, such as Halal Certification, we ensure our products consistently meet the highest standards of food safety. Our dedicated research and development team focuses on creating high-quality offerings that cater to customer preferences through comprehensive market research and alignment with global trends, all while maintaining safety and compliance.

To stay ahead of evolving consumer preferences, we frequently refresh our beverage menu with new flavors, toppings and locally tailored offerings across different markets. We customise our menu selections to reflect local consumer tastes and cultural preferences in each country we operate. For example, in the Philippines, Wintermelon Milk Tea is a permanent fixture on the Tealive menu due to its strong local appeal and the fruit's availability through traditional Filipino agriculture. In contrast, the same beverage is offered only as a LTO in Malaysia. This localisation strategy allows us to remain relevant by aligning with local ingredients, consumption habits and flavour preferences in each market. We also introduce LTO products approximately once every four (4) to six (6) weeks for Tealive and Bask Bear, keeping our lineup fresh and engaging. These exclusive releases generate strong consumer interest, driving repeat visits and reinforcing brand loyalty.

(ii) Ethical Supply Chain:

We are committed to building an ethical supply chain that reflects our high standards and values. As part of our onboarding process, all suppliers are required to sign an Anti-Bribery and Corruption Declaration and a CTOS Consent Form, underscoring our emphasis on integrity and ethical practices. We actively engage suppliers through regular communication, meetings and collaborations to ensure alignment with our expectations.

(iii) Governance and Transparency:

Our Group recognises that strong governance is fundamental for building a sustainable future. We prioritise ethical business practices and compliance with applicable laws and regulations, supported by a robust internal control system. The system is monitored by our legal and internal audit team, with regular policy reviews and periodic internal audits to uphold the highest standards of governance. In line with this commitment, we aim to align with the recommendations under the MCCG. Key commitments include ensuring at least half of our Board comprises independent directors, maintaining at least 30% women directors and establishing an Audit and Risk Management Committee comprised entirely of independent directors. We are also committed to ensuring that our Independent Non-Executive Chairperson does not serve on any board committees.

7. BUSINESS OVERVIEW (Cont'd)

To promote governance and transparency, the Legal and HR teams communicate and disseminate governance policies, such as the Anti-Bribery and Corruption Policy and the Speak Up Policy, to employees through email notifications. These policies are readily accessible on the organisation's internal systems for easy reference. Mandatory training sessions are conducted for all employees, enhancing awareness and fostering a workplace culture centred on ethics, accountability and compliance. Through these initiatives, we reaffirm our commitment to governance practices that are transparent, ethical and aligned with acceptable standards.

7.22.2 Pillar 2: Nurturing Our People

The pillar is guided by two (2) themes:

- (i) **Empowering Our People ('Loobies'):** We are committed to ensuring the health, safety and well-being of our employees, while promoting diversity, equality and inclusion in the workplace.
- (ii) **Guardians of Society:** We aim to give back to and support the development of local communities.

Our commitment to the themes is driven by three (3) material factors: (i) Employee Engagement and Diversity, (ii) Community Outreach and (iii) Health and Safety.

(i) **Employee Engagement and Diversity:**

(a) **DEI**

We are committed to upholding labour and human rights, complying with all applicable laws. Our "Human and Labour Rights Policy" and "Foreign Worker Management Policy," effective since 30 September 2022, align with the ILO Core Conventions. These policies cover key areas, including equal opportunities, the prevention of forced labour, child labour protections, fair working hours and wages, health and safety, workplace security, freedom of association and data privacy.

We are committed to fostering DEI across our organisation, embedding these principles into our practices. As at the LPD, women account for 56% of our Board, 30% of our senior management and 65% of our overall workforce.

To further incorporate DEI practices, we actively champion initiatives such as celebrating International Women's Day, creating leadership opportunities for women and nurturing an inclusive environment that embraces diverse perspectives.

(b) **Employee Engagement Initiatives**

We are committed to fostering a collaborative and inclusive work culture by celebrating the diversity of our workforce. Cultural and festive events, along with other initiatives, strengthen relationships, teamwork and engagement across the organisation, while initiatives such as townhall sessions provide open communication platforms that connect leadership with employees.

Complementing these efforts, our HR-led "Loobies Club" promotes employee wellness through weekly sports activities, such as badminton and futsal, as well as special events like zumba, go-karting and bowling. These initiatives encourage team building while nurturing healthy lifestyles among our employees.

7. BUSINESS OVERVIEW (Cont'd)

Additionally, the Lunch and Learn Program (“**LALA**”), organised by our HR, supports personal and professional growth by fostering a culture of continuous learning and curiosity. The program provides a relaxed, interactive platform for knowledge sharing, where employees or guest speakers present diverse topics ranging from technical skills to creativity and personal development. In its recent cycle, the LALA Program covered themes such as *Power BI*, *Single-Origin Coffee* and *Poster Design*, engaging a total of 247 attendees. By encouraging collaboration, sparking innovation and strengthening cross-departmental connections, the program plays a key role in enhancing employee satisfaction and cultivating a strong sense of community across the organisation.

(c) **Employee Career Development**

We are committed to empowering employees through structured opportunities provided by our tailored Career Advancement Program. Designed for employees at our stores, this program provides a clear progression path, starting from new joiner to Tearista/Bearista, advancing to Senior Tearista/Bearista, then to Shift Leader and ultimately reaching the role of Store Supervisor.

The program begins with a comprehensive onboarding process and 20 days of on-the-job training, equipping new joiners with foundational skills in food handling, halal awareness and service standards. As employees progress, they receive targeted training at each stage, including modules on inventory and cash management, customer experience and equipment handling. For those stepping into leadership roles, we provide advanced training covering store operations and people management, ensuring Shift Leaders and Store Supervisors are well-prepared for their responsibilities.

Each stage includes assessments, appraisals and nominations by managers to ensure performance-based career progression. This structured framework reflects our commitment to fostering talent, building a skilled workforce and providing meaningful career pathways within our organisation.

(ii) **Community Outreach through CSR**

We demonstrate our commitment to community engagement through targeted and impactful initiatives that directly support local communities. Our CSR efforts encompass volunteer activities, cause-related marketing campaigns and corporate philanthropy, all designed to improve lives, foster ethical practices and encourage active employee participation in societal development. These initiatives focus on areas such as education, environmental conservation and community well-being.

From 1 July 2024 up to the LPD, we have spent RM27,670.70 for various CSR activities. Meanwhile, in the FYE 30 June 2024, we allocated RM16,693.20 to CSR, representing 0.03% of our Group's PAT for the FYE 30 June 2024 of RM50.8 million. This funding directly benefited 2,068 individuals through programs focused on education, sports and entertainment sponsorship. While this marks a decrease from the RM143,927.80 spent in FYE 30 June 2023, which supported 16,503 beneficiaries, our commitment to community outreach remains steadfast.

7. BUSINESS OVERVIEW (Cont'd)

- Education: We are committed to fostering a more inclusive and equitable society. In May 2023, we partnered with Lahad Datu Community College to offer internships to 20 students from the underserved community of Lahad Datu, Sabah. These internships provide valuable hands-on experience and mentorship opportunities, contributing to the students' professional development.
- Philanthropy: We provide philanthropic support when it's needed most, with a continuous commitment to offering timely assistance to those in need. During the December 2021 floods in Klang, we provided cash aid to affected colleagues and distributed 150 food aid kits across Klang Valley. In January 2022, Tealive donated RM50,000 to the Shah Alam Haemodialysis Centre to support their recovery from flood damages. We extended further flood relief efforts in November 2022, providing essential kits to the Johor community. In April 2023, we aided 78 families of our employees impacted by Johor's severe floods with household essentials and financial support. These initiatives demonstrate our commitment to supporting our people and communities in times of crisis.
- Care for Health: In November 2024, we partnered with the Ministry of Domestic Trade and Cost of Living to support the *Jom Kosong* campaign, part of the *Perangi Gula* initiative by the Ministry of Health. Tealive was proud to be the first local beverage brand to join this effort, encouraging the public to opt for sugar-free beverages. As part of this campaign, 20 cents from each sugar-free drink sold will be contributed to the *Tabung Bantuan Makanan Sekolah Tealive*, which aims to provide one million free school meals to B40 students through Yayasan Didik Negara.¹ This initiative exemplifies our commitment to promoting healthier lifestyle choices, with a fundraising target of RM3.5 million within a year.
- Care for Community: As part of our ongoing efforts to support and uplift underserved communities, we are dedicated to bringing joy and care to orphanages nationwide. Our initiatives aim to foster meaningful connections and create cherished memories through thoughtful experiences. We provide companionship, exclusive drinks and festive joy by hosting movie screenings in May 2020 with the Anak-Anak Yatim UMMI Selangor in collaboration with Astro Malaysia Holdings Berhad.

We are committed to fostering strong cultural connections by supporting community events and engaging with diverse groups. Our products are designed to meet the highest standards of quality, with deep respect for cultural and religious values. In the FYE 30 June 2022, we provided 486 drinks at cultural and religious events, increasing to 600 drinks in the FYE 30 June 2023, highlighting our dedication celebrating and supporting cultural diversity and respecting religious beliefs.

¹ B40 refers to the bottom 40% of household income earners in Malaysia, as classified by the government based on income distribution.

7. BUSINESS OVERVIEW (Cont'd)

We have also extended our support to native and Orang Asli communities as part of our broader mission to uplift those in need, offering meaningful assistance that contributes to their well-being and helps preserve their cultural heritage. In 2021, we participated in the Epic Virtual Run 2021, an initiative aimed at raising RM250,000 to provide five Orang Asli families with safer homes. Additionally, we also distributed 18 eco cups with vouchers to native community members in January 2021.

- Promoting Sustainability and Conservation Awareness: As part of our commitment to sustainability and local engagement, we produced and published two videos on Loob Holding's LinkedIn account in June 2024 to raise awareness and inspire action on sustainability initiatives.

The first, *"A Sustainable Local Ingredient: The Aren Palm Sugar,"* highlights our use of sustainably sourced Aren palm sugar from Borneo farmers. It educates customers on the environmental and social benefits of this ingredient, demonstrating Tealive's commitment to supporting local communities and promoting sustainability.

The second, *"Tenom's Journey: The Malaysian Sun Bear Rehabilitation,"* follows the rescue and rehabilitation of Tenom, a Malayan sun bear, at the Bornean Sun Bear Conservation Centre (BSBCC). By sharing Tenom's story, we bring attention to the conservation efforts needed to protect this endangered species, while encouraging donations to support ongoing rehabilitation and release efforts.

In recognition of these impactful initiatives, Loob Holding was honored with Creador ESG Impact Award 2024 under the category *"Community and Social Impact."* This award underscores our commitment to driving positive environmental and social change through meaningful engagement and collaboration.

(iii) Health and Safety:

We place a strong emphasis on the health and safety of our employees, contractors and visitors.

Our OHSE policy is overseen by a dedicated committee that meets regularly to ensure the ongoing effectiveness of our safety programs. In the FYE 30 June 2023, our OHSE Plan focused on fire safety, first aid and promoting a safety culture. We conduct regular site visits to ensure compliance with safety standards and actively track and report safety incidents to the Department of Occupational Safety and Health.

We prioritise workplace safety through ongoing awareness initiatives and training sessions. In the FYE 30 June 2024, we conducted five OSHE training sessions, engaging 138 participants from various departments. Additionally, our safety efforts are supported by regular OSHE committee meetings, held quarterly, to address workplace safety concerns and enhance compliance.

7. BUSINESS OVERVIEW (Cont'd)

From 1 July 2024 up to the LPD, we recorded a total of five (5) incidents with total of 0.7 LTI rate. The incidents involved minor burns, slips and falls and one case of a fractured leg. Immediate action was taken in each case, including first aid, medical treatment, incident reporting to the Department of Occupational Safety and Health where applicable and internal reviews through meetings held in stores and training reinforcement. All incidents have since been resolved and closed. Preventive actions, including reinforcement of safety protocols, staff reminders on proper footwear, hazard awareness and procedural reviews, have been implemented to reduce the risk of recurrence and strengthen our overall workplace safety practices.

Safety awareness materials are distributed to our store staff and plans are underway to integrate these topics into our Learning Management System for better tracking and completion. Our continuous efforts in safety management are further strengthened by a network of 33 trained first aiders as at the LPD.

We have established an Emergency Response Team at each store, trained in fire safety and first aid, to ensure prompt incident reporting and response using contact details and incident reporting forms accessible via quick response codes. All store staff have received briefing sessions on the Emergency Response Procedure. In June 2023, our Training Department introduced a new crisis management module for store staff, which is now included as part of the orientation. This module covers food safety, occupational safety, emergency procedures and audits.

7.22.3 Pillar 3: Nurturing Our Planet

This pillar is guided by two (2) themes:

- (i) Incorporating Nature into Business DNA: We are dedicated to minimising environmental impacts across our operations.
- (ii) Sustainability-Driven Decisions, Ethical Supply Chain: We are committed to reducing environmental impacts throughout our supply chain, with a focus on sustainable packaging and efficient logistics.

Our commitment to the themes is driven by three (3) material factors (i) Energy and Emissions, (ii) Waste Management and (iii) Sustainable Packaging.

(i) Energy and Emissions:

Our operations nationwide demand significant resources, such as electricity, water and packaging materials. Recognising our responsibility to reduce our carbon footprint, we completed a GHG Emission Inventory in October 2024, in accordance with the 2006 Intergovernmental Panel on Climate Change (IPCC) and GHG Protocol Corporate Accounting and Reporting Standard.

For the FYE 30 June 2024, we recorded total GHG emissions of 26,591 tCO₂-eq across Scope 1, Scope 2 and Scope 3 emissions. Meanwhile, for the period from 1 July 2024 to 31 January 2025, our total GHG emissions amounted to 16,131 tCO₂-eq.

The GHG emission inventory covers:

Scope 1: Direct GHG emissions from company-owned vehicles, including delivery trucks and maintenance vans.

Scope 2: Indirect GHG emissions from electricity consumption at our headquarters and stores.

7. BUSINESS OVERVIEW (Cont'd)

Scope 3: Other indirect GHG emissions, which includes waste management – wastewater, used cooking oil and business travel.

As at the LPD, few key initiatives have been introduced in efforts to reduce GHG emissions:

(a) *Energy Efficiency Measures*

From June 2022 till June 2023, we have been progressively installing smart energy-saving devices at 170 Tealive and Bask Bear stores. This initiative has achieved average energy savings of approximately RM225.30 per stores per month, translating into a total reduction of approximately 962,486 kWh annually, equivalent to 680.2 tCO₂-eq, 2.6% of FYE 30 June 2024 GHG emissions. Encouraged by these results, we are expanding the program to new stores, contributing further to our sustainability goals.

(b) *Renewable Energy Adoption*

We plan to implement solar PV systems at our headquarters and manufacturing facility by June 2025, with an expected installed capacity exceeding 500 kWp by the end of 2025. These systems are projected to generate over 600,000 kWh annually, reducing emissions by approximately 502.7 tCO₂-eq per year – equivalent to 1.9% of our FYE 30 June 2024 emissions.

(ii) *Waste Management:*

We are dedicated to reducing our environmental impact by improving waste management practices across our operations and inspiring our stakeholders to adopt sustainable behaviours.

(a) *Sustainable Packaging*

- **Phase-out plastic straws:** As part of our commitment to sustainability, we have actively participated in the nationwide initiative to phase out single-use plastics since 2018. Starting from October 2019, we successfully eliminated plastic straws across all our stores, transitioning to eco-friendly alternatives, primarily paper straws. This shift not only aligns with our environmental objectives but also sets a benchmark for sustainable practices within the industry. This initiative has resulted in the avoidance of over 44.0 million plastic straws from entering landfills and polluting waterways, based on the cold drink sales quantity for the FYE 30 June 2024. We remain dedicated to explore innovative alternatives, including palm trunk fiber and rice straws, to further enhance our environmental stewardship.
- **Phase-out plastic bags:** To improve customer satisfaction and to uplift our brand image, we have introduced the usage of Tealive paper bags for all deliveries or takeaway orders. Since August 2022, we replaced plastic bags with paper bags for all deliveries and takeaway orders at Tealive. This transition aligns with our commitment to sustainability across all franchises and business partners.

7. BUSINESS OVERVIEW (Cont'd)

- **Phase-out plastic cups:** In May 2024, we initiated the transition from polypropylene plastic cups to paper cups. Tealive fully transitioned by September 2024, while Bask Bear completed its transition earlier in June 2024. From the transition month until December 2024, this shift replaced 12,358,500 cold drink cups at Tealive and 1,781,789 cups at Bask Bear. On a monthly average, plastic use for cups decreased from 32.6 tonnes to 2.9 tonnes for Tealive and from 2.2 tonnes to 0.2 tonnes for Bask Bear, representing an approximate 90% reduction of plastics weight.
- **Alternative packaging and refillable cups:** In February 2021, Tealive launched Malaysia's first strawless bubble teacup, achieving remarkable success with 5,000 units sold out in just two days online. Due to high demand, we expanded availability to physical stores by September 2021. We also introduced the Eco Glass Tumbler in collaboration with OneCup, made from food-grade silicone and borosilicate glass, featuring recyclable packaging to minimise plastic use. Additionally, in 2020, we launched the Eco Tea Bag, a reusable bag that can carry up to four Tealive drinks, further encouraging reductions in single-use plastics.
- **Overall plastic diverted:** From 1 July 2024 to the LPD, these initiatives have collectively contributed to an estimated reduction of 246.5 tonnes in single-use plastics. By leading in sustainable packaging, we aim to inspire our customers and the broader community to adopt eco-friendly practices, aligning with the growing consumer demand for sustainable alternatives.

(b) Circular Economy and Waste Management

- **UCO Collection:** At our hot kitchen stores, Loob partners with Capital Oil & Fats Sdn Bhd to collect UCO for recycling into biodiesel. Capital Oil is certified with the MYHIJAU label and ISCC certification. All UCO is being collected and recycled to produce biodiesel. From 1 July 2024 to the LPD, we have recycled 57.5 tonnes of UCO, contributing to the circular economy.
- **Reuse and Recycle:** We have introduced the TCC, a sustainable store model built from recycled shipping containers in partnership with PETRONAS and MESRA. In February 2022, we launched our first TCC at Petronas Sungai Udang, Melaka. Our 2nd TCC store is completed in the first week of August 2023 at Petronas Padang Midin, Kuala Terengganu, Terengganu. The concept clearly reflects a simple yet workable stand-alone structure using a recycled container. We also collaborated with Heng Hiap Industries Sdn Bhd ("HHI") on a pilot program to recycle Tealive cups. During the pilot program, HHI has collected a total of 0.7 tonnes of plastic, paper and other mixed recyclables from the selected Tealive stores.

7. BUSINESS OVERVIEW (Cont'd)**7.23 AWARDS**

We have won awards such as:

Year	Recipient/Brand	Category	Award	Awarded by
2024	Tealive	Best Engagement Strategy - App	Martech Excellence Awards Malaysia 2024	Netcore MarTech Mashup
2023	Loob Holding	Diversity Impact Award	Malaysia Best Employer Brand Awards 2023	Employer Branding Institute - India
2023	Loob Holding	Award for Innovation in Recruitment	Malaysia Best Employer Brand Awards 2023	Employer Branding Institute - India
2023	Loob Holding	Award for Excellence in Training	Malaysia Best Employer Brand Awards 2023	Employer Branding Institute - India
2023	Loob Holding / Tealive	International Franchisor of The Year	Malaysia Franchise Awards 2023	Malaysian Franchise Association
2023	Tealive	Platinum - Bubble Milk Tea Category in Malaysia	Reader's Digest Trusted Brands Asia 2023	Reader's Digest Trusted Brands Trustmark
2022	Tealive	Platinum - Bubble Milk Tea Category in Malaysia	Reader's Digest Trusted Brands Asia 2022	Reader's Digest Trusted Brands Trustmark
2022	Loob Holding / Tealive	Silver - Emerging Franchisor of The Year	Malaysia Franchise Awards	Malaysian Franchise Association

7.24 KEY CERTIFICATIONS

As at the LPD, Halal certificates have been obtained for 493 Tealive Corporate Stores and 266 Tealive Franchised Stores in Malaysia, representing 91.3% of the 831 Tealive stores in Malaysia. As at the LPD, Halal certificates have been obtained for 119 Bask Bear Corporate Stores and all six (6) Bask Bear Franchised Stores in Malaysia, representing 92.6% of the 135 Bask Bear stores. All our Halal certificates are valid. We will continue to submit applications to JAKIM for Halal certification for the remaining Tealive stores and Bask Bear Corporate Stores in Malaysia. We do not require our international franchisees and licensees to apply for Halal certification as it may not always be applicable or practical for our international stores, due to, among others, varying consumer demand (where the majority of the customer base may not prioritise Halal-certified offerings), local sourcing practices and regulatory differences that affect the availability of Halal-certified raw materials. Details of our Halal certificates are set out in Annexure A of this Prospectus. Save as disclosed in Annexure A of this Prospectus, our Group is not dependent on any major certifications for our business operations.

8. INDUSTRY OVERVIEW



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Date: 28 March 2025

The Board of Directors

Loob Berhad

No 14 (Block C), Jalan Teknologi,
Taman Sains Selangor 1, Kota Damansara,
47810 Petaling Jaya,
Selangor,
Malaysia.

Dear Sirs/Madams,

Independent Market Research on the food and beverages (“F&B”) services industry in Malaysia for Loob Berhad (“Loob” or the “Company”)

We, Frost & Sullivan GIC Malaysia Sdn Bhd (“**Frost & Sullivan**”), have prepared this Independent Market Report on the F&B Services Industry in Malaysia (“**IMR Report**”) for inclusion in Loob’s prospectus in relation to the listing of and quotation for the entire enlarged issued ordinary shares in Loob on the Main Market of Bursa Malaysia Securities Berhad (“**Prospectus**”).

We are aware that this IMR Report will be included in the Prospectus, and we further confirm that we are aware of our responsibilities under Section 215 of the Capital Markets and Services Act, 2007.

We acknowledge that if we are aware of any significant changes affecting the content of this IMR Report between the date hereof and the issue date of the Prospectus, we have an ongoing obligation to either cause this IMR Report to be updated for the changes and, where applicable, cause Loob to issue a supplementary prospectus, or withdraw our consent to the inclusion of this IMR Report in the Prospectus.

Frost & Sullivan has prepared this IMR Report in an independent and objective manner and has taken adequate care to ensure the accuracy and completeness of this IMR Report. We believe that this IMR Report presents a true and fair view of the industry within the limitations of, among others, secondary statistics and primary research, and does not purport to be exhaustive. Our research has been conducted with an “overall industry” perspective and may not necessarily reflect the performance of individual companies in the industry. Frost & Sullivan shall not be held responsible for the decisions and/or actions of the readers of this IMR Report. This IMR Report should also not be considered as a recommendation to buy or not to buy the shares of any company or companies as mentioned in this IMR Report or otherwise.

For and on behalf of Frost & Sullivan GIC Malaysia Sdn Bhd:


Narciso Podda**Director****Business & Financial Services**

8. INDUSTRY OVERVIEW (Cont'd)**COPYRIGHT NOTICE**

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Methodology

For the purpose of preparing this IMR Report, Frost & Sullivan has conducted primary research encompassing interviews with industry experts and industry players¹, and secondary research, which included reviews of company reports, official websites/social media pages, independent research reports, information from industry associations/authorities/international organisations, and information from Frost & Sullivan research database. Unless being made available in the publicly available sources, projected data was derived by Frost & Sullivan using historical data analysis with the consideration of the social, economic, and political environments for the forecasted period.

Comparable players identified in this IMR Report have been selected from a long list of brands developed by screening directories and visiting key shopping malls and shop lots as well as discussing with industry players. Subsequently, the list was presented and discussed with industry players and experts that agreed to be interviewed for the purpose of the analysis. Information were further validated via public information through secondary research (which covers reviews of company reports, official websites/social media channels, independent research reports, information from industry associations/authorities/internal organisations, as well as information from Frost & Sullivan research database) and fine-tuned by contacting identified brands (e.g. face-to-face, telephonic method, official social media platforms, among others).

Profile of Frost & Sullivan GIC Malaysia Sdn Bhd

Frost & Sullivan is a global independent industry research and consulting organisation headquartered in the United States of America ("USA") with over 60 years of establishment. In Malaysia, Frost & Sullivan's subsidiary, Frost & Sullivan GIC Malaysia Sdn Bhd, operates two offices (Kuala Lumpur and Iskandar Malaysia) with more than 200 employees offering market research, marketing and branding strategies and business advisory services across 12 industries. Frost & Sullivan is involved in the preparation of independent market research reports for capital market exercises, including initial public offerings, reverse takeovers, mergers and acquisitions, and other related fund-raising and corporate exercises.

Profile of the IMR signee, Narciso Podda

Narciso Podda is the Director, Business & Financial Services division, for Frost & Sullivan GIC Malaysia Sdn Bhd. Narciso Podda possesses over 15 years of experience in market research and consulting, including over eight years in independent market research and due diligence exercise for capital markets across the Asia Pacific region. Narciso Podda holds a Bachelor in Business Administration from Bocconi University, Italy, and a Master in International Economics and Finance from Chulalongkorn University, Thailand.

For further information, please contact:

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¹ Industry experts are individuals with in-depth knowledge on the industry (e.g., industry analysts). Industry players are individuals currently or previously working for key food and beverage services.

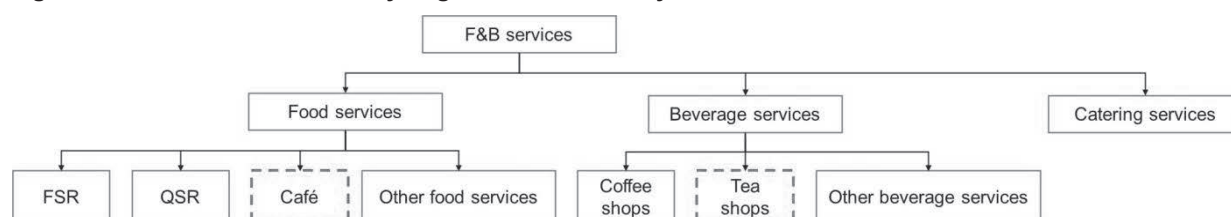
8. INDUSTRY OVERVIEW (Cont'd)

F R O S T & S U L L I V A N

1 INTRODUCTION TO THE F&B SERVICES INDUSTRY

The F&B services industry refers to F&B serving activities providing food and/or beverage products fit for immediate consumption. This IMR Report focuses on the larger F&B services industry for a better description of the broader market where Loob and its group of companies (“**Loob Group**”) or (the “**Group**”) operates. The F&B services industry comprises food services, which focus on the preparation of mainly food products, and beverage services, which focus on the preparation of mainly beverage products, both for immediate consumption. In addition, this IMR Report provides information on the key segments of the F&B services industry, such as the full-service restaurants (“**FSR**”) and quick-service restaurants (“**QSR**”), but also on smaller segments, specifically for this analysis, where Tealive operates, the tea shops segment, and where Bask Bear Coffee & Toasties operates, the café segment. The definitions of these two segments are adopted within the context of this IMR Report to facilitate a more direct comparison between industry players that have similar product offerings and store formats with Tealive and Bask Bear Coffee & Toasties, and may differ from the segmentation provided in other reports on this industry.

Figure 1-1: F&B Services Industry Segmentation in Malaysia



Notes: Other food services include cafeterias, food stalls, and mobile food trucks. Other beverage services include activities focusing on juices, drink stalls, mobile beverage trucks and pubs/bars.

Source: Frost and Sullivan

Table 1-1: General Key Differences Between Main Segments of the F&B Services Industry in Malaysia

	FSR	Food services QSR	Café	Beverage services Coffee shops	Tea shops
Food and/or beverage focus	Food-focused	Food-focused	Food-focused, with a balance of caffeinated drinks	Beverage-focused, with coffee as the base ingredient	Beverage-focused, with tea as the base ingredient
Menu and/or preparations	Menus have multiple items for customers to choose (e.g., starters/sides, main course and desserts). Food products that are freshly prepared can be complex, involving different cooking methods and multiple steps preparation. Most have a large kitchen.	Limited food variety compared to FSR and food preparations are generally simple with one or only a few steps. Food products can be pre-cooked with significant pre-preparation of ingredients. Most have a large kitchen.	Limited food variety compared to FSR and F&B preparations are generally simple with one or only a few steps. Food products are freshly prepared, although with significant pre-preparation of ingredients. Most have a small kitchen.	Extensive selection of MTO coffee-based drinks, with a limited selection of pre-made light food products like pastries and snacks. Most adopt an open-design preparation area.	Extensive selection of MTO tea-based drinks, with a limited selection of light food products like snacks. Most adopt an open-design preparation area.
Dining experience	Table ordering and services, can range from casual to formal ambience	Limited table service, fast-paced ambience	Limited table service, casual dining atmosphere	Emphasis on take away	Emphasis on take away
Example of players	Secret Recipe, OldTown White Coffee, The Chicken Rice Shop	KFC, Pizza Hut, McDonald's, Subway, Domino's Pizza, Marrybrown, Burger King	Bask Bear Coffee and Toasties, O'Brien Irish Sandwiches Café, Toast Maker, VCR Stacks, Gigi Coffee Diner	ZUS Coffee, Starbucks, The Coffee Bean & Tea Leaf, Gigi Coffee	Tealive, Mixue, Coolblog, AiCha, Chagee

Source: Frost and Sullivan

The Group owns **Tealive**, the largest F&B services brand in Malaysia by number of stores as at 28 February 2025. Tealive is also the largest player within the tea shops segment by number of stores as at 28 February 2025. The tea shops segment refers to F&B services establishments that predominantly focus on serving MTO beverages, with tea as a base ingredient. This includes bubble beverages, which are drinks that incorporate solid toppings² such as pearls or boba (commonly made from tapioca), fruit jelly, aloe vera, puddings, among others. This segment is dominated by large chains of foreign brands.

Bask Bear Coffee & Toasties is the largest player within the café segment of the F&B services industry by number of stores as at 28 February 2025. Cafés refer to casual dining establishments that focus in offering a variety of

² Doesn't include liquid & powder-based toppings, such as top-layered cream or foam, flavoured shots, caramel, sauces.

8. INDUSTRY OVERVIEW (Cont'd)

F R O S T & S U L L I V A N

caffeinated drinks together with a limited food variety compared with that of FSR. This segment is fragmented and comprises numerous small independent players.

2 ANALYSIS OF THE F&B SERVICES INDUSTRY IN MALAYSIA

2.1 MACROECONOMIC INDICATORS AND TRENDS

The Malaysian economy grew between 2019 and 2024 despite global headwinds, at a compound annual growth rate ("CAGR") of 3.0%.^{3&4} However, there was a setback in 2020 with a recorded decline of -5.5% due to the initial political uncertainty at the beginning of the year and the economic impact of the coronavirus disease 2019 ("COVID-19") pandemic. In 2021, the Malaysian economy rebounded by 3.3%, and this positive trend continued into 2022, with the easing of COVID-19 restrictions and strong trading activity contributing to a higher average monthly household income. The average monthly household income in Malaysia grew from RM7,901 in 2019 to RM8,479 in 2022 at a CAGR of 2.4%.⁵ Rising household income may contribute to increased out-of-home food expenditure as families have more disposable income to spend on dining experiences and convenience.

Household expenditure in Malaysia grew in tandem with household income. From 2019 to 2022, the total average monthly household expenditure increased from RM4,609 to RM5,150 at a CAGR of 3.8%. The average monthly expenditure on foods away from home grew from RM508 in 2019 to RM664 in 2022, at a CAGR of 9.3%. As for the expenditure on beverages away from home, the monthly average rose from RM96 in 2019 to RM126 in 2022, at a CAGR of 9.5%.⁶

The Malaysian economy proved to be resilient in 2023 and 2024, growing by 3.6% and 5.1% respectively.⁷ This robust performance can be attributed to the continued strength of the domestic demand, which has played a significant role in driving this growth.⁸ The Malaysian economy is supported by government initiatives such as the National Energy Transition Roadmap, the New Industrial Master Plan 2030 and the Mid-Term Review of the Twelfth Malaysia Plan.⁹ The Malaysian economy is forecasted to grow at a CAGR of 4.1% from 2024E¹⁰ to 2029F^{11,12}.

The Malaysian population increased at a CAGR of 0.6% from 32.5 million people in 2019 to 33.5 million people in 2024E, and it is forecasted to reach 35.3 million people by 2029F, growing at a CAGR of 1.1% from 2024E to 2029F.¹³ The urban population is estimated at 79.2% of the total population in 2024, compared to 76.6% in 2019, and it is expected to continue growing and account for 81.4% of the total population in 2029F.¹⁴ With the expectations of a larger Malaysian population, the F&B services industry can expand further due to the increased consumer base.

Population density varies across regions in Malaysia, with the central region estimated to have the highest population density in mid-2024. These densely populated areas are suitable catchment areas for F&B services. However, less densely populated regions, such as the East Coast and East Malaysia, may also present opportunities. These areas tend to have fewer market entrants, resulting in less competition and potentially lower operational costs. The Group via its two brands, has a wide geographical coverage with stores across different regions in Malaysia.

Table 2-1: Estimated Population and Population Density by Region as at 30 June 2024 vs Tealive and Bask Bear Coffee & Toasties Store Count as at 28 February 2025

State / Federal Territory	Population (thousand) (Jun 2024) ⁽¹⁾	Area (kilometre ("km") ²)	Population Density (people/km ²)	Tealive store count ⁽²⁾	Tealive store penetration (store / million population) ⁽³⁾	Bask Bear Coffee & Toasties store count ⁽²⁾	Bask Bear Coffee & Toasties store penetration (store / million population) ⁽³⁾
Selangor	7,234	7,941	911	235	32.5	41	5.7
Kuala Lumpur	2,031	243	8,369	94	46.3	13	6.4
Putrajaya	118	49	2,397	8	67.7	3	25.4
Total Central	9,383	8,233	1,140	337	35.9	57	6.1
Kelantan	1,855	15,032	123	20	10.8	0	0
Terengganu	1,210	12,958	93	19	15.7	3	2.5
Pahang	1,639	36,134	45	34	20.7	7	4.3
Total East Coast	4,705	64,124	73	73	15.5	10	2.1
Perlis	292	816	357	6	20.6	0	0
Kedah	2,179	9,510	229	47	21.6	5	2.3
Penang	1,769	1,031	1,715	53	30.0	10	5.7
Perak	2,524	21,146	119	60	23.8	11	4.4

³ International Monetary Fund ("IMF"), World Economic Outlook ("WEO"), October 2024

⁴ Department of Statistics, Malaysia ("DOSM"), Gross Domestic Product, Fourth Quarter of 2024

⁵ DOSM, Household Income Survey Report 2022

⁶ DOSM, Household Expenditure Survey Report 2022

⁷ DOSM, Gross Domestic Product, Fourth Quarter of 2024

⁸ Bank Negara Malaysia, Economic and Financial Development in Malaysia in the Fourth Quarter of 2023, February 2024.

⁹ Ministry of Finance, Economic Outlook 2025

¹⁰ 2024E indicates an estimated value for the year 2024

¹¹ 2029F indicates a forecasted value for the year 2029

¹² IMF, WEO October 2024

¹³ IMF, WEO October 2024

¹⁴ United Nations, World Urbanization Prospects 2018, May 2018.

8. INDUSTRY OVERVIEW (Cont'd)

F R O S T & S U L L I V A N

State / Federal Territory	Population (thousand) (Jun 2024) ⁽¹⁾	Area (kilometre ("km") ²)	Population Density (people/km ²)	Tealive store count ⁽²⁾	Tealive store penetration (store / million population) ⁽³⁾	Bask Bear Coffee & Toasties store count ⁽²⁾	Bask Bear Coffee & Toasties store penetration (store / million population) ⁽³⁾
Total Northern	6,763	32,504	208	166	24.5	26	3.8
Johor	4,113	19,166	215	90	21.9	16	3.9
Melaka	1,029	1,755	586	29	28.2	6	5.8
Negeri Sembilan	1,218	6,710	182	39	32.0	6	4.9
Total Southern	6,360	27,631	230	158	24.8	28	4.4
Sabah	3,676	74,100	50	60	16.3	9	2.4
Sarawak	2,474	124,171	20	36	14.6	5	2.0
Labuan	99	92	1,081	1	10.1	0	0
Total East Malaysia	6,249	198,363	32	97	15.5	14	2.2
Total Malaysia	33,460	330,855	101	831	24.8	135	4.0

Note: Latest available data as at 28 February 2025. (1) Estimated population data as at 30 June 2024; (2) Tealive and Bask Bear Coffee & Toasties store count as at 28 February 2025; (3) Calculated based on the population data as at 30 June 2024 and Tealive and Bask Bear Coffee & Toasties store count as at 28 February 2025.

Source: DOSM; IMF; Frost & Sullivan

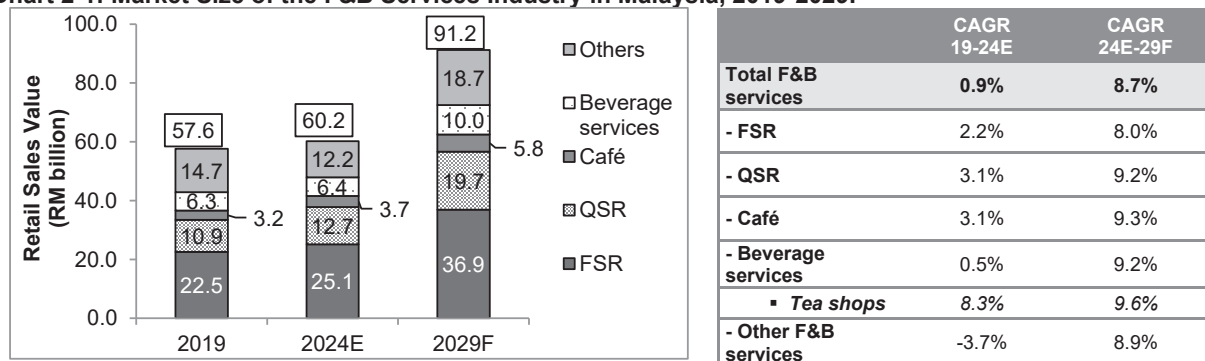
2.2 MARKET SIZE

The **F&B services industry** increased from RM57.6 billion in 2019 to RM60.2 billion in 2024E. In 2020 and 2021, the F&B services industry faced temporary setbacks due to the COVID-19 pandemic, which resulted in limited operating hours, limited operating capacity, and/or the temporary closure of F&B service establishments. In 2022, the industry began to recover, aided by the resurgence of the dine-in market and continued use of online food delivery service platforms. In 2023, the F&B services industry nearly recovered to pre-COVID levels and by 2024, it had fully returned to those levels.

Looking ahead, the F&B services industry is projected to grow through the forecast period up to 2029. This will be driven by the growth of the population and a resilient economic outlook, leading to higher household income and greater expenditure on F&B services.

Within the F&B services industry, FSR and QSR represent a big portion of the industry, accounting for 41.7% and 21.1% of the total, respectively, in 2024E. The café segment is comparatively smaller, representing 6.2% of the industry. The café segment increased from RM3.2 billion in 2019 to RM3.7 billion in 2024E, at a CAGR of 3.1%, and this segment is forecasted to reach RM5.8 billion in 2029, growing at a CAGR of 9.3%. The beverage services segment accounts for 10.7% of the industry, with tea shops making up 27.5% of it. The tea shops segment grew from RM1.2 billion in 2019 to RM1.8 billion in 2024E. It is forecasted to reach RM2.8 billion by 2029, growing faster than the broader beverage services segment. This growth will be driven by the rapid expansion of tea shops, along with a cultural acceptance and rising interest in tea drinking among locals.

Chart 2-1: Market Size of the F&B Services Industry in Malaysia, 2019-2029F



Note: The beverage services segment includes tea shops, coffee shops, activities focusing on juices, drinks stalls, mobile beverage trucks and pubs/bars. The other F&B services segment includes catering services, and other food services like cafeterias, food stalls, and mobile food trucks.

Source: Frost & Sullivan

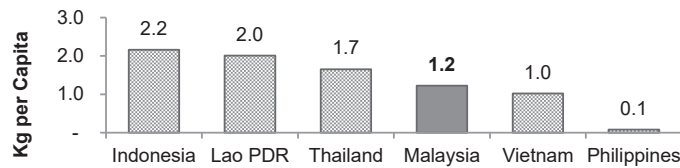
Malaysia's tea consumption is driven by urbanisation and dynamically changing lifestyles. Tea continues to hold cultural significance in Malaysia, although its consumption as at 2022 fell short compared to that in some other Southeast Asian¹⁵ neighbouring countries on a per capita basis. Tea consumption is forecasted to grow further as consumer preferences evolve.

¹⁵ Southeast Asian countries comprise Brunei, Cambodia, Indonesia, Lao PDR, Malaysia, Myanmar, Philippines, Singapore, Thailand, Timor-Leste and Vietnam.

8. INDUSTRY OVERVIEW (Cont'd)

F R O S T & S U L L I V A N

Chart 2-2: Tea Consumption per Capita, Selected Southeast Asian Countries, 2022



Note: Tea consumption is based on the latest available "Food" data as at 28 February 2025. The data refer to the total amount of the commodity available as human food during the reference period. The data include the commodity in question, as well as any commodity derived therefrom as a result of further processing.

Source: Food and Agriculture Organization of the United Nations; IMF (WEO, October 2024); Frost & Sullivan

2.3 INDUSTRY DRIVERS AND GROWTH TRENDS

Urbanisation: As the urbanisation process in Malaysia continues, longer working hours and commutes are leaving urban professionals with less time for home cooking and grocery shopping. This time constraint and rising incomes drive the demand for convenient dine-out and takeaway options, fuelling F&B services growth. In addition, the process of urbanisation results in the creation of new townships, which is advantageous for the F&B services industry as it offers establishments the opportunity to expand and have a broader geographic reach.

Innovation in F&B products and/or services and meeting consumer preferences: There are an estimated 136,453 F&B services establishments in Malaysia in 2022,¹⁶ indicating that the industry is relatively fragmented, with multiple chains and standalone F&B services stores. F&B services use a variety of strategies to differentiate themselves apart from rivals, including innovative products and/or services. For instance, some tea shops use loose tea leaves instead of tea powder or imported fresh milk as key ingredients and limited-edition packaging to convey a premium image. For café, there is an emphasis on brewing techniques for coffee. Additionally, consumers can personalise their drinks by customising sugar levels, adding various toppings, and choosing different types of milk to suit their dietary preferences. Some F&B services also provide a wider range of food items on the menu, such as toast and other baked goods, to meet customers' preferences. The varieties provided continue to drive growth in the F&B services industry.

Rising interest in coffee or tea drinking culture: Café and tea shops are increasingly not just visited for beverage consumption only, but also as social hubs for hanging out, socialising, or conducting business meetings. Generational shifts are reshaping F&B preferences. While older generations may lean towards traditional options like local coffee shops, younger consumers, who are influenced by social media and viral trends, may lean towards experiential or engaging consumer experiences in modern F&B settings.

Meanwhile, the tea-drinking culture is influenced by the acceptance of "Chinese" tea, such as oolong tea, among Muslim consumers, particularly as beverage stores obtain the Halal certification. The tropical climate and preference for sweet beverages in Malaysia have created an attractive market for new F&B brands, particularly those specialising in cold and sweet drinks, including coffee and tea. This environment allows these brands to establish presence in the country, catering to the growing interest in the coffee and tea-drinking culture, further stimulating the growth of the F&B services industry in Malaysia.

Expanding usage of online food delivery service platforms: The combination of travel and waiting times spent by consumers to visit physical F&B services stores has driven the growth of online (including mobile platform) food delivery services, which provide the F&B services industry with an additional distribution channel to reach a broader consumer base. The COVID-19 pandemic accelerated the adoption of online food delivery services. F&B services are leveraging data analytics collected, which helps to track and understand customer preferences, thus allowing industry players to better strategise their business. These platforms also act as a source of awareness of new F&B establishments. The proliferation of such delivery platforms is likely to suit the demands of the growing young working-class population. Such consumer groups are likely to demand more convenient F&B options to meet their hectic lifestyles.

2.4 SUPPLY LANDSCAPE

F&B services mainly establish their stores in the following locations:

Shopping malls: Shopping malls in Malaysia offer a comfortable and convenient environment that caters to diverse needs, making them attractive destinations for both leisure and shopping. This foot traffic makes malls appealing locations for F&B services seeking to capitalise on increased sales opportunities.

Shop units: Shop units or shop lots are commercial properties located in neighbourhoods or within a township. These shop units provide F&B establishments with opportunities to cater to consumers who are seeking to access F&B options quickly. Shop units within their immediate vicinity can minimise travel time and provide convenience.

¹⁶ DOSM, Economic Census 2023 Food and Beverage, August 2024.

8. INDUSTRY OVERVIEW (Cont'd)



Petrol stations: The integration of F&B establishments within petrol stations, capitalising on the need for quick and accessible refreshments, particularly for those on the move. The growth of petrol stations is an indication of additional growth opportunities for F&B services.

Drive-throughs and drive-ins: Drive-throughs and drive-ins align well with consumer behaviour, particularly commuters seeking quick solutions. These spots allow customers to purchase products or services without leaving their vehicles, which is ideal when on the go. In a drive-through, customers typically remain in their vehicles while ordering, whereas drive-ins may offer designated parking spots for customers to receive their orders. These facilities have gained popularity in the F&B services industry due to their convenience and efficiency.

Transportation hubs and stations: Transportation hubs and stations, such as airports and rail network stops, are key locations for F&B services to reach a wider customer base. Major transportation hubs in Malaysia have high crowd movement as these hubs link to various transport modes.

Food delivery services: Online third-party F&B delivery companies such as GrabFood, foodpanda, and Shopee Food have helped in connecting F&B services without delivery teams to their end consumers. F&B services with more branches have a greater advantage in reaching a wider pool of consumers as the third-party F&B delivery company can easily pick up from the nearest locations. F&B services also benefit from F&B delivery services that allow them to sell even during off-peak hours.

Mobile trucks: Mobile trucks provide flexibility in targeting different locations and events, allowing F&B services to cater to specific demographics and capture demand during festivals, sporting events, or other gatherings.

2.5 PRODUCT & SERVICES SUBSTITUTES

There are various types of beverages available in the market. Made from different bases (e.g., coffee, tea, fruit, cocoa, dairy), alcoholic and non-alcoholic, MTO and ready-to-drink ("RTD"). MTO beverages are specifically made according to the customer's specifications, while RTD beverages are packaged and sold in their prepared form. Therefore, consumers have a large variety of options to choose from. Beverages can also be found across other F&B services formats, for dine-in or takeaway, including in FSR, QSR and café.

In addition, beverages can also be found in grocery retailers (such as hypermarkets, supermarkets, mini-markets, and convenience stores), traditional grocery stores, and vending machines, among others. The grocery-based retail industry in Malaysia is growing, from RM71.6 billion in 2019 to RM85.0 billion in 2024E, at a CAGR of 3.5%. It is projected to reach RM112.3 billion in 2029F, growing at a CAGR of 5.7%. Beverages and other FMCG (Fast-Moving Consumer Goods) products represent a large part of sales in grocery-based retail channels.

2.6 BARRIERS TO ENTRY

Entering a crowded market: Malaysia's F&B services industry is highly competitive, with an array of local and foreign brands competing for market share. Both established chains and independent operators contribute to a fragmented market, making it difficult for new entrants to distinguish themselves and gain customer attention. The entrance hurdles to create a new brand are minimal, allowing both domestic and international players to readily establish their presence in the country. Nonetheless, owing to market fragmentation, the primary issue for enterprises is to function sustainably in the long term.

Capital investment and scalability: Establishing a presence in the F&B services industry requires significant capital investment for store setup, equipment purchases, technology integration, and marketing efforts. The scaling of operations and expansion to new locations further necessitates substantial financial resources. The ongoing operational costs, including rent, utilities and staffing, coupled with investments in operational efficiencies and innovative product development for long term growth present significant barriers to entry for new players.

Knowledge of consumer preferences: Malaysian consumers are increasingly discerning, with rapidly changing preferences and tastes influenced by global trends, social media, family and friends. New entrants must demonstrate adaptability and agility in responding to these dynamic preferences, continuously innovating and adjusting their offerings to remain relevant and appealing to target customer segments. This would involve pursuing the right target market, understanding consumer preferences and sensitivities, and targeting potential untapped demands in the market that could provide opportunities. The local knowledge is acquired over many years of established operations.

Manpower and system capabilities: To provide innovative products and services, F&B services require skilled manpower capabilities for back-end and front-end operations. In addition, data analysis and customer engagement initiatives benefit F&B services in understanding and serving customers better. Industry players are investing in technologies such as kitchen display systems ("KDS"), point-of-sale ("POS") systems, and mobile applications ("apps"), among others.

2.7 KEY SUCCESS FACTORS

F&B services are continuously implementing new initiatives and adopting new marketing techniques to reach their target markets. The rise of digital platforms and evolving consumer behaviour have led to significant shifts in the F&B marketing landscape.

8. INDUSTRY OVERVIEW (Cont'd)



Online channels and social marketing: Social media is a significant component of communication strategies for F&B services in Malaysia. With social media penetration rates reaching 83.1% in January 2024 in the country,¹⁷ social media platforms are utilised to reach and engage consumers. Common tactics used by the F&B services include generating buzz through pre-launch content, incorporating interactive content like polls or contests, utilising targeted advertising, and collaborating with influencers. These strategies can generate interest, encourage audience engagement and collaborations, reach the target audience and further enhance brand visibility.

Upstream production involvement: Involvement in upstream production facilities allows F&B services to enhance their operation efficiency and product quality. By directly engaging in the sourcing, processing and production of ingredients, companies can ensure a consistent supply of quality ingredients, which is essential for meeting customer demand and maintaining brand reputation. For example, the Group's involvement in tapioca pearl production in Malaysia allows it to oversee and manage the quality and consistency of this key ingredient¹⁸.

Adoption of advanced technologies: F&B services utilise technology to improve operations and customer experience. Common technologies to improve operation efficiency include POS systems with features like online ordering and mobile payments and KDS that increase order accuracy and speed. Many providers leverage food delivery platforms and online ordering systems to expand their reach. Additionally, contactless ordering, payments, and digital menus have become standard practices, particularly in response to changing consumer preferences for safety and efficiency.

Loyalty programs are often integrated into mobile apps, enhancing customer retention by rewarding repeat business. Providers typically offer various payment options, including mobile apps, communication apps like WeChat, and e-wallet services like Alipay, GrabPay, and Touch 'n Go eWallet. By embracing these technological advancements, F&B services can enhance operational efficiency while delivering a better customer experience.

Co-branding and partnership strategies: F&B services utilise co-branding and partnerships to expand their reach. This includes collaborations through store-in-store arrangements within convenience stores at petrol stations, as part of community banking, or inclusion in in-flight menus. They also partnered with online food delivery services like GrabFood and foodpanda, offering delivery convenience and promotional deals. Additionally, cross-industry collaborations are common, involving partnerships with businesses outside the F&B sector, such as banks, telecommunication providers or fitness centres, for joint promotions and cross-market exposure.

Alignment with the latest F&B demand and trends: To remain competitive, F&B services, especially in the beverage sector, must adapt to evolving consumer preferences in the local market. This includes introducing new and localised flavours while maintaining quality and affordability. Healthier options, such as low-fat or low-calorie choices, are sought after by consumers interested in health-orientated products. The incorporation of functional ingredients and plant-based alternatives in tea and coffee further enhances the appeal of these beverages to health-conscious consumers. Customisation options, like choices for toppings, sugar level and type of milk, also enhance the customer experience. They may also offer seasonal or limited-time menus according to local preference.

High geographical coverage and unique customer proposition: F&B services are present in all states across Malaysia, with common locations including shopping malls, kiosks and commercial shop lots in commercial hubs (non-shopping malls). They also penetrate transportation hubs such as light rail transit (LRT) and mass rapid transit (MRT) stations in urban areas, as well as petrol stations on highways and high-density neighbouring areas.

F&B services utilise smaller retail formats, like kiosks and mobile trucks, to encourage impulse purchases and reach a wider range of locations. These formats offer advantages in terms of setup, design, and flexibility compared to larger stores. This strategy allows them to target not only prime locations in urban areas but also areas like university campuses, hospitals, transportation hubs, petrol stations, and highway rest areas. Other than that, F&B services may set up different concept stores, based on theme, gourmet selections, among others, to attract a wider group of customers.

2.8 COMPETITIVE LANDSCAPE

The tea shops segment exhibits its own cyclical trends. For instance, there was a trend for cheese tea in 2018, followed by the brown sugar milk series in 2019.¹⁹ These trends led to an influx of new players in 2019 and contributed to the growth of the tea shops segment. However, in 2020 and 2021, industry players faced challenges in sustaining this growth, forcing some to close down permanently.²⁰ This was due to their earlier rapid expansion, the effects of COVID-19 on the economic landscape and business operations, and changes in consumer preference, among other factors. However, established players with a large number of outlets sustained their position through a strong market presence, efficient supply chains, and continuous innovation.

¹⁷ DataReportal, Digital 2024: Malaysia, February 2024

¹⁸ Tatler Asia: Tealive founder Bryan Loo opens new facility to produce and export bubble tea ingredients, November 2023

¹⁹ Jing Rou Kuek, Falling into A Sugar Trap, July 2019

²⁰ Malay Mail, A Covid-19 fatali-tea: How Subang Jaya's Boba Street bubble burst, May 2020

8. INDUSTRY OVERVIEW (Cont'd)

F R O S T & S U L L I V A N

From 2022 to 2024, the tea shops segment has seen the rise of premium tea brands and those adopting low-price strategies. Premium tea brands price their drinks even above RM20 per cup, while low-priced brands tend to price their drinks even below RM5 per cup. Mid-priced tea shops, including Tealive, generally price their drinks between RM5 and RM15. They aim to offer better value for money compared to the premium tea brands. Mid-priced tea shops also generally use higher-quality ingredients compared to the low-priced brands, to meet consumer demand for quality.

The diversification has introduced a new layer of competition within the segment, causing the landscape for the tea shops segment to become increasingly competitive. Established players face heightened pressure from newcomers eager to capture market share. Moving forward, the tea shops segment is likely to continue readjusting after reaching the peak of its cycle (based on the number of players). While new entrants may struggle to sustain their businesses over the long term due to operational challenges, established players can leverage their industry expertise, innovation and unique value proposition to maintain a competitive edge. Low price brands that adopt a licensing / franchising model, without or with limited corporate stores, are reliant on the sustainability of the franchisee's business. The franchisee must ensure adequate service and quality of the stores, profitability and positive cash flow, among others, for the success of the brand.

The F&B services industry in Malaysia has also witnessed a few distinct coffee waves, starting with the first wave rooted in traditional kopitiam, which emphasised local coffee. The second wave in 1990s saw the commercialisation of coffee in coffee shop chains, with a standardised coffee experience. The third wave in 2010s focused on a café culture that prioritises artisanal methods and high-quality beans. This wave is fuelled by consumers who seek cafés that not only serve specialty coffee but also provide an inviting atmosphere for socialising and relaxation. Since 2020, the coffee culture in Malaysia has expanded with the rise of affordable coffee shop chains that cater to a broader audience while maintaining elements of specialty coffee craftsmanship.²¹

The interplay between these coffee waves has also influenced the tea shops segment. Affluent consumers are looking for quality drinks, which has led to the acceptance of premium tea offerings that mirror the quality-focused approach of the third-wave coffee. This reflects a broader trend toward quality and experience in the F&B landscape, where consumers are willing to explore diverse options that cater to their varying tastes and budgets. Meanwhile, there are also similarities where players within the tea shops segment and coffee shops segment employ low-pricing strategies to attract budget-conscious consumers. Additionally, given that the consumer groups of coffee and tea may partially overlap, it is common for industry players to offer both coffee and tea-based drinks on their menus. This strategy helps reduce the impact of shifting consumer preferences, especially when new studies emerge highlighting the benefits of one beverage over the other. By keeping an eye on emerging trends, innovating using technology, enhancing the customer experience, among others, established industry players can continue to position themselves for future growth as they capitalise on the evolving landscape of consumer preferences in Malaysia's F&B services industry.

2.8.1 Profile of Key Market Players

Loob owns Tealive, the largest F&B services brand in Malaysia by number of stores, with 831 stores as at 28 February 2025. The second and third largest F&B services brands in the analysis are KFC and ZUS Coffee, each with fewer than 700 stores. In addition, Loob owns Bask Bear Coffee & Toasties, the largest player within the café segment by number of stores as at 28 February 2025.

Table 2-2: Top F&B Services Chain in Malaysia, February 2025

Brand ⁽¹⁾	Country of origin ⁽²⁾	Type of stores	Number of stores in Malaysia as at 28 February 2025 ⁽³⁾
Tealive	Malaysia	Beverage services (Tea shops)	831
KFC	USA	QSR	600-700
ZUS Coffee	Malaysia	Beverage services (Coffee shops)	600-700
Pizza Hut	USA	QSR	400-500
Secret Recipe	Malaysia	FSR	400-500
Mixue	China	Beverage services (Tea shops)	400-500
Starbucks	USA	Beverage services (Coffee shops)	300-400
McDonald's	USA	QSR	300-400
Subway	USA	QSR	300-400
Coolblog	Malaysia	Beverage services (Tea shops)	300-400
Domino's Pizza	USA	QSR	250-350
AiCha	Indonesia	Beverage services (Tea shops)	250-350
Marrybrown	Malaysia	QSR	200-300
The Coffee Bean & Tea Leaf	USA	Beverage services (Coffee shops)	150-250
OldTown White Coffee	Malaysia	FSR	150-250
Burger King	USA	QSR	150-250
Gigi Coffee	Malaysia	Beverage services (Coffee shops)	150-250

²¹ F&S analysis

8. INDUSTRY OVERVIEW (Cont'd)

F R O S T & S U L L I V A N

Brand ⁽¹⁾	Country of origin ⁽²⁾	Type of stores	Number of stores in Malaysia as at 28 February 2025 ⁽³⁾
The Chicken Rice Shop	Malaysia	FSR	150-250
Bask Bear Coffee & Toasties	Malaysia	Café	135

Notes: Data for each company is provided on a best-effort basis based on publicly available information. The list of key players may not be exhaustive and the information is provided for reference only. (1) The brands listed are F&B Services that have at least 130 stores in Malaysia as at 28 February 2025; (2) Brands that originate from Malaysia are operated by local brand owners, whereas brands from other countries are typically run by local franchise owners, franchisee or licensee; (3) The number of stores may only reflect the number of stores that are currently open and may not account for any closures that may have occurred.

Source: Frost & Sullivan

The tea shops segment is dominated by chains of foreign brands. Significant changes occurred between 2019 and 2024, with numerous players entering and exiting the market. Some of the newcomers include Mixue, AiCha, and Chagee. In contrast, the café segment is primarily dominated by small independent players rather than large chain players.

Table 2-3: Key Players in the Tea Shops and Café Segments in Malaysia, February 2025

Type of F&B services	Brand ⁽¹⁾	Country of origin	Number of stores as at 28 February 2025 ⁽²⁾	Year of launch in Malaysia
Tea shops	Tealive	Malaysia	831	2017
Tea shops	Mixue	China	400-500	2022
Tea shops	Coolblog	Malaysia	300-400	2008
Tea shops	AiCha	Indonesia	250-350	2024
Tea shops	Chagee	China	100-200	2019
Café	Bask Bear Coffee & Toasties	Malaysia	135	2019
Café	O'Brien Irish Sandwiches Café	Ireland	25-35	2002
Café	Toast Maker	Malaysia	10-20	2020
Café	VCR Stacks	Malaysia	2-10	2020
Café	Gigi Coffee Diner	Malaysia	2-10	2023

Notes: Data for each company is provided on a best-effort basis based on publicly available information. (1) The list of key players may not be exhaustive and the information is provided for reference only. The objective is to compare Tealive and Bask Bear Coffee & Toasties with the key players in each respective segment, based on the segment definition outlined in Section 1. The tea shops segment is dominated by large chains. Therefore the brands listed are tea shop chains that have at least 100 stores as at 28 February 2025. Meanwhile the café segment is more fragmented and comprises numerous small independent players. Therefore, the brands listed are café chains that have at least 2 stores in Malaysia as at 28 February 2025. The key players of café are those that primarily serve sandwiches and/or toast, along with coffee; (2) The number of stores may only reflect the number of stores that are currently open and may not account for any closures that may have occurred.

Source: Frost & Sullivan

Among the key players of tea shops, Tealive, Coolblog and Chagee provide their own app or website for in-app ordering, point collection, exclusive promotions and customer rewards, among others. Cafés such as Bask Bear Coffee & Toasties and Gigi Coffee Diner offer mobile apps for a similar purpose.

Among the key players of tea shops, only Tealive and Mixue offer self-order terminals in their stores. Additionally, Tealive, and Chagee are equipped to provide drive-through services and have a presence in key transportation hubs such as airports. All of the key players of tea shops have established stores in malls, commercial shop lots, and are also accessible via online food delivery platforms. According to a NielsenIQ study²², Tealive also has a notable strength in location convenience and diverse range of beverages²³. In terms of taste profile, Tealive outperforms the key MTO F&B brands and has been recognised for its “delicious taste”²⁴, according to the same study.²²

Tealive also stands out as the dominant brand, leading in top-of-mind awareness²⁵ and it also ranks high for Net Promoter Score²⁶ compared to other players, indicating that customers are highly likely to recommend it to others, according to a NielsenIQ study²². Based on the NielsenIQ study, Tealive commands the highest level of monthly usage with 57% of the respondents consumed Tealive in the past month.²² This further supports Tealive's position as the leading F&B services brand in Malaysia by number of stores. According to a NielsenIQ study, Tealive's

²² The NielsenIQ study was commissioned by the Company. The findings are based on 1,009 survey responses in Malaysia collected through an online self-completion survey in the first quarter of 2024. The respondents are evenly distributed across both genders within the 18-49 age group, with an average household income of RM6,486 per month. The NielsenIQ study reflects estimates of market conditions based on samples and is prepared primarily to understand Malaysian consumers in terms of their awareness, usage and perception of beverage outlets in Malaysia. NielsenIQ information is not a substitute for financial, investment, legal or other professional advice and should not be viewed as a basis for investments. References to NielsenIQ should not be considered as NielsenIQ's opinion as to the value of any security or the advisability of investing in any company, product or industry.

NielsenIQ information reflects estimates of market conditions based on samples and is prepared primarily as a marketing research tool for consumer packaged goods manufacturers and others in the consumer goods industry. NielsenIQ information is not a substitute for financial, investment, legal or other professional advice and should not be viewed as a basis for investments. References to NielsenIQ should not be considered as NielsenIQ's opinion as to the value of any security or the advisability of investing in any company, product or industry.

²³ According to a NielsenIQ study, Tealive has a notable strength in location convenience (64%) and diverse range of beverages (65%).

²⁴ In terms of taste profile, Tealive outperforms key MTO F&B brands for its “delicious taste” (17%), according to a NielsenIQ study.

²⁵ Tealive stands out as the dominant brand, leading in top-of-mind awareness at 36%.

²⁶ Tealive ranks high for Net Promoter Score at 27 points, indicating that customers are highly likely to recommend it to others.

8. INDUSTRY OVERVIEW (Cont'd)

F R O S T & S U L L I V A N

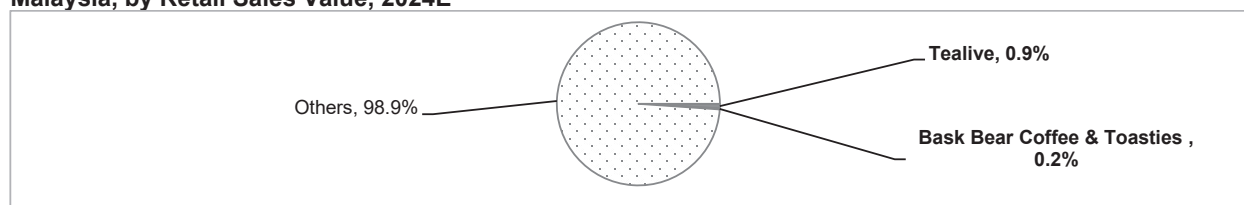
customer base is demographically diverse with a balanced gender mix. The largest customer segments are the 18-29 and 30-39 age groups.^{22&27}

Meanwhile, among the key players of cafés, Bask Bear Coffee & Toasties is the only brand that features drive-through services and is located at petrol stations. Bask Bear Coffee & Toasties is the only café with stores within a bank. On the other hand, as a testament to the popularity of Bask Bear's toasties, the brand is the most frequently mentioned by customers who have tried the toastie with price points accepted by many^{28,29&30}, according to a NielsenIQ study.²²

2.8.2 Market Share Analysis

The F&B services industry is highly fragmented with many chain and independent players. Within the F&B services industry, Tealive and Bask Bear Coffee & Toasties have a market share of 0.9% and 0.2%, respectively by retail sales value 2024E.

Chart 2-3: Market Share of Tealive and Bask Bear Coffee & Toasties Within the F&B Services Industry in Malaysia, by Retail Sales Value, 2024E



Note: Market share estimates based on POS sales of Tealive of RM531.7 million and Bask Bear Coffee & Toasties of RM112.1 million for the calendar year 2024 divided by total retail sales value of the F&B services industry of RM60.2 billion in 2024E.

Source: Frost & Sullivan

Compared to the top F&B services chains in Malaysia, Loob has among the highest revenue, gross profit margin and profit before tax ("PBT") margin.

Table 2-4: Financial Benchmarking of Top F&B Services Chain in Malaysia, 2023/2024/2025

Brands	Company	Financial year ended	Revenue (RM mil)	Gross profit margin (%) ⁽¹⁾	PBT margin (%) ⁽²⁾
KFC and Pizza Hut	QSR Brands (M) Holdings Bhd	31 Dec 23	4,870.3	59.1%	-1.4%
Tealive and Bask Bear Coffee & Toasties	Loob	30 Jun 24	591.2	65.7%	12.7%
ZUS Coffee	Zuspresso (M) Sdn Bhd	31 Dec 23	468.2	54.1%	11.6%
Secret Recipe	Secret Recipe Cakes & Cafe Sdn Bhd	31 Dec 24	299.1	NA	6.9%
Mixue	Mixue Malaysia Sdn Bhd	31 Dec 24	163.6	20.2%	22.7%
Starbucks	Berjaya Starbucks Coffee Company Sdn Bhd	30 Jun 24	676.0	39.5%	-6.7%
McDonald's	Gerbang Alaf Restaurants Sdn Bhd	31 Dec 24	2,208.3	27.6%	2.0%
Subway (West Malaysia)	Pegacorn Sdn Bhd	31 Dec 23	87.4	75.6%	5.1%
Subway (East Malaysia)	Urban Idea Sdn Bhd	30 Jun 24	16.0	51.3%	-20.2%
Coolblog	Coolblog Enterprise Sdn Bhd	31 Dec 24	43.3	NA	1.5%
Domino's Pizza	Dommal Food Services Sdn Bhd	30 Jun 24	569.6	64.5%	3.0%
AiCha	Aicha Food MY Sdn Bhd	31 Mar 25	40.9	14.8%	7.6%
Marrybrown	Marrybrown Sdn Bhd	31 Dec 23	125.6	29.2%	5.8%
The Coffee Bean & Tea Leaf	The Coffee Bean & Tea Leaf (Malaysia) Sdn Bhd	31 Dec 23	292.3	64.0%	-8.5%
OldTown White Coffee	Oldtown Sdn Bhd	31 Dec 23	582.8	19.9%	9.3%
Burger King	Cosmo Restaurants Sdn Bhd	31 Dec 23	241.1	61.5%	-14.2%
Gigi Coffee and Gigi Coffee Diner	Gigi Coffee Sdn Bhd	31 Dec 23	53.9	66.0%	10.5%
The Chicken Rice Shop	TCRS Restaurants Sdn Bhd	31 Mar 24	334.1	52.9%	13.6%

Notes: Information based on the latest available financial data reported by key players as at 31 July 2025. The key players are sorted based on the total store count of the brands under the same company. The list of the brands is provided in Table 2-2. The revenue reported may be derived from other non-F&B services activities and activities outside Malaysia. The revenue of the companies disclosed may not be equivalent to the entire retail sales value generated by each brand, especially those with a franchise/licensing business model. NA indicates not available; (1) Computed based on gross profit over revenue; (2) Computed based on PBT divided by revenue.

Source: Frost & Sullivan

Fast growth: Loob Group's revenue generated in Malaysia grew at a faster rate (26.2%)³¹ between FYE 30 June 2019 and FYE 30 June 2024, compared to the growth of the whole F&B services industry (0.9%)³² from 2019 to

²⁷ The largest customer segments are the 18-29 and 30-39 age groups, which make up 40% and 35% of the respondents respectively, while the 40-49 age group represents the remaining 25%.

²⁸ More than a third (35%) of respondents are willing to pay between RM8 and RM9.99 for a Toastie.

²⁹ 30% of respondents are willing to pay between RM10 and RM12.99 for a Toastie.

³⁰ More than 6 in 10 (65%) are willing to pay between RM8 to RM12.99 for a Toastie.

³¹ Revenue of Loob Group generated in Malaysia at RM176.3 million in FYE 30 June 2019 compared with RM564.5 million in FYE 30 June 2024.

³² Total retail sales value of F&B services of RM57.6 billion in 2019 compared with RM60.2 billion in 2024E.

8. INDUSTRY OVERVIEW (Cont'd)



2024E. Tealive's sales also grew faster at 12.6%³³, compared to the growth of the tea shops segment of 8.3%³⁴ from 2019 to 2024E.

2.9 INDUSTRY OUTLOOK

The F&B services industry in Malaysia is highly competitive, with a large number of chains and independent F&B services. Despite that, the outlook is positive with opportunities for growth. The F&B services industry in Malaysia is expected to expand further in the period from 2024E to 2029F. Population and middle-income class growth, ongoing urbanisation, and changing lifestyle patterns are key factors catalysing the expansion. Additionally, innovations in F&B products and/or services, such as new menus with premium ingredients and a wider range of food items, continue to attract ever-changing consumer tastes and preferences. The rising interest in coffee and tea also further stimulates the growth of the F&B services industry. Food delivery service providers also provide additional distribution channels for market players. Market players also seek strategic partnerships with non-F&B services, including petrol stations, telecommunication service providers, and e-wallet service providers, to reach a higher number of consumers.

3 PROSPECTS AND OUTLOOK FOR THE GROUP

Tealive is the largest F&B services brand in Malaysia by number of stores as at 28 February 2025. Tealive is also the largest player within the tea shops segment by number of stores as at 28 February 2025. Bask Bear Coffee & Toasties is the largest player within the café segment of the F&B services industry by number of stores as at 28 February 2025. The Group has demonstrated the potential to sustain the expansion of its physical presence in Malaysia, with the total number of stores of Tealive and Bask Bear Coffee & Toasties growing from 526 in June 2019 to 967 in June 2024.

Within Malaysia, Tealive and Bask Bear Coffee & Toasties have different store formats, providing convenience and accessibility to customers. The Group is likely to benefit from the expected opening of new malls, shop lots, petrol stations, and transportation stations in Malaysia. This provides the opportunity to open new stores and reach a larger consumer base, including in new catchment areas in second- and third-tier cities.

The wide range of sales channels used by the Group to sell its products is complemented by the various partnerships it has established, among others, with telecommunication companies, food delivery service providers, petrol stations, and e-wallet service providers to enhance accessibility to its products and support brand visibility. Bask Bear Coffee & Toasties also launched its innovative "community banking" concept in partnership with bank. Additionally, the Group also benefits from its online presence, with a strong following on its social media platforms through "Tealive Asia" and "Bask Bear Coffee" Instagram and Facebook pages. Frost & Sullivan opines that the Group's multi-channel sales approach, coupled with its loyalty programme, will support its drive to increase consumption at its stores and revenue growth. Tealive's brand refresh launch event in May 2024 has strategically revitalised brand awareness and strengthened customer connections by reaching out to a broader consumer base.

Tealive's extensive beverage categories across different price points, coupled with the wide range of toppings in its menu enables it to serve broader categories of customers (e.g., youngsters and health-conscious individuals). The introduction of Tealive Plus enhances this experience by providing premium ingredients and a more extensive snack menu compared to the standard Tealive stores. Similarly, Bask Bear Coffee & Toasties meets customers' needs for food and coffee without sacrificing the dining experience by offering a diverse menu that includes various food items such as toasts and burgers, specifically designed to pair with specialty coffee.

Tealive has shown resilience in overcoming challenges, surpassing competitors, and further reinforcing its market share during periods of intense competition, such as the 2020-2021 phase marked by an influx of new products and the impact of COVID-19, as well as the 2022-2024 period characterised by the rise of premium tea brands and aggressive low-price strategies. This success is largely attributed to Tealive's experienced management team to navigate market volatility. The management team's strategic focus on retaining and acquiring new customers, prioritising limited-time offers (LTOs), and building brand equity has enabled Tealive to thrive during those periods without engaging in price wars.

Moving forward, the tea shops segment is likely to continue readjusting after reaching the peak of its cycle (peak in terms of the number of players). Tealive anticipates to maintain its strong foothold in the tea shops segment with its strong market presence and loyal customer base. While Bask Bear Coffee & Toasties operates within the café segment, it will continue to be impacted by coffee trends as coffee is among its main offering. The Group's ability to innovate as well as continuously develop and introduce new and localised flavours enables the Group to capture the local market interest and satisfy the changes in consumer preferences. Additionally, the adoption of advanced technologies at the POS, business intelligence systems, and mobile apps allow the Group to remain competitive by enhancing customer experience. The Group's ventures into upstream activities, such as the production of raw materials for beverages, have enabled it to strengthen its operations in the F&B services industry.

³³ Tealive's POS sales generated in Malaysia at RM293.6 million in 2019 compared with RM531.7 million in 2024.

³⁴ Retail sales value of the tea shops segment of RM1.2 billion in 2019 compared with RM1.8 billion in 2024E.

9. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT

9.1 PROMOTERS AND SUBSTANTIAL SHAREHOLDERS

9.1.1 Profiles of our Promoters and Substantial Shareholders

(i) Loo Chuu Lin, our Promoter and Substantial Shareholder

Loo Chuu Lin, a Malaysian aged 69, is our Promoter, Non-Independent Non-Executive Director and Substantial Shareholder. He was appointed to our Board on 13 March 2020. He has over 14 years of experience in the F&B industry.

He started his business ventures in the refrigeration and air conditioning industry in August 1980 through the setting up of various businesses and companies including Zon Utara, a sole proprietorship which has ceased operations in December 2015 and Z.U. Engineering Sdn Bhd in May 1994 to carry out the supply of air conditioning and ventilators until it ceased operations in 2019.

He is a director and shareholder of Loob Holding since June 2010. As our Non-Independent Non-Executive Director, Loo Chuu Lin provides strategic guidance and advice on our Group's business.

Further details of his directorships in other private limited companies are set out in Section 9.2.3 of this Prospectus.

(ii) Bryan Loo, our Promoter and Substantial Shareholder

Bryan Loo, a Malaysian aged 39, is our Promoter, Non-Independent Executive Director, CEO and Substantial Shareholder. He was appointed to our Board on 23 December 2019.

He graduated with a Bachelor of Science from Monash University, Melbourne, Australia in March 2007. He has over 14 years of experience in the F&B industry and was presented as the Top Nominee for Ernst & Young Entrepreneur of the Year Malaysia in 2013.

In July 2007, he began his career with StemLife Berhad as Marketing and Sales Executive where his responsibilities included promoting the company's products to medical specialists. He left StemLife Berhad in September 2007 and took a six (6)-month career break. In March 2008, he joined Ipsos Sdn Bhd as Field Executive where he was responsible for overseeing the data collection process for medical research, focusing on gathering insights from healthcare professionals. He left Ipsos Sdn Bhd in July 2009 and began exploring potential business ventures of his own.

In June 2010, he started his business venture in the F&B industry by setting up Loob Holding. He subsequently assumed the role of Managing Director beginning September 2010 upon commencement of the company's operations. As Managing Director, he is responsible for the overall day-to-day business operations and the strategic direction of Loob Holding and its subsidiaries ("**Loob Holding Group**"), including the overall business plans, future growth and long-term strategies of Loob Holding Group. In March 2015, he was redesignated to CEO where he continued to carry out the same responsibilities that he undertook as a Managing Director. He is instrumental in the growth and development of Loob Holding Group. He led Loob Holding Group's business operations and expansion, establishing various franchise stores and F&B establishments. Under his stewardship, Loob Holding Group ventured beyond the Malaysian borders into international markets such as Brunei, Cambodia, Canada, Mauritius, Myanmar, Vietnam and the Philippines.

9. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(Cont'd)*

Further details of his directorships in other private limited companies are set out in Section 9.2.3 of this Prospectus.

(iii) Loo Chee Leng, our Promoter and Substantial Shareholder

Loo Chee Leng, a Malaysian aged 43, is our Promoter, Non-Independent Executive Director, COO and Substantial Shareholder. She was appointed to our Board on 23 December 2019.

She graduated with a Bachelor of Engineering in Chemical Process Engineering from the University of Sheffield, the United Kingdom in July 2003. She has over 21 years of experience across various fields, including technical engineering, sales, marketing, strategy and portfolio management.

In 2003, she began her career with a company within the Petronas group of companies as International Marketing Specialist for Malaysia Liquid Nitrogen Gas ("MLNG") where she was responsible for the sales and marketing of MLNG in the region. She left Petronas and joined Shell Malaysia Trading Sdn Bhd in 2004 as Technical Sales Engineer in the Liquefied Petroleum Gas (LPG) business unit where her responsibilities included promoting LPG to commercial users such as restaurants and factories. In 2006, she was promoted to Key Account Manager in the lubricants business unit where she was responsible for the sales and marketing of lubricants to key accounts. She was seconded to Shell Deutschland Schmierstoff GmbH, Germany from 2008 to 2010 as E-Business Specialist where she was involved in designing and implementing digital route-to-market and digital channel strategies for the lubricant business in Germany. In 2010, she was promoted to Business Development Advisor where she was involved in the setting up of lubricant plants across the Asia Pacific region.

She left Shell Malaysia Trading Sdn Bhd in June 2012 and joined Loob Holding Group as General Manager in July 2012 where she was actively involved in the day-to-day operations of Loob Holding Group. She was promoted to her current role of COO in March 2015 where she is primarily responsible for overseeing the administrative and operational functions of Loob Holding Group.

Further details of her directorships in other private limited companies are set out in Section 9.2.3 of this Prospectus.

(iv) Singli Aerovest, our Substantial Shareholder

Singli Aerovest is our Substantial Shareholder having 5.4% equity interest in our Company.

Singli Aerovest was incorporated in Malaysia under the Act on 25 February 2019 as a private limited company under its present name. Singli Aerovest is principally engaged in cleaning of trains, buses and planes and activities of holding companies.

As at the LPD, the issued share capital of Singli Aerovest is RM2,500,000 comprising 2,500,000 ordinary shares.

The directors of Singli Aerovest are Dato' Mah Yew Lay and Mah Kok Weng.

9. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

The shareholders of Singli Aerovest and their respective shareholding in Singli Aerovest as at the LPD are as follows:

Shareholder	Nationality	Direct		Indirect	
		No. of ordinary shares	%	No. of ordinary shares	%
Dato' Mah Yew Lay	Malaysian	1,750,000	70.0	-	-
Mah Kok Weng	Malaysian	750,000	30.0	-	-

(v) Uttama, our Substantial Shareholder

Uttama is our Substantial Shareholder having 30.0% equity interest in our Company.

Uttama was incorporated in British Virgin Islands ("BVI") under the BVI Business Companies Act 2004 on 20 July 2018 as a private limited company. Uttama is an investment holding company and was incorporated as a special purpose vehicle to hold the investment of Creador IV, being a closed-end fund, in our Company.

As at the LPD, the issued share capital of Uttama is USD1.00 comprising 1 ordinary share. The director of Uttama is Yoong Tai Mai. The shareholder of Uttama and its shareholding in Uttama as at the LPD are as follows:

Shareholder	Country of incorporation	Direct		Indirect	
		No. of ordinary shares	%	No. of ordinary shares	%
Creador IV	Republic of Mauritius	1	100.0	-	-

Creador IV is a limited partnership formed under the laws of the Republic of Mauritius and licenced by the Financial Services Commission of the Republic of Mauritius to operate as a closed-end fund. Creador IV is managed by a fund manager, namely Creador Management IV Ltd which is responsible for the conduct and affairs of Creador IV.

Creador Management IV Ltd is formed under the laws of the Republic of Mauritius as a private company limited by shares with limited life and holds a collective investment scheme manager licence granted by the Financial Services Commission of the Republic of Mauritius. Accordingly, Creador Management IV Ltd manages the portfolio investments of Creador IV which include its investment in our Company through Uttama.

Creador IV's interest in our Company, being one of its investee companies, is for investment purposes only where it does not participate in the day-to-day management and operations of such investee companies.

9. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(Cont'd)*

As at the LPD, Creador IV is diversely owned by 72 partners (out of which six (6) are affiliated partners which are associated or connected to the Creador Persons and the remaining 66 are limited partners which are not affiliated to the Creador Persons) which include institutions such as university endowment funds, pension funds, fund of funds, foundations, not-for-profit organisations and family offices from North America, Europe and Asia, with interests ranging from 0.02% to 13.8%.

No single limited partner of Creador IV has any control or ability to participate in the management of Creador IV or ultimately Creador IV's investee companies, including Uttama.

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9. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

9.1.2 Shareholding of our Promoters and Substantial Shareholders

The following table sets out the direct and indirect shareholdings of our Promoters and Substantial Shareholders before and after our IPO:

Name/Nationality/Country of incorporation	Before our IPO ⁽¹⁾				After our IPO ⁽²⁾							
	Direct		Indirect		Assuming the Over-allotment Option is not exercised				Assuming the Over-allotment Option is fully exercised ⁽³⁾			
	No. of Shares		No. of Shares		Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
	('000)		('000)		('000)		('000)		('000)		('000)	
Promoters and Substantial Shareholders												
Loo Chuu Lin/Malaysian	224,299	20.2	-	-	208,317	17.8	-	-	208,317	17.8	-	-
Bryan Loo/Malaysian	242,551	21.8	-	-	225,268	19.3	-	-	225,268	19.3	-	-
Loo Chee Leng/Malaysian	189,492	17.1	-	-	175,989	15.1	-	-	175,989	15.1	-	-
Substantial Shareholders												
Singli Aerovest/Malaysia	59,644	5.4	-	-	47,952	4.1	-	-	47,952	4.1	-	-
Dato' Mah Yew Lay/Malaysian	-	-	59,644	⁽⁴⁾ 5.4	-	-	47,952	⁽⁴⁾ 4.1	-	-	47,952	⁽⁴⁾ 4.1
Mah Kok Weng/Malaysian	-	-	59,644	⁽⁴⁾ 5.4	-	-	47,952	⁽⁴⁾ 4.1	-	-	47,952	⁽⁴⁾ 4.1
Uttama/British Virgin Islands	333,219	30.0	-	-	99,381	8.5	-	-	46,768	4.0	-	-
Creador IV/Republic of Mauritius	-	-	333,219	⁽⁵⁾ 30.0	-	-	99,381	⁽⁵⁾ 8.5	-	-	46,768	⁽⁵⁾ 4.0

Notes:

(1) Based on the issued Shares of 1,110,728,703 after the Pre-IPO Restructuring.

(2) Based on the enlarged issued Shares of 1,169,188,203 upon our Listing.

9. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

- (3) Assuming an Over-allotment Option of up to an aggregate of 52,613,500 Shares, representing up to 15.0% of the total number of IPO Shares offered.
- (4) Deemed interested by virtue of his shareholding in Singli Aerovest pursuant to Section 8(4) of the Act.
- (5) Deemed interested by virtue of its shareholding in Uttama pursuant to Section 8(4) of the Act.

9.1.3 Changes in our Promoters' and Substantial Shareholders' shareholdings in our Company

The following table sets out the changes in our Promoters' and Substantial Shareholders' shareholdings in our Company for the Financial Years Under Review and after the Pre-IPO Restructuring:

Name/Nationality/Country of incorporation	As at 30 June 2022				As at 30 June 2023			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	(1)%	No. of Shares	(1)%	No. of Shares	(1)%	No. of Shares	(1)%
Promoters and Substantial Shareholders								
Loo Chuu Lin/Malaysian	-	-	-	-	-	-	-	-
Bryan Loo/Malaysian	1	50.0	-	-	1	50.0	-	-
Loo Chee Leng/Malaysian	1	50.0	-	-	1	50.0	-	-
Substantial Shareholders								
Singli Aerovest/Malaysia	-	-	-	-	-	-	-	-
Dato' Mah Yew Lay/Malaysian	-	-	-	-	-	-	-	-
Mah Kok Weng/Malaysian	-	-	-	-	-	-	-	-
Uttama/British Virgin Islands	-	-	-	-	-	-	-	-
Creador IV/Republic of Mauritius	-	-	-	-	-	-	-	-

9. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

Name/Nationality/Country of incorporation	As at 30 June 2024				After the Pre-IPO Restructuring			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	(1)%	No. of Shares	(1)%	No. of Shares	(2)%	No. of Shares	(2)%
Promoters and Substantial Shareholders								
Loo Chuu Lin/Malaysian	-	-	-	-	224,299	20.2	-	-
Bryan Loo/Malaysian	1	50.0	-	-	242,551	21.8	-	-
Loo Chee Leng/Malaysian	1	50.0	-	-	189,492	17.1	-	-
Substantial Shareholders								
Singli Aerovest/Malaysia	-	-	-	-	59,644	5.4	-	-
Dato' Mah Yew Lay/Malaysian	-	-	-	-	-	-	59,644	(3)5.4
Mah Kok Weng/Malaysian	-	-	-	-	-	-	59,644	(3)5.4
Uttama/British Virgin Islands	-	-	-	-	333,219	30.0	-	-
Creador IV/Republic of Mauritius	-	-	-	-	-	-	333,219	(4)30.0

Notes:

- (1) Based on the two (2) issued Shares before the Pre-IPO Restructuring. For clarity, there have been no changes in the shareholdings of the Promoters and Substantial Shareholders in our Company during the Financial Years Under Review up to the LPD. Subsequent to the LPD, on 6 March 2025, our Company issued one (1) additional Share to a third party, Wong Khai Fei, to enable the Pre-IPO Restructuring to be approved by a shareholder who is not interested in the transaction, in compliance with Section 228 of the Act. The issuance of one (1) additional Share to Wong Khai Fei resulted in the shareholding of Bryan Loo and Loo Chee Leng reducing from 50.0% to 33.3% each.
- (2) Based on the issued Shares of 1,110,728,703 after the Pre-IPO Restructuring.
- (3) Deemed interested by virtue of his shareholding in Singli Aerovest pursuant to Section 8(4) of the Act.
- (4) Deemed interested by virtue of its shareholding in Uttama pursuant to Section 8(4) of the Act.

9. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(Cont'd)*

9.2 BOARD OF DIRECTORS

Our Board acknowledges and takes cognisance of the MCCG which contains recommendations to improve upon or to enhance corporate governance as an integral part of the business activities and culture of such companies.

Our Board comprises at least 30% women Directors and half of our Board comprises Independent Directors as per the recommendations under the MCCG.

With that, our Board believes that our current Board composition provides the appropriate balance in terms of skills, knowledge and experience to promote the interests of all shareholders and to govern our Group effectively. Our Board is also committed to achieving and sustaining high standards of corporate governance.

Within the limits set by our Constitution, our Board is responsible for the governance and management of our Group. To ensure the effective discharge of its functions, our Board has set out, among others, the following key responsibilities in the board charter:

- (i) setting the corporate values and promoting a good corporate governance culture within our Group, which reinforces ethical, prudent and professional behaviour and ensure that its obligations to shareholders and other stakeholders are met;
- (ii) reviewing, challenging, and deciding on our management's proposals and monitoring their implementation by our management;
- (iii) ensuring that our strategic plan supports long-term value creation and includes strategies on economic, environmental, and social considerations underpinning sustainability (including setting sustainability strategies, priorities and targets and communication of the same, including performance against these targets, to internal and external stakeholders), as well as evaluating its operations and set science-based emissions reductions target to support cleaner and sustainable growth;
- (iv) ensuring there is a sound framework for internal controls and risk management;
- (v) understanding and identifying the principal risks of the business of our Group and recognising that the business decisions involve the taking of appropriate risks as well as ensuring the implementation of appropriate internal control systems and mitigation measures to manage these risks;
- (vi) setting the risk appetite within which our Board expects management to operate and ensuring that there is an appropriate risk management framework to identify, analyse, evaluate, manage and monitor significant financial and non-financial risks;
- (vii) ensuring that our key senior management has the necessary skills and experience and there are measures in place to provide for the orderly succession of our Board and key senior management;
- (viii) ensuring that our Company has in place procedures to enable effective, transparent and regular communication with stakeholders, including channels for stakeholders to provide their views and feedback including complaints, and such channel shall be available at all times and our Company shall acknowledge and address the stakeholders' views, feedback and complaints appropriately; and
- (ix) ensuring the integrity of our Company's financial and non-financial reporting.

9. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

In addition, the roles and responsibilities of our Independent Non-Executive Chairperson and CEO are clearly segregated to further enhance and preserve a balance of authority and accountability. Our Independent Non-Executive Chairperson is primarily responsible for, among others, the following:

- (i) providing leadership to our Board;
- (ii) leading our Board function, meetings and discussions as well as the adoption and implementation of good corporate governance practices in our Group;
- (iii) ensuring adequate time is allocated during Board meetings for discussion of issues tabled to our Board for deliberation as well as encouraging active participation and allow dissenting views to be freely expressed;
- (iv) ensuring quality information to facilitate decision-making is delivered to our Board in a timely manner;
- (v) chairing our Board and shareholder meetings, and ensuring the proceedings thereof comply with good conduct and best practices;
- (vi) promoting and managing constructive and respectful relations and communication among Board members, stakeholders and between our Board and our management;
- (vii) promoting our Company's commitment to ESG initiatives, sustainability, and ethical business practices; and
- (viii) ensuring that appropriate steps are taken to provide effective communication with stakeholders and that their views are communicated to our Board as a whole.

On the other hand, our CEO is primarily responsible for the day-to-day operations of our Group's business, focusing on continuous improvement and development, implementation, and achievement of corporate policies and strategies sanctioned by our Board as well as monitoring the performance of our Group against financial budgets and strategic objectives.

The details of the members of our Board and the details of the date of expiration of the current term of office for each of our Directors, and the period that each of our Directors has served in that office as at the LPD are as follows:

Director	Designation	Age	Nationality	Date of appointment as Director	Date of expiration of the current term of office at AGM	No. of years and months in office
Tan Sri Datuk Dr. Rebecca Fatima Sta Maria	Independent Non-Executive Chairperson	67	Malaysian	3 February 2025	Subject to retirement at our AGM to be held in 2025	Less than 1 year
Loo Chuu Lin	Non-Independent Non-Executive Director	69	Malaysian	13 March 2020	Subject to retirement at our AGM to be held in 2025	4 years 11 months
Bryan Loo	Non-Independent Executive Director and CEO	39	Malaysian	23 December 2019	Subject to retirement at our AGM to be held in 2026	5 years 2 months

9. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

Director	Designation	Age	Nationality	Date of appointment as Director	Date of expiration of the current term of office at AGM	No. of years and months in office
Loo Chee Leng	Non-Independent Executive Director and COO	43	Malaysian	23 December 2019	Subject to retirement at our AGM to be held in 2026	5 years 2 months
Lum Ying Ling	Non-Independent Non-Executive Director	34	Malaysian	3 February 2025	Subject to retirement at our AGM to be held in 2025	Less than 1 year
Dato' Razman Hafidz bin Abu Zarim	Independent Non-Executive Director	69	Malaysian	13 March 2020	Subject to retirement at our AGM to be held in 2025	4 years 11 months
Chen Thai Foong	Independent Non-Executive Director	62	Malaysian	3 February 2025	Subject to retirement at our AGM to be held in 2025	Less than 1 year
Low Chooi Hoon	Independent Non-Executive Director	53	Malaysian	3 February 2025	Subject to retirement at our AGM to be held in 2025	Less than 1 year
Yeow Boon Siang	Alternate Director to Loo Chuu Lin and International Business Director	44	Malaysian	13 March 2020	N/A*	4 years 11 months

Note:

* Pursuant to Clause 126(a) of our Constitution, an Alternate Director shall cease to be an Alternate Director if his appointor for any reason ceases to be a Director.

None of our other Directors represent any corporate shareholder on our Board save for Lum Ying Ling who is a representative of Uttama on our Board. Further, there are no family relationships between our Directors save for Loo Chuu Lin, Bryan Loo, Loo Chee Leng and Yeow Boon Siang. See Section 9.4 of this Prospectus for further details of the family relationships between our Promoter, Substantial Shareholders, Directors and Key Senior Management.

9.2.1 Profiles of our Directors

The profiles of our Directors who are also our Promoters and Substantial Shareholders are set out in Section 9.1.1 of this Prospectus.

9. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(Cont'd)*

(i) Tan Sri Datuk Dr. Rebecca Fatima Sta Maria

Tan Sri Datuk Dr. Rebecca Fatima Sta Maria, a Malaysian aged 67, is our Independent Non-Executive Chairperson. She was appointed to our Board on 3 February 2025.

She graduated with a Bachelor of Arts (Honours) in English Literature from the University of Malaya, Malaysia in June 1980. She also obtained a Diploma in Public Administration from the National Institute of Public Administration ("INTAN") in November 1981. She obtained a Master of Science in Counselling from Universiti Pertanian Malaysia (now known as Universiti Putra Malaysia) ("UPM") in August 1993 and subsequently obtained a Ph.D in Human Resource Development from the University of Georgia, Athens, the United States of America in August 2000. She is a Fellow of the ICDM since October 2018.

She began her career in the New Straits Times as a cub reporter in June 1980 where she was involved in news reporting before she left to pursue a diploma in public administration at INTAN in November 1980. After graduating from INTAN in November 1981, she joined the Ministry of International Trade and Industry (now known as MITI) as Assistant Director in the International Trade Division in December 1981 where she was responsible for handling international trade promotion. She then left to join ASEAN Plant Quarantine Centre and Training Institute as a Chief Administration and Procurement Officer in January 1988 where she was responsible for managing human resource, admin and finance matters. She left ASEAN Plant Quarantine Centre and Training Institute in July 1990 to pursue a master's degree in counselling at UPM.

From February 1993 to June 1997, she joined INTAN as a Project Coordinator where she was responsible for the design and delivery of training for civil servants. She received a government scholarship to pursue her Ph.D. in Human Resource Development at the University of Georgia in June 1997. Upon completion of her doctoral studies, she was promoted to Senior Project Coordinator in August 2000 where she held similar responsibilities before she left in August 2002.

In September 2002, she re-joined MITI as Deputy Director for Strategic Planning. She has served in various capacities within MITI, from Director of Investment Policy since July 2005 to Deputy Secretary General since September 2006, before she retired as the Secretary General of MITI in July 2016. As Secretary General of MITI, a post she was appointed to in December 2010, she provided oversight for the formulation and implementation of Malaysia's international trade policies and positions. This involved Malaysia's participation in bilateral, regional (Association of Southeast Asian Nations ("ASEAN"), Asia-Pacific Economic Cooperation ("APEC"), Organisation of Islamic Cooperation) and multilateral fora (World Trade Organisation), as well as bilateral and regional trade negotiations. On the regional front, she played a key role in ASEAN economic integration and chaired the ASEAN Senior Economic Officials Meeting as well as the ASEAN High Level Task Force for Economic Integration.

She was the Chair of the Institute for Democracy and Economic Affairs from August 2016 to December 2018 and the EU-Malaysia Chamber of Commerce and Industry from April 2017 to December 2018. She was the Executive Director of APEC Secretariat from January 2019 to December 2024. She was also the Independent Non-Executive Director of RHB Berhad from August 2016 to June 2023. She served as Senior Policy Fellow of the Economic Research Institute for ASEAN and East Asia ("ERIA") from September 2016 to December 2018, in charge of ERIA's Policy Design Unit.

9. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(Cont'd)*

She currently serves on the Board of Trustees of MyKasih Foundation (since January 2010) and Yayasan Hartalega (since April 2018). She has been an Independent Non-Executive Director of Dialog Group Berhad (since November 2022), Sunway Berhad (since March 2018), Hartalega Holdings Berhad (since August 2016) and Eco World International Berhad (since April 2017), all of which are listed on the Main Market. She was redesignated as the Senior Independent Non-Executive Director of Hartalega Holdings Berhad in May 2018 and Eco World International Berhad in March 2023. In March 2025, she was appointed as the Pro Chancellor of Sunway University, Malaysia. Further details of her directorships in other private and public limited companies are set out in Section 9.2.3 of this Prospectus.

(ii) **Lum Ying Ling**

Lum Ying Ling, a Malaysian aged 34, is our Non-Independent Non-Executive Director. She was appointed to our Board on 3 February 2025.

She graduated with First Class Honours in a Bachelor of Science (Applied Accounting) from Oxford Brookes University, the United Kingdom in March 2011. She was admitted as a member of the Association of Chartered Certified Accountants (“ACCA”) in February 2017 and is a Fellow of ACCA since February 2022. She is also a Member of ICDM since July 2024.

In October 2012, she began her career with The Boston Consulting Group Sdn Bhd (“BCG”) as Associate and was subsequently promoted to Senior Associate in January 2015 where she was responsible for performing analysis and driving initiatives for clients’ engagements. In December 2015, she was posted to The Boston Consulting Group Pty Ltd in Sydney, Australia to facilitate her secondment to Cape York Partnership, a non-profit organisation that works to empower the Indigenous communities in Australia as Junior Consultant where she assisted on key strategic projects. After the end of her secondment with Cape York Partnership, Australia, she relocated back to Malaysia in April 2017 as Consultant of BCG and was later promoted to Project Leader in September 2018 where she was responsible for leading teams to deliver client engagements across Southeast Asia.

In March 2019, she left BCG and joined iflix Sdn Bhd as Director of Content Strategy and Analytics where she was responsible for the analysis of user data to assess the types of media content suitable for the platform’s target audience. She left iflix Sdn Bhd in May 2020 and took a short career break. She joined Creador Sdn Bhd in August 2020 as Vice President and was subsequently promoted to Senior Vice President in July 2023 and Director in October 2024, where she works closely with Creador’s portfolio companies to drive strategic and commercial growth.

She has been a Non-Independent Non-Executive Director of Eco-Shop Marketing Berhad since April 2024, a company listed on the Main Market. Further details of her directorships in other private limited companies are set out in Section 9.2.3 of this Prospectus.

(iii) **Dato’ Razman Hafidz bin Abu Zarim**

Dato’ Razman Hafidz bin Abu Zarim, a Malaysian aged 69, is our Independent Non-Executive Director. He was appointed to our Board on 13 March 2020.

9. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(Cont'd)*

He graduated with a joint-honours degree in Economics and Accounting, Bachelor of Science (Econs) from the University College, Cardiff, the United Kingdom in July 1977. He is a Fellow of the Institute of Chartered Accountants in England and Wales since April 1982 and a Member of the MIA since February 1990. He has over 47 years of experience in the field of corporate restructuring, mergers and acquisitions, corporate finance, management consulting and auditing.

He began his career with Touche Ross & Co. Chartered Accountants, the United Kingdom in October 1977 as an Audit Junior and was later promoted to Audit Supervisor in January 1983 where he was responsible for the audit of a portfolio of clients in various industries including financial services and retail. He left in April 1984 and later joined Hacker Young Chartered Accountants, the United Kingdom in May 1984 as Assistant Audit Manager where he led the audit team on audit engagements and managed a portfolio of audit clients. He was subsequently admitted as an Audit Partner in January 1987 where he oversaw a team of audit managers, co-founded the firm's corporate finance practice and was involved in the expansion of the firm's international affiliations in Europe and the Far East. In October 1989, he returned to Malaysia as an Audit Partner of Price Waterhouse where he was responsible for overseeing audit and special assignments including financial management and strategic advice. In January 1993, he was promoted to Partner-in-Charge of Price Waterhouse's Management Consulting Practice and became an Executive Committee member where he led the firm's regional privatisation and corporate finance assignments. He left Price Waterhouse in December 1993 and took a career break until September 1994. In September 1994, he established Norush Sdn Bhd, an investment holding and business advisory firm, where he served as the Chairman until March 2016 before the company was dissolved in February 2017. He also served as the CEO of Malaysian Assurance Alliance Berhad from January 2000 to June 2002, overseeing both the life and general insurance businesses. Additionally, he was the Group CEO of Mithril Berhad from January 2007 to August 2010, overseeing the operations of the group's subsidiary companies.

In October 2012, he was appointed as the Chairman and Independent Non-Executive Director of Tune Protect Group Berhad and was later re-designated to Group CEO in July 2016 where he oversaw the strategy implementation and management of the reinsurance, general insurance and e-insurance operations of the group. He retired in December 2018 and assumed the role of an advisor to the board of directors of Tune Protect Group Berhad until July 2019.

Since November 2021, he has been the Chairman of Majlis Agama Islam Negeri Sembilan (MAINS) Corporation, established under the MAINS Corporation Enactment No. 17, passed by the Negeri Sembilan State Assembly in October 2021. MAINS Corporation's role is to assist MAINS to manage its investments, businesses and commercialisation of its assets.

He also held various positions as Independent Director on the board of several public listed companies including, Panasonic Manufacturing Malaysia Berhad (from June 2004 to December 2016), Linde Malaysia Holdings Berhad (from December 2003 to December 2016), Sumitomo Mitsui Banking Corporation Malaysia Berhad (from March 2011 to March 2015) and Yeo Hiap Seng Limited (from April 2013 to April 2017). Dato' Razman was also the Independent Chairman of Sumitomo Mitsui Banking Corporation Malaysia Berhad during his tenure with them.

9. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(Cont'd)*

He was appointed as an Independent Non-Executive Director of Hartalega Holdings Berhad, a company listed on the Main Market in March 2015 and was redesignated as a Non-Independent Non-Executive Director in May 2024, a position he currently assumes. Further details of his directorships in other private and public limited companies are set out in Section 9.2.3 of this Prospectus.

(iv) **Chen Thai Foong**

Chen Thai Foong, a Malaysian aged 62, is our Independent Non-Executive Director. She was appointed to our Board on 3 February 2025.

She has been an Associate, Chartered Management Accountant and Chartered Global Management Accountant of the Chartered Institute of Management Accountants (“CIMA”) since February 1994 and is a Fellow of the CIMA since November 2008. She has been a Chartered Accountant of MIA since February 1995. She obtained a Master of Business Administration majoring in finance from the University of Dubuque, the United States of America in December 2000. She is a Member of ICDM since July 2024. She has over 36 years of experience in finance and treasury.

She began her career with NEC Corporation of Malaysia Sdn Bhd in 1988, where between 1988 and 1995, she rose through the ranks from Accountant to Finance and Administration Manager where she was responsible for the finance, company secretarial and administrative related matters of the company. She then joined Amoco Chemical Malaysia Sdn Bhd (now known as RP Chemicals (Malaysia) Sdn Bhd) from May 1995 to May 2000 as Finance Manager where she was responsible for financial and management reporting, as well as the day-to-day operations of the finance team. She later joined Leo Burnett Advertising Sdn Bhd as Finance Manager cum Company Secretary from June 2000 to September 2001 where she was responsible for all operational matters concerning finance and assisted in overseeing the IT, human resource and administrative functions of the Leo Burnett group in Malaysia. In October 2001, she became the Financial Controller cum Company Secretary of Malaysian Oxygen Berhad (now known as Linde Malaysia Sdn Bhd) until September 2005 where she was responsible for the financial planning and compliance of the organisation.

From October 2005 to April 2008, she was the Chief Financial Officer of DHL Express (Malaysia) Sdn Bhd where she was responsible for overseeing the financial actions and strategy of the organisation, leading the implementation of cost saving policies and systems. She was later appointed as the Head of Procure to Pay, Record to Report and Quality Assurance/Deputy Head for Asia Pacific, Eastern Europe, Middle East and Africa at DHL Asia Pacific Shared Services Sdn Bhd from May 2008 to June 2012 where she was responsible for the shared services in these regions. From June 2012 to July 2014, she became Director of Shared Services in Lafarge Malaysia Berhad (now known as Malayan Cement Berhad) where she led and managed its shared services operations and activities. From August 2014 to April 2016, she was the Group Chief Financial Officer of Taylor’s Education Group in charge of all finance and treasury related matters. She left Taylor’s Education Group and joined CTOS Data Systems Sdn Bhd as its Chief Financial Officer in April 2016 and was redesignated to Group Chief Financial Officer of CTOS Holdings Sdn Bhd (now known as CTOS Digital Berhad) in May 2021 where she oversaw all finance related matters of the group until her retirement in January 2023.

9. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(Cont'd)*

She has been an Independent Non-Executive Director of Eco-Shop Marketing Berhad since October 2023, a company listed on the Main Market. Further details of her directorships in other private limited companies are set out in Section 9.2.3 of this Prospectus.

(v) **Low Chooi Hoon**

Low Chooi Hoon, a Malaysian aged 53, is our Independent Non-Executive Director. She was appointed to our Board on 3 February 2025.

She graduated with First Class Honours in Bachelor Degree of Business Administration from Universiti Utara Malaysia in August 1995. She is a Certified Professional Coach and a Certified Master Coach from the Corporate Coach Academy since October 2010 and November 2024 respectively. She has been a member of the Malaysian Association of Certified Coaches since July 2010. She is also a Director Member of LeadWomen Malaysia since March 2022 and a Fellow of the Institute of Corporate Directors Malaysia since November 2022. She further obtained her accreditation as a HRD Corp Accredited Trainer in May 2024.

She started her career as Management Trainee at Unilever (Malaysia) Holdings Sdn Bhd in July 1995. Following the completion of her management training, she was offered a position as Assistant Brand Manager in September 1996 and was subsequently promoted as Brand Manager in July 1998 where she was responsible for the brand development, marketing and sales innovation of personal care products. She left Unilever (Malaysia) Holdings Sdn Bhd in July 2000 and joined Sara Lee Malaysia Sdn Bhd in August 2000 as Marketing Manager where she was responsible for the development and implementation of brand and marketing strategies for personal care and household products. In July 2003, she was promoted to Marketing Director where she was responsible for overseeing the marketing, innovation, research and development, quality assurance and corporate public relation functions of the company. She was also appointed as an Executive Director of Sara Lee South East Asia Sdn Bhd from March 2004 until she left Sara Lee Malaysia Sdn Bhd in September 2011. She took a career break from October 2011 until April 2012 for personal reasons.

In April 2012, she joined L'Oreal Malaysia Sdn Bhd as General Manager for the Consumer Products Division where she was responsible for overseeing the sales, marketing, visual merchandising, public relations, supply chain and finance departments for consumer products. In March 2014, she left L'Oreal Malaysia Sdn Bhd and joined Disposable Soft Goods (M) Sdn Bhd (now known as Uni-Charm Malaysia Trading Sdn Bhd) in July 2014 as General Manager for Malaysia and Singapore, overseeing the manufacturing and commercial aspects of the business including the sales, marketing, finance, purchasing and human resources functions of the company. She was also appointed as an Executive Director of the company from February 2015 to May 2016. She left Disposable Soft Goods (M) Sdn Bhd in July 2016 and subsequently took a career break until January 2017.

In February 2017, she joined Etika Sdn Bhd as the COO for Malaysia, Singapore and Brunei in the Commercial Division, where she was mainly responsible for the sales, marketing, finance, sales operation, supply chain and business strategies of Etika Sdn Bhd's group of companies in the region. She was also appointed as an Executive Director of Etika Sdn Bhd in March 2017 to August 2019. She subsequently left her position as COO of Etika Sdn Bhd in June 2019 and resigned as an Executive Director of Etika Sdn Bhd in August 2019.

9. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

In September 2019, she was engaged by myNEWS Retail Sdn Bhd, a wholly-owned subsidiary of myNEWS Holdings Berhad (“myNEWS”), as a part-time consultant where she provided advice on business strategies and process streamlining. In November 2020, she was appointed as the CEO – Retail of myNEWS Retail Sdn Bhd where she was primarily responsible for overseeing the overall business and operations of the company and MyCU Retail Sdn Bhd, a wholly-owned subsidiary of myNEWS. During her tenure at myNEWS Retail Sdn Bhd, she also held directorships in MyCU Retail Sdn Bhd, myNEWS Kineya Sdn Bhd and myNEWS Ryoyupan Sdn Bhd. In April 2022, she ceased to hold these directorships and was redesignated from the position of CEO - Retail of myNEWS Retail Sdn Bhd to a part-time consultant of myNEWS prior to her retirement in August 2022. She was a part-time consultant at Presto Technology Sdn Bhd from September 2022 to April 2024 where she provided advice on business management. She was an Independent Non-Executive Director of Eco-shop Marketing Sdn Bhd (now known as Eco-Shop Marketing Berhad) from October 2023 to October 2024.

Currently, she is a part-time retainer consultant at SCC Marketing (M) Sdn Bhd since July 2022, providing advice on matters including marketing, innovation, human resource, and environmental, social and governance. As at the LPD, she is an Independent Non-Executive Director of MSM Malaysia Holdings Berhad, a company listed on the Main Market. Further details of her directorships in other private limited companies are set out in Section 9.2.3 of this Prospectus.

(vi) Yeow Boon Siang

Yeow Boon Siang, aged 44, is our Alternate Director to Loo Chuu Lin and our International Business Director. He was appointed to our Board on 13 March 2020.

He graduated with a Bachelor of Science in Applied Chemistry from the University of Malaya, Malaysia in August 2004. He has over 20 years of experience in the field of procurement and business development.

He began his career with Shell Malaysia Trading Sdn Bhd in May 2004 as Contracts Executive where he was involved in the procurement of buildings for, and the commissioning of, petrol station sites. In May 2008, he was promoted to Retail Procurement Manager in Marketing for Asia where he was in charge of handling contract negotiations and managing the Shell convenience retail stores in Southeast Asia, Hong Kong and China.

He left Shell Malaysia Trading Sdn Bhd in June 2011 and joined our Group in July 2011 as Business Development Director where he was responsible for new business ventures and strategic partnership of our Group. He was promoted to his current role of International Business Director in February 2018 where he leads the international expansion team in international business expansion and international and corporate partnerships of our Group. He is primarily responsible for overseeing the initial stages of our international expansion including exploring, evaluating and assessing potential opportunities, developing transaction structures, and negotiating commercial terms.

Further details of his directorships in other private limited companies are set out in Section 9.2.3 of this Prospectus.

9. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

9.2.2 Shareholding of our Directors

The following table sets out the direct and indirect shareholdings of our Directors before and after our IPO:

Directors	Before our IPO ⁽¹⁾				After our IPO ⁽²⁾							
	Direct		Indirect		Assuming the Over-allotment Option is not exercised				Assuming the Over-allotment Option is fully exercised			
	No. of Shares		No. of Shares		Direct		Indirect		Direct		Indirect	
	No. of Shares ('000)	%	No. of Shares ('000)	%	No. of Shares ('000)	%	No. of Shares ('000)	%	No. of Shares ('000)	%	No. of Shares ('000)	%
Tan Sri Datuk Dr. Rebecca Fatima Sta Maria	-	-	-	-	-	-	-	-	-	-	-	-
Loo Chuu Lin	224,299	20.2	-	-	208,317	17.8	-	-	208,317	17.8	-	-
Bryan Loo	242,551	21.8	-	-	225,268	19.3	-	-	225,268	19.3	-	-
Loo Chee Leng	189,492	17.1	-	-	175,989	15.1	-	-	175,989	15.1	-	-
Lum Ying Ling	-	-	-	-	-	-	-	-	-	-	-	-
Dato' Razman Hafidz bin Abu Zarim	-	-	-	-	250	*	-	-	250	*	-	-
Chen Thai Foong	-	-	-	-	250	*	-	-	250	*	-	-
Low Chooi Hoon	-	-	-	-	-	-	-	-	-	-	-	-
Yeow Boon Siang	-	-	-	-	-	-	-	-	-	-	-	-

Notes:

* Negligible.

(1) Based on the issued Shares of 1,110,728,703 after the Pre-IPO Restructuring.

(2) Based on the enlarged issued Shares of 1,169,188,203 upon our Listing and assuming full subscription of our Issue Shares allocated to the Eligible Persons in respect of the Retail Offering.

9. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

9.2.3 Principal business activities performed by our Directors outside our Group in the past five (5) years

Save as disclosed below, none of our Directors are involved in principal business activities outside our Group as at the LPD or hold directorships in other companies outside our Group at present and in the past five (5) years preceding the LPD:

Name of company/entity	Principal activities	Involvement in business activities
Tan Sri Datuk Dr. Rebecca Fatima Sta Maria		
<u>Present involvement</u>		
Dialog Group Berhad (listed on the Main Market)	Investment holding and its subsidiaries are principally involved in the provision of logistic assets and services in tank terminals and supply base, upstream assets and services, engineering, procurement, construction, commissioning and fabrication, specialist products and services, plant maintenance and catalyst handling services, petrochemicals, sustainable and renewable business and digital technology and solutions	Independent Non-Executive Director (Appointed on 18 November 2022)
Eco World International Berhad (listed on the Main Market)	Investment holding and its subsidiaries are principally involved in investment holding, provision of advisory and project monitoring services, promoting and marketing services for international projects and property development.	Senior Independent Non-Executive Director (Appointed as Independent Non-Executive Director on 27 April 2017 and redesignated as Senior Independent Non-Executive Director on 22 March 2023) and shareholder via her spouse's interest (indirect)
Hartalega Holdings Berhad (listed on the Main Market)	Investment holding and its subsidiaries are principally involved in the research and development, manufacturing, sales and marketing of gloves	Senior Independent Non-Executive Director (Appointed as Independent Non-Executive Director on 23 August 2016 and redesignated as Senior Independent Non-Executive Director on 15 May 2018)
Ideas Policy Research Berhad	A nonprofit research institute based in Malaysia dedicated to promoting solutions to public policy challenges	Director (Appointed on 16 November 2017)

9. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

Name of company/entity	Principal activities	Involvement in business activities
MyKasih Foundation	A non-profit organisation with a mission to help families and students in need	Director - Trustee (Appointed on 26 January 2010)
Pathology Asia Holdings Pte Ltd	Activities of holding companies and medical laboratories (e.g. blood analysis laboratories)	Director (Appointed on 1 January 2023)
Sunway Berhad (listed on the Main Market)	Investment holding and its subsidiaries are principally involved in construction, property development and management, property investment, hospitality and leisure related services, pharmaceutical, trading and manufacturing, financial and credit related services, quarry and investment activities	Independent Non-Executive Director (Appointed on 1 March 2018)
Yayasan Hartalega	A charitable organisation that focuses on improving the life of underprivileged communities	Director - Trustee (Appointed on 10 April 2018)

Past directorship

MEF Berhad (dissolved on 29 March 2022)	To promote Malaysia in Europe and vice versa through cooperation, interaction and exchange of ideas and dialogue at all levels; to promote Malaysia's image and standing with European Union; and to endeavour, to support worth causes that benefit Malaysian and European communities	Director (Appointed on 24 February 2009)
RHB Bank Berhad (listed on the Main Market)	Financial institution	Independent Non-Executive Director (Appointed on 1 August 2016 and resigned on 1 June 2023)

Loo Chuu LinPresent involvement

Bubbly Tales	Trading and retail of F&B	Substantial shareholder via Yunan Bridge Noodle (indirect)

9. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

Name of company/entity	Principal activities	Involvement in business activities
Define Foods	Business support services	Substantial shareholder via LV Holdings (indirect)
Good Foodie Media Pte Ltd	Advertising	Substantial shareholder via LV Holdings (indirect)
Good Foodie	Advertising and e-commerce	Substantial shareholder (direct)
H And H Northern Partners Sdn Bhd	Property investment	Substantial shareholder (direct)
Imbue Ventures Sdn Bhd	Property investment	Director (Appointed on 16 June 2021) and substantial shareholder (direct)
Kim Le Vy Trading	Provision of management consultancy activities and wholesale of goods and beverages	Substantial shareholder via TrueScale Ventures (indirect)
LH KD Property	Property investment	Director (Appointed on 31 March 2023) and substantial shareholder via LV Holdings (indirect)
LH Venture	F&B outlets	Substantial shareholder via LV Holdings (indirect)
Loob Philippines	To carry on a business of processing, manufacturing and packaging of all kinds of food products, to establish, operate and maintain restaurants, food and beverage outlets, cafés, coffeeshops, and refreshment parlours; to serve, arrange and cater food, drinks, refreshments and other food commodities; to offer such other food services to the public; and to do and perform such other acts and things necessary or incidental to the accomplishment of the foregoing corporate business and objects insofar as may be allowed by applicable laws and rules and regulations including without limitation, to invest, own, or hold interests in similar businesses	Substantial shareholder via TrueScale Ventures (indirect)

9. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

Name of company/entity	Principal activities	Involvement in business activities
LV Holdings VN	Provision of management consultancy activities and wholesale of goods and beverages	Substantial shareholder via TrueScale Ventures (indirect)
LV Holdings	Investment holding in shares of Define Foods, Good Foodie Media Pte Ltd, LH KD Property, LH Venture, LV Holdings (SG) Pte Ltd (formerly known as Loob Singapore Pte Ltd) and Zendeck (the principal activities of these companies are set out in Section 9.2.3 of this Prospectus)	Director (Appointed on 30 June 2014) and substantial shareholder (direct)
LV Holdings (SG) Pte Ltd (formerly known as Loob Singapore Pte Ltd)	Inactive⁽¹⁾ (Previous principal activities: Investment holding)	Substantial shareholder via LV Holdings (indirect)
Notable Paramount	To carry on the business of processing and production of beverage, fruit products, tea and related products, starch and starch products, biotechnology research and development, food sales and trading, import and export of goods and the sales of other foods or articles which may be conveniently sold therewith and to do all such other things and businesses as are incidental to or connected therewith or conducive to the attainment thereof or otherwise likely in any respect to be advantageous to the company respect	Substantial shareholder via Loob (indirect)
Pure Infinite (under members' voluntary liquidation)	Trading of F&B	Substantial shareholder via Loob (indirect)
TrueScale Ventures	Investment holding in shares of Loob Philippines and LV Holdings VN (the principal activities of these companies are set out in Section 9.2.3 of this Prospectus)	Director (Appointed on 20 November 2024) and substantial shareholder (direct)
WonderBrew	Marketing of beverages	Substantial shareholder via Loob (indirect)
Wonder Group	Manufacturer and wholesale of coffee, tea, cocoa and other beverages	Substantial shareholder via Loob (indirect)
Yunan Bridge Noodle	Operation of F&B retail outlets	Substantial shareholder (direct)

9. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

<u>Name of company/entity</u>	<u>Principal activities</u>	<u>Involvement in business activities</u>
Z.U. Engineering Sdn Bhd	Inactive⁽²⁾ (Previous principal activities: General construction, supplying, installing and servicing air conditioners and ventilators)	Director (Appointed on 5 May 1994) and substantial shareholder (direct)
Zendeck	Import and distribution of variety of goods without particular specialisation	Substantial shareholder via LV Holdings (indirect)
Zumeck Sdn Bhd	Inactive⁽¹⁾ (Previous principal activities: Act as contractors, specialising in mechanical engineering work and its related services)	Director (Appointed on 16 February 2011) and substantial shareholder (direct)
<u>Past directorship</u>		
Container Hotel Group Sdn Bhd	Acquisition, management and operation of hotels	Director (Appointed on 12 July 2012 and resigned on 14 April 2023)
Bryan Loo		
<u>Present involvement</u>		
Collektr Sdn Bhd	Activities of providing infrastructure for hosting, data processing services and related activities, other information technology service activities and web portals	Preference shareholder
Define Foods	Business support services	Director (Appointed on 30 March 2012) and substantial shareholder via LV Holdings (indirect)
Ding Dang Holdings	Convenience stores	Director (Appointed on 27 September 2021) and substantial shareholder (direct)
Good Foodie Media Pte Ltd	Advertising	Director (Appointed on 27 May 2022) and substantial shareholder via LV Holdings (indirect)

9. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

Name of company/entity	Principal activities	Involvement in business activities
• Good Foodie	• Advertising and e-commerce	• Director (Appointed on 1 July 2022) and substantial shareholder (direct)
• Happy Potato Ventures	• Retail sale of other food products, soft drinks and mineral water	• Director (Appointed on 27 December 2023) and substantial shareholder (direct)
• Happy Potato Ventures Northern	• Retail sale of other food products, soft drinks and mineral water	• Director (Appointed on 19 February 2024) and substantial shareholder via Happy Potato Ventures (indirect)
• Imbue Ventures Sdn Bhd	• Property investment	• Director (Appointed on 10 November 2014, resigned on 28 February 2020 and reappointed on 16 June 2021) and substantial shareholder (direct)
• Kim Le Vy Trading	• Provision of management consultancy activities and wholesale of goods and beverages	• Director (Appointed on 18 December 2019) and substantial shareholder via TrueScale Ventures (indirect)
• LH Venture	• F&B outlets	• Director (Appointed on 18 January 2016) and substantial shareholder via LV Holdings (indirect)
• LH KD Property	• Property investment	• Director (Appointed on 31 March 2023) and substantial shareholder via LV Holdings (indirect)

9. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

Name of company/entity	Principal activities	Involvement in business activities
Loob Philippines	To carry on a business of processing, manufacturing and packaging of all kinds of food products, to establish, operate and maintain restaurants, food and beverage outlets, cafés, coffeeshops, and refreshment parlors; to serve, arrange and cater food, drinks, refreshments and other food commodities; to offer such other food services to the public; and to do and perform such other acts and things necessary or incidental to the accomplishment of the foregoing corporate business and objects insofar as may be allowed by applicable laws and rules and regulations including without limitation, to invest, own, or hold interests in similar businesses	Director (Appointed on 10 November 2022) and substantial shareholder via TrueScale Ventures (indirect)
LV Holdings VN	Provision of management consultancy activities and wholesale of goods and beverages	Director (Appointed on 21 September 2017) and substantial shareholder via TrueScale Ventures (indirect)
LV Holdings (SG) Pte Ltd (formerly known as Loob Singapore Pte Ltd)	Inactive⁽¹⁾ (Previous principal activities: Investment holding)	Director (Appointed on 29 December 2017 and substantial shareholder via LV Holdings (indirect)
LV Holdings	Investment holding in shares of Define Foods, Good Foodie Media Pte Ltd, LH KD Property, LH Venture, LV Holdings (SG) Pte Ltd (formerly known as Loob Singapore Pte Ltd) and Zendeck (the principal activities of these companies are set out in Section 9.2.3 of this Prospectus)	Director (Appointed on 30 June 2014) and substantial shareholder (direct)
Movon Angel PLT	Investment holding in shares of a non-listed company principally involved in the business of direct selling, selling and marketing of product and services (home/office appliance, security appliance, baby and children's products, mother care products, cosmetics and skincare products and a wide range of goods, services products and solutions) and other information technology service activities	Partner (Joined on 4 January 2024)

9. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

Name of company/entity	Principal activities	Involvement in business activities
Notable Paramount	To carry on the business of processing and production of beverage, fruit products, tea and related products, starch and starch products, biotechnology research and development, food sales and trading, import and export of goods and the sales of other foods or articles which may be conveniently sold therewith and to do all such other things and businesses as are incidental to or connected therewith or conducive to the attainment thereof or otherwise likely in any respect to be advantageous to the company respect	Director (Appointed on 27 December 2019 and resigned on 28 June 2021) and substantial shareholder via Loob (indirect)
Pure Infinite (under members' voluntary liquidation)	Trading of F&B	Director (Appointed on 2 March 2012) and substantial shareholder via Loob (indirect)
Signature Tasty Claypot House Holding Sdn Bhd	Restaurants operator, royalty owner, licensor and administrators of food patent and engaged as general trader	Preference shareholder
TrueScale Ventures	Investment holding in shares of Loob Philippines and LV Holdings VN (the principal activities of these companies are set out in Section 9.2.3 of this Prospectus)	Director (Appointed on 20 November 2024) and substantial shareholder (direct)
WonderBrew	Retail sale of tea, coffee, soft drinks, mineral water and other beverages, and marketing of beverages	Substantial shareholder via Loob (indirect)
Wonder Group	Manufacturer and wholesale of coffee, tea, cocoa and other beverages	Substantial shareholder via Loob (indirect)
Zendeck	Import and distribution of variety of goods without particular specialisation	Director (Appointed on 24 August 2017 and resigned on 6 March 2025) and substantial shareholder via LV Holdings (indirect)
<u>Past directorship</u>		
BNC Beverage Sdn Bhd (Dissolved on 30 June 2023)	Trading and retail of F&B	Director (Appointed on 11 October 2012)

9. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

Name of company/entity	Principal activities	Involvement in business activities
• Detime F&B Sdn Bhd (dissolved on 29 March 2024)	• Trading and retail of F&B	• Director (Appointed on 15 December 2011)
• Focal Ace Sdn Bhd (dissolved on 24 May 2021)	• Ceased business operation (Previous principal activities: Operator of franchised retail outlet)	• Director (Appointed on 25 October 2011)
• Kenyang VC Sdn Bhd (dissolved on 13 June 2024)	• Activities of holding companies, other retail sale in non-specialised stores, real estate activities with own or leased property	• Director (Appointed on 4 January 2021)
• Hakata Vietnam Company Limited (dissolved on 25 April 2023)	• Operation of F&B retail outlet	• Director (Appointed on 20 June 2019)
• Milieu Sdn Bhd (dissolved on 10 August 2024)	• Retail of F&B	• Director (Appointed on 17 May 2010)
• Shanghai Bolu Food Technology Co., Ltd (deregistered on 3 July 2023)	• Dormant (Previous principal activities: Beverage research and development, enterprise management, corporate image planning, brand planning, food sales and catering services)	• Director (Appointed on 3 December 2018)
• Shanghai Lusheng Food Co., Ltd (deregistered on 29 April 2024)	• Dormant (Previous principal activities: Enterprise management, corporate image planning, brand design, food sales, import and export of goods and technology, and catering services)	• Director (Appointed on 17 March 2019)
• The Jerk Australia Pty Ltd	• Dormant since incorporation	• Director (Appointed on 2 January 2020 and resigned on 11 August 2023)
• The Jerk South Yarra Pty Ltd	• Dormant (Previous principal activities: Operation of F&B retail outlets)	• Director (Appointed on 4 February 2020 and resigned on 28 October 2021)
• The Jerk Worldwide Pty Ltd	• Dormant since incorporation	• Director (Appointed on 2 January 2020 and resigned on 11 August 2023)
• TLV Sandokan Sdn Bhd (dissolved on 23 July 2024)	• Retail sale of other food products, retail sale of tea, coffee, soft drinks, mineral water and other beverages	• Director (Appointed on 2 August 2019)

9. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

Name of company/entity	Principal activities	Involvement in business activities
WG Melton Pty Ltd (deregistered on 4 January 2025)	Dormant (Previous principal activities: Operation of F&B retail outlets)	Director (Appointed on 26 February 2020)
Loo Chee Leng		
<u>Present involvement</u>		
Bubbly Tales	Trading and retail of F&B	Substantial shareholder via Yunan Bridge Noodle (indirect)
Define Foods	Business support services	Substantial shareholder via LV Holdings (indirect)
Good Foodie Media Pte Ltd	Advertising	Substantial shareholder via LV Holdings (indirect)
Good Foodie	Advertising and e-commerce	Director (Appointed on 1 July 2022) and substantial shareholder (direct)
Imbue Ventures Sdn Bhd	Property investment	Director (Appointed on 16 June 2021) and substantial shareholder (direct)
Kim Le Vy Trading	Provision of management consultancy activities and wholesale of goods and beverages	Substantial shareholder via TrueScale Ventures (indirect)
LH Venture	F&B outlets	Substantial shareholder via LV Holdings (indirect)
LH KD Property	Property investment	Director (Appointed on 31 March 2023) and substantial shareholder via LV Holdings (indirect)

9. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

Name of company/entity	Principal activities	Involvement in business activities
Loob Philippines	To carry on a business of processing, manufacturing and packaging of all kinds of food products, to establish, operate and maintain restaurants, food and beverage outlets, cafés, coffeeshops, and refreshment parlors; to serve, arrange and cater food, drinks, refreshments and other food commodities; to offer such other food services to the public; and to do and perform such other acts and things necessary or incidental to the accomplishment of the foregoing corporate business and objects insofar as may be allowed by applicable laws and rules and regulations including without limitation, to invest, own, or hold interests in similar businesses	Director (Appointed on 10 November 2022) and substantial shareholder via TrueScale Ventures (indirect)
LV Holdings VN	Provision of management consultancy activities and wholesale of goods and beverages	Director (Appointed on 21 September 2017) and substantial shareholder via TrueScale Ventures (indirect)
LV Holdings	Investment holding in shares of Define Foods, Good Foodie Media Pte Ltd, LH KD Property, LH Venture, LV Holdings (SG) Pte Ltd (formerly known as Loob Singapore Pte Ltd) and Zendeck (the principal activities of these companies are set out in Section 9.2.3 of this Prospectus)	Substantial shareholder (direct)
LV Holdings (SG) Pte Ltd (formerly known as Loob Singapore Pte Ltd)	Inactive⁽¹⁾ (Previous principal activities: Investment holding)	Substantial shareholder via LV Holdings (indirect)
TrueScale Ventures	Investment holding in shares of Loob Philippines and LV Holdings VN (the principal activities of these companies are set out in Section 9.2.3 of this Prospectus)	Director (Appointed on 20 November 2024) and substantial shareholder (direct)
Yunan Bridge Noodle	Operation of F&B retail outlets	Substantial shareholder (direct)
Zendeck	Import and distribution of variety of goods without particular specialisation	Substantial shareholder via LV Holdings (indirect)

9. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

Name of company/entity	Principal activities	Involvement in business activities
<u>Past directorship</u>		
Shanghai Lusheng Food Co., Ltd (deregistered on 29 April 2024)	Dormant (Previous principal activities: Enterprise management, corporate image planning, brand design, food sales, import and export of goods and technology, and catering services)	Director (Appointed on 28 August 2018)
TLV Sandokan Sdn Bhd (dissolved on 23 July 2024)	Retail sale of other food products, retail sale of tea, coffee, soft drinks, mineral water and other beverages	Director (Appointed 25 July 2022)
Lum Ying Ling		
<u>Present involvement</u>		
CA Flavor Sdn Bhd (subsidiary of Savoures Group Sdn Bhd)	Manufacturing of food products	Director (Appointed on 7 July 2023)
Custom Food	Trading company and manufacturing of a wide range of non-dairy creamer, high fat powder and nutrition powder for F&B application, manufacturer of wide range of drum and vacuum dried food ingredients, particularly instant malt extract cereal, cereal flakes, cereal powder, malt extract powder, malted beverages powder and etc	Director (Appointed on 1 April 2024)
Eco-Shop Marketing Berhad	Business of retailing of groceries, general consumer goods, wholesaler of rice, oil, flour and sugar and provision of transportation services, e-commerce and online business of variety of products, and investment holding and its subsidiaries are principally involved in the manufacturing, distribution, export, import, sale or dealing in plastic products for daily consumer use, and trading of computer hardware, software and peripherals	Non-Independent Non-Executive Director (Appointed on 1 April 2024)
Mark's Food Solutions Sdn Bhd (subsidiary of SC Food)	Business of manufacturing of all types of gravy, pastry and soup in food industry	Director (Appointed on 10 October 2024)

9. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

Name of company/entity	Principal activities	Involvement in business activities
Mark's RTE Solutions Sdn Bhd (subsidiary of Mark's Food Solutions Sdn Bhd)	Retail sale of other food products	Director (Appointed on 10 October 2024)
NVT Associates Pte Ltd	Manufacturing of tool and die	Substantial shareholder (direct)
Orion Food Industries (M) Sdn Bhd (subsidiary of Savoures Group Sdn Bhd)	Manufacturer and general trader of food and food related merchandise	Director (Appointed on 11 October 2023)
Savoures Group Sdn Bhd	Investment holding with subsidiaries involved in F&B business	Director (Appointed on 3 April 2024)
SC Food (subsidiary of Orion Food Industries (M) Sdn Bhd)	Manufacture processed foods, precooked foods, preserved foods and all other food products, property investment holdings and activities of holding companies	Director (Appointed on 22 September 2023)
<u>Past directorship</u>		
Truescale Ventures	Investment holding in shares of Loob Philippines and LV Holdings VN (the principal activities of these companies are set out in Section 9.2.3 of this Prospectus)	Director (Appointed on 20 November 2024 and resigned on 15 January 2025)
Dato' Razman Hafidz bin Abu Zarim		
<u>Present involvement</u>		
Hartalega Holdings Berhad (listed on the Main Market)	Investment holding and its subsidiaries are principally involved in the research and development, manufacturing, sales and marketing of gloves	Non-Independent Non-Executive Director (Appointed as Independent Non-Executive Director on 2 March 2015 and redesignated as Non-Independent Non-Executive Director on 21 May 2024)

9. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

Name of company/entity	Principal activities	Involvement in business activities
MTT Shipping and Logistics Berhad	Investment holding and its subsidiaries are principally involved in the provision of container shipping services, ship management services, asset management, auto logistics, depot services and flexitank	Independent Non-Executive Director (Appointed on 6 November 2019)
NRT Ventures Holdings Sdn Bhd	Management consulting	Director (Appointed on 1 May 2022) and substantial shareholder (direct)
Rhaz Sdn Bhd	Inactive⁽¹⁾ (Previous principal activities: Export or import of a variety of goods without any particular specialisation. This company has not commenced business operations since incorporation)	Director (Appointed on 5 January 1985) and substantial shareholder (direct)
<u>Past directorship</u>		
Style Ventures Sdn Bhd (dissolved on 16 September 2022)	Manufacturers and dealers in jewelleryes	Director (Appointed on 17 July 2007)
Chen Thai Foong		
<u>Present involvement</u>		
Eco-Shop Marketing Berhad	Business of retailing of groceries, general consumer goods, wholesaler of rice, oil, flour and sugar and provision of transportation services, e-commerce and online business of variety of products, and investment holding and its subsidiaries are principally involved in the manufacturing, distribution, export, import, sale or dealing in plastic products for daily consumer use, and trading of computer hardware, software and peripherals	Independent Non-Executive Director (Appointed on 12 October 2023)
<u>Past directorship</u>		
Nil	Nil	Nil

9. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

Name of company/entity	Principal activities	Involvement in business activities
Low Chooi Hoon		
<u>Present involvement</u>		
MSM Holdings Berhad (listed on the Main Market)	Investment holding and its subsidiaries are principally involved in sugar refining, sales and marketing of refined sugar products, and provision of transportation services	Independent Non-Executive Director (Appointed on 1 July 2024)
<u>Past directorship</u>		
Eco-Shop Marketing Berhad	Business of retailing of groceries, general consumer goods, wholesaler of rice, oil, flour and sugar and provision of transportation services, e-commerce and online business of variety of products, and investment holding and its subsidiaries are principally involved in the manufacturing, distribution, export, import, sale or dealing in plastic products for daily consumer use, and trading of computer hardware, software and peripherals	Independent Non-Executive Director (Appointed on 12 October 2023 and resigned on 1 October 2024)
MYCU Retail Sdn Bhd	Retail and convenience-store businesses	Director (Appointed on 8 October 2020 and resigned on 1 April 2022)
MYNews Kineya Sdn Bhd	Manufacture of prepared meals and dishes, retail sale of other food products and convenience stores	Director (Appointed on 1 November 2020 and resigned on 1 April 2022)
MYNews Ryoyupan Sdn Bhd	Convenience stores, manufacture of frozen bakery products, manufacture of bread, cakes and other bakery products	Director (Appointed on 18 December 2020 and resigned on 1 April 2022)

9. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

Name of company/entity	Principal activities	Involvement in business activities
Yeow Boon Siang		
<u>Present involvement</u>		
• Crowd Venture Sdn Bhd	• Investment holding with its investee company holding shares of a company principally involved in the business of distributing beauty and healthcare products via an online platform in Indonesia	• Director (Appointed on 5 May 2016) and shareholder (direct)
• Food Cloud Kitchen Sdn Bhd	• Inactive ⁽¹⁾ (Previous principal activities: Renting and leasing of furniture, pottery and glass, kitchen and tableware, electrical appliances and housewares, development of building projects for own operation, i.e. for renting of space in these buildings and investment holding)	• Director (Appointed on 7 July 2020 and resigned on 22 October 2024) and substantial shareholder (direct)
• LH Venture	• F&B outlets	• Director (Appointed on 16 February 2016)
• SYLRD	• To set up restaurants, chain of cafes and eating houses that provides and serves F&B	• Director (Appointed on 14 April 2017 and resigned on 15 November 2019) and substantial shareholder (direct)
<u>Past directorship</u>		
• Oishinbo Tea Sdn Bhd (dissolved on 23 November 2023)	• F&B	• Director (Appointed on 22 July 2011)
• Shanghai Bolu Food Technology Co., Ltd (deregistered on 3 July 2023)	• Dormant (Previous principal activities: Beverage R&D, enterprise management, corporate image planning, brand planning, food sales and catering services)	• Director (Appointed on 3 December 2018)
• Shanghai Lusheng Food Co., Ltd (deregistered on 29 April 2024)	• Dormant (Previous principal activities: Enterprise management, corporate image planning, brand design, food sales, import and export of goods and technology, and catering services)	• Director (Appointed on 28 August 2018)

9. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(Cont'd)*

Notes:

- (1) *There is no immediate plan for this company currently.*
- (2) *The company had ceased operation in 2019.*

The involvement of our Directors as disclosed above excludes shares in public listed companies held by our Directors as minority shareholders (less than 5.00% of the total number of issued shares of the public listed company) in which they do not hold any directorship and is only held for trading and personal investment purposes.

The involvement of our Directors in other business activities outside our Group will not affect their commitment and responsibilities to our Group in their role as our Directors as:

- (i) our Non-Executive Directors are not involved in the day-to-day operations of our Group and their involvement in other business activities outside our Group will not affect their contributions to our Group; and
- (ii) our Executive Directors are of the view that their involvement in other businesses or corporations does not preclude them from allocating or committing their time and effort to our Group as they are not involved in the management and day-to-day operations of these businesses, other than attending meetings of the board of directors on which they serve or attending shareholders' meetings as a shareholder, if any.

9.2.4 Service contracts with our Directors

As at the date of this Prospectus, there are no existing or proposed service contracts between our Directors and us which provide for benefits upon termination of employment.

9. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)**9.2.5 Directors' remuneration and material benefits in-kind**

The remuneration and material benefits in-kind (including any contingent or deferred remuneration) paid or proposed to be paid to our Directors for services rendered to us in all capacities to our Group for the FYE 30 June 2024 and FYE 30 June 2025 are as follows:

FYE 30 June 2024 (Actual)	Salary	Directors' fees	Bonus	Contributions to EPF and SOCSO	Allowances	Benefits- in-kind	Total
	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Tan Sri Datuk Dr. Rebecca Fatima Sta Maria [#]	-	-	-	-	-	-	-
Loo Chuu Lin	375	-	31	79	6	-	492
Bryan Loo	561	-	47	118	6	120	851
Loo Chee Leng	498	-	41	105	6	-	650
Lum Ying Ling [#]	-	-	-	-	-	-	-
Dato' Razman Hafidz bin Abu Zarim	-	-	-	-	-	-	-
Chen Thai Foong [#]	-	-	-	-	-	-	-
Low Chooi Hoon [#]	-	-	-	-	-	-	-
Yeow Boon Siang	271	-	23	58	6	-	357
FYE 30 June 2025 (Proposed to be paid)	Salary	Directors' fees	Bonus	Contributions to EPF and SOCSO	Allowances	Benefits- in-kind	Total
	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Tan Sri Datuk Dr. Rebecca Fatima Sta Maria	-	*41	-	-	5	-	46
Loo Chuu Lin	258	129	32	56	8	-	483
Bryan Loo	578	-	48	121	6	120	873
Loo Chee Leng	513	-	43	108	6	-	669
Lum Ying Ling	-	-	-	-	-	-	-
Dato' Razman Hafidz bin Abu Zarim	-	*29	-	-	5	-	34
Chen Thai Foong	-	*29	-	-	5	-	34
Low Chooi Hoon	-	*29	-	-	5	-	34
Yeow Boon Siang	279	-	23	60	6	-	368

9. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

Notes:

There was no remuneration or material benefits in-kind (including any contingent or deferred remuneration) paid as she was only appointed to our Board on 3 February 2025, after the FYE 30 June 2024.

* Calculated on a pro rata basis from the date of appointment, 3 February 2025.

The remuneration of our Directors, which includes Directors' fees, bonus and such other allowances as well as other benefits, must be considered and recommended by our Nomination and Remuneration Committee and subsequently approved by our Board. Our Directors' fees must be further approved/endorsed by our shareholders at a general meeting.

9.2.6 Audit and Risk Management Committee

Our Audit and Risk Management Committee was formed by our Board on 20 February 2025. Our Audit and Risk Management Committee currently comprises the following members, all of whom are Independent Non-Executive Directors:

Name	Designation	Directorship
Dato' Razman Hafidz bin Abu Zarim	Chairperson	Independent Non-Executive Director
Chen Thai Foong	Member	Independent Non-Executive Director
Low Chooi Hoon	Member	Independent Non-Executive Director

Our Audit and Risk Management Committee undertakes, among others, the following functions:

(a) External Audit

- (i) to consider any matters concerning the appointment and re-appointment, the audit and non-audit fees and any questions of resignation or dismissal of external auditors;
- (ii) to ensure and annually assess the suitability, objectivity and independence of external auditors, taking into consideration:
 - (a) the adequacy of the experience, competence, audit quality and resource capacity of the external auditor in relation to the audit;
 - (b) the persons assigned to the audit;
 - (c) the accounting firm's audit engagements;
 - (d) the size and complexity of our Company being audited;
 - (e) the number and experience of supervisory and professional staff assigned to the particular audit;
 - (f) the annual evaluation on the performance of the external auditors and any required follow-up measures, where required;
 - (g) the nature and extent of the non-audit services rendered and the appropriateness of the level of fees; and

9. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

- (h) assurance from the external auditors confirming that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements;
 - (iii) to appropriately communicate the Audit and Risk Management Committee's insights, views and concerns about relevant transactions and events as well as concerns on matters that may have an effect on the financials or audit of our Company to the external auditors;
 - (iv) to review with the external auditors:
 - (a) their audit plan, scope and nature of the audit of our Group;
 - (b) their evaluation and findings of the system of risk management and internal controls;
 - (c) their audit reports on financial statements;
 - (d) the assistance given by the employees to the external auditors;
 - (e) the management letter and management's response with regard to problems and reservations arising from their audits;
 - (f) the coordination of audits where more than one audit firm is involved; and
 - (g) any other matters that the external auditors may wish to discuss (in the absence of management where necessary);
 - (v) to review the Annual Transparency Report ("ATR") of the external auditors, if applicable, or to engage with audit firms (for firms that are not required to issue ATR) on matters typically covered in the ATR including their governance and leadership structure as well as measures undertaken by the audit firm to upload the audit quality and manage risks;
- (b) to ensure that the external auditors review a statement made by our Board with regards to the state of risk management and internal control of our Company and report the results thereof to our Board;
- (c) Internal Audit
 - (i) to review and assess the adequacy of the scope, functions, competency, experience and resources of the internal audit functions, ensuring that the internal audit department or internal audit service providers report directly to the Audit and Risk Management Committee and has the necessary authority to carry out its work and report the same to our Board;
 - (ii) to ensure that the internal auditors are independent and objective, and have the relevant qualifications and be responsible for assuring the Audit and Risk Management Committee that the internal controls are operating effectively;
 - (iii) to appropriately communicate the Audit and Risk Management Committee's insights, views and concerns about relevant transactions and events as well as concerns on matters that may affect the financials or audit of our Company to the internal auditors;

9. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(Cont'd)*

- (iv) to review the internal audit plan, processes, the results of internal audit assessments or investigations undertaken and whether or not appropriate action is taken on the recommendations made and report the same to our Board; and
 - (v) to review the adequacy and effectiveness of our Group's internal control systems, anti-corruption and whistle-blowing as evaluated, identified and reported by the management, internal or external auditors as well as to review whether actions taken to ratify the same are appropriate or timely;
- (d) to ensure that the Audit and Risk Management Committee is fully informed about significant matters related to our Company's audit and its financial statements and addresses these matters;
- (e) to review the quarterly results and year-end financial statements of our Group before the approval by our Board, focusing particularly on:
 - (i) any changes in or implementation of major accounting policy changes;
 - (ii) significant matters highlighted including financial reporting issues, significant judgements made by management, significant and unusual events or transactions and, how these matters are addressed;
 - (iii) significant adjustments resulting from audit;
 - (iv) integrity of financial statements;
 - (v) the going concern assumption; and
 - (vi) compliance with accounting standards and other legal and regulatory requirements;
- (f) Risk Management
 - (i) to assist our Board to effectively discharge its risk oversight responsibilities by monitoring and overseeing our Group's risk management and processes in identifying, evaluating, monitoring and managing significant risks within our Group;
 - (ii) to review the risk profiles in respective business units and our Group;
 - (iii) to identify and communicate to our Board the key risks faced by our Group and respective business units and major changes and the management action plans to manage the risks;
 - (iv) to monitor our Group's level of risk appetite, risk tolerance and risk exposure and periodically review the same to ensure that these are aligned with risk strategy and objectives;
 - (v) to review and assess the adequacy and effectiveness of the systems of internal control, anti-corruption, whistle blowing, governance process and accounting control procedures and appropriate systems in place to manage and mitigate risks;
 - (vi) to review our Group's risk managing policy and implementation of the risk management framework; and

9. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(Cont'd)*

- (vii) to review the annual Statement on Risk Management and Internal Control to be published in the Annual Report and report the results thereof to our Board;
- (g) Sustainability
 - (i) to oversee and review the development and implementation of our Company's sustainability vision, strategy, framework, initiatives, policies and practices, and explore ways to incorporate them into our Company's overall operations and business goals;
 - (ii) to regularly review the sustainability framework of our Company which is grounded in the ESG pillars, to ensure its alignment with evolving local and global sustainability trends and developments, while also confirming its feasibility within our Company's existing resources and capabilities; and
 - (iii) to assist our Board with regard to the disclosures in the Sustainability Statement to be included in our Company's Annual Report;
- (h) Related Party Transactions
 - (i) to ensure that our Board establishes a comprehensive framework/policy to identify, evaluate, approve and report related party transactions;
 - (ii) to review with the internal auditors their quarterly report from work performed to establish whether recurring related party transactions have been carried out in accordance with the mandate approved by shareholders and on commercial terms no more favourable than those available to non-related third parties; and
 - (iii) to review non-recurring corporate proposals involving related parties to ensure that they are carried out at arm's length, in the best interest of our Group and not detrimental to the interest of minority shareholders and report the same to our Board;
- (i) Conflict of Interest Situations
 - (i) to assess all the disclosed conflicts by our Directors and key senior management, to evaluate their nature, significance and potential impact on our Group;
 - (ii) to review any conflict of interest situation that arose, persist or may arise within our Company or our Group including any transaction, procedure or course of conduct that raises questions of management integrity, and the measures taken to resolve, eliminate or mitigate such conflicts; and
 - (iii) to review and recommend appropriate measures, such as reassignment, termination or other actions if the disclosed conflict poses a significant risk to our Group;
- (j) to report to our Board any suspected frauds or irregularities, serious internal control deficiencies or suspected infringement of laws, rules and regulations which come to its attention and are of sufficient importance to warrant the attention of our Board; and

9. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

- (k) to review and conduct an annual performance evaluation of the internal and external auditors, in respect of each financial year under review, to monitor the performance, suitability, objectivity and independence of the internal and external auditors as well as undertake follow-up measures, where required.

9.2.7 Nomination and Remuneration Committee

Our Nomination and Remuneration Committee was established by our Board on 20 February 2025. Our Nomination and Remuneration Committee currently comprises the following members, all of whom are Independent Non-Executive Directors:

Name	Designation	Directorship
Low Chooi Hoon	Chairperson	Independent Non-Executive Director
Dato' Razman Hafidz bin Abu Zarim	Member	Independent Non-Executive Director
Chen Thai Foong	Member	Independent Non-Executive Director

Our Nomination and Remuneration Committee undertakes, among others, the following functions:

(a) Nomination Role

- (i) to identify, review, assess, recommend and nominate suitable candidates for appointment as Directors of our Company, as well as retiring Directors seeking re-election at the AGM;
- (ii) to evaluate the necessary mix of skills, experience, core competencies and diversity (including age, cultural background, and gender) of our Board and our Board Committees;
- (iii) to review the size, structure, balance and composition of our Board and our Board Committees to ensure optimal performance and ensuring that the composition of our Board is refreshed periodically;
- (iv) to review and evaluate the contributions made by each member of our Board, including the Independent Non-Executive Directors and the Chairperson of our Board, as well as the CEO, COO and Executive Directors, based on the process and procedures laid out by our Board and to provide feedback to Directors in respect of their performance;
- (v) to assess each Director's ability to contribute to our Board's decision-making process and ensure that our Board operates actively, efficiently and effectively in all its decision-making, taking into consideration the director's directorship in other listed and non-listed companies;
- (vi) to conduct an annual review of the term of office and performance of the Audit and Risk Management Committee and each of its members;
- (vii) to evaluate annually the effectiveness of the Board and the Board Committees as a whole for assessing the contribution to the effectiveness of the decision making process of the Board;
- (viii) to review and assess annually the independence of the Independent Non-Executive Directors of our Company, ensuring that they meet the identified independence criteria and are not disqualified under the relevant regulations, giving consideration to not only whether a director's background and current activities qualify him or her as independent but also whether the director can act independently of management;

9. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(Cont'd)*

- (ix) to review, consider and make recommendations regarding the continuation in office of Independent Non-Executive Directors who have served for more than nine (9) years;
 - (x) to oversee the development of succession planning of our Board and key senior management of our Company; and
 - (xi) to assess and recommend the re-election of Directors who are due to retire in accordance with the Company's Constitution.
- (b) Remuneration Role
 - (i) to review and recommend appropriate remuneration packages for all Directors, with or without professional advice;
 - (ii) to review and recommend fees and benefits payable to our Directors;
 - (iii) to assist our Board in formulating policies, guidelines and set criteria for the composition of various components of remuneration such as basic salary, bonus, and other benefits for Directors and key senior management;
 - (iv) to ensure that remuneration packages and benefits for Directors align with our Company's business strategies, long-term objectives, and remuneration policy, as well as comply with all laws, rules, regulations, and guidelines set by relevant authorities and our Board;
 - (v) to develop and administer a fair and transparent procedure for setting policy on the remuneration of Directors and key senior management, which considers the demands, complexities and performance of our Company, as well as the skills and experience required;
 - (vi) to implement our Board's remuneration policy and procedures through a transparent process, including reviewing and recommending matters related to the remuneration of our Board and key senior management; and
 - (vii) to ensure that the level of remuneration packages is fair and appropriate in accordance with the industry, general market sentiments or conditions, our Company's operating results, comparable market statistics, performance in managing material sustainability risks and opportunities, as well as our Directors' merit, qualification, competence and individual performance.

9. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(Cont'd)*

9.3 KEY SENIOR MANAGEMENT

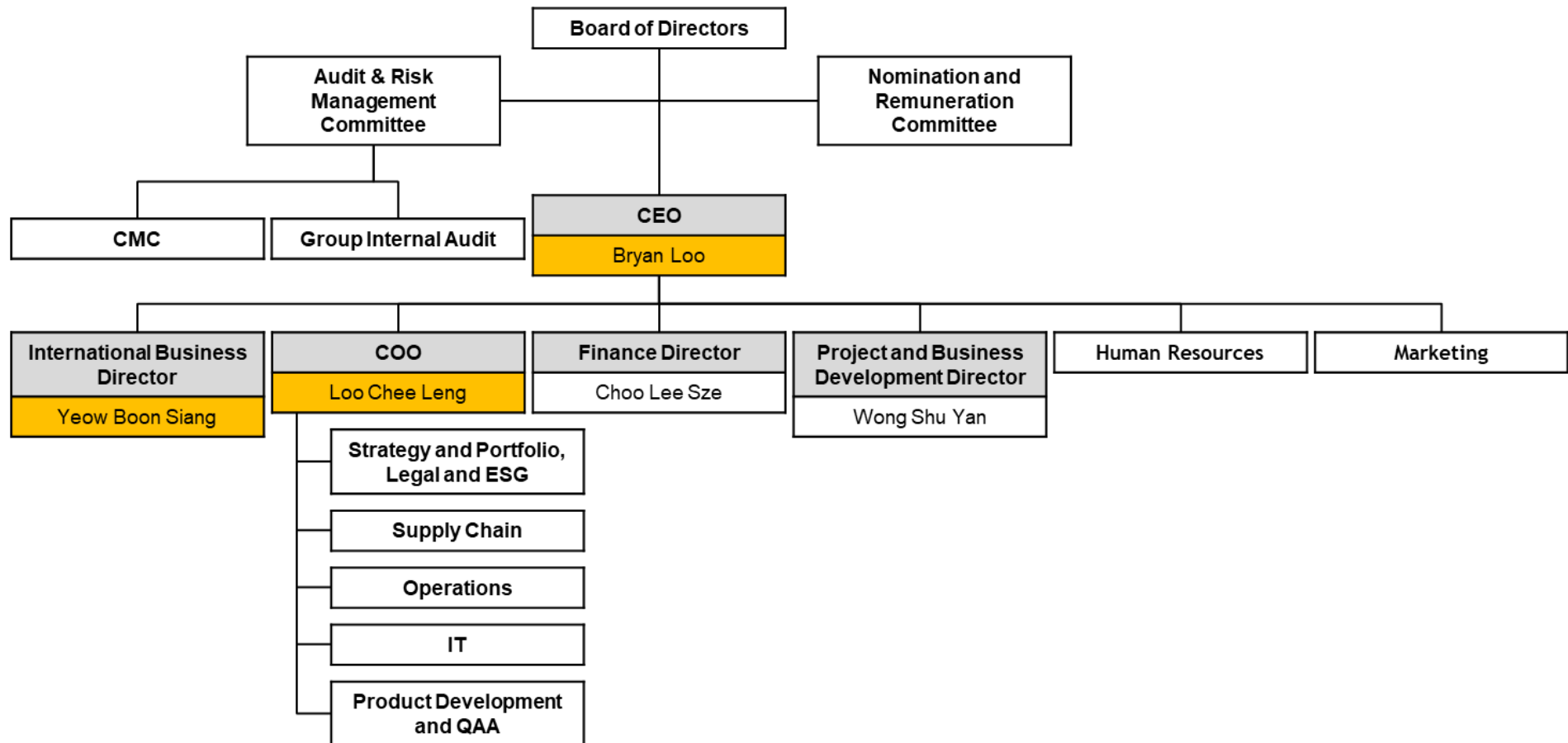
Our Key Senior Management is responsible for the day-to-day management and operations of our Group. The members of our Key Senior Management as at the date of this Prospectus are as follows:

Name	Age	Designation
Bryan Loo	39	CEO
Loo Chee Leng	43	COO
Yeow Boon Siang	44	International Business Director
Choo Lee Sze	46	Finance Director
Wong Shu Yan	39	Projects and Business Development Director

9. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

9.3.1 Management reporting structure

Our management reporting structure as at the LPD is as follows:



9. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(Cont'd)*

9.3.2 Profiles of our Key Senior Management

The profiles of our Key Senior Management who are also our Promoters, Substantial Shareholders and Directors are set out in Section 9.1.1 of this Prospectus.

(i) Choo Lee Sze

Choo Lee Sze, a Malaysian aged 46, is our Finance Director.

She graduated with a Bachelor of Business (Accountancy) from the Royal Melbourne Institute of Technology, Australia in September 2001. She has been a member of Certified Practising Accountant Australia since February 2003. She brings with her over 23 years of experience in the field of internal audit, finance and accounting.

She began her career with Sitt Tatt Berhad as Internal Audit Executive in November 2001 where she was responsible for conducting periodic reviews of internal control processes as well as internal auditing. She left Sitt Tatt Berhad in December 2002 and joined Deloitte Enterprise Risk Services Sdn Bhd as Business Analyst in January 2003 where she was responsible for assessing and enhancing the clients' internal controls, compliance, risk management and operational efficiency. She was promoted to Senior Consultant in July 2006 where she was responsible for the internal audit reviewing for various companies.

She left Deloitte Enterprise Risk Services Sdn Bhd in September 2006 to join Ernst & Young Risk Advisory Services Pte Ltd, Singapore as Audit Senior 1 in the same month and was promoted to Audit Senior 2 in December 2007 where she was involved in internal audit engagement for various industries and organisations. She left Ernst & Young Risk Advisory Services Pte Ltd, Singapore in July 2008 and joined Reckitt Benckiser (Malaysia) Sdn Bhd in August 2008 as Commercial Accountant where she was responsible for financial analysis and business partnering for the commercial operations. She was promoted to Assistant Commercial Controller in August 2013 where she was overseeing financial planning, analysis and control activities that support commercial operations. She was subsequently promoted to Financial Controller in November 2014 where she was in-charge of the overall accounting functions of the group as well as ensuring compliance of the group with the statutory and finance policies.

She left Reckitt Benckiser (Malaysia) Sdn Bhd in October 2016 and joined RSH (Malaysia) Sdn Bhd as Head of Finance in the same month where she oversaw the day-to-day finance function of the company before she left in October 2018. Subsequently, she joined GCH Retail (Malaysia) Sdn Bhd in the same month as the Head of Financial Planning and Analysis where she spearheaded the financial planning and analysis as well as financial accounting and reporting functions of the group.

She left GCH Retail (Malaysia) Sdn Bhd in April 2024 to join our Group as Finance Director, a role she presently assumes where she oversees our Group's overall financial and accounting functions, and is responsible for financial strategy, planning and management of our Group.

9. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(Cont'd)*

(ii) Wong Shu Yan

Wong Shu Yan, a Malaysian aged 39, is our Projects and Business Development Director.

He graduated with a Bachelor of Engineering in Mechanical Engineering with Design from the University of Sunderland, the United Kingdom in June 2008. He has more than 16 years of experience in the field of business development.

He began his career with Nissan Motor Manufacturing Ltd, the United Kingdom as a manufacturing staff in June 2008 where he was responsible for assembling parts and managing inventory to ensure continuous workflow. He left Nissan Motor Manufacturing Ltd in December 2009. After taking a 6-month career break, he joined Sermex Sdn Bhd in July 2010 as Sales and Application Engineer where he was responsible for selling process-control products, managing major accounts and supporting sales growth before he left in November 2011.

Subsequently in December 2011, he established a JV, Archiva F&B, together with Bryan Loo and subsequently with Loob Holding, to run F&B operations until he ceased to be a director in November 2019. Archiva F&B subsequently sold its F&B business to Evergreen Locate in July 2022.

He joined our Group as Business Development Manager in March 2013 and was subsequently promoted to Head of Business Development in February 2018 where he was responsible for our Group's corporate store expansion, asset optimisation, store compliance and managing partnerships with franchisees. In April 2024, he was promoted to Projects and Business Development Director where his role extended to overseeing the operational aspects of store expansion in the overseas markets after the completion of the initial stages of our international expansion led by our International Business Director, including leading the evaluation and selection of proposed locations for new Tealive stores, assessing market potential, reviewing commercial viability and authorising final approval for store openings.

Further details of his business involvement outside of our Group are set out in Section 9.3.4 of this Prospectus.

9. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

9.3.3 Shareholding of our Key Senior Management

The following table sets out the direct and indirect shareholdings of our Key Senior Management (other than our Directors who are also part of our Key Senior Management which are disclosed in Section 9.2.2 of this Prospectus) before and after our IPO:

Name	Before our IPO ⁽¹⁾				After our IPO ⁽²⁾							
	Direct		Indirect		Assuming the Over-allotment Option is not exercised				Assuming the Over-allotment Option is fully exercised			
	No. of Shares		No. of Shares		No. of Shares		No. of Shares		No. of Shares		No. of Shares	
	(‘000)	%	(‘000)	%	(‘000)	%	(‘000)	%	(‘000)	%	(‘000)	%
Choo Lee Sze	97	*	-	-	298	*	-	-	298	*	-	-
Wong Shu Yan	1,138	0.1	-	-	1,363	0.1	-	-	1,363	0.1	-	-

Notes:

* *Negligible*

(1) *Based on the enlarged issued Shares of 1,110,728,703 after the Pre-IPO Restructuring.*

(2) *Based on the enlarged issued Shares of 1,169,188,203 upon our Listing and assuming full subscription of our Issue Shares allocated to the Eligible Persons in respect of the Retail Offering.*

9. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

9.3.4 Principal business activities performed by our Key Senior Management outside our Group in the past five (5) years

Save as disclosed below, none of our Key Senior Management (other than our Directors who are also part of our Key Senior Management which are disclosed in Section 9.2.3 of this Prospectus) are involved in principal business activities outside our Group as at the LPD or hold directorships in other companies outside our Group, at present and in the past five (5) years preceding the LPD:

Name of company/entity	Principal activities	Involvement in business activities
Choo Lee Sze		
<u>Present involvement</u>		
• Nil	• Nil	• Nil
<u>Past involvement</u>		
• Nil	• Nil	• Nil
Wong Shu Yan		
<u>Present involvement</u>		
• Great Upline Sdn Bhd	• Operation and management of F&B outlets	• Substantial shareholder (direct)
• TBR Sdn Bhd	• Food or beverage, F&B preparation in market stalls/hawkers and other retail sale of new goods in specialised stores	• Substantial shareholder (direct)
<u>Past involvement</u>		
• Nil	• Nil	• Nil

9. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

The involvement of Wong Shu Yan in other principal business activities outside our Group will not affect his continued contributions to the day-to-day management of our Group and are not expected to affect the operations of our Group as he is not involved in the management and day-to-day operations of these businesses, other than attending shareholders' meetings as a shareholder, if any. Any potential conflict of interest situation which may arise through the interests of Wong Shu Yan in other entities which are carrying on a similar trade as our Group or are customers or suppliers of our Group is mitigated due to the following:

- (i) Great Upline Sdn Bhd is a franchisee of Loob Holding operating one (1) Tealive Franchised Store in Malaysia. As a franchisee, it pays franchise fee and royalty to Loob Holding as well as purchases of ingredients, equipment and supplies from LRTS Retail. All sales to and fees received from Great Upline Sdn Bhd are transacted on an arm's length basis and on normal commercial terms which are not more favourable to them than those generally available to third parties;
- (ii) the business and operations of TBR Sdn Bhd are not in direct competition with the business and operations of our Group given that –
 - TBR Sdn Bhd is a franchisee of Happy Potato brand operating five (5) Happy Potato stores as at the LPD, all concentrated in shopping malls in Kuala Lumpur and Selangor with no dine-in option, and are designed for grab-and-go customers. The Happy Potato stores are in a different segment of the F&B services industry compared with our Tealive stores, that fall under the tea shops segment that predominantly focuses on serving MTO beverages with tea as a base ingredient, and our Bask Bear stores fall under the café segment that focuses on offering a variety of caffeinated drinks together with a limited food variety;
 - the Happy Potato stores operated by TBR Sdn Bhd serve mainly specialty fries as their main food offerings which are distinct from the fries or loaded fries offered as sides or snacks in our Tealive and Bask Bear stores to complement the MTO beverages which are our main offering at our Tealive stores and the caffeinated beverages which are the main offering at our Bask Bear stores. Although the Happy Potato stores also offer popcorn chicken as part of their menu, the POS sales from popcorn chicken offered as snacks by our Group's Tealive stores account for less than 3.2% of our Tealive stores' total POS sales for the FYE 30 June 2024. Further, the POS sales from the fries or loaded fries offered as sides or snacks by our Group's Tealive and Bask Bear stores account for less than 0.6% and 0.4% of our Group's Tealive and Bask Bear stores' total POS sales respectively;
 - the Happy Potato stores operated by TBR Sdn Bhd do not offer milk tea, bubble tea, smoothies, chocolate, milkshakes which are the main offerings in our Tealive stores nor do they offer premium/specialty coffee, toasties and burgers which are the main offerings in our Bask Bear stores. The limited soft drinks and mineral water sold at the Happy Potato stores are offered as a beverage accompaniment to satisfy the basic hydration needs of a consumer whereas the MTO Tealive beverages and Bask Bear caffeinated beverages offer an experience and flavour that the consumers seek for enjoyment rather than as a thirst quencher; and
 - both businesses operate independently with no sharing of premises, staff or equipment.

Premised on the above, there is no market overlap between TBR Sdn Bhd's and our Group's businesses.

9. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(Cont'd)*

9.3.5 Service contracts with our Key Senior Management

As at the date of this Prospectus, there are no existing or proposed service contracts between our Key Senior Management and us which provide for benefits upon termination of employment.

9.3.6 Key Senior Management's remuneration and material benefits in-kind

The remuneration and material benefits in-kind of our Directors who are also part of our Key Senior Management are set out in Section 9.2.5 of this Prospectus.

The aggregate remuneration and material benefits in-kind paid (including any contingent or deferred remuneration) or proposed to be paid to our Key Senior Management, other than our Directors who are also part of our Key Senior Management, for services rendered in all capacities to our Group for the FYE 30 June 2024 and FYE 30 June 2025 are as follows:

Key Senior Management	Remuneration band (FYE 30 June)	
	2024 (Actual)	2025 (Proposed)
	RM'000	RM'000
Choo Lee Size ⁽¹⁾	50 to 100	450 to 500
Wong Shu Yan	300 to 350	350 to 400

Note:

(1) She joined our Group in April 2024.

The above remuneration of our Key Senior Management, which includes salaries, bonus, fees and allowances as well as other benefits, must be considered and recommended by our Nomination and Remuneration Committee and subsequently approved by our Board.

9.4 ASSOCIATIONS OR FAMILY RELATIONSHIPS BETWEEN OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT

Save as disclosed below, there are no associations or family relationships between our Promoters, Substantial Shareholders, Directors and Key Senior Management:

- (i) Loo Chuu Lin, our Promoter, Non-Independent Non-Executive Director and Substantial Shareholder, is:
 - the father of Bryan Loo and Loo Chee Leng, and
 - father-in-law of Yeow Boon Siang.
- (ii) Bryan Loo, our Promoter, Non-Independent Executive Director, CEO and Substantial Shareholder, is:
 - the son of Loo Chuu Lin;
 - the brother of Loo Chee Leng; and
 - brother-in-law of Yeow Boon Siang.

9. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(Cont'd)*

- (iii) Loo Chee Leng, our Promoter, Non-Independent Executive Director, COO and Substantial Shareholder, is:
- the daughter of Loo Chuu Lin;
 - the sister of Bryan Loo; and
 - the spouse of Yeow Boon Siang.
- (iv) Yeow Boon Siang, our Alternate Director to Loo Chuu Lin and International Business Director, is:
- the spouse of Loo Chee Leng;
 - the son-in-law of Loo Chuu Lin; and
 - the brother-in-law of Bryan Loo.
- (v) Tan Sri Datuk Dr. Rebecca Fatima Sta Maria, our Independent Non-Executive Chairperson, and Dato' Razman Hafidz bin Abu Zarim, our Independent Non-Executive Director, are both directors of Hartalega Holdings Berhad where Tan Sri Datuk Dr. Rebecca Fatima Sta Maria is a Senior Independent Non-Executive Director and Dato' Razman Hafidz bin Abu Zarim is a Non-Independent Non-Executive Director. Dato' Razman Hafidz bin Abu Zarim was appointed to our Board on 13 March 2020 while Tan Sri Datuk Dr. Rebecca Fatima Sta Maria was only appointed to our Board on 3 February 2025.
- (vi) Lum Ying Ling, our Non-Independent Non-Executive Director, is an employee of Creador Sdn Bhd which is the investment adviser of Creador Management IV Ltd, being the fund manager of Creador IV, which in turn is the sole shareholder of Uttama and is the representative of Uttama on the Board. Lum Ying Ling and Chen Thai Foong, our Independent Non-Executive Director, are both directors of Eco-Shop where Lum Ying Ling is a Non-Independent Non-Executive Director and Chen Thai Foong is an Independent Non-Executive Director.
- (vii) Low Chooi Hoon, our Independent Non-Executive Director, was a director of Eco-Shop together with Chen Thai Foong and Lum Ying Ling, where Low Chooi Hoon was an Independent Non-Executive Director from 12 October 2023 to 1 October 2024.

9.5 DECLARATION BY OUR PROMOTERS, DIRECTORS AND KEY SENIOR MANAGEMENT

As at the LPD, none of our Promoters, Directors or Key Senior Management has been involved in any of following events (whether in or outside Malaysia):

- (i) in the last ten (10) years, a petition under any bankruptcy or insolvency laws was filed (and not struck out) against such person or any partnership in which such person was a partner or any corporation of which such person was a director or member of key senior management;
- (ii) disqualified from acting as a director of any corporation, or from taking part directly or indirectly in the management of any corporation;
- (iii) in the last ten (10) years, charged or convicted in a criminal proceeding or is a named subject of a pending criminal proceeding;
- (iv) in the last ten (10) years, any judgment was entered against such person, or finding of fault, misrepresentation, dishonesty, incompetence or malpractice on his part, involving a breach of any law or regulatory requirement that relates to the capital market;

9. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(Cont'd)*

- (v) in the last ten (10) years, the subject of any civil proceeding, involving an allegation of fraud, misrepresentation, dishonesty, incompetence or malpractice on his part that relates to the capital market;
- (vi) the subject of any order, judgment or ruling of any court, government or regulatory authority or body temporarily enjoining such person from engaging in any type of business practice or activity;
- (vii) in the last ten (10) years, has been reprimanded or issued any warning by any regulatory authority, securities or derivatives exchange, professional body or government agency; and
- (viii) there is any unsatisfied judgment against such person.

9.6 OTHER MATTERS

- (i) No other amounts or benefits have been paid or intended to be paid or given to our Promoters and Substantial Shareholders within the two (2) years preceding the date of this Prospectus, except for remuneration and benefits-in-kind received by our Substantial Shareholders who are our employees in the course of his employment, Directors' fees and dividends paid to our shareholders.
- (ii) Save for our Promoters and Substantial Shareholders, there is no other person who is able to, directly or indirectly, jointly or severally, exercise control over our Company. As at the LPD, there is no arrangement which operation may result in the change in control of our Company at a date subsequent to our IPO and our Listing.
- (iii) Our Promoters and Substantial Shareholders do not have different voting rights from our other shareholders.

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10. RELATED PARTY TRANSACTIONS

10.1 OUR GROUP'S RELATED PARTY TRNSACTIONS

10.1.1 Material related party transactions

Save as disclosed below, there are no other material related party transactions entered into by our Group which involve the interest, direct or indirect, of our Directors, major shareholders and/or persons connected to them for the Financial Years Under Review and up to the LPD:

(i) Material non-recurrent related party transactions

No.	Transacting parties	Nature of relationship	Nature of transaction	Transaction value			
				FYE 30 June 2022 (RM'000)	FYE 30 June 2023 (RM'000)	FYE 30 June 2024 (RM'000)	From 1 July 2024 up to the LPD (RM'000)
1.	LRTS Retail and Ding Dang Holdings	Interested Director and major shareholder of Loob Bryan Loo Bryan Loo is also a director of LRTS Retail. See Note (1) for details of the relationship of Ding Dang Holdings with our director, major shareholder and/or persons connected to him.	Sale of raw materials by LRTS Retail to Ding Dang Holdings. This transaction has ceased since April 2023.	-	2	-	-
					Negligible contribution to our Group's revenue		
2.	LRTS Retail and Zendeck	Interested Directors and major shareholders of Loob - Loo Chuu Lin - Bryan Loo - Loo Chee Leng Loo Chuu Lin and Bryan Loo are also directors of LRTS Retail. See Note (2) for details of the relationship of Zendeck with our directors, major shareholders and/or persons connected to them.	Payment of storage and handling charges by Zendeck to LRTS Retail. This transaction has ceased since July 2022.	2	-	-	-
					Negligible contribution to our Group's PAT		

10. RELATED PARTY TRANSACTIONS (Cont'd)

No.	Transacting parties	Nature of relationship	Nature of transaction	Transaction value			
				FYE 30 June 2022 (RM'000)	FYE 30 June 2023 (RM'000)	FYE 30 June 2024 (RM'000)	From 1 July 2024 up to the LPD (RM'000)
3.	Loob Holding and Happy Potato Ventures	Interested Director and major shareholder of Loob Bryan Loo Bryan Loo is also a director of Loob Holding. See Note (3) for details of the relationship of Happy Potato Ventures with our director, major shareholder and/or persons connected to him.	Payment of project management fees (including interior design fees charged by the interior design firm) by Happy Potato Ventures to Loob Holding. This transaction has ceased since February 2025.	-	-	-	104
4.	Loob Holding and TrueScale Ventures	Interested Directors and major shareholders of Loob - Loo Chuu Lin - Bryan Loo - Loo Chee Leng Loo Chuu Lin, Bryan Loo and Loo Chee Leng are also directors of Loob Holding. See Note (4) for details of the relationship of TrueScale Ventures with our directors, major shareholders and/or persons connected to them.	(a) Transfer of LV Holdings VN. (b) Transfer of Loob Philippines.	-	-	-	51
				-	-	-	1,894

Notes:

- (1) Bryan Loo is a director of Ding Dang Holdings and holds 33.0% equity interest in Ding Dang Holdings.
- (2) Loo Chuu Lin, Bryan Loo and Loo Chee Leng are the indirect shareholders of Zendeck, holding 100.0% equity interest in Zendeck through their interest in LV Holdings. Loo Chuu Lin and Bryan Loo are directors of LV Holdings.
- (3) Bryan Loo is a director of Happy Potato Ventures and holds 30.0% equity interest in Happy Potato Ventures.

10. RELATED PARTY TRANSACTIONS (Cont'd)

(4) Loo Chuu Lin, Bryan Loo and Loo Chee Leng hold 30.6%, 33.0% and 25.8% equity interest respectively in TrueScale Ventures. Loo Chuu Lin, Bryan Loo and Loo Chee Leng are also directors of TrueScale Ventures. Loo Chuu Lin, Bryan Loo and Loo Chee Leng are the indirect shareholders of LV Holdings VN and Loob Philippines, holding 100.0% equity interest in LV Holdings VN and Loob Philippines through their interest in TrueScale Ventures. Bryan Loo and Loo Chee Leng are also directors of LV Holdings VN and Loob Philippines.

(ii) Material recurrent related party transactions

No.	Transacting parties	Nature of relationship	Nature of transaction	Transaction value			
				FYE 30 June 2022 (RM'000)	FYE 30 June 2023 (RM'000)	FYE 30 June 2024 (RM'000)	From 1 July 2024 up to the LPD (RM'000)
1.	Loob Group and LH Venture	Interested Director of Loob - Yeow Boon Siang Interested Directors and major shareholders of Loob - Loo Chuu Lin - Bryan Loo - Loo Chee Leng Bryan Loo and Loo Chee Leng are also directors of BB Coffee. Loo Chuu Lin, Bryan Loo and Loo Chee Leng are also directors of Loob Holding. Loo Chuu Lin and Bryan Loo are also directors of Loob Integrated and LRTS Retail. See Note (1)(a) for details of the relationship of LH Venture with our directors, major shareholders and/or persons connected to them.	(a) Payment of licence fee by LH Venture to BB Coffee See Note (1)(b) for the salient terms of the licence agreement dated 28 July 2022, addendum to the licence agreement dated 10 January 2025 and second addendum to the licence agreement dated 24 March 2025 between BB Coffee and LH Venture. (b) Payment of rental for employees' accommodation by Loob Holding to LH Venture. This transaction has ceased since November 2023.	-	75	90	60
					Represents 0.2% of our Group's PAT	Represents 0.2% of our Group's PAT	
				2	3	1	-
				Negligible contribution to our Group's PAT	Negligible contribution to our Group's PAT	Negligible contribution to our Group's PAT	

10. RELATED PARTY TRANSACTIONS (Cont'd)

No.	Transacting parties	Nature of relationship	Nature of transaction	Transaction value			
				FYE 30 June 2022 (RM'000)	FYE 30 June 2023 (RM'000)	FYE 30 June 2024 (RM'000)	From 1 July 2024 up to the LPD (RM'000)
			(c) Payment of management fee by LH Venture to Loob Holding. This transaction has ceased since January 2025.	153 Represents 0.2% of our Group's PAT	202 Represents 0.5% of our Group's PAT	150 Represents 0.3% of our Group's PAT	64
			(d) Payment of maintenance fee by LH Venture to Loob Integrated. This transaction has ceased since August 2023.	-	2 Negligible contribution to our Group's PAT	1 Negligible contribution to our Group's PAT	-
			(e) Payment of rental for employees' accommodation by LH Venture to Loob Integrated. This transaction has ceased since November 2023.	38 Represents 0.1% of our Group's PAT	58 Represents 0.2% of our Group's PAT	13 Negligible contribution to our Group's PAT	-
			(f) Sale of raw materials and equipment by BB Coffee to LH Venture.	13 Negligible contribution to our Group's revenue	-	-	23

10. RELATED PARTY TRANSACTIONS (Cont'd)

No.	Transacting parties	Nature of relationship	Nature of transaction	Transaction value			
				FYE 30 June 2022 (RM'000)	FYE 30 June 2023 (RM'000)	FYE 30 June 2024 (RM'000)	From 1 July 2024 up to the LPD (RM'000)
			(g) Payment of storage and handling charges by LH Venture to LRTS Retail.	121	59	59	66
			This transaction will cease in April 2025.	Represents 0.2% of our Group's PAT	Represents 0.2% of our Group's PAT	Represents 0.1% of our Group's PAT	
			(h) Sale of raw materials and equipment by LRTS Retail to LH Venture.	59	78	118	80
				Negligible contribution to our Group's revenue	Negligible contribution to our Group's revenue	Negligible contribution to our Group's revenue	
			(i) Payment of management fee by LH Venture to BB Coffee.	-	-	-	18
			See Note (1)(c) for the salient terms of the licence and management service agreement between BB Coffee and LH Venture dated 10 January 2025.				

10. RELATED PARTY TRANSACTIONS (Cont'd)

No.	Transacting parties	Nature of relationship	Nature of transaction	Transaction value			
				FYE 30 June 2022 (RM'000)	FYE 30 June 2023 (RM'000)	FYE 30 June 2024 (RM'000)	From 1 July 2024 up to the LPD (RM'000)
			(j) Payment of marketing fee by LH Venture to BB Coffee.	-	-	-	12
			See Note (1)(c) for the salient terms of the licence and management service agreement between BB Coffee and LH Venture dated 10 January 2025.				
2.	Loob Group and Yunan Bridge Noodle	Interested Directors and major shareholders of Loob - Loo Chuu Lin - Bryan Loo - Loo Chee Leng Bryan Loo and Loo Chee Leng are also directors of Hakata Asia. Loo Chuu Lin and Bryan Loo are also directors of Loob Integrated and LRTS Retail. See Note (2) for details of the relationship of Yunan Bridge Noodle with our directors, major shareholders and/or persons connected to them.	(a) Sale of raw materials and equipment by Hakata Asia to Yunan Bridge Noodle.	117 Negligible contribution to our Group's revenue	323 Negligible contribution to our Group's revenue	55 Negligible contribution to our Group's revenue	57
			(b) Sale of raw materials and equipment by LRTS Retail to Yunan Bridge Noodle.	5 Negligible contribution to our Group's revenue	*	16 Negligible contribution to our Group's revenue	*

10. RELATED PARTY TRANSACTIONS (Cont'd)

No.	Transacting parties	Nature of relationship	Nature of transaction	Transaction value			
				FYE 30 June 2022 (RM'000)	FYE 30 June 2023 (RM'000)	FYE 30 June 2024 (RM'000)	From 1 July 2024 up to the LPD (RM'000)
			(c) Payment of maintenance fee by Yunan Bridge Noodle to Loob Integrated. This transaction has ceased since August 2023.	-	4 Negligible contribution to our Group's PAT	1 Negligible contribution to our Group's PAT	-
			(d) Payment of rental and utilities charges by Yunan Bridge Noodle to Loob Integrated. This transaction has ceased since January 2025.	144 Represents 0.2% of our Group's PAT	145 Represents 0.4% of our Group's PAT	144 Represents 0.3% of our Group's PAT	63
			(e) Payment of storage and handling charges by Yunan Bridge Noodle to LRTS Retail. This transaction has ceased since September 2022.	34 Negligible contribution to our Group's PAT	8 Negligible contribution to our Group's PAT	-	-

10. RELATED PARTY TRANSACTIONS (Cont'd)

No.	Transacting parties	Nature of relationship	Nature of transaction	Transaction value			
				FYE 30 June 2022 (RM'000)	FYE 30 June 2023 (RM'000)	FYE 30 June 2024 (RM'000)	From 1 July 2024 up to the LPD (RM'000)
3.	BB Coffee and Abang Adek	Interested Director and major shareholder of Loob Bryan Loo Bryan Loo is also a director of BB Coffee. See Note (3) for details of the relationship of Abang Adek with our director, major shareholder and/or persons connected to him.	Payment of rental and utilities charges by BB Coffee to Abang Adek. This transaction has ceased since February 2025.	-	42	45	38
					Represents 0.1% of our Group's PAT	Represents 0.1% of our Group's PAT	
4.	Loob Group and Good Foodie	Interested Directors and major shareholders of Loob - Loo Chuu Lin - Bryan Loo - Loo Chee Leng Loo Chuu Lin, Bryan Loo and Loo Chee Leng are also directors of Loob Holding. Bryan Loo and Loo Chee Leng are also directors of BB Coffee. See Note (4) for details of the relationship of Good Foodie with our directors, major shareholders and/or persons connected to them.	(a) Payment of marketing fees by BB Coffee to Good Foodie. (b) Payment of marketing fees by Loob Holding to Good Foodie.	-	15	95	32
					Negligible contribution to our Group's PAT	Represents 0.2% of our Group's PAT	
				-	53	86	4
					Represents 0.1% of our Group's PAT	Represents 0.2% of our Group's PAT	

10. RELATED PARTY TRANSACTIONS (Cont'd)

No.	Transacting parties	Nature of relationship	Nature of transaction	Transaction value			
				FYE 30 June 2022 (RM'000)	FYE 30 June 2023 (RM'000)	FYE 30 June 2024 (RM'000)	From 1 July 2024 up to the LPD (RM'000)
5.	Loob Group and LH KD Property	Interested Directors and major shareholders of Loob - Loo Chuu Lin - Bryan Loo - Loo Chee Leng Loo Chuu Lin, Bryan Loo and Loo Chee Leng are also directors of Loob Holding. Bryan Loo and Loo Chee Leng are also directors of Hakata Asia. See Note (5)(a) for details of the relationship of LH KD Property with our directors, major shareholders and/or persons connected to them.	(a) Payment of rental and utilities charges by Loob Holding to LH KD Property. See Note (5)(b) for the salient terms of the tenancy agreement between Loob Holding and LH KD Property dated 31 January 2024. (b) Payment of rental by Hakata Asia to LH KD Property. See Note (5)(c) for the salient terms of the tenancy agreement dated 8 January 2025, the addendum to the tenancy agreement dated 14 February 2025 and second addendum to the tenancy agreement dated 19 March 2025 between Hakata Asia and LH KD Property.	-	-	380	759
						Represents 0.7% of our Group's PAT	
				-	-	-	1

10. RELATED PARTY TRANSACTIONS (Cont'd)

No.	Transacting parties	Nature of relationship	Nature of transaction	Transaction value			
				FYE 30 June 2022 (RM'000)	FYE 30 June 2023 (RM'000)	FYE 30 June 2024 (RM'000)	From 1 July 2024 up to the LPD (RM'000)
6.	LRTS Retail and Kim Le Vy Trading	Interested Directors and major shareholders of Loob - Loo Chuu Lin - Bryan Loo - Loo Chee Leng Loo Chuu Lin and Bryan Loo are also directors of LRTS Retail. See Note (6) for details of the relationship of Kim Le Vy Trading with our directors, major shareholders and/or persons connected to them.	Sale of raw materials / equipment and subscription fee for Xilnex, a cloud-based POS system, by LRTS Retail to Kim Le Vy Trading.	#86 Negligible contribution to our Group's revenue	#313 Represents 0.1% of our Group's revenue	#119 Negligible contribution to our Group's revenue	~#80
7.	Loob Group and Loob Philippines	Interested Directors and major shareholders of Loob - Loo Chuu Lin - Bryan Loo - Loo Chee Leng Loo Chuu Lin, Bryan Loo and Loo Chee Leng are also directors of Loob Holding. Bryan Loo and Loo Chee Leng are also directors of Hakata Asia. Loo Chuu Lin and Bryan Loo are also directors of LRTS Retail.	(a) Payment of royalty by Loob Philippines to Loob Holding See Note (7)(b) for the salient terms of the master franchise agreement between Loob Holding and Loob Philippines dated 19 December 2023.	-	-	-	55

10. RELATED PARTY TRANSACTIONS (Cont'd)

No.	Transacting parties	Nature of relationship	Nature of transaction	Transaction value			
				FYE 30 June 2022 (RM'000)	FYE 30 June 2023 (RM'000)	FYE 30 June 2024 (RM'000)	From 1 July 2024 up to the LPD (RM'000)
		See Note (7)(a) for details of the relationship of Loob Philippines with our directors, major shareholders and/or persons connected to them.	(b) Sale of raw materials/ equipment by Hakata Asia to Loob Philippines This transaction has ceased since June 2023.	-	** Negligible contribution to our Group's revenue	-	-
			(c) Sale of raw materials/ equipment by LRTS Retail to Loob Philippines	-	#469 Represents 0.1% of our Group's revenue	#3,912 Represents 0.7% of our Group's revenue	@#2,049
8.	LRTS Retail and Custom Food	Interested Director of Loob • Lum Ying Ling Interested major shareholder of Loob • Uttama^ See Note (8) for details of the relationship of Custom Food with our director, major shareholder and/or persons connected to them.	Purchase of raw materials by LRTS Retail from Custom Food.	13,648 Represents 8.3% of our Group's cost of goods sold	12,554 Represents 6.2% of our Group's cost of goods sold	19,032 Represents 9.4% of our Group's cost of goods sold	6,553

10. RELATED PARTY TRANSACTIONS (Cont'd)

No.	Transacting parties	Nature of relationship	Nature of transaction	Transaction value			
				FYE 30 June 2022 (RM'000)	FYE 30 June 2023 (RM'000)	FYE 30 June 2024 (RM'000)	From 1 July 2024 up to the LPD (RM'000)
9.	LRTS Retail and SC Food	Interested Director of Loob - Lum Ying Ling Interested major shareholder of Loob - Uttama^ See Note (8) for details of the relationship of SC Food with our director, major shareholder and/or persons connected to them.	Purchase of raw materials by LRTS Retail from SC Food.	-	-	58	95
						Negligible contribution to our Group's cost of goods sold	
10.	Loob and Bubbly Tales	Interested Directors and major shareholders of Loob - Loo Chuu Lin - Loo Chee Leng Loo Chuu Lin is also a director of Loob Integrated and LRTS Retail. See Note (9) for details of the relationship of Bubbly Tales with our directors, major shareholders and/or persons connected to them.	(a) Payment of maintenance fee by Bubbly Tales to Loob Integrated. This transaction has ceased since February 2024. (b) Sale of raw materials / equipment by LRTS Retail to Bubbly Tales. This transaction has ceased since October 2023.	-	2	1	-
					Negligible contribution to our Group's PAT	Negligible contribution to our Group's PAT	
				19	-	1	-
				Negligible contribution to our Group's revenue		Negligible contribution to our Group's revenue	

10. RELATED PARTY TRANSACTIONS (Cont'd)

No.	Transacting parties	Nature of relationship	Nature of transaction	Transaction value			
				FYE 30 June 2022 (RM'000)	FYE 30 June 2023 (RM'000)	FYE 30 June 2024 (RM'000)	From 1 July 2024 up to the LPD (RM'000)
11.	Loob Holding and Define Foods	Interested Directors and major shareholders of Loob • Loo Chuu Lin • Bryan Loo • Loo Chee Leng Loo Chuu Lin, Bryan Loo and Loo Chee Leng are also directors of Loob Holding. See Note (10) for details of the relationship of Define Foods with our directors, major shareholders and/or persons connected to them.	Payment of management fee by Define Foods to Loob Holding. This transaction has ceased since June 2023.	20	26	-	-
				Negligible contribution to our Group's PAT	Represents 0.1% of our Group's PAT		
12.	Loob Integrated and Ding Dang Holdings	Interested Director and major shareholder of Loob • Bryan Loo Bryan Loo is also a director of Loob Integrated. See Note (11) for details of the relationship of Ding Dang Holdings with our director, major shareholder and/or persons connected to him.	Payment of rental by Ding Dang Holdings to Loob Integrated for the rental of two (2) properties. The payment of rental for the properties has ceased since January 2025 and April 2025 respectively.	51	151	135	85
				Represents 0.1% of our Group's PAT	Represents 0.4% of our Group's PAT	Represents 0.3% of our Group's PAT	

10. RELATED PARTY TRANSACTIONS (Cont'd)

No.	Transacting parties	Nature of relationship	Nature of transaction	Transaction value			
				FYE 30 June 2022 (RM'000)	FYE 30 June 2023 (RM'000)	FYE 30 June 2024 (RM'000)	From 1 July 2024 up to the LPD (RM'000)
13.	Loob Holding and Zendeck	Interested Directors and major shareholders of Loob - Loo Chuu Lin - Bryan Loo - Loo Chee Leng Loo Chuu Lin, Bryan Loo and Loo Chee Leng are also directors of Loob Holding. See Note (12) for details of the relationship of Zendeck with our directors, major shareholders and/or persons connected to them.	Payment of management fee by Zendeck to Loob Holding. This transaction has ceased since July 2023.	11 Negligible contribution to our Group's PAT	15 Negligible contribution to our Group's PAT	-	-

Notes:

* *Negligible.*

These transactions were not related party transactions prior to the completion of the Transfer of Loob Philippines and the Transfer of LV Holdings VN on 20 January 2025 and 24 February 2025, respectively.

~ *There are no transactions between 24 February 2025 to 28 February 2025.*

@ *There are no transactions between 20 January 2025 to 28 February 2025.*

^ *Uttama will no longer be a major shareholder of our Company after the IPO.*

10. RELATED PARTY TRANSACTIONS (Cont'd)**(1) LH Venture**

- (a) Loo Chuu Lin, Bryan Loo and Loo Chee Leng are the indirect shareholders, holding 51.0% equity interest in LH Venture through their interest in LV Holdings. Bryan Loo and Yeow Boon Siang are also directors of LH Venture while Loo Chuu Lin and Bryan Loo are directors of LV Holdings.
- (b) The licence agreement dated 28 July 2022, addendum to the licence agreement dated 10 January 2025 and second addendum to the licence agreement dated 24 March 2025 between BB Coffee and LH Venture for the licence of part of the premises at Lot G-7, Danau Kota Suite, Jalan 1A/6, Taman Danau Kota, 53300 Kuala Lumpur is for an initial term of three (3) years commencing from 1 August 2022 to 31 July 2025 ("**Initial Term**"), with an option to renew for two (2) terms of three (3) years each ("**Renewal Terms**") by LH Venture giving BB Coffee a written notice of not less than three (3) months before the expiry date. The monthly licence fee for the Initial Term was RM7,500 which has been adjusted to RM6,836 effective from 1 April 2025 and the monthly licence fee for the Renewal Terms is based on the rate to be agreed upon by both parties provided that any increment shall not be more than 10% from the current licence fee in the agreement. If LH Venture terminates the agreement prior to the expiry of the Initial Term, BB Coffee shall be entitled to forthwith take possession of the demised premises and forfeit absolutely the security deposit and all the monies paid by LH Venture under the agreement, including any costs and expenses incurred by BB Coffee as a result of the termination and in addition thereto, LH Venture shall forthwith pay to BB Coffee a sum equal to three (3) months' licence fees upon termination of the agreement by LH Venture. The agreement may also be terminated and BB Coffee shall have the right to forfeit the security deposit absolutely if the licence fee or any payment required to be paid under the agreement is unpaid by LH Venture or if LH Venture commits any breach or default of the agreement or any laws or regulations.
- (c) Pursuant to the licence and management service agreement between BB Coffee and LH Venture dated 10 January 2025, BB Coffee has granted LH Venture a non-exclusive and non-transferable licence to utilise the intellectual property in respect of Bask Bear. It is for an initial term of three (3) years commencing from 1 July 2024 ("**Initial Term**") and is renewable for a term of three (3) years from the expiry of the Initial Term in accordance with the terms of the agreement. Pursuant to the agreement, fees including management fee of 3.0% of the gross sales and marketing fee of 2.0% of the gross sales are payable to BB Coffee. The agreement may be terminated by either party without cause by giving 90 days' written notice of termination to the other party. BB Coffee also has the right to terminate the agreement immediately without notice in the event LH Venture commits a breach in accordance with the terms of the agreement. LH Venture shall have no claim against BB Coffee for compensation for loss of licence rights, loss of goodwill or any similar loss in the event of termination.

(2) Loo Chuu Lin and Loo Chee Leng hold 35.0% and 30.0% equity interest respectively in Yunan Bridge Noodle. Quah Seik Lee, the spouse of Bryan Loo, holds 15.0% equity interest in Yunan Bridge Noodle.

(3) Quah Seik Lee, the spouse of Bryan Loo, holds 25.0% equity interest in Abang Adek.

(4) Loo Chuu Lin, Bryan Loo and Loo Chee Leng hold 14.0%, 13.7% and 10.8% equity interest respectively in Good Foodie. Bryan Loo and Loo Chee Leng are also directors of Good Foodie.

(5) LH KD Property

- (a) Loo Chuu Lin, Bryan Loo and Loo Chee Leng are the directors and indirect shareholders of LH KD Property, holding 100.0% equity interest in LH KD Property through their interest in LV Holdings which holds the entire equity interest of LH KD Property. Loo Chuu Lin and Bryan Loo are directors of LV Holdings.

10. RELATED PARTY TRANSACTIONS (Cont'd)

- (b) *The tenancy agreement dated 31 January 2024 between LH KD Property and Loob Holding for the premises at No. 14 (Block C & Block E), Jalan Teknologi, Taman Sains Selangor 1, Kota Damansara, 47810 Petaling Jaya, Selangor is for an initial term of three (3) years commencing from 1 December 2023 to 30 November 2026 (“Initial Term”), with an option to renew for two (2) terms of three (3) years each (“Renewal Terms”) by Loob Holding giving LH KD Property a written notice of not less than two (2) months before the expiry date. The monthly rental for the Initial Term is RM83,260 and the monthly rental for the Renewal Terms is based on the prevailing market rate subject to an increment of not more than 10.0% from the last monthly rental of the precedent term. Prior to the expiry of the Initial Term or Renewal Terms, LH KD Property shall not be entitled to terminate the agreement save in the event of breach or default by Loob Holding and in the event LH KD Property terminates the agreement for any reason other than as permitted under the agreement, LH KD Property shall be liable to Loob Holding for damages and compensation or the remedy of specific performance. See Annexure B of this Prospectus for further details on the tenancy.*
- (c) *The tenancy agreement dated 8 January 2025, addendum to the tenancy agreement dated 14 February 2025 and second addendum to the tenancy agreement dated 19 March 2025 between Hakata Asia and LH KD Property for the premises at Mezzanine Floor, No. 14 (Block D), Jalan Teknologi, Taman Sains Selangor 1, Kota Damansara, 47810 Petaling Jaya, Selangor is for an initial term of three (3) years commencing from 1 December 2024 to 30 November 2027 (“Initial Term”), with an option to renew for a term of three (3) years by Hakata Asia giving LH KD Property a written notice of not less than two (2) months before the expiry date. The monthly rental for the Initial Term is RM1,070 and the monthly rental for the renewal term is based on the prevailing market rate subject to an increment of not more than 10.0% from the last monthly rental of the precedent term. Prior to the expiry of the Initial Term or renewal term, LH KD Property shall not be entitled to terminate the agreement save in the event of breach or default by Hakata Asia and in the event LH KD Property terminates the agreement for any reason other than as permitted under the agreement, LH KD Property shall be liable to Hakata Asia for damages and compensation or the remedy of specific performance. See Annexure B of this Prospectus for further details on the tenancy.*
- (6) *Kim Le Vy Trading is a 98.0%-owned subsidiary of LV Holdings VN. Bryan Loo and Loo Chee Leng are directors of LV Holdings VN, and Bryan Loo is the sole director of Kim Le Vy Trading.*
- (7) *Loob Philippines*
- (a) *Loo Chuu Lin, Bryan Loo and, Loo Chee Leng are the indirect shareholders of Loob Philippines, holding 100.0% equity interest in Loob Philippines through their interest in TrueScale Ventures. Bryan Loo and Loo Chee Leng are also directors of Loob Philippines while Loo Chuu Lin, Bryan Loo and Loo Chee Leng are directors of TrueScale Ventures.*
- (b) *Pursuant to the master franchise agreement dated 19 December 2023 and addendum to the master franchise agreement dated 3 February 2025 between Loob Holding and Loob Philippines, Loob Holding has granted Loob Philippines the exclusive master franchise rights to develop, establish, manage and operate the Tealive business in the Philippines (excluding the Ilocos region). It is for an initial term of ten (10) years commencing from 22 February 2022 (“Initial Development Term”) and is renewable for two (2) terms of ten (10) years each from the expiry of the Initial Development Term in accordance with the terms of the agreement. Pursuant to the agreement, a royalty of 3.0% of the gross sales generated per Tealive store is payable to Loob Holding. Loob Holding and Loob Philippines have the right to terminate the agreement if either party commits any breach of the terms of the agreement. Loob Philippines shall have no claim against Loob Holding for compensation for loss of franchise rights, loss of goodwill or any similar loss in the event of termination.*

10. RELATED PARTY TRANSACTIONS (Cont'd)

- (8) *Custom Food and SC Food are the investee companies of Creador V, a fund managed by Creador Management V Ltd. Creador Management V Ltd is associated with Creador Management IV Ltd, as Creador Sdn Bhd serves as the investment adviser for both entities. Creador Management IV Ltd is the general partner of Creador IV, which is in turn the sole shareholder of Uttama, our Substantial Shareholder. Lum Ying Ling is an employee of Creador Sdn Bhd and a director of Custom Food and SC Food.*
- (9) *Loo Chuu Lin and Loo Chee Leng are the indirect shareholders of Bubbly Tales, holding 51.0% equity interest in Bubbly Tales through their interest in Yunan Bridge Noodle.*
- (10) *Loo Chuu Lin, Bryan Loo and Loo Chee Leng are the indirect shareholders of Define Foods, holding 85.0% equity interest in Define Foods through their interest in LV Holdings. Bryan Loo is also a director of Define Foods while Loo Chuu Lin and Bryan Loo are directors of LV Holdings.*
- (11) *Bryan Loo is a director of Ding Dang Holdings and holds 33.0% equity interest in Ding Dang Holdings.*
- (12) *Loo Chuu Lin, Bryan Loo and Loo Chee Leng are the indirect shareholders of Zendeck, holding 100.0% equity interest in Zendeck through their interest in LV Holdings. Loo Chuu Lin and Bryan Loo are directors of LV Holdings.*

Master intellectual property licence agreement between Loob Holding and LV Holdings VN

Loob Holding entered into the MIPLA dated 4 February 2025 with LV Holdings VN where Loob Holding has granted LV Holdings VN a licence to use Tealive's trademarks to operate the Tealive business in Vietnam including the right to sub-licence the use of the trademarks to third parties with effect from 18 September 2017 and the MIPLA shall continue in force until terminated by either of parties by giving one-month notice of termination in writing to the other party. The MIPLA does not impose any obligation on LV Holdings VN to operate the Tealive business in Vietnam according to a prescribed business model determined by Loob Holding, as opposed to a franchise arrangement. On 24 February 2025 upon the completion of the Transfer of LV Holdings VN, all transactions under the MIPLA became related party transactions. Pursuant to the MIPLA, LV Holdings VN does not have to pay any fees to Loob Holding for the grant of licence save for the nominal consideration of USD1.00. Following the approval of Loob Holding's registration as a franchisor in Vietnam by the Ministry of Industry and Trade, Vietnam on 26 April 2025, the MIPLA was terminated and ceased to have any force or effect after 25 April 2025. On 27 May 2025, Loob Holding entered into an MFA with Kim Le Vy Trading, granting Kim Le Vy Trading the exclusive master franchise rights to operate Tealive business in Vietnam in accordance with the Tealive proprietary system with effect from 26 April 2025 and all transactions under the MFA became related party transactions. See Section 7.18.3 of this Prospectus for further details on the franchise arrangement in Vietnam. The interested Directors and major shareholders are Loo Chuu Lin, Bryan Loo and Loo Chee Leng. Loo Chuu Lin, Bryan Loo and Loo Chee Leng are the indirect shareholders of LV Holdings VN, holding 100.0% equity interest in LV Holdings VN through their interest in TrueScale Ventures. Bryan Loo and Loo Chee Leng are also directors of LV Holdings VN while Loo Chuu Lin, Bryan Loo and Loo Chee Leng are directors of TrueScale Ventures.

10. RELATED PARTY TRANSACTIONS (Cont'd)

Save for transactions 1 to 3 under material non-recurrent related party transactions and transactions 1(b) to (e), 2(c) to (e), 3, 10(a), 11 to 13 under the material recurrent related party transactions, our Directors (save for the interested Directors) are of the view that all the above related party transactions were transacted on an arm's length basis and on normal commercial terms which were not more favourable to the related parties than those generally available to third parties and were not detrimental to our non-interested shareholders for the following reasons:

- (i) the purchase considerations for the material non-recurrent related party transactions represent the total par value of the common shares of stock of Loob Philippines and the audited NA of LV Holdings VN as at 30 June 2024 respectively; and
- (ii) the fees or charges for the material recurrent related party transactions were benchmarked against, among others, pricing provided by our related parties to third parties or pricing provided by our Group to third parties as well as comparable rates from other suppliers for similar services and products.

Transactions 1 to 3 under material non-recurrent related party transactions and transactions 1(b) to (e), 2(c) to (e), 3, 10(a), 11 to 13 under the material recurrent related party transactions were not carried out on an arms' length basis and were not on normal commercial terms due to the following reasons:

- (i) sales of raw materials and/or equipment to the related parties were not transacted at market rate;
- (ii) our Group was unable to determine whether the provision of management, maintenance, storage and handling services to related parties were carried out on an arm's length basis as they were provided as intragroup support services due to the common interests of the directors and substantial shareholders; and
- (iii) rental income received from or rental expenses paid to the related parties were not based on the prevailing market rental rate of the properties.

Nonetheless, these transactions have ceased as at the LPD or in the case of transaction 12 under the material recurrent related party transactions, will cease and will not subsist after the Listing.

Transaction 1(a) under the material recurrent related party transactions was not carried out on an arms' length basis as the apportionment of the amount charged by BB Coffee to LH Venture was not proportionate to the space occupied by LH Venture based on the amount paid by our Group to the landlord. However, this arrangement was not detrimental to our Group as a higher amount was charged to LH Venture. The amount charged by BB Coffee to LH Venture has been revised with effect from 1 April 2025 to be proportionate to the space occupied by LH Venture and the transaction is currently carried out on an arm's length basis and on normal commercial terms which are not unfavourable to us than those generally available to third parties and are not detrimental to our non-interested shareholders. This transaction will subsist after the Listing.

10. RELATED PARTY TRANSACTIONS (Cont'd)

The aggregate value of the related party transactions for the Financial Years Under Review are as follows:

(a) Involving Loo Chuu Lin, Bryan Loo, Loo Chee Leng and Yeow Boon Siang

	FYE 30 June 2022	FYE 30 June 2023	FYE 30 June 2024
	RM'000	RM'000	RM'000
Aggregated value of transactions	299	1,185	4,221
	Represents 0.1% of our Group's revenue	Represents 0.2% of our Group's revenue	Represents 0.7% of our Group's revenue
	576	860	1,201
	Represents 0.9% of our Group's PAT	Represents 2.2% of our Group's PAT	Represents 2.3% of our Group's PAT

(b) Involving Uttama and Lum Ying Ling

	FYE 30 June 2022	FYE 30 June 2023	FYE 30 June 2024
	RM'000	RM'000	RM'000
Aggregated value of transaction	13,648	12,554	19,090
	Represents 8.3% of our Group's cost of goods sold	Represents 6.2% of our Group's cost of goods sold	Represents 9.4% of our Group's cost of goods sold

Our Directors (save for the interested Directors) are of the view that the aggregate value of the related party transactions is not material to the revenue and PAT as it represents less than five percent (5%) of our Group's revenue and PAT respectively for the Financial Years Under Review. However, it is material to the cost of goods sold as it represents more than five percent (5%) of our Group's cost of goods sold for the Financial Years Under Review.

Save as disclosed above, our Directors also confirm that there are no other material related party transactions entered into or entered into but not yet effected by our Group that involve the interest, direct or indirect, of our Directors, major shareholders and/or persons connected to them, during the Financial Years Under Review and up to the date of this Prospectus.

After our Listing, we will be required to seek our shareholders' approval each time we enter into a material related party transaction in accordance with the Listing Requirements. However, if the related party transactions can be deemed as recurrent related party transactions, we may seek a general mandate from our shareholders (which mandate would typically be renewed as required at each AGM of our Company) to enter into such recurrent transactions without having to seek separate shareholders' approval each time we wish to enter into such recurrent related party transactions during the validity period of the mandate.

10. RELATED PARTY TRANSACTIONS (Cont'd)

In addition, to safeguard the interest of our Group and non-interested shareholders, and to mitigate any potential conflict of interest situation, our Audit and Risk Management Committee will, among others, supervise and monitor any recurrent related party transaction and the terms thereof and report to our Board for further action, as set out in Section 10.2.1 of this Prospectus.

10.1.2 Related party transactions entered into that are unusual in their nature or conditions

There are no transactions that are unusual in their nature or conditions, involving goods, services, tangible or intangible assets to which we were a party in respect of the Financial Years Under Review and up to the LPD.

10.1.3 Material outstanding loans and/or financial assistance (including guarantees of any kind)

Save as disclosed below, there are no material outstanding loans or financial assistance (including guarantees of any kind) made by our Group to or for the benefit of our related parties or from related parties to us in respect of the Financial Years Under Review and up to the LPD:

No.	Transacting parties	Nature of relationship	Nature of transaction	Outstanding amount as at			
				30 June 2022 (RM'000)	30 June 2023 (RM'000)	30 June 2024 (RM'000)	LPD (RM'000)
1.	Neoh Yen Yen and QSL Management Service	Neoh Yen Yen is the director and substantial shareholder of QSL Management Service, holding 35.0% equity interest in QSL Management Service.	Advances from Neoh Yen Yen to QSL Management Service for working capital purposes	-	105	88	(1).
2.	Key Preference Sdn Bhd ("Key Preference") and Oishinbo	Key Preference is the substantial shareholder of Oishinbo, holding 49.0% equity interest in Oishinbo.	Advances from Key Preference to Oishinbo for working capital purposes	320	280	172	(2).

Notes:

(1) The outstanding amount of RM87,500 was fully settled via the issuance of 87,500 new ordinary shares in QSL Management Service to Neoh Yen Yen on 20 February 2025.

(2) The outstanding amount of RM73,500 was fully settled via cash on 12 February 2025.

The above advances extended to our Group from our related parties were not on an arm's length basis and were not on normal commercial terms as they were unsecured, interest free and repayable on demand. Nevertheless, all advances extended to our Group have been fully settled as at the LPD.

10. RELATED PARTY TRANSACTIONS (Cont'd)**10.2 MONITORING AND OVERSIGHT OF RELATED PARTY TRANSACTIONS****10.2.1 Audit and Risk Management Committee review**

Our Audit and Risk Management Committee reviews related party transactions and conflicts of interest situations that arose, persist or may arise within our Company or Group. Our Audit and Risk Management Committee also reviews any transaction, procedure or course of conduct that raises questions of management integrity including our related party transactions. In reviewing the related party transactions, the following, amongst other things will be considered:

- (i) the rationale and the cost/benefit to our Group are first considered;
- (ii) where possible, comparative quotes will be taken into consideration;
- (iii) that the transactions are based on normal commercial terms and not more favourable to the related parties than those generally available to third parties dealing on an arm's length basis; and
- (iv) that the transactions are not detrimental to our Company's non-interested shareholders.

All reviews by our Audit and Risk Management Committee are reported to our Board for its further action.

10.2.2 Our Group's policy on related party transactions and conflicts of interest

Related party transactions by their very nature, involve conflicts of interests between our Group and the related parties with whom our Group has entered into such transactions. Some of the officers and the Directors of our Group are also officers, directors and in some cases, shareholders of the related parties of our Group, as disclosed in this Prospectus and, with respect to these related party transactions, may individually and in aggregate have conflicts of interest.

It is the policy of our Group that all related party transactions and conflicts of interest (including potential conflicts of interest) must be immediately and fully disclosed by our interested or conflicted Directors or substantial shareholders to the management for reporting to our Audit and Risk Management Committee. Any related party transactions must be reviewed by our Audit and Risk Management Committee to ensure that they are carried out on normal commercial terms which are not more favourable to the related parties than those generally available to the third parties dealing on arm's length basis with our Group and are not to the detriment of our non-interested shareholders. In respect of our Directors' interest in companies carrying on similar business, our Directors will also be required to abstain from deliberations and voting on resolutions pertaining to matters and/or transactions where a conflict of interest or potential conflict of interest may arise.

In addition, our Directors are required to make disclosure of any related party transactions and conflicts of interest (including potential conflicts of interest) with our Group and our Audit and Risk Management Committee will carry out assessment in relation to such related party transactions and/or conflicts of interest (including potential conflicts of interest), if any. Our Audit and Risk Management Committee will in turn report to our Board after their evaluation and assessment and make the appropriate recommendations to our Board.

11. CONFLICTS OF INTEREST (Cont'd)

11.1 INTEREST IN ENTITIES WHICH CARRY ON A SIMILAR TRADE AS THAT OF OUR GROUP OR WHICH ARE OUR CUSTOMERS OR SUPPLIERS

11.1.1 Involvement of our Directors and Substantial Shareholders in entities which carry on a similar trade as that of our Group

Save as disclosed below, as at the LPD, our Directors and Substantial Shareholders do not have any interest, direct or indirect, in any entities which are carrying on a similar trade as that of our Group:

No.	Name of company	Director and/or Substantial Shareholder	Nature of trade	Principal activities	Nature of interest
1.	LH Venture	<u>Director and Substantial Shareholder of Loob</u> Loo Chuu Lin Bryan Loo Loo Chee Leng <u>Director of Loob</u> Yeow Boon Siang	Operation of Gindaco – Takoyaki outlets	Operation of F&B outlets	Bryan Loo and Yeow Boon Siang are directors of LH Venture. Loo Chuu Lin, Bryan Loo and Loo Chee Leng are shareholders who indirectly hold 51.0% equity interest in LH Venture through their interest in LV Holdings which holds the entire equity interest of LH Venture. Loo Chuu Lin and Bryan Loo are directors of LV Holdings.
2.	Happy Potato Ventures	<u>Director and Substantial Shareholder of Loob</u> Bryan Loo	Operation of Happy Potato – flavoured fries outlets	Retail sale of other food products, soft drinks and mineral water	Bryan Loo is a director and shareholder who holds 30.0% equity interest in Happy Potato Ventures.
3.	Happy Potato Ventures Northern	<u>Director and Substantial Shareholder of Loob</u> Bryan Loo	Operation of Happy Potato – flavoured fries outlets	Retail sale of other food products, soft drinks and mineral water	Bryan Loo is a director and shareholder who indirectly holds 51.0% equity interest in Happy Potato Ventures Northern through his interest in Happy Potato Ventures.
4.	Yunan Bridge Noodle	<u>Director and Substantial Shareholder of Loob</u> Loo Chuu Lin Loo Chee Leng	Operation of Yun Bridge Noodle restaurants	Operation of F&B retail outlets	Loo Chuu Lin and Loo Chee Leng are shareholders who hold 35.0% and 30.0% equity interest in Yunan Bridge Noodle, respectively.
5.	SYLRD	<u>Director of Loob</u> Yeow Boon Siang	Operation of Boon Signature Roast Pork restaurants	To set up restaurants, chain of cafes and eating houses that provide and serve F&B	Yeow Boon Siang is a shareholder who holds 50.0% equity interest in SYLRD.

11. CONFLICTS OF INTEREST (Cont'd)

No.	Name of company	Director and/or Substantial Shareholder	Nature of trade	Principal activities	Nature of interest
6.	STCHH	<u>Director and Substantial Shareholder of Loob</u> Bryan Loo	F&B restaurant business specialising in chicken-oriented claypot dishes prepared in traditional Sichuan style	Restaurants operator; royalty owner, licensor and administrators of food patent; engaged as general trader	Bryan Loo holds 100,000 STCHH preference shares.

Our Board (save for the interested Directors) is of the view that any potential conflict of interest situation which may arise through the interest of our Directors and Substantial Shareholders in entities which are carrying on a similar trade as our Group, has been mitigated due to the following:

(i) LH Venture

(a) the business and operations of LH Venture are not in direct competition with the business and operations of our Group given that:

- LH Venture is operating the Gindaco Takoyaki business on a much smaller scale comprising five (5) kiosks which are Halal-certified as at the LPD. The Gindaco Takoyaki kiosks are all concentrated in shopping malls in Selangor and Kuala Lumpur predominantly focuses on serving food. The Gindaco Takoyaki kiosks fall under the food stalls/kiosks segment within the F&B services industry while our Tealive stores operate on a larger scale and fall under the tea shops segment within the F&B services industry that predominantly focuses on serving MTO beverages with tea as a base ingredient. Similarly, Bask Bear stores operate on a larger scale and fall under the café segment within the F&B services industry that focuses on offering a variety of caffeinated drinks together with a limited food variety;
- the Gindaco Takoyaki kiosks provide a different food offering from our Tealive and Bask Bear stores. The kiosks serve Japanese food mainly focusing on rice boxes, takoyaki, okonomiyaki and yakisoba which are distinct from the food offerings in any of our Tealive stores which serve snacks to complement the beverages such as chicken rolls, popcorn chicken, macaroni and cheese, toast and fries, and our Bask Bear stores which serve full meal offerings such as toasties, burgers, fried boneless chicken, fries, loaded fries, macaroni and cheese, and muffins;
- the Gindaco Takoyaki kiosks operated by LH Venture do not offer milk tea, bubble tea, smoothies, chocolate, milkshakes which are the main offerings in our Tealive stores nor do they offer premium/specialty coffee, toasties and burgers which are the main offerings in our Bask Bear stores. The limited Japanese-inspired drinks and soft drinks sold at the Gindaco Takoyaki kiosks are offered as a beverage accompaniment to satisfy the basic hydration needs of a consumer whereas our MTO Tealive beverages and Bask Bear caffeinated beverages offer an experience and flavour that our consumers seek for enjoyment rather than as a thirst quencher; and

11. CONFLICTS OF INTEREST (Cont'd)

- save for the subletting of part of the premises by BB Coffee to LH Venture as one of the Gindaco Takoyaki kiosks as disclosed in Section 10.1.1(ii) and Section 11.2 of this Prospectus, there is no sharing of premises between our Group and LH Venture. Both businesses also operate independently with no sharing of staff or equipment.

Premised on the above, there is no market overlap between LH Venture's and our Group's businesses;

- (b) The Gindaco Takoyaki business is operated under a master franchise arrangement between LH Venture and the Japanese brand owner of the Gindaco Takoyaki brand. Any decisions in relation to the brand, store operations, raw materials, business standards, cooking standards and menu approvals are subject to the franchise system which require consent from the Japanese brand owner;
- (c) Bryan Loo and Yeow Boon Siang are not involved in the day-to-day operations and internal decision-making of LH Venture as LH Venture has its own independent standalone management. Bryan Loo and Yeow Boon Siang do not participate in management and operational meetings and only attend board meetings of LH Venture, if required, to discharge their respective principal roles and duties as non-executive directors as well as provide advice from governance and industrial experience perspective without active management role in LH Venture;
- (d) Loo Chuu Lin, Bryan Loo and Loo Chee Leng are indirect shareholders of LH Venture. Their interests in LH Venture are solely for investment purposes, which do not result in any conflict with our Group's business or operations. Their involvement as shareholders is limited to exercising their rights through voting in shareholders' meetings, if required, and receiving periodic updates on the company's financial performance. They are, and shall remain, indirect shareholders of LH Venture without an active management role; and
- (e) Loo Chuu Lin, Bryan Loo, Loo Chee Leng and Yeow Boon Siang will abstain from deliberation and voting on resolutions in their respective capacity(ies) as Director or shareholder of our Group pertaining to any transactions between our Group and LH Venture, if any.

11. CONFLICTS OF INTEREST (Cont'd)

(ii) Happy Potato Ventures

(a) the business and operations of Happy Potato Ventures are not in direct competition with the business and operations of our Group given that:

- Happy Potato Ventures is operating the Happy Potato business on a much smaller scale comprising six (6) stores as at the LPD. The Happy Potato stores are all concentrated in shopping malls in Kuala Lumpur, Selangor and Pahang with no dine-in option, and are designed for grab-and-go customers. The Happy Potato stores fall under the food stalls/kiosks segment within the F&B services industry while our Tealive stores fall under the tea shops segment within the F&B services industry that predominantly focuses on serving MTO beverages with tea as a base ingredient and our Bask Bear stores fall under the café segment within the F&B services industry that focuses on offering a variety of caffeinated drinks together with a limited food variety;
- the Happy Potato stores operated by Happy Potato Ventures serve specialty fries as their main food offerings which are distinct from the fries or loaded fries offered as sides or snacks in our Tealive and Bask Bear stores to complement the MTO beverages which are our main offering at our Tealive stores and the caffeinated beverages, toasties and burgers which are our main offering at our Bask Bear stores. Although the Happy Potato stores also offer popcorn chicken as part of their menu, the POS sales from popcorn chicken offered as snacks by our Group's Tealive stores account for less than 3.2% of our Tealive stores' total POS sales for the FYE 30 June 2024. Further, the POS sales from the fries or loaded fries and popcorn chicken offered as sides or snacks by our Tealive and Bask Bear stores account for less than 0.6% and 0.4% of our Tealive and Bask Bear stores' total POS sales respectively for the FYE 30 June 2024;
- the Happy Potato stores operated by Happy Potato Ventures do not offer milk tea, bubble tea, smoothies, chocolate, milkshakes which are the main offerings in our Tealive stores nor do they offer premium/specialty coffee, toasties and burgers which are the main offerings in our Bask Bear stores. The limited soft drinks and mineral water sold at the Happy Potato stores are offered as a beverage accompaniment to satisfy the basic hydration needs of a consumer whereas our MTO Tealive beverages and Bask Bear caffeinated beverages offer an experience and flavour that our consumers seek for enjoyment rather than as a thirst quencher; and
- both businesses operate independently with no sharing of premises, staff or equipment.

Premised on the above, there is no market overlap between Happy Potato Ventures' and our Group's businesses;

11. CONFLICTS OF INTEREST (Cont'd)

- (b) Bryan Loo is not involved in the day-to-day operations and internal decision-making of Happy Potato Ventures as Happy Potato Ventures has its own independent standalone management. Bryan Loo does not participate in management and operational meetings and only attends board and shareholders' meetings of Happy Potato Ventures, if required, to discharge his principal role and duty as a non-executive director as well as provide advice from governance and industrial experience perspective and his involvement as shareholder is limited to exercising his rights through voting in shareholders' meetings, if required, and receiving periodic updates on the company's financial performance. He is and shall remain as a shareholder of Happy Potato Ventures without active management role in Happy Potato Ventures. Further, his interest in Happy Potato Ventures is a minority interest and is held solely for investment purposes; and
- (c) Bryan Loo will abstain from deliberation and voting on resolutions in his capacity as Director or shareholder of our Group pertaining to any transactions between our Group and Happy Potato Ventures, if any.
- (iii) Happy Potato Ventures Northern
- (a) the business and operations of Happy Potato Ventures Northern are not in direct competition with the business and operations of our Group given that:
- Happy Potato Ventures Northern is operating the Happy Potato business on a smaller scale comprising 14 stores as at the LPD. The Happy Potato stores are all concentrated in shopping malls in the northern region of Malaysia, namely in Perak, Penang and Kedah, with no dine-in option, and are designed for grab-and-go customers. The Happy Potato stores fall under the food stalls/kiosks segment within the F&B services industry while our Tealive stores fall under the tea shops segment within the F&B services industry that predominantly focuses on serving MTO beverages with tea as a base ingredient, and the Bask Bear stores fall under the café segment within the F&B services industry that focuses on offering a variety of caffeinated drinks together with a limited food variety;
 - the Happy Potato stores operated by Happy Potato Ventures Northern serve specialty fries as their main food offerings which are distinct from the fries or loaded fries offered as sides or snacks in our Tealive and Bask Bear stores to complement the MTO beverages which are our main offering at our Tealive stores and the caffeinated beverages, toasties and burgers which are our main offering at our Bask Bear stores. Although the Happy Potato stores also offer popcorn chicken as part of their menu, the POS sales from popcorn chicken offered as snacks by our Group's Tealive stores account for less than 3.2% of our Tealive stores' total POS sales for the FYE 30 June 2024. Further, the POS sales from the fries or loaded fries and popcorn chicken offered as sides or snacks by our Tealive and Bask Bear stores account for less than 0.6% and 0.4% of our Tealive and Bask Bear stores' total POS sales respectively for the FYE 30 June 2024;

11. CONFLICTS OF INTEREST (Cont'd)

- the Happy Potato stores operated by Happy Potato Ventures Northern do not offer milk tea, bubble tea, smoothies, chocolate, milkshakes which are the main offerings in our Tealive stores nor do they offer premium/specialty coffee, toasties and burgers which are the main offerings in our Bask Bear stores. The limited soft drinks and mineral water sold at the Happy Potato stores are offered as a beverage accompaniment to satisfy the basic hydration needs of a consumer whereas our MTO Tealive beverages and Bask Bear caffeinated beverages offer an experience and flavour that our consumers seek for enjoyment rather than as a thirst quencher; and
- both businesses operate independently with no sharing of premises, staff or equipment.

Premised on the above, there is no market overlap between Happy Potato Ventures Northern's and our Group's businesses;

- (b) Bryan Loo is not involved in the day-to-day operations and internal decision-making of Happy Potato Ventures Northern as Happy Potato Ventures Northern has its own independent standalone management. Bryan Loo does not participate in management and operational meetings and only attends board meetings of Happy Potato Ventures Northern, if required, to discharge his principal role and duty as a non-executive director as well as provide advice from governance and industrial experience perspective without active management role in Happy Potato Ventures Northern. Further, his 51.0% indirect equity interest in Happy Potato Ventures Northern is through his 30% equity interest in Happy Potato Ventures. Hence, his interest in Happy Potato Ventures Northern constitutes a minority interest, which is held solely for investment purposes; and
 - (c) Bryan Loo will abstain from deliberation and voting on resolutions in his capacity as Director or shareholder of our Group pertaining to any transactions between our Group and Happy Potato Ventures Northern, if any.
- (iv) Yunan Bridge Noodle
- (a) the business and operations of Yunan Bridge Noodle are not in direct competition with the business and operations of our Group given that:
 - Yunan Bridge Noodle is only operating one (1) restaurant in a mall shophot as at the LPD which is located in Selangor. The restaurant falls under the full-service restaurants segment while our Tealive stores fall under tea shops segment within the F&B services industry that predominantly focuses on serving MTO beverages with tea as a base ingredient and our Bask Bear stores fall under the café segment within the F&B services industry that focuses on offering a variety of caffeinated drinks together with a limited food variety;
 - the restaurant operated by Yunan Bridge Noodle serves non-halal foods such as Chinese noodle soup which are distinct from the food offerings in any of our Tealive stores (which serve halal snacks to complement the beverages such as chicken rolls, popcorn chicken, macaroni and cheese, toast and fries) and Bask Bear stores (which serve halal foods such as toasties, burgers, fried boneless chicken, fries, loaded fries, macaroni and cheese, and muffins);

11. CONFLICTS OF INTEREST (Cont'd)

- the restaurant operated by Yunan Bridge Noodle does not offer milk tea, bubble tea, smoothies, chocolate, milkshakes which are the main offerings in our Tealive stores nor do they offer premium/specialty coffee, toasties and burgers which are the main offerings in our Bask Bear stores. Due to the different products and services offerings offered by our Group's tea shop and café operations as compared to Yunan Bridge Noodle which only operates a non-halal full-service restaurant, the target customers of both businesses would differ depending on their preferences; and
- both businesses operate independently with no sharing of premises, staff or equipment.

Premised on the above, there is no market overlap between Yunan Bridge Noodle's and our Group's businesses;

- (b) Despite Loo Chuu Lin and Loo Chee Leng collectively holding a controlling stake in Yunan Bridge Noodle, they are not directors or personnel who are involved in the day-to-day operations and internal decision-making of Yunan Bridge Noodle as Yunan Bridge Noodle has its own independent standalone management. Loo Chuu Lin and Loo Chee Leng do not participate in management and operational meetings and only attend shareholders' meetings of Yunan Bridge Noodle, if required, and their involvement as shareholders is limited to exercising their rights through voting in shareholders' meetings, if required, and receiving periodic updates on the company's financial performance. They are and shall remain as passive shareholders of Yunan Bridge Noodle without active management role in Yunan Bridge Noodle. Further, each of their interests in Yunan Bridge Noodle is a minority interest and is held solely for investment purposes; and
- (c) Loo Chuu Lin and Loo Chee Leng will abstain from deliberation and voting on resolutions in their respective capacity(ies) as Director or shareholder of our Group pertaining to any transactions between our Group and Yunan Bridge Noodle, if any.
- (v) SYLRD
 - (a) the business and operations of SYLRD are not in direct competition with the business and operations of our Group given that:
 - SYLRD is only operating two (2) restaurants in standalone shoplots as at the LPD which are located in Selangor. The restaurants fall under the full-service restaurants segment while Tealive stores fall under the tea shops segment within the F&B services industry that predominantly focuses on serving MTO beverages with tea as a base ingredient and Bask Bear stores fall under the café segment within the F&B services industry that focuses on offering a variety of caffeinated drinks together with a limited food variety;
 - the restaurants operated by SYLRD serve non-halal foods such as rice, noodles and roast pork dishes which are distinct from the food offerings in any of our Tealive stores (which serve halal snacks to complement the beverages such as chicken rolls, popcorn chicken, macaroni and cheese, toast and fries) and Bask Bear stores (which serve halal foods such as toasties, burgers, fried boneless chicken, fries, loaded fries, macaroni and cheese, and muffins);

11. CONFLICTS OF INTEREST (Cont'd)

- the restaurants operated by SYLRD do not offer milk tea, bubble tea, smoothies, chocolate, milkshakes which are the main offerings in our Tealive stores nor do they offer premium/specialty coffee, toasties and burgers which are the main offerings in our Bask Bear stores. Due to the different products and services offerings offered by our Group's tea shop and café operations as compared to the non-halal full-serviced restaurants operated by SYLRD, the target customers of both businesses would differ depending on their preferences; and
- both businesses operate independently with no sharing of premises, staff or equipment.

Premised on the above, there is no market overlap between SYLRD's and our Group's businesses;

- (b) Yeow Boon Siang is not a director or personnel who is involved in the day-to-day operations and internal decision-making of SYLRD as SYLRD has its own independent standalone management. Yeow Boon Siang does not participate in management and operational meetings and only attends shareholders' meetings of SYLRD, if required and his involvement as shareholder is limited to exercising his rights through voting in shareholders' meetings, if required, and receiving periodic updates on the company's financial performance. He is and shall remain as a shareholder of SYLRD without active management role in SYLRD. Further, his interest in SYLRD is held solely for investment purposes; and
- (c) Yeow Boon Siang will abstain from deliberation and voting on resolutions in his capacity as Director of our Group pertaining to any transactions between our Group and SYLRD, if any.

(vi) STCHH

- (a) the business and operations of STCHH are not in direct competition with the business and operations of our Group given that:
 - STCHH is operating the Chicken Claypot House business, comprising 20 restaurants in Malaysia and three (3) overseas restaurants in mall shoplots and standalone shoplots as at the LPD. The Chicken Claypot House restaurants fall under the full-service restaurants segment while Tealive stores fall under tea shops segment within the F&B services industry that predominantly focuses on serving MTO beverages with tea as a base ingredient and our Bask Bear stores fall under the café segment within the F&B services industry that focuses on offering a variety of caffeinated drinks together with a limited food variety;
 - the restaurants operated by STCHH serve non-halal food focusing mainly on chicken-oriented claypot which are distinct from the food offerings in any of our Tealive stores (which serve halal snacks to complement the beverages such as chicken rolls, popcorn chicken, macaroni and cheese, toast and fries) and Bask Bear stores (which serve halal foods such as toasties, burgers, fried boneless chicken, fries, loaded fries, macaroni and cheese, and muffins);

11. CONFLICTS OF INTEREST *(Cont'd)*

- the restaurants operated by STCHH do not offer milk tea, bubble tea, smoothies, chocolate, milkshakes which are the main offerings in our Tealive stores nor do they offer premium/specialty coffee, toasties and burgers which are the main offerings in our Bask Bear stores. Due to the different products and services offerings offered by our Group's tea shop and café operations as compared to the non-halal full-serviced restaurants operated by STCHH, the target customers of both businesses would differ depending on their preferences; and
- both businesses operate independently with no sharing of premises, staff or equipment.

Premised on the above, there is no market overlap between STCHH's and our Group's businesses;

- (b) Bryan Loo is not a director or personnel who is involved in the day-to-day operations and internal decision-making of STCHH as STCHH has its own independent standalone management. The preference shares held by Bryan Loo are redeemable, carry no rights of conversion into new ordinary shares and do not carry any voting rights save and except, among others, as conferred by the Act, in the event of a liquidation, dissolution or winding up of STCHH and any matters which affect his rights as a preference shareholder. Further, his interest in STCHH is solely for investment purposes; and
- (c) Bryan Loo will abstain from deliberation and voting on resolutions in his capacity as Director or shareholder of our Group pertaining to any transactions between our Group and STCHH, if any.

Further, any indirect competition from the entities above is mitigated by the following:

- we offer a unique and distinctive customer experience that sets us apart through attentive and efficient service as well as continuous innovation in our menu offerings. We develop our own recipes, including signature sauces that deliver exclusive flavours unique to our brand, such as the Cheezy Sauce and Sweet & Spicy Aren Sauce in our Bask Bear menu, and the Korean Spicy Sauce featured in our Tealive menu;
- we have developed our Tealive App and Bask Bear App, each featuring a comprehensive loyalty program designed to enhance customer engagement and drive repeat purchases. Through these apps, customers can earn points redeemable for purchases at any of our outlets across Malaysia and enjoy exclusive member benefits such as free birthday beverages and monthly promotional deals. To further strengthen customer loyalty and encourage continued engagement, members are categorised into Bronze, Silver and Gold tiers, with each tier offering increasing rewards and perks. This tiered structure helps foster long-term retention within our customer base by incentivising higher spending and brand loyalty; and

11. CONFLICTS OF INTEREST (Cont'd)

- we implement tactical campaigns designed to drive short-term sales, enhance our brand awareness and grow our customer base through limited-time offers, seasonal promotions as well as our crossover co-branding and recipe collaborations with both existing and new brand owners to introduce F&B featuring unique flavours in keeping with current trends and customer preferences. Examples include our collaboration with Unilever Wall's to launch the special edition Tealive Boba Ice Cream, which brought our signature brown sugar pearl milk tea experience into a frozen dessert format and our collaboration with Golden Screen Cinemas which introduced the Golden Caramel Popcorn series.

11.1.2 Involvement of our Directors and Substantial Shareholders in entities which are our customers or suppliers

Save as disclosed below, as at the LPD, our Directors and Substantial Shareholders do not have any interest, direct or indirect, in any entities which are our customers and/or suppliers:

No.	Name of company	Director and/or Substantial Shareholder	Nature of transaction	Principal activities	Nature of interest
1.	LH Venture	<u>Director and Substantial Shareholder of Loob</u> Loo Chuu Lin Bryan Loo Loo Chee Leng <u>Director of Loob</u> Yeow Boon Siang Loo Chuu Lin, Bryan Loo and Loo Chee Leng are also directors of Loob Holding.	Franchisee of Loob Holding operating one (1) Bask Bear Franchised Store in Malaysia. As a franchisee, it pays franchise fees, royalty, initial training and support fees, equipment fees and project management fees to Loob Holding.	Operation of F&B outlets	Bryan Loo and Yeow Boon Siang are the directors of LH Venture. Loo Chuu Lin, Bryan Loo and Loo Chee Leng are shareholders who indirectly hold 51.0% equity interest in LH Venture through their interest in LV Holdings. Loo Chuu Lin and Bryan Loo are directors of LV Holdings.

11. CONFLICTS OF INTEREST (Cont'd)

No.	Name of company	Director and/or Substantial Shareholder	Nature of transaction	Principal activities	Nature of interest
2.	Jadewalk Delight Sdn Bhd ("Jadewalk Delight")	<u>Substantial Shareholders of Loob</u> Dato' Mah Yew Lay Mah Kok Weng	Franchisee of Loob Holding operating seven (7) Tealive Franchised Stores in Malaysia. As a franchisee, it pays franchise fees, royalty, initial training and support fees, equipment fees and service fees to Loob Holding as well as purchases of ingredients, equipment and supplies from LRTS Retail.	Sales of F&B	Dato' Mah Yew Lay and Mah Kok Weng are the directors and shareholders who hold 27.5% and 27.5% equity interest respectively in Jadewalk Delight.
3.	Oracle Selection Sdn Bhd ("Oracle Selection")	<u>Substantial Shareholders of Loob</u> Dato' Mah Yew Lay Mah Kok Weng	Franchisee of Loob Holding operating two (2) Tealive Franchised Stores in Malaysia. As a franchisee, it pays franchise fees, royalty, initial training and support fees, equipment fees and service fees to Loob Holding as well as purchases of ingredients, equipment and supplies from LRTS Retail.	Engaged as a franchisee of beverage business and operator of beverage outlets	Dato' Mah Yew Lay and Mah Kok Weng are the directors and shareholders who hold 22.0% and 22.0% equity interest respectively in Oracle Selection.

11. CONFLICTS OF INTEREST (Cont'd)

No.	Name of company	Director and/or Substantial Shareholder	Nature of transaction	Principal activities	Nature of interest
4.	Loob Philippines	<u>Director and Substantial Shareholder of Loob</u> Loo Chuu Lin Bryan Loo Loo Chee Leng Loo Chuu Lin, Bryan Loo and Loo Chee Leng are also directors of Loob Holding. Bryan Loo and Loo Chuu Lin are also directors of LRTS Retail.	Master franchisee of Tealive Franchised Stores in Philippines, excluding the Ilocos region. As a franchisee, Loob Philippines pays royalty to Loob Holding as well as purchases of ingredients, equipment and supplies from LRTS Retail.	To carry on a business of processing, manufacturing and packaging of all kinds of food products, to establish, operate and maintain restaurants, food and beverage outlets, cafés, coffee shops, and refreshment parlors; to serve, arrange and cater food, drinks, refreshments and other food commodities; to offer such other food services to the public; and to do and perform such other acts and things necessary or incidental to the accomplishment of the foregoing corporate business and objects insofar as may be allowed by applicable laws and rules and regulations including without limitation, to invest, own, or hold interests in similar businesses	Bryan Loo, Loo Chuu Lin and Loo Chee Leng indirectly hold 100% equity interest in Loob Philippines through their interest in TrueScale Ventures. Bryan Loo, Loo Chuu Lin and Loo Chee Leng are the directors and shareholders who hold 33.0%, 30.6% and 25.8% equity interest respectively in TrueScale Ventures. Bryan Loo and Loo Chee Leng are also directors of Loob Philippines.
5.	LV Holdings VN Group	<u>Director and Substantial Shareholder of Loob</u> Loo Chuu Lin Bryan Loo Loo Chee Leng Loo Chuu Lin, Bryan Loo and Loo Chee Leng are also directors of Loob Holding. Bryan Loo and Loo Chuu Lin are also directors of LRTS Retail.	Licencee of Tealive Licenced Stores in Vietnam. As a licensee of Loob Holding, LV Holdings VN Group has the rights to use Tealive's trademark to operate the Tealive business in Vietnam and purchases ingredients, equipment and supplies from LRTS Retail.	Provision of management consultancy activities and wholesale of goods and beverages	Loo Chuu Lin, Bryan Loo and Loo Chee Leng are the shareholders who indirectly hold 100% equity interest in LV Holdings VN through their interest in TrueScale Ventures. Bryan Loo, Loo Chuu Lin and Loo Chee Leng are the directors and shareholders who hold 33.0%, 30.6% and 25.8% equity interest respectively in TrueScale Ventures. Kim Le Vy Trading is a 98.0%-owned subsidiary of LV Holdings VN. Bryan Loo and Loo Chee Leng are directors of LV Holdings VN, and Bryan Loo is the sole director of Kim Le Vy Trading.

11. CONFLICTS OF INTEREST (Cont'd)

No.	Name of company	Director and/or Substantial Shareholder	Nature of transaction	Principal activities	Nature of interest
6.	Good Foodie	<u>Director and Substantial Shareholder of Loob</u> Loo Chuu Lin Bryan Loo Loo Chee Leng Loo Chuu Lin, Bryan Loo and Loo Chee Leng are also directors of Loob Holding. Bryan Loo and Loo Chee Leng are also directors of BB Coffee.	Digital media group which owns digital media brands such as KL Foodie, Singapore Foodie, Penang Foodie and Halal Foodie, which provide marketing services to Loob Holding and BB Coffee.	Advertising and e-commerce	Bryan Loo and Loo Chee Leng are the directors and shareholders who hold 13.7% and 10.8% equity interest respectively in Good Foodie. Loo Chuu Lin is a shareholder who holds 14.0% equity interest in Good Foodie.
7.	Custom Food	<u>Substantial Shareholder of Loob</u> Uttama <u>Director of Loob</u> Lum Ying Ling	Purchase of raw materials by LRTS Retail from Custom Food.	Trading company and manufacturing of a wide range of non-dairy creamer, high fat powder and nutrition powder and nutrition powder for food and beverage application, manufacturer of wide range of drum and vacuum dried food ingredients, particularly instant malt extract cereal, cereal flakes, cereal powder, malt extract powder, malted beverages powder and etc.	Custom Food is an investee company of Creador V, a fund managed by Creador Management V Ltd. Creador Management V Ltd is associated with Creador Management IV Ltd, as Creador Sdn Bhd serves as the investment adviser for both entities. Creador Management IV Ltd is the general partner of Creador IV, which in turn is the sole shareholder of Uttama. Lum Ying Ling is an employee of Creador Sdn Bhd and a director of Custom Food.

11. CONFLICTS OF INTEREST (Cont'd)

No.	Name of company	Director and/or Substantial Shareholder	Nature of transaction	Principal activities	Nature of interest
8.	SC Food	<u>Substantial Shareholder of Loob</u> Uttama <u>Director of Loob</u> Lum Ying Ling	Purchase of raw materials by LRTS Retail from SC Food.	Manufacture processed foods, precooked foods, preserve foods and all other food products; property investment holdings; and activities of holding companies	SC Food is a subsidiary of an investee company of Creador V, a fund managed by Creador Management V Ltd. Creador Management V Ltd is associated with Creador Management IV Ltd, as Creador Sdn Bhd serves as the investment adviser for both entities. Creador Management IV Ltd is the general partner of Creador IV, which in turn is the sole shareholder of Uttama. Lum Ying Ling is an employee of Creador Sdn Bhd and a director of SC Food.

Our Board (save for the interested Directors) is of the view that any potential conflict of interest situation which may arise through the interests of our Directors and Substantial Shareholders in entities which are our customers or suppliers has been mitigated due to the following:

- (i) LH Venture
- (a) all sales to and fees received from LH Venture as stated above are transacted on an arm's length basis and on normal commercial terms which are not more favourable to LH Venture than those generally available to the third-party franchisees under the FA and are not detrimental to our non-interested shareholders as our Group enters into terms that are the same as those entered into with other franchisees;
 - (b) the interested Directors and Substantial Shareholders do not participate in the day-to-day operations of LH Venture as LH Venture has its own independent and standalone management;
 - (c) the interested Directors and Substantial Shareholders will abstain from deliberation and voting on resolutions in their respective capacity(ies) as Director or shareholder of our Company pertaining to any transactions between our Group and LH Venture, if any;

11. CONFLICTS OF INTEREST *(Cont'd)*

- (d) the interested Directors and Substantial Shareholders will abstain from deliberation and voting on resolutions in their respective capacity(ies) as director or shareholder of LH Venture pertaining to any transactions between our Group and LH Venture, if any;
- (e) our Promoters, namely Loo Chuu Lin, Bryan Loo and Loo Chee Leng who are the shareholders of LH Venture, have provided their undertaking to our Company that they shall not, and shall ensure and procure that partnerships or companies which they are partners or directors or shareholders of, shall not in any way enter into any contracts, arrangements and undertakings or engage in any business that may give rise to a potential conflict of interest or which is in competition whether directly or indirectly with our Group (including opening any new Bask Bear Franchised Stores or Tealive Franchised Stores);
- (f) our Directors, namely Bryan Loo and Yeow Boon Siang who are the directors of LH Venture, have also provided their undertaking to our Company that for so long as they are directors of LH Venture, they shall not, and shall ensure and procure that partnerships or companies which they are partners or directors or shareholders of, shall not in any way enter into any contracts, arrangements and undertakings or engage in any business that may give rise to a potential conflict of interest or which is in competition whether directly or indirectly with our Group (including opening any new Bask Bear Franchised Stores or Tealive Franchised Stores); and
- (g) for information, our Group has not converted the Bask Bear Franchised Store operated by LH Venture to a Corporate Store as the POS sales of the store for each of the FYE 30 June 2022 to FYE 30 June 2024 were insufficient to cover the total costs that would have been incurred if the said store were operated as a Corporate Store. However, its location plays an important role in terms of our brand visibility and positioning in a high traffic mall. Its continued presence indirectly benefits us in terms of increased customer 'top of mind' awareness and stronger brand equity. Additionally, the tenancy agreement between LH Venture and the landlord restricts the possibility of converting the Bask Bear Franchised Store operated by LH Venture into a Bask Bear Corporate Store as the entire premises is tenanted to LH Venture for the operations of both Gindaco and Bask Bear stores and the landlord does not agree for LH Venture to sub-let part of the premises to our Group. Similarly, LH Venture is also not able to divest its interest in the Bask Bear Franchised Store to another party because LH Venture will not be able to sub-let part of the premises to the new franchisee.

In view of the above, we and LH Venture irrevocably undertake that once the Bask Bear Franchised Store operated by LH Venture achieves the POS sales that are sufficient to cover the total costs (i.e. the store reaches break even as if our Group were operating it as a Corporate Store) based on the financial information provided by LH Venture and at the same time, a suitable lot in the mall becomes available, the Bask Bear Franchised Store operated by LH Venture will be closed down and our Group will open a Bask Bear Corporate Store at an alternative location within the mall. However, if such Bask Bear Franchised Store does not break even by 31 December 2026 based on the financial information provided by LH Venture, we and LH Venture undertake to close down its Bask Bear Franchised Store permanently.

11. CONFLICTS OF INTEREST (Cont'd)**(ii) Jadewalk Delight and Oracle Selection**

- (a) all sales to and fees received from Jadewalk Delight and Oracle Selection as stated above are transacted on an arm's length basis and on normal commercial terms which are not more favourable to them than those generally available to third parties franchisees under the FA and are not detrimental to our non-interested shareholders as our Group enters into terms that are the same as those entered into with other franchisees; and
- (b) the interested Substantial Shareholders do not participate in the day-to-day operations of our Group as our Group has its own standalone management. They only attend shareholders' meetings of our Company, if any, and they are and shall remain as shareholders without active management role in our Group.

(iii) Custom Food and SC Food

- (a) purchases from Custom Food and SC Food as stated above are transacted on an arm's length basis and on normal commercial terms which are not unfavourable to us than those generally offered by third-party suppliers and are not detrimental to our non-interested shareholders as the fees or charges by them are benchmarked against comparable rates from other suppliers for similar services and products; and
- (b) the interested Director and Substantial Shareholder do not participate in the day-to-day operations of Custom Food and SC Food as Custom Food and SC Food have their own independent and standalone management. The interested Director and Substantial Shareholder will abstain from deliberation and voting on resolutions in their respective capacity(ies) as Director or shareholder of our Company pertaining to any transactions between our Group and Custom Food and SC Food, if any.

(LH Venture, Jadewalk Delight and Oracle Selection are collectively to be referred to as "**Related Customers**")

(Custom Food and SC Food are collectively to be referred to as "**Related Suppliers**")

Our Group is not dependent on the Related Customers as the total sales to and fees received from the Related Customers represent less than 10.0% of our Group's revenue for the Financial Years Under Review, details of which are set out below:

	FYE 30 June 2022	FYE 30 June 2023	FYE 30 June 2024
	RM'000	RM'000	RM'000
Sales to and fees received from the Related Customers	8,320	5,265	5,067
	Represents 2.0% of our Group's revenue	Represents 1.0% of our Group's revenue	Represents 0.9% of our Group's revenue

11. CONFLICTS OF INTEREST (Cont'd)

Our Group is not dependent on the Related Suppliers as the purchases from the Related Suppliers represent less than 10.0% of our Group's purchases for the Financial Years Under Review, details of which are set out below:

	FYE 30 June 2022	FYE 30 June 2023	FYE 30 June 2024
	RM'000	RM'000	RM'000
Purchases from the Related Suppliers	13,648	12,554	19,090
	Represents 7.6% of our Group's purchases	Represents 6.6% of our Group's purchases	Represents 9.9% of our Group's purchases

Our Group is also not dependent on the Related Suppliers for the supply of the abovementioned raw materials as our Group is able to source for alternative suppliers for the said raw materials with similar price, quantity and quality.

(iv) Loob Philippines and LV Holdings VN Group

- (a) pursuant to the master franchise agreement dated 19 December 2023 and addendum to the master franchise agreement dated 3 February 2025 between Loob Holding and Loob Philippines, Loob Holding has granted Loob Philippines exclusive master franchise rights to develop, establish, manage and operate the Tealive business in the Philippines (excluding the Ilocos region);
- (b) pursuant to the MIPLA dated 4 February 2025 between Loob Holding and LV Holdings VN, Loob Holding has granted LV Holdings VN the right to use Tealive's trademark to operate the Tealive business in Vietnam with effect from 18 September 2017 and the MIPLA shall continue in force until terminated by either of parties by giving one-month notice of termination in writing to the other party;
- (c) pursuant to the right of first offer letter dated 10 February 2025 between Loob and TrueScale Ventures, if TrueScale Ventures wishes to sell, assign, pledge, charge, mortgage, offer to sell, contract or agree to sell, grant or agree to grant any option or right to purchase or otherwise transfer or dispose of its common shares of stock or contributed capital in Loob Philippines, LV Holdings VN or any interest therein to a third party, TrueScale Ventures shall first provide a notice in writing to Loob indicating its interest to transfer its interest in Loob Philippines or LV Holdings VN before transferring its contributed capital to third party with terms not more favourable to the relevant third party than those provided to Loob;

11. CONFLICTS OF INTEREST *(Cont'd)*

- (d) the business and operations of Loob Philippines and LV Holdings VN Group are not in direct competition with the business and operations of our Group as Loob Philippines and LV Holdings VN are the master franchisee and licensee of our Group operating the Tealive brand in the Philippines (excluding the Ilocos region) and Vietnam respectively. As a franchisee, Loob Philippines pays royalty to Loob Holding and purchases ingredients, equipment and supplies from our Group. As a licensee, LV Holdings VN Group has the rights to use Tealive's trademark to operate the Tealive business in Vietnam and purchases ingredients, equipment and supplies from our Group. All transactions with Loob Philippines and LV Holdings VN Group are/will be transacted on an arm's length basis and on normal commercial terms which are not more favourable to them than those generally available to other master franchisees/licensees for similar products/services. The transactions are transacted at pricing which is comparable to transactions with unrelated third parties for similar products/ services;
 - (e) Loo Chuu Lin, Bryan Loo and Loo Chee Leng are not involved in the day-to-day operations of Loob Philippines and LV Holdings VN as both Loob Philippines and LV Holdings VN have their own independent standalone management. Bryan Loo and Loo Chee Leng are non-executive directors who only attend board and/or shareholder meetings of Loob Philippines and LV Holdings VN, if any, and Loo Chuu Lin, Bryan Loo and Loo Chee Leng are and shall remain as indirect shareholders of Loob Philippines and LV Holdings VN through their interest in TrueScale Ventures without active management role in Loob Philippines and LV Holdings VN. Accordingly, Bryan Loo's and Loo Chee Leng's involvement in Loob Philippines and LV Holdings VN will not affect their contributions to our Group; and
 - (f) Loo Chuu Lin, Bryan Loo and Loo Chee Leng will abstain from deliberation and voting on resolutions in their respective capacity(ies) as Director or shareholder of our Company pertaining to any transactions between our Group and Loob Philippines or LV Holdings VN Group, if any.
- (v) Good Foodie
 - (a) all the transactions with Good Foodie are transacted on an arm's length basis and on normal commercial terms which are not unfavorable to us than those generally offered by Good Foodie to third parties and are not detrimental to our non-interested shareholders as the fees or charges for the material recurrent related party transactions are benchmarked against pricing provided by Good Foodie to third parties;
 - (b) the business and operations of Good Foodie are not in competition with the business and operations of our Group given that Good Foodie is a digital media company;
 - (c) Loo Chuu Lin, Bryan Loo and Loo Chee Leng are not involved in the day-to-day operations of Good Foodie as Good Foodie has its own independent standalone management. Loo Chuu Lin, Bryan Loo and Loo Chee Leng only attend board and/or shareholders' meetings of Good Foodie, if any, to discharge their principal role and duty as a non-executive director as well as provide advice from governance and industrial experience perspective and they are and shall remain as shareholders of Good Foodie without active management role in Good Foodie. Further, their interests in Good Foodie are solely for investment purposes, which do not result in any conflict with our Group's business or operations; and

11. CONFLICTS OF INTEREST (Cont'd)

- (d) Loo Chuu Lin, Bryan Loo and Loo Chee Leng will abstain from deliberation and voting on resolutions in their respective capacity(ies) as Director or shareholder of our Company pertaining to any transactions between our Group and Good Foodie.

In addition to the above, as set out in Section 10.2.1 of this Prospectus, our Audit and Risk Management Committee will review any conflict of interest situation that arose, persist or may arise within our Company or our Group, including any transaction, procedure or course of conduct that raises questions of management integrity and the measures taken to resolve, eliminate or mitigate such conflicts. Our Audit and Risk Management Committee will ensure that any such transactions are carried out on an arm's length basis and on normal commercial terms.

Notwithstanding the above, the interests that are held by our Directors and substantial shareholders and the interests that may be held by our Directors and substantial shareholders in the future in other businesses or corporations which carry on a similar trade as that of our Group or which are our customers or suppliers may give rise to a conflict of interest situation with our business. Where such interests give rise to a conflict of interest situation, our Directors and substantial shareholders and persons connected to them shall abstain from deliberating and voting on the resolutions relating to these matters or transactions that require the approval of our shareholders, in respect of their direct or indirect interests and our Board (other than the interested Directors) shall ensure that such transactions are carried out on an arm's length basis and on normal commercial terms.

11.2 PROPERTIES LEASED TO OR FROM OUR GROUP BY OR TO RELATED PARTIES

Save as disclosed below, as at the LPD, there are no other properties leased by our Directors or Substantial Shareholders to our Group or vice versa:

No.	Name of company	Director and/or Substantial Shareholder	Property leased	Nature of interest
1.	LH Venture	<u>Director and Substantial Shareholder of Loob</u> Loo Chuu Lin Bryan Loo Loo Chee Leng <u>Director of Loob</u> Yeow Boon Siang Bryan Loo and Loo Chee Leng are also directors of BB Coffee.	Sublet of part of a shoplot bearing the postal address of Lot G-7, Danau Kota Suite Jalan 1A/6, Taman Danau Kota, 53300 Kuala Lumpur by BB Coffee to LH Venture for the operation of the Gindaco stores.	Bryan Loo and Yeow Boon Siang are directors of LH Venture. Loo Chuu Lin, Bryan Loo and Loo Chee Leng are shareholders who indirectly hold 51.0% equity interest in LH Venture through their interest in LV Holdings which holds the entire equity Interest of LH Venture. Loo Chuu Lin and Bryan Loo are directors of LV Holdings.

11. CONFLICTS OF INTEREST (Cont'd)

No.	Name of company	Director and/or Substantial Shareholder	Property leased	Nature of interest
2.	LH KD Property	<u>Director and Substantial Shareholder of Loob</u> Loo Chuu Lin Bryan Loo Loo Chee Leng Loo Chuu Lin, Bryan Loo and Loo Chee Leng are also directors of Loob Holding. Bryan Loo and Loo Chee Leng are also directors of Hakata Asia.	(a) Rental of two (2) office blocks bearing the postal address of No. 14 (Block C & Block E), Jalan Teknologi, Taman Sains Selangor 1, Kota Damansara, 47810 Petaling Jaya, Selangor by Loob Holding from LH KD Property which is used as Loob's HQ. (b) Rental of Mezzanine Floor, No. 14 (Block D), Jalan Teknologi, Taman Sains Selangor 1, Kota Damansara, 47810 Petaling Jaya, Selangor by Hakata Asia from LH KD Property which is used as office.	Loo Chuu Lin, Bryan Loo and Loo Chee Leng are the directors and indirect shareholders of LH KD Property, holding 100.0% equity interest in LH KD Property through their interest in LV Holdings which holds the entire equity Interest of LH KD Property. Loo Chuu Lin and Bryan Loo are directors of LV Holdings.
3.	Ding Dang Holdings	<u>Director and Substantial Shareholder of Loob</u> Bryan Loo Bryan Loo is also a director of Loob Integrated.	Sublet of part of a shoplot bearing postal address of No. 2-G, 2-1, 2-2 and 2-3, Jalan Equine 1E, Taman Equine, 43300 Seri Kembangan, Selangor by Loob Integrated to Ding Dang Holdings for use as a convenience store.	Bryan Loo is a director of Ding Dang Holdings and holds 33.0% equity interest in Ding Dang Holdings.

The sublet of part of a shoplot by BB Coffee to LH Venture as stated under item 1 above was not carried out on an arms' length basis as the amount charged by BB Coffee to LH Venture was not proportionate to the space occupied by LH Venture based on the amount paid by our Group to the landlord. However, this arrangement was not detrimental to our Group as a higher amount was charged to LH Venture. The amount charged by BB Coffee to LH Venture has been revised with effect from 1 April 2025 to be proportionate to the space occupied by LH Venture and the transaction is currently carried out on an arm's length basis and on normal commercial terms which are not unfavourable to us than those generally available to third parties and are not detrimental to our non-interested shareholders. This transaction will subsist after the Listing.

LH KD Property owns five (5) office blocks, one (1) warehouse and one (1) recreational/sport center of which two (2) office blocks are rented to Loob Holding to be used as our HQ. The rental of the two (2) office blocks (Block C & Block E) by Loob Holding from LH KD Property as stated under item 2(a) and the rental of the mezzanine floor of the recreational/sport center (Block D) by Hakata Asia from LH KD Property as stated under item 2(b) are transacted on an arm's length basis and on normal commercial terms which are not unfavourable to us than those generally available to third parties and were not detrimental to our non-interested shareholders as the rental is benchmarked against the pricing provided by our related parties to third parties.

The sublet of part of a shoplot by Loob Integrated to Ding Dang Holdings as stated under item 3 was not carried out on an arms' length basis as the rental amount charged by Loob Integrated to Ding Dang Holdings was not proportionate to the space occupied by Ding Dang Holdings based on the rental amount paid by our Group to the landlord. Nonetheless, this transaction has ceased since April 2025.

11. CONFLICTS OF INTEREST (Cont'd)

In view of the above, our Board (save for the interested Directors) is of the view that the abovementioned potential conflict of interest situations have been resolved, eliminated or mitigated.

11.3 DECLARATION BY ADVISERS ON CONFLICTS OF INTEREST

11.3.1 Declaration by Maybank IB

Maybank IB, being the Principal Adviser, Joint Bookrunner, Sole Managing Underwriter and Joint Underwriter for our IPO, and its related and associated companies including Malayan Banking Berhad and its group of companies ("**Maybank Group**") form a diversified financial group and are engaged in a wide range of investment and commercial banking, brokerage, securities trading, assets and funds management and credit transaction services businesses. The Maybank Group may in the future, engage in transactions with and perform services for our Company and/or our affiliates, in addition to the roles set out in this Prospectus. In addition, in the ordinary course of business, any member of the Maybank Group may at any time offer or provide its services to or engage in any transaction (on its own account or otherwise) with any member of our Group, our shareholders and/or our affiliates and/or any other entity or person, hold long or short positions in securities issued by our Company and/or our affiliates, and may trade or otherwise effect transactions for its own account or the account of its customers in debt or equity securities or senior loans of any member of our Group and/or our affiliates. This is a result of the businesses of the Maybank Group generally acting independently of each other, and accordingly, there may be situations where parts of the Maybank Group and/or its customers now have or in the future, may have interest or take actions that may conflict with the interest of our Group. Nonetheless, the Maybank Group is required to comply with applicable laws and regulations issued by the relevant authorities governing its advisory business, which require, among others, segregation between dealing and advisory activities and Chinese wall between different business divisions.

As at the LPD, the Maybank Group has not extended any credit facility to our Group.

Maybank IB confirms that there is no conflict of interest situation in its capacity as the Principal Adviser, Joint Bookrunner, Sole Managing Underwriter and Joint Underwriter for our IPO.

11.3.2 Declaration by AmInvestment Bank

AmInvestment Bank is a wholly-owned subsidiary of AMMB Holdings Berhad ("**AMMB**"). AMMB, AmInvestment Bank, its subsidiaries ("**AmBank Group**") and its related and associated companies are a diversified financial group and are involved in a wide range of businesses relating to amongst others, retail banking, investment banking, commercial banking, brokerage, securities trading, asset and funds management and credit transaction services. AmBank Group has been engaged, and may in the future be engage, in transactions with and/or perform services for our Group and its affiliates, in addition to AmInvestment Bank's role as the Joint Bookrunner and Joint Underwriter for our IPO.

11. CONFLICTS OF INTEREST (Cont'd)

In addition, in the ordinary course of business, any member of the AmBank Group may at any time offer or provide its services to or engage in any transaction (on its own account or otherwise) with any member of our Group, its affiliates, and/or any other entity or person, hold long or short positions in securities issued by our Group, make investment recommendations and/or publish or express independent research views on such securities, and may trade or otherwise effect transactions for its own account or the account of its other customers in debt or equity securities or senior loans of our Group and its affiliates. This is a result of the business of the AmBank Group generally acting independent of each other and accordingly, there may be situations where parts of the AmBank Group and/or its customers now have, or in the future, may have interest or take actions that may conflict with the said interest. Nonetheless, AmBank Group is required to comply with applicable laws and regulations issued by the relevant authorities governing its advisory business, which require, among others, segregation between dealing and advisory activities, and Chinese wall between different business divisions.

As at the LPD, AmBank Islamic Berhad has extended total credit facilities of RM30.0 million to our Group, which are not material when compared to the audited NA of the AmBank Group as at 31 March 2025 of RM20.62 billion (representing approximately 0.1% of the AmBank Group's audited NA).

AmInvestment Bank is of the view that the aforementioned extension of credit facilities does not result in any conflict of interest situation which would prevent it from acting as Joint Bookrunner and Joint Underwriter for our IPO as the extension of such credit facilities to our Group arose in the ordinary course of business of the AmBank Group.

11.3.3 Declaration by KPMG PLT

KPMG PLT confirms that there is no conflict of interest situation in its capacity as the Auditors and Reporting Accountants in relation to our IPO.

11.3.4 Declaration by Cheang & Ariff

Cheang & Ariff confirms that there is no conflict of interest situation in its capacity as the legal adviser to our Company in relation to our IPO.

11.3.5 Declaration by Christopher & Lee Ong

Christopher & Lee Ong confirms that there is no conflict of interest situation in its capacity as the legal adviser to the Joint Bookrunner, Sole Managing Underwriter and Joint Underwriter in relation to our IPO.

11.3.6 Declaration by Frost & Sullivan

Frost & Sullivan confirms that there is no conflict of interest situation in its capacity as the IMR in relation to our IPO.

11.3.7 Declaration by Baker Tilly

Baker Tilly confirms that there is no conflict of interest situation in its capacity as the Internal Control Consultant in relation to our IPO.

12. FINANCIAL INFORMATION**12.1 HISTORICAL FINANCIAL INFORMATION**

The historical combined financial information for the Financial Years Under Review presented below have been extracted from the Accountants' Report included in Section 13 of this Prospectus.

Our combined financial statements have been prepared in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standard Board ("**MFRS Accounting Standards**"), IFRS Accounting Standards as issued by the International Accounting Standards Board ("**IFRS Accounting Standards**").

The following selected historical combined financial information should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Section 12.2 of this Prospectus and the Accountants' Report in Section 13 of this Prospectus.

12.1.1 Selected historical combined financial information**(i) Selected financial information from the historical combined statements of profit or loss and other comprehensive income**

Our financial information for the Financial Years Under Review from our historical combined financial statements of profit or loss and other comprehensive income is as set out in the table below:

	Audited		
	FYE 30 June		
	2022	2023	2024
	(RM'000)	(RM'000)	(RM'000)
Revenue	422,486	511,747	591,243
Cost of sales	(164,261)	(202,923)	(202,608)
Gross profit	258,225	308,824	388,635
Other income	4,288	4,014	2,811
Administrative expenses	(161,690)	(243,371)	(294,527)
Selling and distribution expenses	(1,451)	(1,361)	(5,004)
Other expenses	(2,851)	(3,160)	(3,397)
Net losses on impairment of financial instruments	(595)	(245)	(136)
Results from operating activities	95,926	64,701	88,382
Finance income	590	433	608
Finance costs	(5,066)	(9,836)	(14,114)
Share of results of associate/JV	(572)	(415)	107
PBT	90,878	54,883	74,983
Tax expense	(26,345)	(16,368)	(23,387)
Profit for the year	64,533	38,515	51,596
Items that are or may be reclassified subsequently to profit or loss			
Foreign currency translation differences for foreign operations	(190)	93	631
Other comprehensive income/(expenses), net of tax	(190)	93	631
Total comprehensive income for the year	64,343	38,608	52,227

12. FINANCIAL INFORMATION (Cont'd)

	Audited		
	FYE 30 June		
	2022	2023	2024
	(RM'000)	(RM'000)	(RM'000)
Profit for the financial years attributable to:			
- Owners of the Company	66,026	38,696	50,797
- Non-controlling interests	(1,493)	(181)	799
	64,533	38,515	51,596
Total comprehensive income for the financial years attributable to:			
- Owners of the Company	65,799	38,798	51,416
- Non-controlling interests	(1,456)	(190)	811
	64,343	38,608	52,227
	FYE 30 June		
	2022	2023	2024
Other selected financial data			
Adjusted EBITDA (RM'000) ⁽¹⁾	123,337	108,188	148,091
Gross profit margin (%) ⁽²⁾	61.1	60.3	65.7
Adjusted EBITDA margin (%) ⁽³⁾	29.2	21.1	25.0
PBT margin (%) ⁽⁴⁾	21.5	10.7	12.7
PATAMI margin (%) ⁽⁴⁾	15.6	7.6	8.6
Effective tax rate (%) ⁽⁵⁾	29.0	29.8	31.2
Basic / Diluted EPS (sen) ⁽⁶⁾	5.7	3.3	4.3

Notes:

(1) Adjusted EBITDA is computed based on the following:

	FYE 30 June		
	2022	2023	2024
	(RM'000)	(RM'000)	(RM'000)
PBT	90,878	54,883	74,983
Add/(Less):			
Finance costs	5,066	9,836	14,114
Depreciation – PPE	12,019	21,617	28,737
Depreciation – ROU assets	14,797	21,599	30,624
Amortisation of intangible assets	-	26	212
Finance income	(590)	(433)	(608)
EBITDA	122,170	107,528	148,062
Add/(Less):			
Share of results of associate/JV	572	415	(107)
Net losses on impairment of financial instruments	595	245	136
Adjusted EBITDA	123,337	108,188	148,091

(2) Gross profit margin is computed based on gross profit divided by revenue.

(3) Adjusted EBITDA margin is computed based on Adjusted EBITDA divided by revenue.

12. FINANCIAL INFORMATION (Cont'd)

- (4) *PBT and PATAMI margins are computed based on PBT divided by revenue and PATAMI divided by revenue, respectively.*
- (5) *Effective tax rate was computed based on tax expenses divided by PBT.*
- (6) *Basic EPS is computed based on the profit for the financial years attributable to owners of our Company divided by our enlarged issued Shares of 1,169,188,203 upon our Listing. Diluted EPS is equivalent to basic EPS as there were no potentially dilutive equity instruments in issue.*

EBITDA, Adjusted EBITDA and the related ratios presented in this Prospectus are supplemental measures of our performance and liquidity that are not required by or presented in accordance with the IFRS and MFRS. Furthermore, EBITDA and Adjusted EBITDA are not measures of our financial performance or liquidity under the IFRS and MFRS and should not be considered as an alternative to net profit, operating profit or any other performance measures derived in accordance with the IFRS or MFRS or as an alternative to cash flows from operating activities or as a measure of liquidity. In addition, EBITDA and Adjusted EBITDA are not standardised terms, and hence, a direct comparison of EBITDA and Adjusted EBITDA between companies may not be meaningful. Other companies may calculate EBITDA and Adjusted EBITDA differently from us, limiting its usefulness as a comparative measure.

(ii) Selected historical combined statements of financial position

Our financial information for Financial Years Under Review from our historical combined statements of financial position is as set out in the table below:

	Audited		
	As at 30 June		
	2022	2023	2024
	(RM'000)	(RM'000)	(RM'000)
Non-current assets	129,827	233,552	271,876
Current assets	100,096	124,811	120,197
Total assets	229,923	358,363	392,073
Non-current liabilities	65,178	123,900	132,299
Current liabilities	103,518	162,898	166,751
Total liabilities	168,696	286,798	299,050
Net assets	61,227	71,565	93,023
Net current liabilities	3,422	38,087	46,554
Equity			
Share capital	(4)	(4)	(4)
Invested equity	15,300	15,300	15,300
Reserves	47,227	52,708	74,124
Equity attributable to owners of the Company	62,527	68,008	89,424
Non-controlling interests	(1,300)	3,557	3,599
Total equity	61,227	71,565	93,023

12. FINANCIAL INFORMATION (Cont'd)

	Audited		
	As at 30 June		
	2022	2023	2024
Other selected financial data			
Total borrowings (excluding lease liabilities) (RM'000)	14,139	62,657	52,073
Net (cash)/borrowings (RM'000) ⁽¹⁾	(9,675)	24,425	5,123
Gearing ratio (times) ⁽²⁾	0.2	0.9	0.6
Net gearing ratio (times) ⁽³⁾	⁽⁵⁾ N/A	0.3	0.1

Notes:

- (1) Computed based on total borrowings (excluding lease liabilities) less cash and cash equivalents as at the end of the financial year.
- (2) Computed based on total borrowings (excluding lease liabilities) divided by total equity as at the end of the financial year.
- (3) Computed based on total borrowings (excluding lease liabilities) less cash and cash equivalents divided by total equity as at the end of the financial year.
- (4) Represents RM2 only.
- (5) Net gearing ratio is not applicable as our Group was in a net cash position.

12.2 MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of our Group's financial condition and results of operations is based on our combined financial information for the Financial Years Under Review which have been extracted from the Accountants' Report included in Section 13 of this Prospectus.

There are no accounting policies that are peculiar to our Group because of the nature of our business and industry in which we operate. See Note 1 of the Accountants' Report as set out in Section 13 of this Prospectus for further details on the accounting policies of our Group.

12.2.1 Overview of our business

We own two (2) brands, namely Tealive and Bask Bear, that operate in two (2) segments within the F&B services industry in Malaysia.

According to the estimate stated in the IMR Report, our Tealive brand is the largest F&B services brand in Malaysia by number of stores and the largest player within the tea shops segment by number of stores as at the LPD. On the other hand, according to the estimate stated in the IMR Report, Bask Bear is the largest player within the café segment by number of stores as at the LPD. The operations for these two (2) brands are carried out through our directly-owned stores and our franchised/licenced stores operated and managed by entities outside our Group.

In addition to Tealive and Bask Bear operations, we also sell sparkling water machines and carbonating gas cylinders to businesses and consumers under our SodaXpress brand. We also hold a 35.0% equity interest in each of Wonder Group and WonderBrew, which produce and distribute WonderBrew kombucha, a ready-to-drink fermented tea.

See Section 7 of this Prospectus for further details on our business.

12. FINANCIAL INFORMATION (Cont'd)**12.2.2 Significant factors affecting our financial condition and results of operations**

Our financial condition and results of operations have been, and are expected to be affected by a number of factors, including those set out below:

(i) Growth in our network of Tealive and Bask Bear stores

Our sales correlate directly to the number of stores that we and our franchisees/licensees operate but in particular, our Corporate Stores. F&B sales from our Corporate Stores accounted for 66.1%, 74.3% and 78.8%, and revenue from the supply of goods to our franchisees/licensees under our Tealive and Bask Bear brands and from our SodaXpress brand accounted for 29.0%, 20.4% and 17.3% of our revenue for the FYE 30 June 2022, FYE 30 June 2023 and FYE 30 June 2024 respectively.

In addition, franchise/licence fees and royalty accounted for 2.9%, 3.7% and 2.4%, and management and marketing income accounted for 2.0%, 1.6% and 1.5% of our revenue for the FYE 30 June 2022, FYE 30 June 2023 and FYE 30 June 2024, respectively.

Since opening our first Tealive Corporate Store in 2017 and Bask Bear Corporate Store in 2019, we have experienced rapid growth, culminating in a network of 831 Tealive stores, comprising 547 Tealive Corporate Stores and 284 Tealive Franchised Stores in Malaysia, and 135 Bask Bear stores, comprising 129 Bask Bear Corporate Stores and six (6) Bask Bear Franchised Stores in Malaysia, as at the LPD. In addition, we also have franchisees/licensees for our Tealive brand internationally, with operations in the Philippines, Myanmar, Brunei, Mauritius, Vietnam, Cambodia and Canada, comprising a total of 121 Tealive Franchised/Licensed Stores across these jurisdictions. Against this backdrop, our revenue has grown steadily for the FYE 30 June 2022, FYE 30 June 2023 and FYE 30 June 2024. We believe that our ability to generate and grow our revenue in the future is dependent on our ability to continue to expand our network of stores.

The following table sets out our Group's POS sales from our Tealive stores and the number of Tealive stores that we had at the beginning and end of each of the Financial Years Under Review:

	FYE 30 June		
	2022	2023	2024
POS sales from Tealive stores (RM'000)	532,017	539,832	569,612
Tealive stores as at the beginning of the year	609	753	829
Tealive stores as at the end of the year	753	829	838

The following table sets out our Group's POS sales from our Bask Bear stores and the number of Bask Bear stores that we had at the beginning and end of each of the Financial Years Under Review:

	FYE 30 June		
	2022	2023	2024
POS sales from Bask Bear stores (RM'000)	5,893	63,732	101,903
Bask Bear stores as at the beginning of the year	10	24	95
Bask Bear stores as at the end of the year	24	95	128

In the past three (3) financial years, our POS sales grew in line with the growth of the number of our Tealive and Bask Bear stores.

12. FINANCIAL INFORMATION (Cont'd)

As the number of our Corporate Stores grow, our operating expenses and cost of sales such as cost of inventory and equipment, employee benefits expenses, utilities and depreciation on PPE and ROU assets will also increase. However, we leverage on our low cost and high access model to open new stores efficiently. We keep the setup, operating and maintenance costs of each store relatively low by adopting efficient store layouts, minimising renovation expenses, implementing lean staffing models and centralising administrative functions. At the same time, we prioritise opening of new stores in strategic and high-visibility locations such as transportation hubs, residential clusters or popular shopping districts where high foot traffic and easy accessibility help drive customer visits without significant marketing spend.

The increased scale of our operations allows us to benefit through economies of scale, for example, through our ability to secure more favourable terms from our suppliers as we have more relative bargaining power. In addition, the operational efficiency of our network of stores is enhanced through improved supply chain performance, supported by shared resources and optimised processes. For example, as our network of stores grows, distribution and logistics become more efficient with consolidated deliveries and optimised routes. Shared marketing benefits also arise as marketing campaigns can cover a larger number of stores without a proportional increase in cost.

New stores also help us increase our market share, by allowing us to reach a wider group of customers. The efficiency of our Tealive and Bask Bear operations coupled with the size of our store network provide an effective platform to grow our market share and revenue through new store openings.

Overall, we aim to grow Tealive and Bask Bear's presence within Malaysia, by opening new stores in areas which we believe have growth potential, as well as internationally, through our established processes and criteria for selecting suitable store locations in order to accelerate the growth of our Corporate Stores, as well as our overseas master franchisees. In line with our growth strategy, we have opened 41 new Tealive stores and 10 new Bask Bear stores across Malaysia during the FYE 30 June 2025. In addition, we are committed to opening 55 Tealive stores annually over the next three (3) financial years, and we plan to maintain a well-distributed rollout of 20 new Bask Bear stores annually over the next three (3) financial years.

(ii) Productivity and performance of our stores

The average spend per transaction and the total number of transactions at our stores are the primary drivers for our overall financial performance and have a direct impact on our revenue, financial position and the SSSG of our stores.

Higher customer footfall and increased spending per visit lead to greater sales volume, boosting overall profitability. For Franchised/Licensed Stores, since our revenue is derived from royalty/licence fees which is a percentage of such franchisee's/licensee's POS sales, fluctuations in the average spend per transaction and the total number of transactions at Franchised/Licensed Stores directly influence our revenue and financial performance. The average spend per transaction varies across our stores based on factors such as the product mix offered at the store, our ability to anticipate and respond effectively to consumer preference, consumer buying patterns and economic trends. The product mix for each store is determined by our internal teams and not by individual store operators. This is a collaborative effort involving our marketing, product development and operations teams who work together to align menu offerings with local consumer preferences and purchasing behaviour. The final product mix for each store is also influenced by specific factors such as store format, customer demographics, seasonal trends and promotional campaigns. To maintain a competitive edge, we continually review and refine our product mix to align with changing customer demands and stay ahead of our competitors and new entrants.

12. FINANCIAL INFORMATION (Cont'd)

The total number of transactions at our stores depend primarily on factors such as footfall traffic near each store's location, our ability to provide a diverse product range that generates new and repeat visits to our stores and the overall customer experience and service standards we uphold in our stores.

The following table sets out the ADSS, average spend per transaction and average number of transactions per store per day for our Tealive stores in Malaysia for the Financial Years Under Review:

	FYE 30 June		
	2022	2023	2024
Number of stores operating during the financial year			
<i>Directly-owned</i>	431	496	519
<i>Franchised/Licenced</i>	322	333	319
Total	753	829	838
POS sales (RM'000)			
<i>Directly-owned</i>	265,296	296,362	337,505
<i>Franchised/Licenced</i>	266,721	243,470	232,107
Total	532,017	539,832	569,612
Average spend per transaction (RM)⁽¹⁾			
<i>Directly-owned</i>	16.49	16.54	16.83
<i>Franchised/Licenced</i>	16.98	16.63	16.86
<i>Directly-owned and Franchised/Licenced</i>	16.73	16.58	16.84
Average number of transactions per store per day⁽²⁾			
<i>Directly-owned</i>	116	104	106
<i>Franchised/Licenced</i>	139	122	119
<i>Directly-owned and Franchised/Licenced</i>	126	112	111
ADSS (RM)⁽³⁾			
<i>Directly-owned</i>	1,905	1,724	1,792
<i>Franchised/Licenced</i>	2,364	2,036	2,000
<i>Directly-owned and Franchised/Licenced</i>	2,110	1,852	1,871

Notes:

- (1) The average spend per transaction is calculated by dividing (a) total POS sales generated by the total number of our stores during the financial year, by (b) total number of transactions at such stores during the financial year.
- (2) The average number of transactions per store per day is calculated as the aggregate of our stores' number of transactions per day during the financial year divided by the number of stores operating at any time during the financial year. Our stores' number of transactions per day during the financial year is calculated by aggregating the result of dividing the number of transactions generated by each store during the financial year with the number of operating days for that store during the financial year.

12. FINANCIAL INFORMATION (Cont'd)

- (3) *ADSS is the total POS sales generated from our total stores in Malaysia for that financial year, divided by the number of total stores, and divided by the number of days in that financial year.*

The following table sets out the ADSS, average spend per transaction and average number of transactions per store per day for our Bask Bear stores in Malaysia for the Financial Years Under Review:

	FYE 30 June		
	2022	2023	2024
Number of stores operating during the financial year			
<i>Directly-owned</i>	20	91	123
<i>Licenced</i>	4	4	5
Total	24	95	128
POS sales (RM'000)			
<i>Directly-owned</i>	5,801	59,550	96,088
<i>Licenced</i>	92	4,182	5,815
Total	5,893	63,732	101,903
Average spend per transaction (RM)⁽¹⁾			
<i>Directly-owned</i>	24.02	26.89	26.40
<i>Licenced</i>	20.65	32.65	30.29
<i>Directly-owned and licenced</i>	23.96	27.20	26.59
Average number of transactions per store per day⁽²⁾			
<i>Directly-owned</i>	55	107	90
<i>Licenced</i>	15	120	110
<i>Directly-owned and licenced</i>	53	108	91
ADSS (RM)⁽³⁾			
<i>Directly-owned</i>	1,330	2,880	2,376
<i>Licenced</i>	300	3,918	3,345
<i>Directly-owned and licenced</i>	1,263	2,931	2,416

Notes:

- (1) *The average spend per transaction is calculated by dividing (a) total POS sales generated by the total number of our stores during the financial year, by (b) total number of transactions at such stores during the financial year.*
- (2) *The average number of transactions per store per day is calculated as the aggregate of our stores' number of transactions per day during the financial year divided by the number of stores operating at any time during the financial year. Our stores' number of transactions per day during the financial year is calculated by aggregating the result of dividing the number of transactions generated by each store during the financial year with the number of operating days for that store during the financial year.*
- (3) *ADSS is the total POS sales generated from our total stores in Malaysia for that financial year, divided by the number of total stores, and divided by the number of days in that financial year.*

12. FINANCIAL INFORMATION (Cont'd)

We also track the productivity and performance of our stores using a variety of key performance indicators and metrics, including the SSSG of such stores, as well as the Same Stores ADSS. We record the sales at each of our stores daily through our POS systems installed at each store.

The SSSG of our stores directly affects our revenue and gross profit. SSSG is used as an indicator to monitor store performance by measuring the organic growth of existing stores, as it excludes the impact of new store openings or closures. SSSG is calculated based on our Same Stores. As such, monitoring SSSG allows businesses to have a more accurate insight on store health, ensuring that growth is sustainable rather than driven by store expansion.

Same Stores ADSS, which indicates the amounts customers are spending to purchase or order products via delivery from a store, enables us to measure store productivity on a daily basis. Same Stores ADSS may be affected by various factors, including economic conditions, our product mix and pricing, changes in customers' discretionary spending patterns as well as consumer tastes and preferences. Same Stores ADSS serves as an indication of the productivity of our stores over time to detect seasonal trends, market shifts or operational issues. It also aids in evaluating the impact of marketing campaigns or promotional efforts.

The following table sets out the SSSG and Same Stores ADSS of our Tealive stores in Malaysia for the Financial Years Under Review:

	FYE 30 June		
	2022	2023	2024
Directly-owned			
Number of Same Stores	312	429	498
POS sales (RM'000)	186,490	225,464	290,374
SSSG (%)⁽¹⁾	0.8	(10.9)	2.1
Same Stores ADSS (RM)⁽²⁾	1,873	1,718	1,783
Franchised/Licenced			
Number of Same Stores	294	319	327
POS sales (RM'000)	230,215	225,568	220,650
SSSG (%)⁽¹⁾	(1.5)	(14.1)	(4.5)
Same Stores ADSS (RM)⁽²⁾	2,358	2,055	1,992
Directly-owned and Franchised/Licenced			
Number of Same Stores	606	748	825
POS sales (RM'000)	416,705	451,032	511,024
SSSG (%)⁽¹⁾	(0.5)	(12.5)	(0.8)
Same Stores ADSS (RM)⁽²⁾	2,113	1,872	1,868

Notes:

- (1) The SSSG of our stores for each financial year is calculated by dividing (a) the POS sales generated by our Same Stores during such financial year after deducting the POS sales generated by those Same Stores during the immediately preceding financial year, by (b) the POS sales generated by those Same Stores for the financial year during the immediately preceding financial year.
- (2) Same Stores ADSS is the POS sales over the financial year generated from our Same Stores in Malaysia, divided by the number of Same Stores, and divided by the number of days in that financial year.

12. FINANCIAL INFORMATION (Cont'd)

Tealive brand recorded Same Stores ADSS of RM2,113 for the FYE 30 June 2022 which is slightly lower than the Same Stores ADSS of RM2,124 for the FYE 30 June 2021. The higher Same Stores ADSS for the FYE 30 June 2021 was supported by the early adoption of a delivery model, leveraging strategic store formats and retail presence to capture the surge in delivery orders ahead of competitors during the COVID-19 pandemic. The slight decline in Same Stores ADSS resulted in an SSSG of -0.5% for the FYE 30 June 2022.

Tealive brand recorded lower Same Stores ADSS of RM1,872 for the FYE 30 June 2023 compared to Same Stores ADSS of RM2,139 for the FYE 30 June 2022. The decline was mainly due to a shift in consumer behavior, leading to an adjustment in Same Stores ADSS as economic activity normalised following the COVID-19 pandemic. During the lockdown period in the FYE 30 June 2022, consumer footfall and spending patterns were heavily influenced by movement restrictions and work-from-home arrangements, which increased reliance on delivery platforms. However, as the economy reopened and consumer routines returned to pre-pandemic norms (i.e. in the FYE 30 June 2023) such as increased out-of-home mobility, return to offices, and greater social activity, there was a noticeable decline in demand on delivery platform as consumers resumed visiting malls, city centres and other commercial hubs.

Additionally, post-pandemic inflationary pressures and cautious spending behaviours also contributed to reduced discretionary spending, particularly among younger consumers, who form a key segment of Tealive's customer base. This shift in consumer sentiment and combined with greater competition, placed further pressure on maintaining historical Same Stores ADSS levels.

As a result, despite the recovery of overall foot traffic in the retail and F&B sectors, the change in consumption patterns and store dynamics led to a modest but measurable decline in same-store sales performance. Changes in consumer preferences for F&B offerings, together with changes in store dynamics due to competitors establishing stores in close proximity to our stores, particularly in high density retail areas, have had an impact on our customer footfall and revenue. Tealive brand recorded an SSSG of -12.5% for the FYE 30 June 2023, reflecting the gradual reversion of Same Stores ADSS towards the pre-COVID-19 levels of approximately RM1,800, recorded in the FYE 30 June 2017 and FYE 30 June 2018.

Tealive brand recorded Same Stores ADSS of RM1,868 for the FYE 30 June 2024 compared to Same Stores ADSS of RM1,884 for the FYE 30 June 2023, reflecting stable sales trends following post COVID-19 pandemic adjustments and a normalised business environment. SSSG was -0.8% for the FYE 30 June 2024.

12. FINANCIAL INFORMATION (Cont'd)

The following table sets out the SSSG and Same Stores ADSS of our Bask Bear stores in Malaysia for the Financial Years Under Review:

	FYE 30 June		
	2022	2023	2024
Directly-owned			
Number of Same Stores	6	21	90
POS sales (RM'000)	1,156	7,384	48,544
SSSG (%)⁽¹⁾	19.7	38.1	(18.3)
Same Stores ADSS (RM)⁽²⁾	776	2,558	2,489
Licenced			
Number of Same Stores	1	1	5
POS sales (RM'000)	76	131	3,811
SSSG (%)⁽¹⁾	41.0	2829.4	(8.1)
Same Stores ADSS (RM)⁽²⁾	314	4,354	2,780
Directly-owned and licenced			
Number of Same Stores	7	22	95
POS sales (RM'000)	1,233	7,514	52,355
SSSG (%)⁽¹⁾	20.9	40.4	(17.6)
Same Stores ADSS (RM)⁽²⁾	711	2,576	2,508

Notes:

- (1) The SSSG of our stores for each financial year is calculated by dividing (a) the POS sales generated by our Same Stores during such financial year after deducting the POS sales generated by those Same Stores during the immediately preceding financial year, by (b) the POS sales generated by those Same Stores for the financial year during the immediately preceding financial year.
- (2) Same Stores ADSS is the POS sales over the financial year generated from our Same Stores in Malaysia, divided by the number of Same Stores, and divided by the number of days in that financial year.

Bask Bear brand recorded Same Stores ADSS of RM711 for the FYE 30 June 2022, an increase from RM588 for the FYE 30 June 2021, reflecting a period of heavy reliance on virtual sales channels, operating with a limited physical presence, where growth was primarily driven by a small store base, which resulted in an SSSG of 20.9% for the FYE 30 June 2022.

Bask Bear recorded higher Same Stores ADSS of RM2,576 for the FYE 30 June 2023 compared to Same Stores ADSS of RM1,835 for the FYE 30 June 2022. This growth was driven by the successful introduction of Toasties in the FYE 30 June 2023, which garnered strong consumer interest supported by marketing efforts. Additionally, our Group ramped up our Bask Bear Corporate Store expansion amid rising demand and transitioned from a coffee-centric model to a dual-core focus on beverages and food, which contributed to the substantial increase in sales. As a result, SSSG for the FYE 30 June 2023 stood at 40.4%.

12. FINANCIAL INFORMATION (Cont'd)

Bask Bear recorded Same Stores ADSS of RM2,508 for the FYE 30 June 2024 compared to Same Stores ADSS of RM3,044 for the FYE 30 June 2023, reflecting the stabilisation of business and a successful long-term repositioning of the brand. This followed the initial surge from the Toasties launch in the FYE 30 June 2023 which had settled, with sustained consumer interest supported by the continued expansion of the food menu. The launch of Bask Bear toasties in the FYE 30 June 2023 generated a strong initial sales surge, driven by consumer curiosity, effective marketing campaigns and the novelty factor of introducing hot food offerings to complement the brand's coffee beverage range. As expected, this surge tapered off and normalised in the subsequent financial year (i.e. in the FYE 30 June 2024) as the product transitioned from a new offering to a regular part of the menu. While the initial hype tapered off, consumer interest in toasties remained resilient, supported by ongoing food menu enhancements. As growth normalised post-launch, SSSG for the FYE 30 June 2024 was -17.6%.

(iii) Product mix

The sales performance of our stores depends largely on our ability to identify a suitable mix of products, and to adapt our offerings to changes in consumer preferences, consumer demands as well as varying preferences across different localities and demographics. As a result, we strive to respond to the changing tastes and preferences of our customers by optimising the range of products we offer in order to attract and maintain a large pool of customers. For example, the mix of products which we carry at certain stores may differ depending on factors such as store size and formats.

Our ability to maintain our stores' sales performance is dependent on our continued ability to offer a diverse array of food and beverage that cater to the varied consumption demands of different consumer groups. To this end, as at the LPD, we offer over 120 types of MTO beverages and a variety of food on both our Tealive and Bask Bear menus. Our dedicated product development team also regularly creates and tests new food products and beverage flavours to be introduced at our stores, as we recognise the importance of offering new menu items from time to time in response to taste preferences of customers, F&B trends, seasonality and customer feedback. To do so, we engage in product and brand development activities such as experimenting with new drink flavours and toppings, and engaging with selected suppliers or ingredient manufacturers to formulate new beverage concepts. We have strived to consistently introduce new products to our menus. Some of these new products which were popular among our customers, such as our milk tea, "Signature Bang Bang", "Coco", smoothies, coffee and fruit tea, generated high volumes of sales following their launch and contributed to our growth in sales.

12. FINANCIAL INFORMATION (Cont'd)**(iv) Cost of ingredients, packaging materials and consumables**

We regularly purchase ingredients, packaging materials and consumables to support the operations of our stores.

Cost of ingredients, packaging materials and consumables is a major component of our operating costs. For the FYE 30 June 2022, FYE 30 June 2023 and FYE 30 June 2024, we recorded total purchases of ingredients, packaging materials and consumables amounting to around RM180.0 million, RM189.2 million and RM192.7 million, respectively, representing 42.6%, 37.0% and 32.6%, respectively, of our revenue for each such financial year. Our Group has not entered into any long-term contracts with our suppliers of ingredients, packaging materials and consumables. We purchase ingredients, packaging materials and consumables on an order by order basis. While the purchase price is generally fixed, it is subject to periodic revisions based on the prevailing market conditions, such as increase in raw material prices, inflation, or associated shipping costs. Although our Group will continue to monitor the cost of ingredients, packaging materials and consumables, and take steps to maintain a stable supply of ingredients, packaging materials and consumables at stable prices, the fluctuations in the price of ingredients, packaging materials and consumables may nonetheless significantly affect our operating results.

Our business and results of operations are also highly dependent on a sufficient supply of ingredients, packaging materials and consumables that meet our quality requirements. We purchase from third party suppliers, our supply of ingredients, packaging materials and consumables, and we centralise the purchase of most of our ingredients, packaging materials and consumables through our wholly-owned subsidiary, LRTS Retail. Centralising our purchases allows us to obtain the best prices and achieve economies of scale. We have developed a close and stable relationship with our key suppliers, which allows us to maintain a stable supply of ingredients, packaging materials and consumables that meet our quality control standards, at a commercially acceptable price. However, we are still exposed to the risk that any of these suppliers may be unable to deliver sufficient quantities of ingredients, packaging materials and consumables, or the ingredients, packaging materials and consumables of acceptable quality. In that event, failure to identify an alternate source of supply for ingredients, packaging materials and consumables of acceptable quality may, in extreme situations, affect the reputation of our Tealive and Bask Bear brands, and our sales. A failure to procure acceptable ingredients, packaging materials and consumables at comparable prices may also reduce our profit margins.

In addition, the cost of our ingredients, packaging materials and consumables and the resulting profit margins of our products are dependent on the prevailing exchange rates. A number of our ingredients, packaging materials and consumables such as syrup, cocoa powder, fruit concentrate and pulp, tea and pudding powder are procured from overseas suppliers, and payment for such ingredients, packaging materials and consumables is usually denominated in foreign currencies. The value of the RM against such foreign currencies may result in foreign currency translation gains or losses, when the cost of such ingredients, packaging materials and consumables are reflected in our financial statements. Our profitability is therefore also directly linked to fluctuations in exchange rates of the RM against relevant foreign currencies.

(v) Lease payments

Lease payments for our directly-owned stores forms one (1) of our largest expense items in operating a store. We operate all of our Corporate Stores on tenanted properties. Accordingly, the costs of leasing and maintaining our Corporate Stores are reflected in our lease payments. We generally enter into leases which are for an initial term of one (1) to three (3) years, with the option for us to extend, subject to a review of the lease rate.

12. FINANCIAL INFORMATION (Cont'd)

The lease rates for our Corporate Stores vary, depending on the size and location of the relevant store. In addition, the tenancy agreements for some of our tenancies contain a variable component, which is calculated based on the relevant store's POS sales. For every tenancy our Group enters into, we will consider whether the lease rate payable is commercially acceptable. However, our lease payments are nonetheless expected to increase in the future, in line with the planned growth of our network of stores, as well as the expected increase in revenue.

In accordance with MFRS 16 Leases, we account for lease liabilities in respect of our leases for our office and stores, where we are the lessee, as a ROU asset and a lease liability in our combined statements of financial position and recognise the interest expense on the lease liability under finance costs and the depreciation expense on the ROU asset under administrative expenses in our combined statements of profit or loss and other comprehensive income. We account for short-term leases of less than 12 months or leases in respect of low value assets as rental expenses under administrative expenses in our combined statements of profit or loss and other comprehensive income.

Over the FYE 30 June 2022, FYE 30 June 2023 and FYE 30 June 2024, our variable lease expenses not within the scope of MFRS 16 were RM11.2 million, RM10.4 million and RM10.2 million, which represent 2.6%, 2.0% and 1.7% of our revenue respectively. Our lease payments for short term leases were RM2.9 million, RM2.6 million and RM2.5 million for the FYE 30 June 2022, 2023 and 2024, which represent 0.7%, 0.5% and 0.4% of our revenue respectively. Our interest in relation to lease liabilities were RM3.3 million, RM6.3 million and RM8.5 million for the FYE 30 June 2022, 2023 and 2024, which represent 0.8%, 1.2% and 1.4% of our revenue respectively. Our depreciation on ROU assets were RM14.8 million, RM21.6 million and RM30.6 million for the FYE 30 June 2022, 2023 and 2024, which represent 3.5%, 4.2% and 5.2% of our revenue respectively.

Our operating expenses may be affected if property owners choose to significantly increase lease rates upon renewal, in particular for prime and competitive locations, or if property owners choose not to renew our tenancies and we are forced to secure other tenancies at an increased lease rate. If such circumstances were to arise, we may not be able to operate the affected store competitively, or may be required to relocate to a location with lower footfall, which may affect our sales performance.

(vi) Employee benefit expenses

We operate a service-oriented business and consequently, our success depends on our ability to attract, motivate and retain store managers, other staff members to operate our Corporate Stores, as well as skilled personnel to maintain and further grow our business.

Our employee benefits expenses, which relate to both our Corporate Stores' staff costs as well as our office and administrative staff costs, include, among others, wages, salaries and other allowances, employee provident fund contributions and employee social security contributions payable to our employees, including our office and administrative staff, as well as our Corporate Stores' staff. As at the LPD, we had a total of 4,148 employees. For the FYE 30 June 2022, 30 June 2023 and 30 June 2024, our employee benefit expenses were RM62.3 million, RM89.9 million and RM116.2 million, which represent 14.8%, 17.6% and 19.7% of our revenue respectively. Employee benefit expenses has been, and is expected to remain a major factor affecting our results of operations.

12. FINANCIAL INFORMATION (Cont'd)

The Government of Malaysia has announced that the minimum monthly wage will be raised from RM1,500 to RM1,700 in major cities across Malaysia, effective from 1 February 2025 onwards. As a result, the remuneration for approximately 91.6% or 3,800 of our employees as at the LPD was adjusted accordingly. We expect that our human resource related costs will increase following this rise in the minimum wage, which will also lead to an increase in our operational costs. Furthermore, in order to retain and hire employees, we may need to provide better compensation, which would also increase our overall operating expenses.

Our growth, both in sales and number of stores, may be hindered if we are unable to secure an adequate supply of staff to manage the operations of our new Corporate Stores. If we face a shortage of employees, and are unable to arrange for contractual, part-time and temporary replacement staff in a timely manner, we may experience a loss of sales due to disruptions in the operations of affected Corporate Stores.

(vii) Regulatory and economic environment

Our business activities and results of operations are affected by the regulatory environment in the countries where we operate. Changes in regulations and government policies relating to our industry could significantly impact our sales and cost of sales.

In addition, as the majority of our stores are located in Malaysia, our business depends on, and is expected to continue depending on Malaysian consumer spending and the general state of the Malaysian economy. According to the IMR report, the average monthly household income in Malaysia grew from RM7,901 in 2019 to RM8,479 in 2022 at a CAGR of 2.4%.¹ From 2019 to 2022, the total average monthly household expenditure increased from RM4,609 to RM5,150 at a CAGR of 3.8%. The average monthly expenditure on foods away from home grew from RM508 in 2019 to RM664 in 2022, at a CAGR of 9.3%. As for the expenditure on beverages away from home, the monthly average rose from RM96 in 2019 to RM126 in 2022, at a CAGR of 9.5%.² Rising household income may contribute to increased out-of-home food expenditure as families have more disposable income to spend on dining experiences and convenience. Although the F&B services industry in Malaysia is highly competitive, with a large number of chain and independent F&B service providers, F&B services industry in Malaysia is expected to expand further in the period from 2024 to 2029. Population and middle-income class growth, ongoing urbanisation, and changing lifestyle patterns, are key factors catalysing the expansion. The economic conditions in Malaysia, as reflected by the level of disposable income of the Malaysian population in particular, has a significant impact on our results of operations.

12.2.3 Significant accounting estimates and judgements

The preparation of the combined financial statements in conformity with MFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

¹ DOSM, Household Income Survey Report 2022

² DOSM, Household Expenditure Survey Report 2022

12. FINANCIAL INFORMATION (Cont'd)

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements, other than as disclosed in the following notes:

(i) Change in estimates for PPE

During the FYE 30 June 2024, our Group conducted an operational efficiency review of our Corporate Stores' PPE, which resulted in changes in the expected usage of certain items of plant and equipment. Certain plant and equipment, which management previously intend to replace after five (5) years of use, is now expected to remain in use for eight (8) years depending on the remaining tenure of the tenancy agreements.

See Note 2.1 of the Accountants' Report as set out in Section 13 of this Prospectus for further details.

(ii) Extension options and incremental borrowing rate in relation to leases

Our Group assesses at lease commencement by applying significant judgement whether it is reasonably certain to exercise the extension options. Our Group entities consider all facts and circumstances including their past practice and any cost that will be incurred to change the asset if an option to extend is not taken, to help them determine the lease term.

Our Group also applied judgement and assumptions in determining the incremental borrowing rate of the respective leases. Our Group entities first determine the closest available borrowing rates before using significant judgement to determine the adjustments required to reflect the term, security, value or economic environment of the respective leases.

See Note 3.2 of the Accountants' Report as set out in Section 13 of this Prospectus.

(iii) Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate the present value.

See Note 4.2 of the Accountants' Report as set out in Section 13 of this Prospectus.

(iv) Recognition and measurement of impairment loss

Credit risk is the risk of a financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Our Group's exposure to credit risk arises principally from the individual characteristics of each customer and associates.

See Note 27.4 of the Accountants' Report as set out in Section 13 of this Prospectus.

(v) Provision for restoration costs

A provision for restoration costs is recognised when there is a present obligation as a result of operational activities undertaken, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the provision can be measured reliably. The estimated future obligations include the cost of removing the facilities and restoring the affected areas.

See Note 16.1 of the Accountants' Report as set out in Section 13 of this Prospectus.

12. FINANCIAL INFORMATION (Cont'd)**(vi) Measurement of contract liabilities**

The contract liabilities of our Group relates to unfulfilled performance obligations arising from franchise/licence fees charged to franchisees/licensees, for the granting of the right to utilise the franchise/licence for a period of five (5) or three (3) years, with an extension option of another five (5) or three (3) years, customers' loyalty points, sale of vouchers and prepaid top-up credits by customers.

Our Group's arrangement with franchisees and licensees allow for the renewal/extension option. Our Group assesses whether the option to renew/extend the franchise and licence arrangement provide a material right to the customer that needs to be accounted for as a separate performance obligation.

See Note 18.1 of the Accountants' Report as set out in Section 13 of this Prospectus.

12.2.4 Changes in material accounting policies

We have adopted amendments to MFRS 101, *Presentation of Financial Statements* and MFRS Practice Statement 2 – *Disclosures of Accounting Policies* from 1 July 2023. The amendments require the disclosure of 'material', rather than 'significant', accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

Although the amendments did not result in any changes to our accounting policies, it impacted the accounting policy information disclosed in the financial statements. The material accounting policy information is disclosed in the respective notes to the financial statements where relevant.

12.2.5 Results of operations

The components of our results of operations are as follows:

12.2.5.1 Revenue

Our revenue primarily comprises F&B sales, supply of goods, franchise/licence fees and royalty from our Tealive and Bask Bear brands as well as management and marketing income.

The following table sets out the breakdown of our revenue by brands and nature of goods/services for the Financial Years Under Review:

	FYE 30 June					
	2022		2023		2024	
	(RM'000)	(%)	(RM'000)	(%)	(RM'000)	(%)
Revenue from Tealive						
F&B sales	273,084	64.6	325,044	63.5	369,422	62.4
Supply of goods	119,020	28.2	99,322	19.4	96,221	16.3
Franchise/Licence fees and royalty ⁽¹⁾	11,698	2.8	16,410	3.2	12,935	2.2
Management and marketing income	8,378	2.0	8,001	1.6	9,030	1.5
Total	412,180	97.6	448,777	87.7	487,608	82.4

12. FINANCIAL INFORMATION (Cont'd)

	FYE 30 June					
	2022		2023		2024	
	(RM'000)	(%)	(RM'000)	(%)	(RM'000)	(%)
Revenue from Bask Bear						
F&B sales	6,407	1.5	55,433	10.8	96,229	16.3
Supply of goods	1,234	0.3	2,139	0.4	2,265	0.4
Licence fees ⁽²⁾	623	0.1	2,416	0.5	1,202	0.2
Total	8,264	1.9	59,988	11.7	99,696	16.9
Revenue from SodaXpress						
Supply of goods	2,042	0.5	2,982	0.6	3,939	0.7
Total	422,486	100.0	511,747	100.0	591,243	100.0

Notes:

- (1) Includes (i) recurring fees such as franchise/licence fees (at initial term and every five (5) years upon renewal) and monthly royalty, (ii) non-recurring fees such as initial training and support fee, equipment fee and service fee.
- (2) Includes (i) recurring fees such as licence fees (at initial term and every three (3) years upon renewal) and monthly management fee and marketing fee, (ii) non-recurring fees such as equipment fee, service fee and first stock purchase.

(i) Revenue

We generate majority of our revenue from our Tealive and Bask Bear brands, in particular the F&B sales which includes the sales of our non-alcoholic beverages and food at our Corporate Stores. We also earn revenue from the supply of goods, including the supply of ingredients, packaging materials and consumables, as well as the supply of equipment subsequent to the initial setting up of a store, to all our franchisees/licensees for our Tealive and Bask Bear brands, as well as sparkling water machines and carbonating gas cylinders under our SodaXpress brand which we distribute to businesses and consumers. Our franchisees/licensees pay us franchise or licence fees, including initial and renewal fees as well as ongoing royalty, which contribute to our franchise/licence fees and royalty. We also receive management and marketing income from the facilitation of POS system(s), business, operation support and marketing support from our franchisees/licensees, as well as from the expiry of unredeemed cash/product vouchers and pre-paid top up credits.

We recognise revenue net of discount and applicable taxes at the following points:

- (a) in respect of the sale of F&B, when such F&B are served or delivered to customers;
- (b) in respect of the supply of goods, which comprise ingredients, packaging materials and consumables, as well as equipment such as sparkling water machines and carbonating gas cylinders, when such products are delivered to the franchisee/licensee/customers;
- (c) in respect of franchise/licence fees and royalty:
- (i) where the fee is attributable to the right to operate the Tealive Franchised/Licensed Stores and/or Bask Bear Licensed Stores, over the duration of the franchise/licence agreement;

12. FINANCIAL INFORMATION (Cont'd)

- (ii) where the fee is attributable to the provision of support to a franchisee/licensee prior to the opening of a Tealive Franchised/Licensed Store or a Bask Bear Licensed Store, upon the rendering of such support services; and
- (iii) where royalty is payable, upon the franchisee's/licensee's commencement of business and on monthly basis, based on a percentage of such franchisee's/licensee's POS sales; and
- (d) in respect of management and marketing income, where such revenue is derive from:
 - (i) maintenance income charges to franchisee/licensee for the facilitation of POS system and management and marketing income charged to the franchisee for the business and operation support and on marketing support, upon rendering of such services; and
 - (ii) unredeemed cash/product vouchers and pre-paid top up credits, upon expiry of such vouchers and credits.

(ii) Breakdown of revenue by geographical selling locations and geographical markets

The following table sets out the breakdown of our revenue by geographical selling locations of our brands for the Financial Years Under Review:

	FYE 30 June					
	2022		2023		2024	
	(RM'000)	(%)	(RM'000)	(%)	(RM'000)	(%)
Malaysia⁽¹⁾						
Tealive	409,507	96.9	433,770	84.8	460,833	77.9
Bask Bear	8,264	2.0	59,988	11.7	99,696	16.9
SodaXpress	2,042	0.5	2,982	0.6	3,939	0.7
Total	419,813	99.4	496,740	97.1	564,468	95.5
International⁽²⁾						
Tealive	2,673	0.6	15,007	2.9	26,775	4.5
Total	422,486	100.0	511,747	100.0	591,243	100.0

Notes:

- (1) *Malaysia refers to the revenue generated by our Malaysian-incorporated entities within our Group (comprising revenue generated from F&B sales, supply of goods, franchise/licence fees and royalty from our franchisees/licensees and management and marketing income).*
- (2) *International refers to the revenue generated by our foreign-incorporated entities within our Group which operate overseas during the Financial Years Under Review. This includes revenue generated by foreign-incorporated entities that were previously within our Group in countries such as Vietnam, the Philippines and Australia. In the FYE 30 June 2023, we ceased our operations in Australia.*

12. FINANCIAL INFORMATION (Cont'd)

The following table sets out the revenue breakdown by geographical markets, which refer to markets where our Tealive and Bask Bear brands are present through our stores, both in Malaysia and internationally, for the Financial Years Under Review:

	FYE 30 June					
	2022		2023		2024	
	(RM'000)	(%)	(RM'000)	(%)	(RM'000)	(%)
Malaysia	415,523	98.4	487,572	95.3	558,971	94.6
International						
Vietnam	1,089	0.3	1,325	0.2	385	(1)
Australia	965	0.2	490	0.1	-	-
Philippines	619	0.1	13,192	2.6	26,390	4.5
Others ⁽²⁾	4,290	1.0	9,168	1.8	5,497	0.9
	6,963	1.6	24,175	4.7	32,272	5.4
Total	422,486	100.0	511,747	100.0	591,243	100.0

Notes:

(1) Negligible.

(2) Comprise Myanmar, Brunei, Mauritius, Cambodia and Canada.

12.2.5.2 Cost of sales

Cost of sales relates to the (a) cost of inventory and equipment purchased from our suppliers; (b) storage and handling costs; (c) freight and duty cost; (d) inventory write off, damaged and expired stocks; and (e) others.

The following table sets out our total cost of sales for the Financial Years Under Review:

	FYE 30 June					
	2022		2023		2024	
	(RM'000)	(%)	(RM'000)	(%)	(RM'000)	(%)
Cost of sales for Tealive						
Cost of inventory and equipment	147,634	89.9	157,069	77.4	149,976	74.0
Storage and handling costs	8,229	5.0	14,026	6.9	14,386	7.1
Freight and duty cost	3,389	2.1	4,168	2.0	1,563	0.8
Inventory write off, damaged and expired stocks	360	0.2	993	0.5	1,609	0.8
Others ⁽¹⁾	361	0.3	⁽³⁾ 1,150	0.6	⁽³⁾ 532	0.2
Total	159,973	97.5	177,406	87.4	168,066	82.9
Cost of sales for Bask Bear						
Cost of inventory and equipment	2,974	1.8	23,853	11.8	32,407	16.0
Storage and handling costs	180	0.1	109	0.1	⁽⁴⁾ 102	0.1
Inventory write off, damaged and expired stocks	32	⁽²⁾	-	-	-	-
Cost of packaging ⁽³⁾	3	⁽²⁾	-	-	-	-
Total	3,189	1.9	23,962	11.9	32,509	16.1

12. FINANCIAL INFORMATION (Cont'd)

	FYE 30 June					
	2022		2023		2024	
	(RM'000)	(%)	(RM'000)	(%)	(RM'000)	(%)
Cost of sales for SodaXpress						
Cost of inventory and equipment	980	0.6	1,041	0.5	1,526	0.8
Storage and handling costs	22	(2)	32	(2)	37	(2)
Freight and duty cost	52	(2)	298	0.1	356	0.2
Inventory write off, damaged and expired stocks	41	(2)	172	0.1	82	(2)
Cost of packaging	4	(2)	12	(2)	32	(2)
Total	1,099	0.6	1,555	0.7	2,033	1.0
Total	164,261	100.0	202,923	100.0	202,608	100.0

Notes:

- (1) Comprising in-house maintenance cost, software maintenance cost and cost of packaging.
- (2) Negligible.
- (3) In the FYE 30 June 2023 and FYE 30 June 2024, our Company centralises the purchase of packaging materials through its wholly-owned subsidiary, LRTS Retail, hence the cost of packaging for Bask Bear is included under cost of packaging in Tealive brand.
- (4) Comprising cost of packaging of approximately RM35,000.

Cost of inventory and equipment was the major component of our cost of sales, which accounted for about 92.3%, 89.7% and 90.8% of our total cost of sales for the FYE 30 June 2022, FYE 30 June 2023 and FYE 30 June 2024, respectively. Our cost of inventory and equipment mainly represent (i) the purchase cost for ingredients, packaging materials and consumables, such as pearls, tea, cocoa powder, syrup and frozen food etc., used for our Tealive and Bask Bear business from both local and overseas suppliers; and (ii) the purchase cost for sparkling water machines and carbonating gas cylinders from our local and overseas suppliers used for our SodaXpress business.

12.2.5.3 Gross profit and gross profit margin

The table below sets out our gross profit and gross profit margins for the Financial Years Under Review:

	FYE 30 June					
	2022		2023		2024	
	(RM'000)	(%)	(RM'000)	(%)	(RM'000)	(%)
Gross profit						
Tealive	252,207	97.6	271,371	87.9	319,542	82.2
Bask Bear	5,075	2.0	36,026	11.7	67,187	17.3
SodaXpress	943	0.4	1,427	0.5	1,906	0.5
Total	258,225	100.0	308,824	100.0	388,635	100.0
Gross profit margin						
Tealive		61.2		60.5		65.5
Bask Bear		61.4		60.1		67.4
SodaXpress		46.2		47.9		48.4
Overall gross profit margin		61.1		60.3		65.7

12. FINANCIAL INFORMATION (Cont'd)

For the FYE 30 June 2022, FYE 30 June 2023 and FYE 30 June 2024, our gross profit was RM258.2 million, RM308.8 million and RM388.6 million, while gross profit margins were about 61.1%, 60.3% and 65.7%, respectively.

Our Tealive brand was the main contributor to our gross profit, representing about 97.6%, 87.9% and 82.2% of our total gross profit for the FYE 30 June 2022, FYE 30 June 2023 and FYE 30 June 2024, respectively.

12.2.5.4 Other income

Other income primarily comprises (a) rental income; (b) gain on lease termination; (c) gain on foreign exchange – realised and unrealised; (d) government grant/subsidy; (e) sales of used oil; (f) waiver of debt; (g) rental rebate received; (h) gain on disposal of PPE and ROU; (i) overriding commission; (j) insurance claim; (k) reversal of impairment of PPE; and (l) others.

The following table sets out the breakdown of our other income for the Financial Years Under Review:

	FYE 30 June					
	2022		2023		2024	
	(RM'000)	(%)	(RM'000)	(%)	(RM'000)	(%)
Rental income	393	9.2	719	17.9	417	14.8
Gain on lease termination	988	23.1	351	8.7	130	4.6
Gain on foreign exchange – realised and unrealised	413	9.7	1,318	32.8	117	4.2
Government grant/subsidy	579	13.5	(1)	(1)	(1)	(1)
Sales of used oil	1	(1)	123	3.1	286	10.2
Waiver of debt	6	0.1	452	11.2	1,169	41.6
Rental rebate received	602	14.0	52	1.3	3	0.1
Gain on disposal of PPE	885	20.6	-	-	-	-
Overriding commission	103	2.4	131	3.3	177	6.3
Insurance claim	30	0.7	85	2.1	139	4.9
Reversal of impairment of PPE and ROU	-	-	538	13.4	-	-
Others	288	6.7	245	6.1	373	13.3
Total	4,288	100.0	4,014	100.0	2,811	100.0

Note:

(1) Negligible.

Rental income comprises income received for sub-renting of premise.

Gain on lease termination arises when the derecognition of carrying amount of lease liabilities exceed ROU assets, as a result of early termination of lease contract of our corporate stores.

Our gain on foreign exchange – realised and unrealised refers to exchange gains mainly arising from fluctuations in the foreign exchange rate related to our trade and other receivables as well as trade and other payables denominated in USD and/or JPY.

Government grant/subsidy is related to a wage subsidy programme introduced in Malaysia in response to the COVID-19 pandemic that was received during the FYE 30 June 2022.

Income from the waiver of debt is attributed to the write-off of payables of Loob Australia Pty Ltd (“**Loob Australia**”) which was in the process of deregistration.

12. FINANCIAL INFORMATION (Cont'd)

Rental rebate received refers to rental rebates on our rental expenses received from our landlords in respect of certain Corporate Stores.

Others include fair value gain on liquid investment and bad debts recovery.

12.2.5.5 Administrative expenses

Administrative expenses primarily comprise (a) employee benefits expenses; (b) delivery commission; (c) rental expenses; (d) depreciation of ROU assets; (e) depreciation of PPE; (f) utilities expenses; (g) collaboration fees; (h) marketing expenses; (i) upkeep and maintenance expenses; (j) professional fees; (k) directors' remuneration and benefits; (l) store other operating expenses; and (m) others.

The following table sets out the breakdown of our administrative expenses for the Financial Years Under Review:

	FYE 30 June					
	2022		2023		2024	
	(RM'000)	(%)	(RM'000)	(%)	(RM'000)	(%)
Employee benefits expenses	62,334	38.6	89,905	36.9	116,249	39.5
Delivery commission	22,579	14.0	27,931	11.5	31,065	10.5
Rental expenses	14,694	9.1	14,040	5.8	13,942	4.7
Depreciation of ROU assets	14,797	9.2	21,599	8.9	30,624	10.4
Depreciation of PPE	12,019	7.4	21,617	8.9	28,737	9.8
Utilities expenses	9,420	5.8	15,667	6.4	22,307	7.6
Collaboration fees	7,204	4.4	4,809	2.0	4,721	1.6
Marketing expenses	2,920	1.8	6,146	2.5	6,915	2.3
Upkeep and maintenance expenses	3,514	2.2	8,478	3.5	3,738	1.3
Professional fees	3,909	2.4	2,930	1.2	3,471	1.2
Directors' remuneration and benefits	2,115	1.3	2,448	1.0	2,292	0.8
Store other operating expenses	5,453	3.4	25,728	10.6	28,169	9.6
Others	732	0.5	2,073	0.9	2,297	0.8
Total	161,690	100.0	243,371	100.0	294,527	100.0

Employee benefits expenses are the largest contributor to our administrative expenses. Employee benefits expenses comprise salaries, bonuses, defined contribution plans, social security contribution and other costs relating to our staff at our Corporate Stores and corporate headquarters.

Delivery Commission refers to the commission fees charged by food delivery aggregators such as GrabFood, Shopee Food and foodpanda for the services they provide in facilitating the delivery of food and beverages from our stores to consumers.

Rental expenses relates to expenses in relation to short-term leases, leases of low-value assets and variable lease payments.

Depreciation of ROU assets is calculated over the shorter of the asset's useful life or the lease term, and it reflects the consumption of the economic benefits of the leased asset. The corresponding lease liability is amortised using the effective interest method.

Depreciation of PPE refers to the systematic allocation of the cost of PPE over their estimated useful lives. PPE includes equipment and electrical fittings, furniture and fittings, computers and software, motor vehicles and renovation.

12. FINANCIAL INFORMATION (Cont'd)

Collaboration fees refers to the equipment fee payable by our Group to MRCSB pursuant to the Operating Agreement. See Section 7.20.2 for salient terms of the Operating Agreement.

Marketing expenses include the cost of marketing materials such as banners, posters, shelf displays, standees, and promotional leaflets.

Upkeep and maintenance expenses are incurred by our Corporate Stores and corporate headquarters, such as cleaning and repair works, and maintenance of machinery and hardwares.

Professional fees relate to audit, tax, company secretary, legal and filing fees.

Store other operating expenses include consumables, cleaning and pest control, utensils, printing and stationary, and renewal fees for business licences.

Others include amortisation of intangible assets, bank charges and credit card charges, insurance, traveling and other miscellaneous expenses.

12.2.5.6 Selling and distribution expenses

Selling and distribution expenses primarily comprise (a) advertising and marketing; (b) events; (c) gift, sponsorship and design; and (d) others. These expenses are incurred for the purpose of building brand awareness through marketing campaigns or promotional efforts, including events and placement of advertisements, in order to promote our products and drive revenue growth.

The following table sets out the breakdown of our selling and distribution expenses for the Financial Years Under Review:

	FYE 30 June					
	2022		2023		2024	
	(RM'000)	(%)	(RM'000)	(%)	(RM'000)	(%)
Advertising and marketing	941	64.8	1,013	74.5	3,369	67.3
Events ⁽¹⁾	265	18.3	123	9.0	1,130	22.6
Gift, sponsorship and design	202	13.9	207	15.2	489	9.8
Others ⁽²⁾	43	3.0	18	1.3	16	0.3
Total	1,451	100.0	1,361	100.0	5,004	100.0

Notes:

(1) Events are usually held at mall concourses as part of our event marketing to promote our products and in particular, the promotion of our new product offerings. Events expenses comprise venue rental, venue setup (i.e. digital, counters and display set up), emcee, ingredients for complimentary drinks, props, flyers, banners, digital invites, goodie bags, payment and tokens for media and influencers, transportation and social media advertisements.

(2) Others comprise processing/administrative fees in relation to cash voucher issuance.

12. FINANCIAL INFORMATION (Cont'd)**12.2.5.7 Other expenses**

Other expenses primarily comprise (a) loss on foreign exchange; (b) PPE written off; (c) loss on disposal of PPE; (d) loss on termination of lease; (e) impairment of ROU assets and PPE; (f) one-off adjustment arising from reconciliation of intercompany balances; and (g) others.

The following table sets out the breakdown of our other expenses for the Financial Years Under Review:

	FYE 30 June					
	2022		2023		2024	
	(RM'000)	(%)	(RM'000)	(%)	(RM'000)	(%)
Loss on foreign exchange – realised and unrealised	1	(1)	895	28.3	2,480	73.0
PPE written off	1,358	47.7	375	11.9	738	21.7
Loss on disposal of PPE	628	22.0	20	0.6	-	-
Loss on termination of lease	-	-	569	18.0	-	-
Impairment of ROU assets and PPE	539	18.9	-	-	-	-
One-off adjustment arising from reconciliation of intercompany balances	-	-	1,095	34.7	-	-
Others	325	11.4	206	6.5	179	5.3
Total	2,851	100.0	3,160	100.0	3,397	100.0

Note:

(1) Negligible.

Our loss on foreign exchange – realised and unrealised refers to exchange loss mainly arising from fluctuations in the foreign exchange rate related to our trade and other receivables as well as trade and other payables denominated in USD and/or JPY.

PPE written off comprise the write-off of PPE associated with the closure of our Corporate Stores, where the NBV of renovations and non-reusable PPE is written off as expenses.

Impairment of ROU assets and PPE refers to the impairment recognised for Loob Australia due to our Group's planned exit from the Australian market. In the FYE 30 June 2023, the impairment was reversed and recognised as other income, following the disposal and write-off of Loob Australia's operations, which rendered the impairment no longer necessary.

One-off adjustment arising from reconciliation of intercompany balances refers to a non-recurring correction made at year-end to align intercompany accounts following the migration of financial records to a new enterprise resource planning (ERP) system. This adjustment ensures accuracy by resolving discrepancies between entities within the group, ensuring that intercompany balances are properly recorded and reconciled.

Others comprise loss on theft arising from cash pocketed by store employees, which is subsequently recovered through insurance claims, and impairment of amount due from associate.

12. FINANCIAL INFORMATION (Cont'd)**12.2.5.8 Net losses on impairment of financial instruments**

Net losses on impairment of financial instruments primarily comprise (a) bad debts written off; (b) deposits written off; and (c) reversal of impairment or impairment of amount due from related companies and trade receivables.

The following table sets out the breakdown of our net losses on impairment of financial instruments for the Financial Years Under Review:

	FYE 30 June					
	2022		2023		2024	
	(RM'000)	(%)	(RM'000)	(%)	(RM'000)	(%)
Bad debts written off	194	32.6	121	49.4	22	16.2
Deposits written off	143	24.0	77	31.5	132	97.0
(Reversal of impairment)/ Impairment of:						
- amount due from related companies	-	-	5	2.0	-	-
- trade receivables	258	43.4	42	17.1	(18)	(13.2)
Total	595	100.0	245	100.0	136	100.0

12.2.5.9 Finance income

Finance income primarily comes from (a) interest income of financial assets that are not at fair value through profit or loss from deposits placed with licenced banks and imputed interest income; (b) distribution from liquid investments; and (c) unwinding of discount for non-current deposits.

The following table sets out the breakdown of our finance income for the Financial Years Under Review:

	FYE 30 June					
	2022		2023		2024	
	(RM'000)	(%)	(RM'000)	(%)	(RM'000)	(%)
Interest income of financial assets that are not at fair value through profit or loss:						
- deposits placed with licenced banks	138	23.4	242	55.9	438	72.0
- imputed interest income	95	16.1	111	25.7	149	24.5
Distribution from liquid investments	333	56.4	69	15.9	21	3.5
Unwinding of discount for non-current deposits	24	4.1	11	2.5	(1)	(1)
Total	590	100.0	433	100.0	608	100.0

Note:

(1) Negligible.

12. FINANCIAL INFORMATION (Cont'd)**12.2.5.10 Finance costs**

Finance costs primarily comprise (a) interest expenses on bank overdrafts, revolving credit facilities, trade facilities, hire purchase arrangements and term loans; (b) interest on lease liabilities on our ROU assets; and (c) unwinding of discount on franchise fees, refundable deposits and provision for restoration costs.

The following table sets out the breakdown of our finance costs for the Financial Years Under Review:

	FYE 30 June					
	2022		2023		2024	
	(RM'000)	(%)	(RM'000)	(%)	(RM'000)	(%)
Interest expense on loans and borrowings	413	8.2	1,954	19.9	4,110	29.1
Interest on lease liabilities	3,296	65.0	6,313	64.1	8,531	60.5
Unwinding of discount on franchise fees/refundable deposits/provision for restoration costs	1,357	26.8	1,569	16.0	1,473	10.4
Total	5,066	100.0	9,836	100.0	14,114	100.0

12.2.5.11 Share of results of associate/JV

We account for the share of results of our associate and JV, based on our effective shareholding in those companies. Our share of results of associate/JV comprise a 43.0% effective shareholding in Notable Paramount, a 35.0% effective shareholding in Wonder Group and a 35.0% effective shareholding in WonderBrew.

The following table sets out the breakdown of our share of results of associate/JV for the Financial Years Under Review:

	FYE 30 June					
	2022		2023		2024	
	(RM'000)	(%)	(RM'000)	(%)	(RM'000)	(%)
Associate	(588)	102.8	(468)	112.8	-(2)	-
JV ⁽¹⁾	16	(2.8)	53	(12.8)	107	100.0
Total	(572)	100.0	(415)	100.0	107	100.0

Notes:

- (1) Wonder Group and Wonderbrew are regarded as JV by virtue of an agreement with its other shareholders, which confer the right to jointly control the entities.
- (2) Our Group has not recognised losses relating to Notable Paramount totalling RM87,363 and RM463,120 for the FYE 30 June 2023 and FYE 30 June 2024, respectively, as our Group has no obligation in respect of these losses.

12. FINANCIAL INFORMATION (Cont'd)**12.2.5.12 Tax expense**

Tax expense comprises (a) current and deferred tax as well as (b) real property gain tax. We calculate current tax at the statutory tax rate of the estimated assessable profit for the year in the prevailing jurisdiction. Our deferred tax expenses primarily provide for temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and their tax bases.

The following table sets out our current tax expense and deferred tax expense as well as real property gain tax for the Financial Years Under Review:

	FYE 30 June		
	2022	2023	2024
	(RM'000)	(RM'000)	(RM'000)
Current tax expense	23,191	16,594	23,701
Deferred tax expense	3,154	(343)	(314)
Real property gain tax	-	117	-
Total	26,345	16,368	23,387

The following table sets out a comparison between our effective and statutory tax rates for the Financial Years Under Review:

	FYE 30 June		
	2022	2023	2024
Effective tax rate (%)	29.0	29.8	31.2
Statutory tax rate (%)	24.0	24.0	24.0

Effective tax rates are derived by dividing total tax charge for the relevant financial year by PBT for that financial year. Our effective tax rate in a given year differs from the applicable statutory tax rates for the current year due to changes in our non-deductible expenses, which primarily arise from the depreciation of non-qualifying PPE, non-taxable income and over or under-provisions of current tax in the previous financial year.

For the FYE 30 June 2022, FYE 30 June 2023 and FYE 30 June 2024, our effective tax rates were approximately 29.0%, 29.8% and 31.2%, respectively, which were higher than the statutory tax rate of 24.0%, mainly due to non-deductible expenses in relation to, amongst others, depreciation in relation to our PPE and unrecognised deferred tax assets from Loob Philippines.

12. FINANCIAL INFORMATION (Cont'd)**12.2.6 Review of performance for the FYE 30 June 2022 compared to FYE 30 June 2023**

The following table presents selected financial information from our combined statement of profit or loss and other comprehensive income for the financial years indicated:

	Audited				% change
	FYE 30 June				
	2022		2023		
	(RM'000)	% of revenue	RM'000	% of revenue	
Revenue					
Tealive	412,180	97.6	448,777	87.7	8.9
Bask Bear	8,264	1.9	59,988	11.7	625.9
SodaXpress	2,042	0.5	2,982	0.6	46.0
	422,486	100.0	511,747	100.0	21.1
Cost of sales					
Tealive	(159,973)	38.8	(177,406)	39.5	10.9
Bask Bear	(3,189)	38.6	(23,962)	39.9	651.4
SodaXpress	(1,099)	53.9	(1,555)	52.1	41.5
	(164,261)	38.9	(202,923)	39.7	23.5
Gross profit					
Tealive	252,207	61.2	271,371	60.5	7.6
Bask Bear	5,075	61.4	36,026	60.1	609.9
SodaXpress	943	46.1	1,427	47.8	51.3
	258,225	61.1	308,824	60.3	19.6
Other income	4,288	1.0	4,014	0.8	(6.4)
Administrative expenses	(161,690)	38.3	(243,371)	47.6	50.5
Selling and distribution expenses	(1,451)	0.3	(1,361)	0.3	(6.2)
Other expenses	(2,851)	0.7	(3,160)	0.6	(10.8)
Net losses on impairment of financial instruments	(595)	0.1	(245)	(1)	(58.8)
Results from operating activities	95,926	22.7	64,701	12.6	(32.6)
Finance income	590	0.1	433	0.1	(26.6)
Finance costs	(5,066)	1.2	(9,836)	1.9	94.2
Share of results of associate/JV	(572)	0.1	(415)	0.1	(27.4)
PBT	90,878	21.5	54,883	10.7	(39.6)
Tax expense	(26,345)	6.2	(16,368)	3.2	(37.9)
Profit for the year	64,533	15.3	38,515	7.5	(40.3)

Note:

(1) Negligible.

12. FINANCIAL INFORMATION (Cont'd)**(i) Revenue**

The following tables set out our revenue by type and by geographical selling locations as well as their percentage change for the financial years indicated:

	FYE 30 June				
	2022		2023		% change
	RM'000	% of revenue	RM'000	% of revenue	
Tealive					
F&B sales	273,084	64.6	325,044	63.5	19.0
Supply of goods	119,020	28.2	99,322	19.4	(16.6)
Franchise/Licence fees and royalty ⁽¹⁾	11,698	2.8	16,410	3.2	40.3
Management and marketing income	8,378	2.0	8,001	1.6	(4.5)
Total	412,180	97.6	448,777	87.7	8.9
Bask Bear					
F&B sales	6,407	1.5	55,433	10.8	765.2
Supply of goods	1,234	0.3	2,139	0.4	73.3
Licence fees ⁽²⁾	623	0.1	2,416	0.5	287.8
Total	8,264	1.9	59,988	11.7	625.9
SodaXpress					
Supply of goods	2,042	0.5	2,982	0.6	46.0
Total	422,486	100.0	511,747	100.0	21.1

Notes:

- (1) Includes (i) recurring fees such as franchise/licence fees (at initial term and every five (5) years upon renewal) and monthly royalty, (ii) non-recurring fees such as initial training and support fee, equipment fee and service fee
- (2) Includes (i) recurring fees such as licence fees (at initial term and every three (3) years upon renewal) and monthly management fee and marketing fee, (ii) non-recurring fees such as equipment fee, service fee and first stock purchase.

	FYE 30 June				
	2022		2023		% change
	RM'000	% of total revenue	RM'000	% of total revenue	
Malaysia	419,813	99.4	496,740	97.1	18.3
International	2,673	0.6	15,007	2.9	461.4
Total	422,486	100.0	511,747	100.0	21.1

Our revenue increased by 21.1% from RM422.5 million for the FYE 30 June 2022 to RM511.7 million for the FYE 30 June 2023, mainly contributed by the expansion of Tealive and Bask Bear stores.

12. FINANCIAL INFORMATION (Cont'd)***Revenue from our Tealive brand***

Our revenue from our Tealive brand increased by 8.9% from RM412.2 million for the FYE 30 June 2022 to RM448.8 million for the FYE 30 June 2023, mainly driven by the increase in the F&B sales and franchise/licence fees and royalty.

Our revenue from the sales of F&B increased by 19.0% from RM273.1 million for the FYE 30 June 2022 to RM325.0 million for the FYE 30 June 2023. The increase was primarily due to the expansion of our Tealive Corporate Stores. The number of our Tealive Corporate Stores in Malaysia increased by 15.1%, from 431 stores as at 30 June 2022 to 496 stores as at 30 June 2023, while the number of our Tealive Corporate Stores in the Philippines increased more than six (6) fold from four (4) stores as at 30 June 2022 to 26 stores as at 30 June 2023.

We recorded a decrease of 16.6% in revenue from supply of goods from RM119.0 million for the FYE 30 June 2022 to RM99.3 million for the FYE 30 June 2023 mainly due to lower purchases coming from our franchisees as the POS sales of our franchised/licensed stores decreased by RM0.1 million or 33.3% to RM0.2 million for the FYE 30 June 2023 from RM0.3 million for the FYE 30 June 2022.

Franchise/Licence fees and royalty increased by 40.3% from RM11.7 million for the FYE 30 June 2022 to RM16.4 million for the FYE 30 June 2023, primarily due to higher initial fees with the increase in new Tealive Franchised Stores from 322 to 333.

Our average number of transactions per store per day decreased by 11.1% from 126 as at 30 June 2022 to 112 as at 30 June 2023, mainly due to a shift in consumer behaviour, leading to an adjustment in ADSS as economic activity normalised following the COVID-19 pandemic, which led to an adjustment in ADSS to RM1,852 for the FYE 30 June 2023 from RM2,110 for the FYE 30 June 2022. Our average spend per transaction decreased marginally by 0.9% from RM16.73 for the FYE 30 June 2022 to RM16.58 for the FYE 30 June 2023 due to the same reasons as explained above.

Management and marketing income decreased by 4.5% from RM8.4 million for the FYE 30 June 2022 to RM8.0 million for the FYE 30 June 2023. The decrease was mainly due to one-off income from partners such as online games marketing and events held at our stores during the FYE 30 June 2022.

Revenue from our Bask Bear brand

Our revenue from our Bask Bear brand increased by 625.9% from RM8.3 million for the FYE 30 June 2022 to RM60.0 million for the FYE 30 June 2023, mainly driven by the increase in the F&B sales and licence fees.

Our revenue from the sales of F&B increased by 765.2% from RM6.4 million for the FYE 30 June 2022 to RM55.4 million for the FYE 30 June 2023. The increase was primarily due to the expansion of our Bask Bear Corporate Stores which increased more than four (4) fold, from 20 stores as at 30 June 2022 to 91 stores as at 30 June 2023.

We recorded an increase of 73.3% in revenue from the supply of goods, from RM1.2 million for the FYE 30 June 2022 to RM2.1 million for the FYE 30 June 2023, due to higher purchases from licensees as their POS sales increased.

Licence fees increased by 287.8% from RM0.6 million for the FYE 30 June 2022 to RM2.4 million for the FYE 30 June 2023. This increase was mainly driven by the increase in licensees' POS sales.

12. FINANCIAL INFORMATION (Cont'd)

Our average number of transactions per store per day increased by 103.8% from 53 for the FYE 30 June 2022 to 108 for the FYE 30 June 2023 mainly due to the successful introduction of Toasties for the FYE 30 June 2023 which saw strong consumer interest supported by marketing efforts. Additionally, our Group ramped up our Bask Bear Corporate Store expansion amid rising demand and transitioned from a coffee-centric model to a dual-core focus on beverages and food, which contributed to the substantial increase in sales. These led to an increase in ADSS to RM2,931 for the FYE 30 June 2023 from RM1,263 for the FYE 30 June 2022. Our average spend per transaction increased by 13.5% from RM23.96 for the FYE 30 June 2022 to RM27.20 for the FYE 30 June 2023 due to the same reasons as explained above.

Revenue from our SodaXpress

Our revenue from supply of goods increased by 46.0% from RM2.0 million for the FYE 30 June 2022 to RM3.0 million for the FYE 30 June 2023, mainly due to expansion of sales in the hotel, restaurant, and café/catering industries for the FYE 30 June 2023, compared to revenue for the FYE 30 June 2022 which was mainly from e-commerce.

(ii) Cost of sales

The following tables set out our cost of sales by type as well as their percentage change for the financial years indicated:

	FYE 30 June		
	2022	2023	
	RM'000	RM'000	% change
Cost of sales for Tealive			
Cost of inventory and equipment	147,634	157,069	6.4
Storage and handling costs	8,229	14,026	70.4
Freight and duty cost	3,389	4,168	23.0
Inventory write off, damaged and expired stocks	360	993	175.8
Others ⁽¹⁾	361	⁽²⁾ 1,150	218.6
Total	159,973	177,406	10.9
Cost of sales for Bask Bear			
Cost of inventory and equipment	2,974	23,853	702.1
Storage and handling costs	180	109	(39.4)
Inventory write off, damaged and expired stocks	32	-	(100.0)
Cost of packaging ⁽²⁾	3	-	(100.0)
Total	3,189	23,962	651.4
Cost of sales for SodaXpress			
Cost of inventory and equipment	980	1,041	6.2
Storage and handling costs	22	32	45.5
Freight and duty cost	52	298	473.1
Inventory write off, damaged and expired stocks	41	172	319.5
Cost of packaging	4	12	200.0
Total	1,099	1,555	41.5
Total	164,261	202,923	23.5

Notes:

- (1) Comprising in-house maintenance cost, software maintenance cost and cost of packaging.

12. FINANCIAL INFORMATION (Cont'd)

- (2) *In the FYE 30 June 2023, our Company centralises the purchase of packaging materials through its wholly-owned subsidiary, LRTS Retail, hence the cost of packaging for Bask Bear is included under cost of packaging in Tealive brand.*

Our cost of sales increased by 23.5% from RM164.3 million for the FYE 30 June 2022 to RM202.9 million for the FYE 30 June 2023.

Cost of sales for our Tealive brand

Tealive cost of sales increased by 10.9% from RM160.0 million for the FYE 30 June 2022 to RM177.4 million for the FYE 30 June 2023 mainly due to the cost of inventory and equipment for the operations of our Tealive stores increased by 6.4% from RM147.6 million for the FYE 30 June 2022 to RM157.1 million for the FYE 30 June 2023, primarily due to the expansion of Tealive stores as mentioned above.

Storage and handling costs increased by 70.4% from RM8.2 million for the FYE 30 June 2022 to RM14.0 million for the FYE June 2023 due to increased inventory and equipment purchases.

Cost of sales for our Bask Bear brand

Bask Bear cost of sales increased by 651.4% from RM3.2 million for the FYE 30 June 2022 to RM24.0 million for the FYE 30 June 2023 mainly due to the increase in cost of inventory and equipment for the operations of our Bask Bear stores by 702.0% from RM3.0 million for the FYE 30 June 2022 to RM23.9 million for the FYE 30 June 2023, as a result of the expansion of Bask Bear stores as mentioned above.

Bask Bear storage and handling costs decreased by 39.4% from RM0.2 million for the FYE 30 June 2022 to RM0.1 million for the FYE 30 June 2023 as warehousing and distribution were shifted from Bask Bear cost centre to our Group's centralised cost centre in the FYE 30 June 2023, which is then captured under cost of sales for Tealive brand.

Cost of sales for our SodaXpress

The cost of sales for our SodaXpress increased by 41.5% from RM1.1 million for the FYE 30 June 2022 to RM1.6 million for the FYE 30 June 2023. This was mainly due to higher freight and duty cost as a result of increased inventory purchase from overseas suppliers as well as higher damaged carbonating gas cylinders written off.

(iii) Gross profit and gross profit margin

The following table sets out our gross profit and gross profit margin and their percentage change for the financial years indicated:

	FYE 30 June		% change
	2022	2023	
Gross profit (RM'000)			
Tealive	252,207	271,371	7.6
Bask Bear	5,075	36,026	609.9
SodaXpress	943	1,427	51.3
Total	258,225	308,824	19.6
Gross profit margin (%)			
Tealive	61.2	60.5	(0.7) ppt
Bask Bear	61.4	60.1	(1.3) ppt
SodaXpress	46.2	47.9	1.7 ppt

12. FINANCIAL INFORMATION (Cont'd)

	FYE 30 June		% change
	2022	2023	
Gross profit (RM'000)			
Overall gross profit margin	61.1	60.3	(0.8) ppt

Our Group's gross profit increased by 19.6% from RM258.2 million for the FYE 30 June 2022 to RM308.8 million for the FYE 30 June 2023, mainly driven by the higher revenue as mentioned above.

Gross profit for our Tealive brand

The gross profit for our Tealive brand increased by 7.6% from RM252.2 million for the FYE 30 June 2022 to RM271.4 million for the FYE 30 June 2023 mainly due to the increase in revenue driven by the increase in the F&B sales and franchise/licence fees and royalty as explained above. The gross profit margin recorded for our Tealive brand decreased by 0.7 ppt from 61.2% for the FYE 30 June 2022 to 60.5% for the FYE 30 June 2023, mainly due to higher storage and handling costs resulting from increased inventory purchase as mentioned above.

Gross profit for our Bask Bear brand

The gross profit for our Bask Bear brand increased by 609.9% from RM5.1 million for the FYE 30 June 2022 to RM36.0 million for the FYE 30 June 2023 mainly due to the increase in revenue from our Bask Bear brand driven by the increase in the F&B sales and licence fees as explained above. The gross profit margin recorded for our Bask Bear brand decreased by 1.3 ppt from 61.4% for the FYE 30 June 2022 to 60.1% for the FYE 30 June 2023, mainly due to the introduction of Bask Bear's toasties. Food sales typically have a lower margin compared to beverage sales, and this shift in F&B sales mix resulted in the marginal decrease in the gross profit margin.

Gross profit for our SodaXpress

The gross profit for our SodaXpress brand increased by 51.3% from RM0.9 million for the FYE 30 June 2022 to RM1.4 million for the FYE 30 June 2023 mainly due to the increase in revenue from our SodaXpress brand as our Group expanded sales in the hotel, restaurant and café/catering industries as explained above. The gross profit margin recorded for our Sodaxpress increased by 1.7 ppt from 46.2% for the FYE 30 June 2022 to 47.9% for the FYE 30 June 2023, primarily driven by a supplier discount on carbonating gas cylinders and sparkling water machines from our long-standing partner in China.

(iv) Other income

Our other income decreased by 6.4% from RM4.3 million for the FYE 30 June 2022 to RM4.0 million for the FYE 30 June 2023. This was primarily due to the absence of gain on disposal of PPE, lower gain on lease modification/termination and absence of one-off government subsidy for the FYE 30 June 2023, partially offset by the higher gain on foreign exchange – realised and unrealised, waiver of debts and reversal of impairment of PPE for the FYE 30 June 2023.

12. FINANCIAL INFORMATION (Cont'd)**(v) Administrative expenses**

Our administrative expenses increased by 50.5% from RM161.7 million for the FYE 30 June 2022 to RM243.4 million for the FYE 30 June 2023. This was primarily due to the increase in employee benefits expenses, depreciation on ROU assets and PPE, delivery commission, utilities expenses, marketing expenses and store other operating expenses as a result of the expansion of new Corporate Stores as well as higher upkeep and maintenance expenses on our existing Corporate Stores due to the increased number of Corporate Stores. For information, the store other operating expenses increased by 367.3% from RM5.5 million for the FYE 30 June 2022 to RM25.7 million for the FYE 30 June 2023 as a result of the expansion of Tealive Corporate Stores in Phillipines, which grew by 22 stores, from four (4) stores to 26 stores and in Malaysia, which grew by 65 stores, from 431 stores to 496 stores.

(vi) Selling and distribution expenses

Our selling and distribution expenses decreased by 6.2% from RM1.5 million for the FYE 30 June 2022 to RM1.4 million for the FYE 30 June 2023. The higher selling and distribution expenses recorded for the FYE 30 June 2022 was primarily due to increase in events expenses which was in turn due to (1) the launching of our Famous Amos LTO in December 2021; (2) the launching of our first premium concept store, Tealive Plus, at Pavilion Kuala Lumpur in April 2022; and (3) our concurrent collaboration with Nestle's KitKat to introduce the KitKat Coco Wafer Smoothies series.

(vii) Other expenses

Our other expenses increased by 10.8% from RM2.9 million for the FYE 30 June 2022 to RM3.2 million for the FYE 30 June 2023. This was primarily due to a one-off adjustment arising from reconciliation of intercompany balance and higher loss on foreign exchange, which was partially offset by lower PPE written off and loss on disposal of PPE for the FYE 30 June 2023.

(viii) Net losses on impairment of financial instruments

Net losses on impairment of financial instruments decreased by 58.8% from RM0.6 million for the FYE 30 June 2022 to RM0.2 million for the FYE 30 June 2023 mainly due to lower impairment on trade receivables, driven by a more efficient collection process, through regular internal review of accounts receivables and follow up on payments. Additionally, better credit control measures and client management have contributed to more timely payments from customers.

(ix) Finance income

Finance income decreased by 26.6% from RM0.6 million for the FYE 30 June 2022 to RM0.4 million for the FYE 30 June 2023 mainly due to lower income from distribution from liquid investments, partially offset by higher interest income from deposits placed with licenced banks.

(x) Finance costs

Our finance costs increased by 94.2% from RM5.1 million for the FYE 30 June 2022 to RM9.8 million for the FYE 30 June 2023. This was mainly due to higher interest on lease liabilities due to the increase of new stores leases, and higher interest expense due to higher drawdown of revolving credit facility to meet our working capital and capital expenditure requirements.

12. FINANCIAL INFORMATION (Cont'd)**(xi) Share of results of associate/JV**

Losses in share of results of associate/JV narrowed by 27.4% from RM0.6 million for the FYE 30 June 2022 to RM0.4 million for the FYE 30 June 2023 due to the lower losses recorded by our associate as well as the higher profitability of the JV.

(xii) PBT and PBT margin

Our Group's PBT decreased by 39.6% from RM90.9 million for the FYE 30 June 2022 to RM54.9 million for the FYE 30 June 2023, mainly due to higher administrative expenses arising from, among others, the increase in employee benefits expenses, depreciation on ROU assets and PPE, delivery commission, utilities expenses, marketing expenses and store other operating expenses as a result of the expansion of new Corporate Stores as well as higher upkeep and maintenance expenses on our existing Corporate Stores, partially offset by the higher gross profit as explained above.

Our Group's PBT margin decreased from 21.5% for the FYE 30 June 2022 to 10.7% for the FYE 30 June 2023 which was mainly due to higher administrative expenses as explained above.

(xiii) Tax expense

Our tax expense decreased by 37.9% from RM26.3 million for the FYE 30 June 2022 to RM16.4 million for the FYE 30 June 2023, and our effective tax rates were 29.0% and 29.8% for the FYE 30 June 2022 and FYE 30 June 2023 respectively. The decrease in our tax expenses was due to a decrease in our PBT and deferred income tax expenses.

(xiv) Net profit for the financial year

As a result of the foregoing, our net profit decreased by 40.3% from RM64.5 million for the FYE 30 June 2022 to RM38.5 million for the FYE 30 June 2023.

12.2.7 Review of performance for the FYE 30 June 2023 compared to the FYE 30 June 2024

The following table presents selected financial information from our combined statement of profit or loss and other comprehensive income for the financial years indicated:

	Audited				
	FYE 30 June				
	2023		2024		% change
	RM'000	% of revenue	RM'000	% of revenue	
Revenue					
Tealive	448,777	87.7	487,608	82.4	8.7
Bask Bear	59,988	11.7	99,696	16.9	66.2
SodaXpress	2,982	0.6	3,939	0.7	32.1
	511,747	100.0	591,243	100.0	15.5
Cost of sales					
Tealive	(177,406)	39.5	(168,066)	34.5	(5.3)
Bask Bear	(23,962)	39.9	(32,509)	32.6	35.7
SodaXpress	(1,555)	52.1	(2,033)	51.6	30.7
	(202,923)	39.7	(202,608)	34.3	(0.2)

12. FINANCIAL INFORMATION (Cont'd)

	Audited				
	FYE 30 June				
	2023		2024		% change
	RM'000	% of revenue	RM'000	% of revenue	
Gross profit					
Tealive	271,371	60.5	319,542	65.5	17.8
Bask Bear	36,026	60.1	67,187	67.4	86.5
SodaXpress	1,427	47.9	1,906	48.4	33.6
	308,824	60.3	388,635	65.7	25.8
Other income	4,014	0.8	2,811	0.5	(30.0)
Administrative expenses	(243,371)	47.6	(294,527)	49.8	21.0
Selling and distribution expenses	(1,361)	0.3	(5,004)	0.8	267.7
Other expenses	(3,160)	0.6	(3,397)	0.6	7.5
Net losses on impairment of financial instruments	(245)	(1)	(136)	(1)	(44.5)
Results from operating activities	64,701	12.6	88,382	14.9	36.6
Finance income	433	0.1	608	0.1	40.4
Finance costs	(9,836)	1.9	(14,114)	2.4	43.5
Share of results of associate/JV	(415)	0.1	107	(1)	(125.8)
PBT	54,883	10.7	74,983	12.7	36.6
Tax expense	(16,368)	3.2	(23,387)	4.0	42.9
Profit for the year	38,515	7.5	51,596	8.7	34.0

Note:

(1) Negligible.

(i) Revenue

The following tables set out our revenue by type and geographical selling location as well as their percentage change for the financial years indicated:

	FYE 30 June				
	2023		2024		% change
	RM'000	% of revenue	RM'000	% of revenue	
Tealive					
F&B sales	325,044	63.5	369,422	62.4	13.7
Supply of goods	99,322	19.4	96,221	16.3	(3.1)
Franchise/Licence fees and royalty ⁽¹⁾	16,410	3.2	12,935	2.2	(21.2)
Management and marketing income	8,001	1.6	9,030	1.5	12.9
Total	448,777	87.7	487,608	82.4	8.7
Bask Bear					
F&B sales	55,433	10.8	96,229	16.3	73.6
Supply of goods	2,139	0.4	2,265	0.4	5.9
Licence fees ⁽²⁾	2,416	0.5	1,202	0.2	(50.2)
Total	59,988	11.7	99,696	16.9	66.2

12. FINANCIAL INFORMATION (Cont'd)

	FYE 30 June				
	2023		2024		% change
	RM'000	% of revenue	RM'000	% of revenue	
SodaXpress					
Supply of goods	2,982	0.6	3,939	0.7	32.1
Total	511,747	100.0	591,243	100.0	15.5

Notes:

- (1) Includes (i) recurring fees such as franchise/licence fees (at initial term and every five (5) years upon renewal) and monthly royalty, (ii) non-recurring fees such as initial training and support fee, equipment fee and service fee.
- (2) Includes (i) recurring fees such as licence fees (at initial term and every three (3) years upon renewal) and monthly management fee and marketing fee, (ii) non-recurring fees such as equipment fee, service fee and first stock purchase.

	FYE 30 June				
	2023		2024		% change
	RM'000	% of total revenue	RM'000	% of total revenue	
Malaysia	496,740	97.1	564,468	95.5	13.6
International	15,007	2.9	26,775	4.5	78.4
Total	511,747	100.0	591,243	100.0	15.5

Our revenue increased by 15.5% from RM511.7 million for the FYE 30 June 2023 to RM591.2 million for the FYE 30 June 2024 mainly contributed by the expansion of Tealive and Bask Bear stores.

Revenue from our Tealive brand

Our revenue from our Tealive brand increased by 8.7% from RM448.8 million for the FYE 30 June 2023 to RM487.6 million for the FYE 30 June 2024, mainly driven by the increase in F&B sales and management and marketing income.

Our revenue from F&B sales increased by 13.7% from RM325.0 million for the FYE 30 June 2023 to RM369.4 million for the FYE 30 June 2024. The revenue increase was primarily due to:

- (i) a 134.6% increase in the number of our Tealive Corporate Stores in the Philippines, from 26 stores as at 30 June 2023 to 61 stores as at 30 June 2024;
- (ii) a 9.3% increase in the number of our Tealive Corporate Stores in Malaysia (excluding those stores that are operated by our JVs and stores that are established pursuant to a collaboration with PETRONAS), from 311 stores to 340 stores, and the opening of 19 net new stores, being the number of new stores after deducting stores that were closed, and the conversion from ten (10) Tealive Franchised Stores to Tealive Corporate Stores; and
- (iii) full-year revenue recognised for the FYE 30 June 2024 from 65 Tealive Corporate Stores opened during the FYE 30 June 2023 compared to partial-year revenue recorded from such stores for the FYE 30 June 2023.

12. FINANCIAL INFORMATION (Cont'd)

Revenue from supply of goods decreased by 3.1% from RM99.3 million for the FYE 30 June 2023 to RM96.2 million for the FYE 30 June 2024 in line with the decrease in Tealive Franchised Stores from 333 to 319.

Franchise/licence fees and royalty decreased by 21.2% from RM16.4 million for the FYE 30 June 2023 to RM12.9 million for the FYE 30 June 2024 due to the decrease in Tealive Franchised Stores from 333 to 319.

Our average number of transactions per store per day decreased marginally by 0.9% from 112 for the FYE 30 June 2023 to 111 for the FYE 30 June 2024, and our average spend per transaction increased marginally by 1.6% from RM16.58 for the FYE 30 June 2023 to RM16.84 for the FYE 30 June 2024, which led to the slight 1.0% increase in ADSS from RM1,852 for the FYE 30 June 2023 to RM1,871 for the FYE 30 June 2024. These reflect sales trends that have largely stabilised following post COVID-19 pandemic adjustments and a normalised business environment.

Management and marketing income increased by 12.9% from RM8.0 million for the FYE 30 June 2023 to RM9.0 million for the FYE 30 June 2024. This increase was primarily due to higher sales of product vouchers on the e-commerce platform and a greater value of expired unredeemed vouchers compared to the FYE 30 June 2023.

Revenue from our Bask Bear brand

Our revenue from our Bask Bear brand increased by 66.2% from RM60 million for the FYE 30 June 2023 to RM99.7 million for the FYE 30 June 2024, mainly driven by the increase in F&B sales.

Our revenue from F&B sales increased by 73.6% from RM55.4 million for the FYE 30 June 2023 to RM96.2 million for the FYE 30 June 2024. The increase was primarily due to:

- (i) a 35.2% increase in the number of our Bask Bear Corporate Stores from 91 stores as at 30 June 2023 to 123 stores as at 30 June 2024; and
- (ii) full-year revenue recognised for the FYE 30 June 2024 from 71 Bask Bear Corporate Stores opened during the FYE 30 June 2023 compared to partial-year revenue recorded from such stores for the FYE 30 June 2023.

Our revenue from supply of goods increased by 5.9% from RM2.1 million for the FYE 30 June 2023 to RM2.3 million for the FYE 30 June 2024 due to higher purchases from licensees as their POS sales increased.

Licence fees decreased by 50.2% from RM2.4 million for FYE 30 June 2023 to RM1.2 million for the FYE 30 June 2024. The decrease was mainly due to the lower initial fees with only one (1) new Bask Bear Licenced Store opened in the FYE 30 June 2024 compared to three (3) new Bask Bear Licenced Stores opened in FYE 30 June 2023.

Our average number of transactions per store per day decreased by 15.7% from 108 for the FYE 30 June 2023 to 91 for the FYE 30 June 2024 due to the normalisation following the initial surge from Toasties launch for the FYE 30 June 2023. Our average spend per transaction decreased by 2.2% from RM27.20 for the FYE 30 June 2023 to RM26.59 for the FYE 30 June 2024 due to the same reason as explained above.

12. FINANCIAL INFORMATION (Cont'd)**Revenue from our SodaXpress**

Our revenue from supply of goods increased by 32.1% from RM3.0 million for the FYE 30 June 2023 to RM3.9 million for the FYE 30 June 2024, mainly due to the introduction of our dealers incentive program since July 2023 which has driven the increase in our customer base in the hotel, restaurant, and café/catering industries. Our dealers incentive program is similar to a purchase volume rebate, where depending on the purchase volume tier that a dealer's quarterly purchases fall into, the dealer will receive a certain percentage of rebate in the form of a credit note.

(ii) Cost of sales

The following tables set out our cost of sales by type as well as their percentage change for the financial years indicated:

	FYE 30 June		% change
	2023	2024	
	RM'000	RM'000	
Cost of sales for Tealive			
Cost of inventory and equipment	157,069	149,976	(4.5)
Storage and handling costs	14,026	14,386	2.6
Freight and duty cost	4,168	1,563	(62.5)
Inventory write off, damaged and expired stocks	993	1,609	62.0
Others ⁽¹⁾	1,150	532	(53.7)
Total	177,406	168,066	(5.3)
Cost of sales for Bask Bear			
Cost of inventory and equipment	23,853	32,407	35.9
Storage and handling costs	109	⁽²⁾ 102	(6.4)
Total	23,962	32,509	35.7
Cost of sales for SodaXpress			
Cost of inventory and equipment	1,041	1,526	46.6
Storage and handling costs	32	37	15.6
Freight and duty cost	298	356	19.5
Inventory write off, damaged and expired stocks	172	82	(52.3)
Cost of packaging	12	32	166.7
Total	1,555	2,033	30.7
Total cost of sales	202,923	202,608	(0.2)

Notes:

(1) *Comprising in-house maintenance cost, software maintenance cost and cost of packaging for both Tealive and Bask Bear brands.*

(2) *Comprising cost of packaging of approximately RM35,000.*

Our cost of sales decreased by 0.2% from RM202.9 million for the FYE 30 June 2023 to RM202.6 million for the FYE 30 June 2024.

12. FINANCIAL INFORMATION (Cont'd)***Cost of sales for our Tealive brand***

Tealive cost of sales decreased by 5.3% from RM177.4 million for the FYE 30 June 2023 to RM168.1 million for the FYE 30 June 2024 mainly due to the cost of inventory and equipment for the operations of our Tealive stores decreasing by 4.5% from RM157.1 million for the FYE 30 June 2023 to RM150.0 million for the FYE 30 June 2024, resulting from economies of scale achieved through higher purchase volumes, which in turn enhanced our Group's bargaining power with our suppliers.

Storage and handling costs increased by 2.6% from RM14.0 million for the FYE 30 June 2023 to RM14.4 million for the FYE 30 June 2024. However, as a percentage of revenue under Tealive brand, it has reduced from 3.1% for the FYE 30 June 2023 to 3.0% for the FYE 30 June 2024, due to enhanced operational efficiency following our transition to a more cost-effective warehousing service provider.

Freight and duty cost decreased by 62.5% from RM4.2 million for FYE 30 June 2023 to RM1.6 million for FYE 30 June 2024 resulting from cost optimisation initiatives, including sourcing ingredients locally.

Cost of sales for our Bask Bear brand

Bask Bear cost of sales increased by 35.7% from RM24.0 million for the FYE 30 June 2023 to RM32.5 million for the FYE 30 June 2024 mainly due to the cost of inventory and equipment for the operations of our Bask Bear stores increasing by 35.9% from RM23.9 million for the FYE 30 June 2023 to RM32.4 million for the FYE 30 June 2024 due to the increase in revenue from Bask Bear brand as a result of the increase in the number of our Bask Bear new stores.

Cost of sales for our SodaXpress

The cost of sales for our Sodaxpress increased by 30.7% from RM1.6 million for the FYE 30 June 2023 to RM2.0 million for the FYE 30 June 2024 mainly due to the increase in revenue, which corresponded to the 46.6% increase in cost of inventory and equipment.

(iii) Gross profit and gross profit margin

The following table sets out our gross profit and gross profit margin and their percentage change for the financial years indicated:

	FYE 30 June		% change
	2023	2024	
Gross profit (RM'000)			
Tealive	271,371	319,542	17.8
Bask Bear	36,026	67,187	86.5
SodaXpress	1,427	1,906	33.6
Total	308,824	388,635	25.8
Gross profit margin (%)			
Tealive	60.5	65.5	5.0 ppt
Bask Bear	60.1	67.4	7.3 ppt
SodaXpress	47.9	48.4	0.5 ppt
Overall gross profit margin	60.3	65.7	5.4 ppt

Our Group's gross profit increased by 25.8% from RM308.8 million for the FYE 30 June 2023 to RM388.6 million for the FYE 30 June 2024.

12. FINANCIAL INFORMATION (Cont'd)***Gross profit for our Tealive brand***

The gross profit for our Tealive brand increased by 17.8% from RM271.4 million for the FYE 30 June 2023 to RM319.5 million for the FYE 30 June 2024 mainly due to the increase in revenue from our Tealive brand driven by the increase in F&B sales and management and marketing income, coupled with the decrease in cost of sales for our Tealive brand, as explained above. The gross profit margin recorded for our Tealive brand increased by 5.0 ppt from 60.5% for the FYE 30 June 2023 to 65.5% for the FYE 30 June 2024, primarily due to:

- (i) lower inventory and equipment costs, resulting from economies of scale achieved through higher purchase volumes, which in turn enhanced our Group's bargaining power with our suppliers; and
- (ii) lower freight and duty costs, resulting from cost optimisation initiatives, including sourcing ingredients locally.

Gross profit for our Bask Bear brand

The gross profit for our Bask Bear brand increased by 86.5% from RM36.0 million for the FYE 30 June 2023 to RM67.2 million for the FYE 30 June 2024 mainly due to the increase in revenue from our Bask Bear brand driven by the increase in F&B sales as explained above. The gross profit margin recorded for our Bask Bear brand increased by 7.3 ppt from 60.1% for the FYE 30 June 2023 to 67.4% for the FYE 30 June 2024, primarily due to lower inventory and equipment costs as a percentage of revenue, resulting from economies of scale achieved through higher purchase volumes, which in turn enhanced our Group's bargaining power with our suppliers.

Gross profit for our SodaXpress

The gross profit for our SodaXpress brand increased by 33.6% from RM1.4 million for the FYE 30 June 2023 to RM1.9 million for the FYE 30 June 2024 mainly due to the increase in revenue from our SodaXpress brand resulting from the introduction of our dealers incentive program in July 2023 as explained above. The gross profit margin recorded for our Sodaxpress increased by 0.5 ppt from 47.9% for the FYE 30 June 2023 to 48.4% for the FYE 30 June 2024, due to lower damaged carbonating gas cylinders written off .

(iv) Other income

Other income decreased by 30.0% from RM4.0 million for the FYE 30 June 2023 to RM2.8 million for the FYE 30 June 2024 primarily due to lower gain on foreign exchange.

(v) Administrative expenses

Our administrative expenses increased by 21.0% from RM243.4 million for the FYE 30 June 2023 to RM294.5 million for the FYE 30 June 2024. This was primarily due to the increase in employee benefits expenses, depreciation on ROU assets and PPE, delivery commission, utilities expenses and store other operating expenses as a result of expansion of new Corporate Stores.

(vi) Selling and distribution expenses

Our selling and distribution expenses increased by 267.7% from RM1.4 million for the FYE 30 June 2023 to RM5.0 million for the FYE 30 June 2024. This was primarily due to Tealive undergoing a brand refresh and introducing several new elements to enhance Tealive's identity in May 2024.

12. FINANCIAL INFORMATION (Cont'd)**(vii) Other expenses**

Our other expenses increased by 7.5% from RM3.2 million for the FYE 30 June 2023 to RM3.4 million for the FYE 30 June 2024, primarily due to higher loss on foreign exchange and PPE written-off, partially offset by the absence of the one-off adjustment arising from the reconciliation of intercompany balance performed and loss on termination of lease for the FYE 30 June 2023.

(xv) Net losses on impairment of financial instruments

Net losses on impairment of financial instruments decreased by 44.5% from RM0.2 million for the FYE 30 June 2023 to RM0.1 million for the FYE 30 June 2024 mainly due to lower bad debts written off from irrecoverable trade receivable from franchisee, driven by a more efficient collection process, through regular internal review of accounts receivables and follow up on payments.

(xvi) Finance income

Finance income increased by 40.4% from RM0.4 million for the FYE 30 June 2023 to RM0.6 million for the FYE 30 June 2024 mainly due to higher interest income on deposits placed with licenced banks.

(viii) Finance costs

Our finance costs increased by 43.5% from RM9.8 million for the FYE 30 June 2023 to RM14.1 million for the FYE 30 June 2024. This was mainly due to higher interest expenses on lease liabilities from new stores leases and higher interest expenses on bank borrowings due to additional revolving credit facilities drawdown for the FYE 30 June 2024 to meet our working capital requirements, which were settled towards the end of the FYE 30 June 2024. Although these facilities were settled towards the end of the FYE 30 June 2024, interest had already accumulated during the period they were utilised, resulting in higher overall finance cost despite a lower ending balance of borrowings.

(ix) Share of results of associate/JV

Our share of results of associate/JV improved from a loss of RM0.4 million recorded for the FYE 30 June 2023 to a profit of RM0.1 million for the FYE 30 June 2024. This was mainly due to our Group not recognising losses related to Notable Paramount for the FYE 30 June 2024 compared to RM463,120 recorded for the FYE 30 June 2023 as its accumulated losses had exceeded our initial investment, relieving our Group of further obligation. Additionally, the improvement was also supported by higher profitability achieved by our JV.

(x) PBT and PBT margin

Our Group's PBT increased by 36.6% from RM54.9 million for the FYE 30 June 2023 to RM75.0 million for the FYE 30 June 2024, mainly attributable to the increase in revenue and gross profit, which was partially offset by the increase in administrative expenses arising from, among others, the increase in employee benefits expenses, depreciation on ROU assets and PPE, delivery commission, utilities expenses and store other operating expenses, as a result of expansion of new Corporate Stores and, higher selling and distribution expenses as explained above.

As a result of the above, our Group's PBT margin increased from 10.7% for the FYE 30 June 2023 to 12.7% for the FYE 30 June 2024.

12. FINANCIAL INFORMATION (Cont'd)**(xi) Tax expense**

Our tax expense increased by 42.9% from RM16.4 million for the FYE 30 June 2023 to RM23.4 million for the FYE 30 June 2024, and our effective tax rates were 29.8% and 31.2% for the FYE 30 June 2023 and FYE 30 June 2024 respectively. The increase in our tax expenses was primarily due to the increase in our Group's PBT.

(xii) Net profit for the financial year

As a result of the foregoing, our net profit increased by 34.0% from RM38.5 million for the FYE 30 June 2023 to RM51.6 million for the FYE 30 June 2024.

12.2.8 Liquidity and capital resources**12.2.8.1 Working capital**

Our principal sources of liquidity are our cash and bank balances, cash generated from our operations and borrowings from financial institutions. Following our Listing, we expect to use the same principal sources of liquidity to fund our working capital needs. Many factors, including our results of operations and financial position and the conditions in the Malaysian and international financial markets, could affect our ability to rely on these sources of funding.

Our Group has been in a net current liabilities position of RM3.4 million, RM38.1 million and RM46.6 million as at 30 June 2022, 30 June 2023 and 30 June 2024, respectively. This was mainly due to the utilisation of short-term borrowings to finance our capital expenditures and working capital requirements, supporting the expansion of new stores while maintaining financial flexibility. Given that our Group's business is primarily cash-generating, our Group has opted for short-term borrowing such as revolving credit facilities instead of long-term financing such as term loans, due to the following reasons:

- (i) revolving credit facilities typically offer lower interest rates compared to term loans, aligning with our Group's strategy to minimise interest expenses; and
- (ii) the flexibility of revolving credit allows for repayments whenever there is excess cash from store operations after deducting all operating expenses, to effectively manage debt levels.

While the SSSG of our Bask Bear brand had declined by 17.6% for the FYE 30 June 2024, our Tealive Stores which contributed 82.4% of our Group revenue for the same period recorded only a marginal decline in SSSG of 0.8%. Following from our continued store expansion strategy, our net cash from operating activities has been on an increasing trend registering RM74.6 million, RM84.3 million, and RM117.6 million for the FYE 30 June 2022, FYE 30 June 2023, and FYE 30 June 2024, respectively. Our strong operating cash flow enables us to service our debt and meet other financial commitments without adversely impacting our operations. We do not anticipate our strategy of opting for short term borrowings to have any negative implications on our existing and future operations.

Notwithstanding our net current liabilities position as at 30 June 2024 of RM46.6 million, our Board confirms that we have sufficient working capital for 12 months from the date of this Prospectus based on the following and taking into consideration our expected cash flows from operations:

- (a) our committed capital expenditure and contractual obligations of RM1.7 million mainly comprises of RM1.1 million for renovation and RM0.5 million for 10% retention sum held, further details of which are set out in Section 12.2.8.6 below;
- (b) cash and cash equivalents as at 30 June 2024 of RM47.0 million which include fixed deposits with licenced banks of RM3.2 million and liquid investment of RM1.1 million;

12. FINANCIAL INFORMATION (Cont'd)

- (c) revolving credit facilities of RM52.1 million, of which RM30.0 million has not been utilised as at the LPD; and
- (d) proceeds expected to be raised from our Public Issue amounting to RM[●] million.

12.2.8.2 Cash flows

The following table summarises our combined statements of cash flows for the financial years indicated:

	Audited		
	FYE 30 June		
	2022	2023	2024
	(RM'000)	(RM'000)	(RM'000)
Net cash from operating activities	74,601	84,299	117,585
Net cash used in investing activities	31,305	69,383	39,561
Net cash used in financing activities	109,773	756	70,837
Net (decrease)/increase in cash and cash equivalents	(66,477)	14,160	7,187
Cash and cash equivalents at beginning of the financial year/period	90,189	23,814	38,232
Effect of foreign currency translation differences	102	258	1,531
Cash and cash equivalents at end of the financial year/period	23,814	38,232	46,950

Our Board is of the opinion that there are no legal, financial or economic restrictions on the ability of our subsidiaries to transfer funds to our Company in the form of cash dividends, loans or advances to meet our cash obligations, subject to availability of distributable reserves and/or loans or advances and compliance with legal requirements and financial covenants.

Net cash from operating activities**FYE 30 June 2022**

For the FYE 30 June 2022, we recorded net cash from operating activities of RM74.6 million after taking into consideration our operating profit before changes in working capital of RM123.9 million and the following:

- (a) an increase in inventories of RM18.7 million in line with the expansion of new stores. When a new store is opened, higher stock levels are needed to ensure smooth operations, meet initial customer demand, and prevent stock shortages;
- (b) an increase in our trade and other receivables of RM13.2 million, mainly due to higher trade receivables and prepayment resulting from the expansion of new stores which led to, among others, higher advance payment for inventory;
- (c) an increase in our trade and other payables of RM14.2 million, primarily due to higher trade payables and accrued expenses resulting from among others, the expansion of new stores and higher initial inventory and store setup costs;
- (d) a decrease in contract liabilities of RM4.3 million due to franchise/licence fees received earlier which were subsequently recognised as revenue, as the franchise/licence fees received are amortised over a period of time; and
- (e) payment of income tax of RM24.4 million and interest expenses of RM3.5 million.

12. FINANCIAL INFORMATION (Cont'd)***FYE 30 June 2023***

For the FYE 30 June 2023, we recorded net cash from operating activities of RM84.3 million after taking into consideration our operating profit before changes in working capital of RM108.0 million and the following:

- (a) an increase in trade and other payables of RM21.3 million mainly due to higher accrued expenses and trade payable resulting from among others, and higher initial inventory and store setup costs due to expansion of new stores;
- (b) an increase in trade and other receivables of RM8.9 million due to increase deposits and prepayments due to expansion of new stores;
- (c) a decrease in contract liabilities of RM7.2 million due to franchise/licence fees received earlier which were subsequently recognised as revenue, as the franchise/licence fees received are amortised over a period of time;
- (d) interest paid of RM6.3 million; and
- (e) payment of income tax of RM23.9 million.

FYE 30 June 2024

For the FYE 30 June 2024, we recorded net cash from operating activities of RM117.6 million after taking into consideration our operating profit before changes in working capital of RM151.7 million and the following:

- (a) a decrease in trade and other payables of RM11.5 million primarily due to lower other payables resulting from reduced freight and duty costs as well as storages and handling costs;
- (b) interest paid of RM8.5 million; and
- (c) payment of income tax of RM18.9 million.

Net cash used in investing activities***FYE 30 June 2022***

Net cash used in investing activities was RM31.3 million for the FYE 30 June 2022, which primarily comprised:

- (a) purchase of PPE of RM45.5 million for the expansion of new Corporate Stores; and
- (b) acquisition of a subsidiary of RM0.5 million,

which was partially offset by proceeds from disposal of assets held for sale of RM11.0 million, comprising of a three (3) storey office cum factory building and disposal of PPE amounting to RM3.7 million.

FYE 30 June 2023

Net cash used in investing activities was RM69.4 million for the FYE 30 June 2023, which primarily comprised the purchase of PPE of RM69.1 million for the expansion of new Corporate Stores.

12. FINANCIAL INFORMATION (Cont'd)***FYE 30 June 2024***

Net cash used in investing activities was RM39.6 million for the FYE 30 June 2024, which primarily comprised the purchase of PPE of RM38.6 million for the expansion of new Corporate Stores.

Net cash used in financing activities***FYE 30 June 2022***

Net cash used in financing activities was RM109.8 million for the FYE 30 June 2022, which primarily comprised:

- (a) dividends paid to shareholders of RM107.7 million; and
- (b) payment of lease liabilities of RM12.4 million,

which was partially offset by drawdown of revolving credit facility of RM14.1 million for working capital and purchase of PPE for expansion of new Corporate Stores.

FYE 30 June 2023

Net cash used in financing activities was RM0.8 million for the FYE 30 June 2023 which primarily comprised:

- (a) dividends paid to shareholders of RM28.1 million;
- (b) payment of lease liabilities of RM19.1 million and repayment of revolving credit facilities of RM5.1 million; and
- (c) interest paid of RM1.9 million,

which was partially offset by drawdown of revolving credit facility and trade financing of RM53.6 million for working capital and purchase of PPE for expansion of new Corporate Stores.

FYE 30 June 2024

Net cash used in financing activities was RM70.8 million for the FYE 30 June 2024, which primarily comprised:

- (a) dividends paid to shareholders of RM30.0 million;
- (b) payment of lease liabilities of RM25.4 million and repayment of revolving credit facilities of RM17.9 million; and
- (c) interest paid of RM4.1 million,

which was partially offset by drawdown of revolving credit facility of RM10.0 million for working capital and purchase of PPE for expansion of new Corporate Stores.

12.2.8.3 Borrowings

As at 30 June 2024, we had total outstanding borrowings of RM52.1 million, all of which are denominated in RM and are secured. While we have multiple borrowings facilities (i.e. revolving credit, overdraft and trade financing), only revolving credit facilities have been utilised. We have an outstanding amount of RM52.1 million in revolving credit facilities, with an effective interest rate of 4.19%, which are maturing in the next one (1) year.

12. FINANCIAL INFORMATION (Cont'd)

Our secured bank borrowings are secured against the pledged fixed deposits of our Company and corporate guarantees provided by subsidiaries.

As at 30 June 2024, all our borrowings have floating interest rate terms. See Note 15 to the Accountants' Report in Section 13 of this Prospectus for more information on our borrowings.

We have not defaulted on interest or profit rate payments or principal amounts on any of our borrowings for the Financial Years Under Review and up to the LPD. As at the LPD, we are not in breach of any terms and conditions or covenants associated with our borrowings which could materially affect our financial position and results or business operations, or the investments in our Shares.

12.2.8.4 Key financial ratios

The following table sets out certain of our key financial ratios for the Financial Years Under Review:

	As at 30 June		
	2022	2023	2024
Average trade receivables turnover (days) ⁽¹⁾	11	11	9
Average trade payables turnover (days) ⁽²⁾	28	35	39
Average inventory turnover (days) ⁽³⁾	68	70	67
Current ratio (times) ⁽⁴⁾	1.0	0.8	0.7
Gearing ratio (times) ⁽⁵⁾	0.2	0.9	0.6
Net gearing ratio (times) ⁽⁶⁾	N/A ⁽⁷⁾	0.3	0.1

Notes:

- (1) Computed based on average trade receivables as at the beginning and end of the financial year divided by revenue for such financial year, multiplied by number of days in the financial year.
- (2) Computed based on average trade payables as at the beginning and end of the financial year divided by cost of goods sold for such financial year, multiplied by number of days in the financial year.
- (3) Computed based on average inventories as at the beginning and end of the financial year divided by cost of goods sold for such financial year, multiplied by number of days in the financial year.
- (4) Computed based on total current assets divided by total current liabilities as at the respective financial year end.
- (5) Computed based on total borrowings (excluding lease liabilities) divided by total equity as at the respective financial year end.
- (6) Computed based on total borrowings (excluding lease liabilities) less cash and cash equivalents divided by total equity as at the respective financial year end.
- (7) Net gearing ratio is not applicable as our Group was in a net cash position.

(i) Trade receivables

Due to the nature of our business which is primarily F&B retail store operations, most of our revenue is generated from our Corporate Stores where transactions with customers are settled immediately in cash, debit and/or credit card, or through e-wallets such as Touch 'n Go eWallet, Boost, GrabPay, MAE Pay, ShopeePay and Alipay etc ("**E-Wallets**"). Customers may also transact through platforms such as our Tealive App/Bask Bear App and food aggregators, for example Grab, foodpanda and ShopeeFood ("**Food Aggregator**").

12. FINANCIAL INFORMATION (Cont'd)

Payments made by our customers in our Corporate Stores using debit/credit cards or E-Wallets are collected by, and will be released to us in two (2) to three (3) business days from the sales transaction date, by GHL and Ambank for transactions conducted in our Tealive Corporate Stores and Bask Bear Corporate Stores respectively.

On the other hand, payments made by our customers via platforms such as our Tealive App/Bask Bear App and Food Aggregators are collected by, and will be released to us in two (2) to three (3) business days from the sales transaction date, by GHL and the relevant Food Aggregator for transactions conducted through our Tealive App/Bask Bear App and the relevant Food Aggregator respectively.

For our sales of vouchers to corporate customers, we typically extend a credit period of up to 30 days.

As for our franchisees/licensees, payment of the franchise/licence fees, initial training and support fee, equipment fee, service fee and first stock purchase are made to us immediately upon signing of the relevant agreement(s). The subsequent purchase of equipment and other raw materials are made to us immediately when the orders are made. We typically extend a credit period of up to 30 days in respect of the payment of fees relating to royalty and sales of ingredients for our LTO products.

Our average trade receivables turnover period for the Financial Years Under Review remained within the normal credit period that we extend to our customers.

Our Group's trade receivables turnover period remained the same at 11 days for the FYE 30 June 2022 and FYE 30 June 2023.

Our Group's trade receivables turnover period decreased from 11 days for the FYE 30 June 2023 to nine (9) days for the FYE 30 June 2024, driven by a more efficient collection process, for example through regular internal review of accounts receivables and follow up on payments, as well as a higher proportion of cash and digital payments, and improved invoicing and reconciliation practices. Additionally, better credit control measures and client management have contributed to more timely payments from customers.

The aging analysis for our trade receivables as at 30 June 2024 is as follows:

	Exceeding credit period				
		1 – 30 days	31 – 60 days	More than 60 days	
	RM'000	RM'000	RM'000	RM'000	RM'000
Gross carrying amount	6,327	2,022	604	4,778	13,731
Loss allowance	-	-	-	(216)	(216)
Net balance	6,327	2,022	604	4,562	13,515
% of total trade receivables	46.8	15.0	4.5	33.7	100.0
Collection from 1 July 2024 to the LPD	6,327	1,870	604	3,231	12,032
Balance trade receivables as at the LPD	-	152	-	1,331	1,483

As at 30 June 2024, our total trade receivables was RM13.5 million, of which RM7.2 million or about 53.3% of our trade receivables exceeded the normal credit period. Of the RM7.2 million of trade receivables that exceeded the normal credit period, RM0.8 million was receivable from corporate customers, while the remaining RM6.4 million was receivable from franchisees.

12. FINANCIAL INFORMATION (Cont'd)

The delay in payments from corporate customers was due to extended credit term granted on a case-by-case basis for bulk voucher purchases, while the delay in payments from franchisees was mainly due to cash flow timing, as operating expenses often depleted their available funds shortly after receiving sales proceeds, resulting in insufficient cash to make payment to us within the credit term given to the franchisees.

However, the delay in collection from franchisees is mitigated by the F&B sales proceeds generated by them via Tealive App/Bask Bear App and aggregators. These proceeds are collected by our Group before being reimbursed to the franchisees following the review of the ageing analysis for our trade receivable. If the franchisees have not settled their overdue amount, our Group will withhold an equivalent amount from the sales proceeds they generated via Tealive App/Bask Bear App and aggregators, reimbursing only the remaining balance. Once the franchisees pay the amount due, the withheld sales proceeds are then reimbursed to them.

As at the LPD, we have collected RM12.0 million, representing about 89.0% of the net trade receivables as at 30 June 2024. The remaining balances of RM1.5 million was mainly past due amount from our franchisees.

Our Board is of the view that no additional provision is required for these past due uncollected trade receivables amount due to our Group's ability to withhold equivalent amount from sales proceeds generated by franchisees via Tealive App/Bask Bear App and aggregators if payment are not made on time. Additionally, the Group retains refundable security deposits paid by the franchisees, providing further assurance against potential losses.

We do not have any significant exposure to any customer which we believe is not recoverable.

(ii) Trade payables

During the Financial Years Under Review, our trade payables primarily relate to the purchases of ingredients, packaging materials and consumables and equipment. The normal credit period given by our suppliers generally are 30 days.

Our Group's trade payables turnover period increased from 28 days for the FYE 30 June 2022 to 35 days for the FYE 30 June 2023 and 39 days for the FYE 30 June 2024, mainly due to larger upfront expenses from the expansion of new stores, which requires higher initial inventory purchases and store setup costs. Once the operation of these new stores stabilise, the trade payable turnover period is expected to return to normal levels that are in line with standard procurement cycles (i.e. up to 30 days).

We endeavour to pay our suppliers within the credit periods granted to us to ensure our supplies are not disrupted. Despite our average trade payables turnover period exceeding the normal credit period granted by our suppliers for the FYE 30 June 2023 and FYE 30 June 2024, owing to our past payment records and good relationship with our suppliers, we have not experienced any material disruptions in supplies from our suppliers, nor faced any legal dispute or action initiated by our suppliers relating to outstanding payments for the FYE 30 June 2023 and FYE 30 June 2024.

12. FINANCIAL INFORMATION (Cont'd)

The aging analysis for our trade payables as at 30 June 2024 is as follows:

	Exceeding credit period				Total RM'000
	Current	1 – 30 days	31 – 60 days	61-90 days	
	RM'000	RM'000	RM'000	RM'000	
Trade payables as at 30 June 2024	7,253	7,563	3,320	1,775	19,911
% of total trade payables	36.4	38.0	16.7	8.9	100.0
Payment from 1 July 2024 to the LPD	6,011	7,563	3,320	1,775	18,669
Balance trade payables as at the LPD	1,242	-	-	-	1,242

As at 30 June 2024, our total trade payables was RM19.9 million of which RM12.7 million or about 63.6% of our trade payables exceeded the normal credit period. Our Group may negotiate extended payment cycles with suppliers as part of ongoing commercial arrangements to optimise cash flow and maintain liquidity.

As at the LPD, we have settled RM18.7 million or 94.0% of the trade payables which were outstanding as at 30 June 2024.

(iii) Inventories

Our inventories comprise mainly ingredients, packaging materials and consumables for the operations of our Tealive and Bask Bear brands, as well as equipment to be sold to our franchisees/licensees. In addition to Tealive and Bask Bear, our inventories also comprise sparkling water machines and carbonating gas cylinders under our SodaXpress brand which we distribute to businesses and consumers. The shelf life of our ingredients range between 60 days, for example for frozen products, to two (2) years, for example for canned products, and therefore require us to regularly monitor inventory levels at our various stores. In turn, the rate of depletion of such supplies is highly dependent on the sales performance of these respective stores.

Our Group's inventory turnover period increased from 68 days for the FYE 30 June 2022 to 70 days for the FYE 30 June 2023 due to the higher stock levels required for new store openings. Once the operations of these stores stabilise inventory levels will be gradually adjusted to align with actual sales and improve supply chain efficiency.

Our Group's inventory turnover period decreased from 70 days for the FYE 30 June 2023 to 67 days for the FYE 30 June 2024, primarily due to the ongoing efforts to optimise supply chain efficiency, through improved demand forecasting, streamlined procurement processes, and better inventory management while ensuring product availability.

(iv) Current ratio

The analysis of our current ratio for the Financial Years Under Review is set out below:

	As at 30 June		
	2022	2023	2024
Current assets (RM'000)	100,096	124,811	120,197
Current liabilities (RM'000)	103,518	162,898	166,751
Current ratio (times) ⁽¹⁾	1.0	0.8	0.7

12. FINANCIAL INFORMATION (Cont'd)**Note:**

- (1) *Computed based on total current assets divided by total current liabilities as at the respective financial year end.*

Our current ratio decreased from 1.0 times as at 30 June 2022 to 0.8 times as at 30 June 2023. This was primarily due to higher bank borrowing for the FYE 30 June 2023 to meet the working capital requirements and purchase of PPE for the expansion of new Corporate Stores.

Our current ratio decreased from 0.8 times as at 30 June 2023 to 0.7 times as at 30 June 2024. This was primarily due to higher lease liabilities coupled with lower trade receivables for the FYE 30 June 2024. Higher lease liabilities was a result of extended lease terms of the lease renewals for existing Corporate Stores.

(v) Gearing and net gearing ratio

The analysis of our gearing and net gearing ratio for the Financial Years Under Review is set out below:

	As at 30 June		
	2022	2023	2024
Total borrowings (excluding lease liabilities) (RM'000)	14,139	62,657	52,073
Total equity ('000)	61,227	71,565	93,023
Cash and cash equivalents ('000)	23,814	38,232	46,950
Gearing ratio (times) ⁽¹⁾	0.2	0.9	0.6
Net gearing ratio (times) ⁽²⁾	N/A ⁽³⁾	0.3	0.1

Notes:

- (1) *Computed based on total borrowings (excluding lease liabilities) divided by total equity as at the respective financial year end.*
- (2) *Computed based on net borrowings (total borrowings (excluding lease liabilities) less cash and cash equivalents) divided by total equity as at the respective financial year end.*
- (3) *Net gearing ratio is not applicable as our Group was in a net cash position.*

Our Group's total borrowings (excluding lease liabilities) increased by RM48.6 million from RM14.1 million as at 30 June 2022 to RM62.7 million as at 30 June 2023. The increase in total borrowings was mainly due to the drawdown of the revolving credit and trade financing facilities to meet the working capital and capital expenditure requirements for the expansion of new Corporate Stores. Accordingly, our Group's gearing ratio increased from 0.2 times as at 30 June 2022 to 0.9 times as at 30 June 2023. Our net gearing ratio increased from a net cash position to 0.3 times over the same period due to the increase in the borrowings.

Our Group's total borrowings (excluding lease liabilities) decreased by RM10.6 million or 16.9% from RM62.7 million as at 30 June 2023 to RM52.1 million as at 30 June 2024 primarily due to the repayment of borrowings as part of our Group's strategic initiative to lower financing costs. Our Group's gearing ratio decreased from 0.9 times as at 30 June 2023 to 0.6 times as at 30 June 2024, which was mainly attributable to the increase in total equity resulting from the PAT achieved for the FYE 30 June 2024, coupled with a decrease in total borrowings as explained above.

12. FINANCIAL INFORMATION (Cont'd)

As our cash and cash equivalents had also increased from RM38.2 million as at 30 June 2023 to RM47.0 million as at 30 June 2024, our net gearing ratio decreased from 0.3 times to 0.1 times over the same period, due to the improved profitability and cash flow from operations.

12.2.8.5 Capital expenditure

The following table sets out our capital expenditure for the Financial Years Under Review:

	FYE 30 June		
	2022	2023	2024
	(RM'000)	(RM'000)	(RM'000)
Capital expenditures			
Equipment and electrical fittings	18,899	17,554	8,651
Furniture and fittings	5,329	6,701	6,018
Computer and software	246	287	268
Motor vehicles	497	149	112
Renovation	17,567	9,057	11,818
Construction work in progress	3,952	35,361	11,690
Intangible assets	1,035	340	1,008
Total	47,525	69,449	39,565

The majority of our capital expenditures were incurred in connection with the setting up or renovation of our Corporate Stores, including the purchase of equipment, furniture, fittings, IT equipment and signboards for such stores.

Our capital expenditure increased by 46.1% from RM47.5 million for the FYE 30 June 2022 to RM69.4 million for the FYE 30 June 2023 primarily due to the expansion of 65 new Corporate Stores in the FYE 30 June 2023 to 496 stores as at 30 June 2023. Our construction work in progress increased by 794.8% from RM4.0 million for the FYE 30 June 2022 to RM35.4 million for the FYE 30 June 2023, mainly due to on-going construction on our new Corporate Stores openings towards the financial year end.

Our capital expenditure decreased by 43.0% from RM69.4 million for the FYE 30 June 2023 to RM39.6 million for the FYE 30 June 2024, mainly due to fewer new Corporate Stores openings in the FYE 30 June 2024 of 23 compared to 65 opened in the FYE 30 June 2023. Our construction work in progress decreased by 66.9% from RM35.4 million for the FYE 30 June 2023 to RM11.7 million for the FYE 30 June 2024 following the completion of the construction of our new Corporate Stores.

12.2.8.6 Capital commitments and contractual obligations

Our capital expenditure commitments as at the LPD is RM1.7 million, which comprise the following:

Capital expenditure commitments in relation to:

	RM'000
Renovation	1,052
Equipment	54
Furniture and fittings	22
Signages	81
10% retention sum	464
Total	1,673

12. FINANCIAL INFORMATION (Cont'd)

We expect to meet our capital expenditure commitments through our cash and cash equivalents, cash generated from our operations and financing activities.

Save as disclosed above, as at the LPD, there are no material capital expenditure commitments incurred or known to be incurred by us that may have a material adverse effect on our results of operations or financial position.

Other contractual obligations

Our contractual cash obligations (excluding capital expenditure commitments) as at 30 June 2024 comprise primarily of repayment obligations for our borrowings and in respect of our lease liabilities. The maturity profile of our undiscounted contractual cash repayment obligations for our borrowings and lease liabilities as at 30 June 2024 are as follows:

	Within 1 year	1 to 5 years	Over 5 years	Total
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Payments due by period				
Borrowings	54,249	-	-	54,249
Lease liabilities	35,847	94,837	37,438	168,122
Total	90,096	94,837	37,438	222,371

We plan to meet our contractual cash obligations through our cash and cash equivalents on hand, as well as cash generated from future operations and funding from other financing activities (if required) and in respect of our borrowings, from the gross proceeds of our Public Issue as described in Section 4.6 of this Prospectus.

12.2.8.7 Contingent liabilities and off-balance sheet arrangements

As at the LPD, there are no contingent liabilities that, upon becoming enforceable, may have a material adverse effect on our results of operations or financial position, and we do not have any off-balance sheet arrangements that are reasonably likely to have a material effect on our business, financial performance and financial position.

12.2.8.8 Material investments and material divestitures

On 20 January 2025, Loob Holding entered into a deed of assignment of shares of stock to transfer all 250,049 common shares of stock of Loob Philippines owned by Loob Holding, representing approximately 100.0% equity interest in Loob Philippines to TrueScale Ventures. The purchase consideration of PHP25,004,900, equivalent to approximately RM1,893,821.12, representing the total par value of common shares of stock of Loob Philippines for the Transfer of Loob Philippines was entirely satisfied in cash. The Transfer of Loob Philippines was completed on 20 January 2025. Following the completion of the Transfer of Loob Philippines, Loob Philippines is no longer part of the Loob Group. See Section 6.1.2 of this Prospectus for further details on the Transfer of Loob Philippines.

Save as disclosed above, we have not undertaken any material investments or divestitures during the Financial Years Under Review and up to the LPD.

12.2.9 Financial risk management

We are exposed to certain financial risk arising from our operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk and foreign currency exchange rates. As at the LPD, we do not have any derivative or hedging transactions to manage any of our market risk.

12. FINANCIAL INFORMATION (Cont'd)**12.2.9.1 Credit risk**

Credit risk is the risk of a financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Our exposure to credit risk arises principally from the individual characteristics of each customer and associates. There are no significant changes as compared to prior periods.

As disclosed in Section 7.5.8 of this Prospectus, due to the nature of our business, we are not dependent on any single individual customer and our customer base comprises walk-in customers at our physical stores, customers who purchase products on delivery websites or applications, our franchisees/licensees and B2B customers comprising external retailers and distributors.

Our management has established a credit policy under which each new customer being a franchisee/licensee, corporate or B2B customer, is analysed individually for creditworthiness before our Group's standard payment and delivery terms and conditions are offered. Credit limits are established for each such customer and reviewed quarterly. Any credit exceeding those limits require approval from our management.

In respect of trade receivables, as at 30 June 2024, our Group is not subjected to any significant credit risk exposure to any single counterparty or a group of counterparties having similar characteristics.

In respect of other receivables, our Group is not exposed to any significant credit risk exposure to any single counterparty or a group of counterparties having similar characteristics. As at 30 June 2024, we do not expect to incur material credit losses on our financial assets or other financial instruments.

12.2.9.2 Liquidity risk

Liquidity risk is the risk that our Group will not be able to meet our financial obligations as and when they fall due, due to shortage of funds. Our exposure to liquidity risk arises primarily from our Group's various payables, loan and borrowings and lease liabilities.

We maintain a level of cash and cash equivalents and bank facilities deemed adequate by our management to ensure, as far as possible, that we will have sufficient liquidity to meet our liabilities as and when they fall due. We aim to maintain a balance of sufficient cash and deposits and flexibility in funding by keeping diverse sources of committed and uncommitted credit facilities from various banks.

As at 30 June 2024, we had RM157.6 million in undiscounted contractual cash repayment obligations due on demand or within one (1) year.

As at 30 June 2024, there are undrawn borrowing facilities available and expected positive cash flow from our ongoing operations that can be used to meet the abovementioned undiscounted contractual cash repayment obligations as and when they fall due.

12.2.9.3 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Our variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates. Short-term receivables and payables are not significantly exposed to interest rate risk.

12. FINANCIAL INFORMATION (Cont'd)

Our interest rate management objective is to manage the interest expenses consistent with maintaining an acceptable level of exposure to interest rate fluctuation. In order to achieve this objective, we target a mix of fixed and floating debt based on assessment of our existing exposure and desired interest rate profile.

As at 30 June 2024, our exposure to interest rate risk arose primarily from floating rate instruments which stood at RM52.1 million, or 100.0% of our total borrowings. The table below sets out the sensitivity of our post-tax profit or loss to a 100 basis points increase or decrease in interest rates, assuming all other variables remained constant.

	Increase/(decrease)		
	FYE 30 June		
	2022	2023	2024
	(RM'000)	(RM'000)	(RM'000)
Interest rates increase by 100 basis points	(107)	(476)	(396)
Interest rates decrease by 100 basis points	107	476	396

Our Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss and our Group does not designate derivatives as hedging instruments under a fair value hedged accounting model. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

12.2.9.4 Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. We are exposed to foreign currency risk on sales and purchases that are denominated in a currency other than the RM. The currency giving rise to the risk is USD and JPY.

We do not hedge such currency risk because the amounts are short-term in nature.

The sensitivity of our net profit for the financial year to a reasonably possible fluctuation in the RM against the respective currencies are set out in Note 27.6.1 of the Accountants' Report in Section 13 of this Prospectus.

12.2.10 Seasonality

As an owner of stores in the F&B services industry, we experience seasonality in our business for all the brands under our portfolio. We generally experience increased customer traffic and sales during public holidays, festive periods and school holidays.

12.2.11 Inflation

Inflation has not had a material impact on our business, financial condition or results of operations for the Financial Years Under Review. However, inflation may in the future, affect our financial performance by increasing the cost of our operating expenses, including expenses relating to employee benefit expenses, selling and distribution expenses as well as administrative expenses and other operating expenses. Any increase in the inflation rate beyond levels experienced in the past may affect our operations and financial performance if we are unable to fully offset higher costs through increased revenues.

12.2.12 Order book

Due to the nature of our business, we do not maintain an order book. See Section 7 of this Prospectus for further information on the nature of our business.

12. FINANCIAL INFORMATION (Cont'd)**12.2.13 Prospects and trend analysis**

We have observed various factors that are and will likely affect our Group's operations and financial condition for the FYE 30 June 2025. One of the key factors affecting our Group's operations and financial performance condition is the intensifying competition in the tea shop segment, particularly from new entrants who are looking to capture market share, which has rapidly gained market traction by offering products at significantly lower price points. According to the IMR Report:

- (i) the tea shop segment is undergoing a re-adjustment phase after reaching a peak in the number of market participants;
- (ii) while aggressive pricing strategies may initially attract consumers, sustaining such models presents operational and financial challenges over time; and
- (iii) moving forward, the industry is expected to consolidate, favouring brands with strong fundamentals, established brand equity, and the ability to innovate.

Despite these headwinds, our Group remains proactive in navigating the evolving competitive landscape where we intend to implement several strategic initiatives to strengthen our market position, including:

- (i) introducing new FMCG range across large retail stores and small grocery or convenience stores within the next 12 months;
- (ii) expanding the Tealive and Bask Bear member base beyond approximately 3 million at present and increase purchase frequency through loyalty program, member exclusive promotion and offering convenience at customers' fingertips through our Apps;
- (iii) accelerating our international expansion through franchising. As at the LPD, we have subsisting MFAs in the Philippines (excluding Ilocos region), Myanmar, Mauritius, Cambodia and Canada, subsisting ARDAs in the Philippines (Ilocos region) and Brunei, as well as three (3) newly secured MFAs in India, Thailand and the UAE respectively, and one (1) franchise agreement secured in the areas of Dhaka and Chittagong in Bangladesh. While no stores have been opened in these markets, there is a target to open over 400 stores across all countries and regions based on a development schedule of five (5) to ten (10) years depending on the territory as part of our future plans; and
- (iv) increasing Tealive's penetration in Malaysia. In line with this growth strategy, we have opened 41 new Tealive stores across Malaysia during the FYE 30 June 2025 and we are committed to opening an additional 55 Tealive stores annually over the next three (3) financial years. To achieve the Tealive store rollout plan, we plan to adopt a cost-efficient "asset-lite" kiosk store format (approximately 100 sq. ft.) which is expected to reduce our Group's capital expenditure. We have opened five (5) "asset-lite" kiosk Tealive stores during the FYE 30 June 2025, located across Selangor and Negeri Sembilan, with one (1) store each in Klang, Selayang and Puncak Alam and two (2) stores in Nilai. We aim to open five (5) "asset-lite" kiosk stores in the FYE 30 June 2025, followed by 40 "asset-lite" kiosk stores annually over the next three (3) financial years.

However, these initiatives are not expected to contribute significantly to our revenue and profitability in the immediate term in view that the implementation of these initiatives will be undertaken over a period of time.

Save as disclosed in this Section and in Sections 5, 7 and 8 of this Prospectus, to the best of our Board's knowledge and belief, there are no other known trends, uncertainties, demands, commitments or events and factors that are reasonably likely to have a material effect on our business, financial condition and results of operations.

12. FINANCIAL INFORMATION (Cont'd)**12.2.14 Significant changes**

Save as disclosed below, no significant changes have occurred which may have a material effect on our financial position and results of operations since 30 June 2024 up to the date of this Prospectus:

- (i) the Pre-IPO Dividends;
- (ii) the Transfer of Loob Philippines; and
- (iii) drawdown of borrowings.

See Note 1.1 of the Reporting Accountants' Letter on the Pro Forma Combined Statements Of Financial Information as set out in Section 12.5 of this Prospectus.

12.2.15 Impact of government, economics, fiscal and monetary policies

We are subject to the risks of government, economic, fiscal or monetary policies, where any unfavourable change may materially affect our business operations, financial performance and prospects. For the Financial Years Under Review and up to the LPD, our results were not materially adversely affected by any unfavourable changes relating to government, economic, fiscal or monetary policies.

For information on any government, economic, fiscal or monetary policies or factors which could materially affect our operations, see Section 5 of this Prospectus.

12.2.16 Accounting standards issued but not yet effective and not early adopted

For a description of accounting standards issued but not yet effective and not early adopted, see Note 1(a) to the Accountants' Report included in Section 13 of this Prospectus.

12.2.17 Financial instrument, treasury policies and objectives

As at the LPD, save as disclosed in Section 12.2.8.3 of this Prospectus, we do not have nor utilise any other financial instruments.

One of the main treasury responsibilities is to ensure that we have the liquidity and cash to meet our obligations as they fall due. Our principal sources of liquidity are our cash and bank balances, cash generated from our operations and borrowings from financial institutions. Using appropriate governance and policies, it is the responsibility of treasury to identify, quantify, monitor and control the risks (liquidity, interest, currency, credit, legal and regulatory) associated with these activities, using appropriate mitigation and hedging techniques.

We are exposed to currency exchange risk on sales and purchases that are denominated in a currency other than RM. The currencies giving rise to this risk are primarily USD and JPY.

12. FINANCIAL INFORMATION (Cont'd)**12.3 CAPITALISATION AND INDEBTEDNESS**

The table below presents our capitalisation and indebtedness as at 31 January 2025 and on the assumption that our IPO, Listing and the use of proceeds from our Public Issue as set out in Section 4.6 of this Prospectus had occurred on 31 January 2025.

The pro forma financial information below does not represent our actual capitalisation and indebtedness as at 31 January 2025 and is provided for illustrative purposes only.

	As at 31 January 2025	Pro Forma I
		After our IPO and use of proceeds
	(RM'000)	(RM'000)
Capitalisation		
Equity attributable to owners of the Company	45,721	⁽⁴⁾ [•]
Non-controlling interest	1,599	1,599
Total capitalisation	47,320	[•]
Indebtedness		
Current		
Revolving credit ⁽¹⁾	65,456	[•]
Bank overdraft	10,042	10,042
Lease liabilities ⁽²⁾	23,681	23,681
	99,179	[•]
Non-current		
Lease liabilities ⁽²⁾	112,505	112,505
Total indebtedness	211,684	[•]
Total capitalisation and indebtedness	259,004	[•]
Gearing ratio (times)⁽³⁾	1.6	[•]

Notes:

- (1) Secured over fixed deposits pledged with licenced banks and corporate guarantee by our subsidiaries.
- (2) The lease liabilities arose from our Group's recognition of ROU assets in accordance with MFRS 16 – Leases.
- (3) Calculated based on total indebtedness (excluding lease liabilities) divided by total capitalisation.
- (4) Calculated after taking into account, among others, the gross proceeds raised from the Public Issue based on the IPO Price and the estimated listing expenses.

12. FINANCIAL INFORMATION (Cont'd)**12.4 DIVIDEND POLICY**

The actual dividend that our Board may recommend or declare in any particular financial year or period will be subject to the factors outlined below as well as any other factors deemed relevant by our Board. In considering the level of dividend payments, if any, upon recommendation by our Board, we intend to consider various factors including:

- (i) the level of our cash, gearing, return on equity and retained earnings;
- (ii) our expected financial performance;
- (iii) our projected levels of capital expenditure and other growth/investment plans;
- (iv) applicable restrictive covenants under our financing documents;
- (v) our working capital requirements; and
- (vi) other factors deemed relevant by the Board.

No inference should be made from any of the foregoing statements as to our actual future profitability or our ability to pay dividends in the future.

From the FYE 30 June 2026 onward, we target a payout ratio of approximately 40.0% to 60.0% of our PATAMI for each financial year on a consolidated basis after taking into account the working capital, maintenance capital and committed capital requirements of our Group. The declaration and payment of any dividend is subject to the confirmation of our Board as well as any applicable law, licence conditions and contractual obligations and provided that such distribution will not be detrimental to our Group's cash requirements or any plans approved by our Board.

Save for certain banking restrictive covenants (including the financial institutions' consent for declaration of dividends) which our Company and our subsidiaries are or may be subject to, there are no dividend restrictions imposed on us or our subsidiaries.

Investors should note that this dividend policy merely describes our present intention and shall not constitute legally binding statements in respect of our Company's future dividends which are subject to modification (including non-declaration thereof) at our Board's discretion. We cannot assure you that we will be able to pay dividends or that our Board will declare dividends in the future. There can also be no assurance that future dividends declared by our Board, if any, will not differ materially from historical dividend levels. See Section 5 of this Prospectus for the factors which may affect or restrict our ability to pay dividends.

The following table sets out our dividends declared and paid for the Financial Years Under Review and up to the LPD:

	FYE 30 June			From 1 July 2024 up to the LPD
	2022 (RM'000)	2023 (RM'000)	2024 (RM'000)	
Total dividends declared in respect of the financial year	58,120	40,000	28,000	42,025
Total dividends paid	107,666	28,120	30,000	60,025
PATAMI	66,026	38,696	50,797	-
Dividend payout ratio (%) ⁽¹⁾	88.0	103.4	55.1	-

12. FINANCIAL INFORMATION (Cont'd)**Note:**

- (1) *Computed based on dividends declared divided by the PATAMI of our Group for the financial year.*

In respect of the FYE 30 June 2025, save for RM22.8 million out of the total dividend of RM42.0 million declared and paid on 31 December 2024, the balance of RM19.2 million dividend was paid out of the accumulated cash and bank balances of our Group, not exceeding the retained earnings of our Group during the said period.

For information, the RM27.8 million dividend declared on 31 December 2024, which was due to Bryan Loo, Loo Chuu Lin, Loo Chee Leng, Singli Aerovest and Zhejiang Boduo, was assigned to TrueScale Ventures:

- (a) towards the settlement of (i) total purchase consideration of RM1.9 million payable by TrueScale Ventures to Loob Holding in relation to the Transfer of Loob Philippines and the Transfer of LV Holdings VN; and (ii) the novation of the shareholders' advances and/or other receivables of RM20.9 million from Loob Holding to TrueScale Ventures; and
- (b) as the subscription amount payable by Bryan Loo, Loo Chuu Lin, Loo Chee Leng, Singli Aerovest and Zhejiang Boduo for subscription of new ordinary shares in TrueScale Ventures of RM1.0 million and shareholders' advances by Bryan Loo, Loo Chuu Lin, Loo Chee Leng, Singli Aerovest and Zhejiang Boduo to TrueScale Ventures of RM4.0 million.

The declaration and payment of these dividends did not and will not affect the execution and implementation of our Group's plans or strategies after taking into consideration the following:

- (a) our Company had unutilised credit facilities to fund our Group's working capital requirements; and
- (b) our Group's net cash from operating activities for the said period.

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12. FINANCIAL INFORMATION (Cont'd)**12.5 REPORTING ACCOUNTANTS' LETTER ON THE PRO FORMA COMBINED STATEMENT OF FINANCIAL INFORMATION**

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 (LLP0010081-LCA & AF 0758)
 Chartered Accountants
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The Board of Directors
Loob Berhad
 No. 14 (Block C), Jalan Teknologi
 Taman Sains Selangor 1
 Kota Damansara
 47810 Petaling Jaya
 Selangor Darul Ehsan

**DRAFT FOR PURPOSE OF INCLUSION
 IN THE PROSPECTUS EXPOSURE**

[] 2025

Dear Sirs/Madam,

Loob Berhad ("Loob" or the "Company") and its combining entity (collectively, the "Group")

Report on the compilation of pro forma combined statements of financial information of Loob for inclusion in the Company's draft prospectus in connection with the proposed initial public offering of up to 350,756,900 ordinary shares in the Company ("Shares") ("Proposed IPO") in conjunction with the proposed listing of and quotation for the entire enlarged issued shares on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities") ("Proposed Listing") ("Draft Prospectus")

We have completed our assurance engagement to report on the compilation of pro forma combined statements of financial information of Loob, comprising:

- (i) the pro forma combined statement of financial position of Loob as at 30 June 2024;
- (ii) the pro forma combined statement of profit or loss and other comprehensive income of Loob for the financial year ended 30 June 2024, including pro forma combined earnings per share; and
- (iii) the pro forma combined statement of cash flows of Loob for the financial year ended 30 June 2024.

(Collectively (i) to (iii) above are referred to as the "Pro Forma Combined Statements of Financial Information").

12. FINANCIAL INFORMATION (Cont'd)

Loob Berhad ("Loob" or the "Company")
*Report on the compilation of Pro Forma Combined Statements of
 Financial information of Loob for inclusion in the Draft Prospectus
 in connection with the Proposed Listing*
 [] 2025

The Pro Forma Combined Statements of Financial Information and the related notes as set out in Attachment A, have been stamped by us for identification purposes. The applicable criteria on the basis of which the Board of Directors of the Company (the "Directors") have compiled the Pro Forma Combined Statements of Financial Information are described in the notes to the Pro Forma Combined Statements of Financial Information. The Pro Forma Combined Statements of Financial Information is prepared in accordance with the Prospectus Guidelines issued by the Securities Commission Malaysia ("Prospectus Guidelines") and the Guidance Note for Issuers of Pro Forma Financial Information issued by the Malaysian Institute of Accountants.

The Pro Forma Combined Statements of Financial Information, together with the related notes as set out in Attachment A, have been compiled by the Directors for inclusion in the Draft Prospectus solely to illustrate on how:

- (i) the pro forma combined statement of financial position of Loob as at 30 June 2024 would have been if the Proposed Listing had taken place as at 30 June 2024;
- (ii) the pro forma combined statement of profit or loss and other comprehensive income of Loob for the financial year ended 30 June 2024, including pro forma combined earnings per share, would have been if the transactions as described in Note 1.1.2 had taken place on 1 July 2023; and
- (iii) the pro forma combined statement of cash flows of Loob for the financial year ended 30 June 2024, would have been if the transactions as described in Note 1.1.2 had taken place on 1 July 2023.

As part of this process, information about the Pro Forma Combined Statements of Financial Information have been extracted by the Directors from the accountants' report on the combined financial statements of Loob for the financial year ended 30 June 2024, on which auditors' report dated 26 March 2025 has been issued.

Directors' Responsibility for the Pro Forma Combined Statements of Financial Information

The Directors are responsible for compiling the Pro Forma Combined Statements of Financial Information on the basis described in the notes of Attachment A as required by the Prospectus Guidelines and the Guidance Note for Issuers of Pro Forma Financial Information issued by the Malaysian Institute of Accountants.

Reporting Accountants' Quality Management and Independence

Our firm applies Malaysian Approved Standard on Quality Management, ISQM 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have complied with the independence and other ethical requirements of the *By-Laws (On Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

12. FINANCIAL INFORMATION (Cont'd)

Loob Berhad ("Loob" or the "Company")
*Report on the compilation of Pro Forma Combined Statements of
 Financial information of Loob for inclusion in the Draft Prospectus
 in connection with the Proposed Listing*
 [] 2025

Reporting Accountants' Responsibilities

Our responsibility is to express an opinion as required by the Prospectus Guidelines about whether the Pro Forma Combined Statements of Financial Information have been compiled, in all material respects, by the Directors on the basis described in the notes of Attachment A.

We conducted our engagement in accordance with Malaysian Approved Standard on Assurance Engagement, ISAE 3420, *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*. This standard requires that we plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled, in all material respects, the Pro Forma Combined Statements of Financial Information on the basis described in the notes of Attachment A.

For the purpose of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Pro Forma Combined Statements of Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Pro Forma Combined Statements of Financial Information.

The purpose of the Pro Forma Combined Statements of Financial Information included in the Draft Prospectus is solely to illustrate the impact of significant events or transactions on unadjusted financial information of the Group as if the events had occurred or the transactions had been undertaken at an earlier date selected for purposes of illustration. Accordingly, we do not provide any assurance that the actual outcome of the events or transactions would have been as presented.

A reasonable assurance engagement to report on whether the Pro Forma Combined Statements of Financial Information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the Pro Forma Combined Statements of Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the events or transactions, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and
- the Pro Forma Combined Statements of Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on our judgement, having regard to our understanding of the nature of the Group, the events or transactions in respect of which the Pro Forma Combined Statements of Financial Information have been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Pro Forma Combined Statements of Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Pro Forma Combined Statements of Financial Information have been compiled, in all material respects, on the basis described in the notes of Attachment A.

12. FINANCIAL INFORMATION (Cont'd)



Loob Berhad ("Loob" or the "Company")
*Report on the compilation of Pro Forma Combined Statements of
 Financial information of Loob for inclusion in the Draft Prospectus
 in connection with the Proposed Listing*
 [] 2025

Other Matter

Our report on the Pro Forma Combined Statements of Financial Information have been prepared in connection with the Proposed IPO and in conjunction with the Proposed Listing and should not be relied upon for any other purposes.


KPMG PLT
 (LLP0010081-LCA & AF 0758)
 Chartered Accountants


Ooi Eng Siong
 Approval Number: 03240/02/2026J
 Chartered Accountant

12. FINANCIAL INFORMATION (Cont'd)**Attachment A****Loob Berhad ("Loob" or the "Company") and its combining entity (the "Group")**
Pro Forma Combined Statements of Financial Information and the notes thereon**1. Introduction**

The pro forma combined statements of financial information of Loob as at 30 June 2024 ("Pro Forma Combined Statements of Financial Information") together with the related notes, have been compiled by the Board of Directors of Loob (the "Directors") for illustrative purposes for inclusion in the Company's draft prospectus in connection with the proposed initial public offering of up to 350,756,900 ordinary shares in the Company ("Shares") ("Proposed IPO") in conjunction with the proposed listing of and quotation for the entire enlarged issued shares on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities") ("Proposed Listing") ("Draft Prospectus").

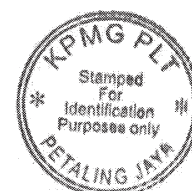
The Pro Forma Combined Statements of Financial Information comprises the following:

- Section 2: Pro forma combined statement of financial position of Loob as at 30 June 2024 ("Pro Forma SOFP") which have been prepared based on the assumption that the transactions set out in Note 1 were effected on 30 June 2024;
- Section 3: Pro forma combined statement of profit or loss and other comprehensive income of Loob for the financial year ended 30 June 2024 ("Pro Forma SOCI"), including pro forma combined earnings per share which have been prepared based on the assumption that the Transfer of Loob Philippines, Inc. ("Loob Philippines") (as described in Note 1.1.2) had occurred on 1 July 2023; and
- Section 4: Pro forma combined statement of cash flows of Loob for the financial year ended 30 June 2024 ("Pro Forma SOCF") which have been prepared based on the assumption that the Transfer of Loob Philippines (as described in Note 1.1.2) had occurred on 1 July 2023.

The Pro Forma SOFP is to be read separately from the Pro Forma SOCI and Pro Forma SOCF as the assumptions applied to each of the pro forma statements are different as set out in the notes below.

1.1 Completed Material Transactions

Paragraphs 9.19 and 9.20 of Chapter 9, Part II Division 1: Equity of the Prospectus Guidelines issued by the Securities Commission Malaysia ("SC") ("Prospectus Guidelines"), require the effects of the following material transactions to be illustrated in the Pro Forma Combined Financial Information. Other acquisition and disposal completed since 1 July 2023 were not illustrated in the Pro Forma Combined Financial Information as these were deemed not to be material pursuant to paragraph 9.21 of Chapter 9, Part II Division 1: Equity of the Prospectus Guidelines.



12. FINANCIAL INFORMATION (Cont'd)**Attachment A****Loob Berhad ("Loob" or the "Company") and its combining entity (the "Group")**
Pro Forma Combined Statements of Financial Information and the notes thereon**1.1 Completed Material Transactions (continued)****1.1.1 Pre-IPO dividends**

Since 1 July 2024 and up to 28 February 2025, being the latest practicable date ("LPD"), Loob Holding Sdn Bhd ("Loob Holding"), declared the following interim dividends ("Pre-IPO Dividends") :

In respect of financial year ended 2024:

- (i) RM14.0 million declared on 26 July 2024 and paid on 29 July 2024; and
- (ii) RM4.0 million declared on 27 August 2024 and paid on 30 August 2024.

In respect of financial year ending 2025:

- (iii) RM42.0 million declared on 31 December 2024 of which RM19.2 million was paid on 31 December 2024. The remaining RM22.7 million was assigned to TrueScale Ventures Sdn Bhd ("TrueScale Ventures") by the shareholders of Loob Holding.

Out of the total dividend of RM60.0 million declared, subsequent to the financial year ended 30 June 2024, RM37.2 million dividend was paid out of the cash and bank balances of the Group.

The effect of the Pre-IPO Dividends is only illustrated in the Pro Forma SOFP in accordance with paragraph 9.20 of Chapter 9, Part II Division 1: Equity of the Prospectus Guidelines.

1.1.2 Transfer of Loob Philippines

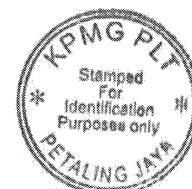
On 20 January 2025, Loob Holding, the combining entity of Loob Berhad, entered into a Deed of Assignment of Shares of Stock to transfer all 250,049 common shares of stock of Loob Philippines, Inc. ("Loob Philippines") owned by Loob Holding, representing 99.98% equity interest in Loob Philippines to TrueScale Ventures, a company owned by Loo Woi Lip ("Bryan Loo"), Loo Chuu Lin, Loo Chee Leng, Singli Aerovest Sdn. Bhd. ("Singli Aerovest") and Zhejiang Boduo International Trade Co, Ltd ("Zhejiang Boduo") ("Transfer of Loob Philippines").

The consideration of the transfer of common shares of stock of Loob Philippines was PHP25,004,900, equivalent to approximately RM1,893,821.12, and was entirely satisfied via set off against assignment of dividend payable to TrueScale Ventures as explained in Note 1.1.1. The transfer resulted in a gain on disposal of RM21.0 million to the Group.

Upon the Transfer of Loob Philippines, the total amounts owing (at the completion of the Transfer of Loob Philippines) by Loob Philippines to Loob Holding and LRTS Retail Sdn. Bhd. ("LRTS Retail"), a subsidiary of Loob Holding, would be novated from Loob Philippines to TrueScale Ventures.

For the purpose of preparation of the Pro Forma SOFP, the amount novated from Loob Philippines to TrueScale Ventures is assumed to be RM39.8 million which is the balance as at 30 June 2024. RM20.8 million was settled by TrueScale Ventures via the assignment of dividend payable to TrueScale Ventures as explained in Note 1.1.1. Loob Holding then impaired the remaining amount owed by TrueScale Ventures to Loob Holding of RM19.0 million.

Following the completion of the Transfer of Loob Philippines on 20 January 2025, Loob Philippines is no longer part of the Group.



12. FINANCIAL INFORMATION (Cont'd)**Attachment A****Loob Berhad ("Loob" or the "Company") and its combining entity (the "Group")**
Pro Forma Combined Statements of Financial Information and the notes thereon**1.1 Completed Material Transactions (continued)****1.1.3 Drawdown of borrowings**

BB Coffee Sdn. Bhd., a subsidiary of Loob Holdings had drawn down RM14.0 million on 25 December 2024 and RM10.0 million on 10 January 2025 respectively from revolving credit facilities granted by OCBC Al-Amin Bank.

1.2 Proposed Pre-IPO Restructuring

The Company will acquire the entire equity interest of Loob Holding comprising 526,017 ordinary shares in Loob Holding ("Loob Holding Sale Shares") from the existing shareholders of Loob Holding, namely Uttama Ltd, Bryan Loo, Loo Chuu Lin, Loo Chee Leng, Singli Aerovest Sdn. Bhd., Zhejiang Boduo International Trade Co., Ltd, Loo Lian Hiyok, Loo Kheng Sing, Loo Ay Lian, Quah Chin Voo, Lim Li Zhi, Wong Shu Yan, Tan Jie Yi, Tan Boon Keng, Woon Tai How, Loo Huei Ju, Wong Kok Yee, Lau Chun Foo, Lo Yu Foh, Tang Mei Ling, Ooi Tiat Huay, Choo Lee Sze, Lim Ai Yen, Jeremy Tai Kim Hui, Tan Hon Phang, Kuan, Shu-Ching and Chook Pui Man for a total purchase consideration of RM28,767,873.33.

The purchase consideration will be satisfied entirely by the issuance of 1,110,728,700 new ordinary shares in Loob ("Share(s)") at the issue price of approximately RM0.0259 per Share ("Proposed Pre-IPO Restructuring").

The Proposed Pre-IPO Restructuring will be accounted for using book value accounting. Under book value accounting, the difference between the consideration paid and the share capital of the acquiree is accounted for as merger reserve.

1.3 Proposed IPO

After the completion of the Proposed Pre-IPO Restructuring, the Company proposes to undertake an initial public offering of up to 350,756,900 Shares ("IPO Shares").

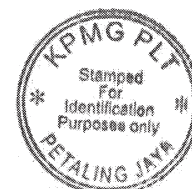
(i) Proposed Public Issue

Proposed public issue of 58,459,500 new Shares ("Issue Shares") at the indicative price of RM [●] per Issue Share.

(ii) Proposed Offer for Sale

Proposed offer for sale of up to 292,297,400 existing Shares ("Offer Shares") by Uttama Ltd, Loo Chu Lin, Bryan Loo, Loo Chee Leng and Singli Aerovest Sdn. Bhd. (collectively, the "Selling Shareholders") at the indicative price of RM [●] per Offer Share.

The Company will not receive any proceeds from the Proposed Offer for Sale. The gross proceeds of RM [●] million from the Proposed Offer for Sale will accrue entirely to the Selling Shareholders.



12. FINANCIAL INFORMATION (Cont'd)**Attachment A****Loob Berhad ("Loob" or the "Company") and its combining entity (the "Group")**
Pro Forma Combined Statements of Financial Information and the notes thereon**1.3 Proposed IPO (continued)**

(iii) Proposed use of proceeds

The proposed gross proceeds from the Proposed Public Issue amounting to approximately RM [●] million will be used in the following manner:

Description of use of proceeds	Estimated timeframe for use from the date of the Proposed Listing	RM'000
Repayment of existing bank borrowings	Within 6 months	[●]
Capital expenditures for new Tealive corporate stores and Bask Bear corporate stores in Malaysia ⁽¹⁾	Within 24 months	[●]
Defray fees and expenses relating to the Proposed IPO and Proposed Listing ⁽²⁾	Within 3 months	[●]
Total		[●]

Notes:

- (1) To part finance the capital expenditure required to open up to 12 new Tealive corporate stores and up to 13 new Bask Bear corporate stores throughout Malaysia.

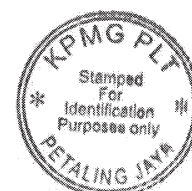
As at the latest practicable date, the Group has yet to enter into any contractual binding arrangements or issued any purchase orders in relation to the above capital expenditure. Accordingly, the use of proceeds earmarked for capital expenditure is not reflected in the Pro Forma SOFP.

- (2) The estimated fees and expenses comprise the following:

	RM'000
Professional fees	[●]
Fees payable to authorities	[●]
Brokerage, underwriting and placement fees	[●]
Other fees and expenses	[●]
	[●]

The total fees and expenses to be borne by the Company is estimated to be approximately RM [●] million. As at 30 June 2024, RM [●] million has been charged to the profit or loss of the Group.

Upon completion of the IPO, the estimated listing fees and expenses of approximately RM [●] million directly attributable to the Proposed Public Issue will be debited against the share capital and the remaining estimated fees and expenses of approximately RM [●] million will be charged out to the profit or loss of the Group.



12. FINANCIAL INFORMATION (Cont'd)

Attachment A

Loob Berhad ("Loob" or the "Company") and its combining entity (the "Group")
Pro Forma Combined Statements of Financial Information and the notes thereon

2. Pro Forma Combined Statements of Financial Position

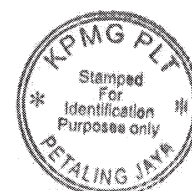
The pro forma combined statements of financial position of Loob as at 30 June 2024 ("Pro Forma SOFP") as set out below has been prepared for illustrative purposes only to show the effects of the transactions referred to in Note 1 had these transactions been effected on 30 June 2024, and should be read in conjunction with the said notes in this section.

		As at 30 June 2024 ⁽¹⁾ RM'000	Pro Forma I After adjustment for the Completed Material Transactions RM'000	Pro Forma II After Pro Forma I and the Proposed Pre-IPO Restructuring RM'000	Pro Forma III After Pro Forma II and the Proposed IPO RM'000
	Notes				
Assets					
Property, plant and equipment	2.3(a)	115,564	100,275	100,275	100,275
Right-of-use assets	2.3(b)	135,759	129,986	129,986	129,986
Intangible assets		1,110	1,110	1,110	1,110
Goodwill		1,534	1,534	1,534	1,534
Investment in joint ventures		576	576	576	576
Deferred tax assets		5,665	5,665	5,665	5,665
Trade and other receivables	2.3(c)	11,667	8,923	8,923	8,923
Total non-current assets		271,875	248,069	248,069	248,069
Inventories	2.3(d)	36,134	34,580	34,580	34,580
Current tax assets		4,629	4,629	4,629	4,629
Trade and other receivables	2.3(c)	32,485	29,964	29,964	29,964
Cash and cash equivalents	2.3(e)	46,950	31,130	31,130	[●]
Total current assets		120,198	100,303	100,303	[●]
Total assets		392,073	348,372	348,372	[●]
Equity					
Share capital	2.3(f)	*	*	28,768	[●]
Invested equity	2.3(g)	15,300	15,300	-	-
Merger reserve	2.3(h)	696	696	(12,772)	(12,772)
Other reserve	2.3(i)	73,428	15,376	15,376	[●]
Total equity attributable to owners of the Company		89,424	31,372	31,372	[●]
Non-controlling interests		3,599	3,599	3,599	3,599
Total equity		93,023	34,971	34,971	[●]

Notes:

⁽¹⁾ Extracted from the accountants' report on the combined financial statements of Loob for the financial year ended 30 June 2024 ("Accountants' Report").

* Denotes RM2.00



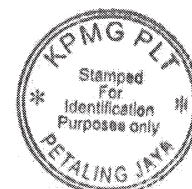
12. FINANCIAL INFORMATION (Cont'd)

Attachment A

Loob Berhad ("Loob" or the "Company") and its combining entity (the "Group")
Pro Forma Combined Statements of Financial Information and the notes thereon

2. Pro Forma Combined Statement of Financial Position (continued)

		As at 30 June 2024 ⁽¹⁾ RM'000	Pro Forma I After adjustment for the Completed Material Transactions RM'000	Pro Forma II After Pro Forma I and the Proposed Pre-IPO Restructuring RM'000	Pro Forma III After Pro Forma II and the Proposed IPO RM'000
	Notes				
Liabilities					
Lease liabilities	2.3(j)	113,173	110,014	110,014	110,014
Provision for restoration costs	2.3(k)	8,034	7,532	7,532	7,532
Trade and other payables		433	433	433	433
Contract liabilities		8,447	8,447	8,447	8,447
Deferred tax liabilities		2,212	2,212	2,212	2,212
Total non-current liabilities		132,299	128,638	128,638	128,638
Loans and borrowings	2.3(l)	52,073	76,073	76,073	[•]
Lease liabilities	2.3(j)	26,785	23,860	23,860	23,860
Trade and other payables	2.3(m)	72,987	69,924	69,924	[•]
Contract liabilities		9,965	9,965	9,965	9,965
Current tax liabilities		4,941	4,941	4,941	4,941
Total current liabilities		166,751	184,763	184,763	[•]
Total liabilities		299,050	313,401	313,401	[•]
Total equity and liabilities		392,073	348,372	348,372	[•]

Note:⁽¹⁾ Extracted from the Accountants' Report.

12. FINANCIAL INFORMATION (Cont'd)**Attachment A****Loob Berhad ("Loob" or the "Company") and its combining entity (the "Group")**
Pro Forma Combined Statements of Financial Information and the notes thereon**2. Pro Forma Combined Statement of Financial Position (continued)****2.1 Basis of preparation**

The applicable criteria on the basis of which the Directors have compiled the Pro Forma SOFP are as described below. The Pro Forma SOFP is prepared in accordance with the requirements of the Prospectus Guidelines and the Guidance Note for Issuers of Pro Forma Financial Information issued by the Malaysian Institute of Accountants.

The Pro Forma SOFP has been prepared based on:

- (i) the accountants' report on the combined financial statements of Loob for the financial year ended 30 June 2024 which were prepared in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board ("MFRS Accounting Standards") and IFRS Accounting Standards issued by the International Accounting Standards Board ("IFRS Accounting Standards"), on which an auditors' report dated 26 March 2025 has been issued. The auditors' report was not subject to any qualification, modification or disclaimer of opinion; and
- (ii) the audited financial statements of Loob Philippines for the financial year ended 30 June 2024 which were prepared in accordance with Philippine Financial Reporting Standard for Small and Medium-sized Entities ("PFRS for SME"), on which an auditors' report dated 4 October 2024 has been issued. The auditors' report was not subject to any qualification, modification or disclaimer of opinion. For the preparation of the Pro Forma SOFP, adjustments have been made to align to the accounting standards of the Group (MFRS Accounting Standards and IFRS Accounting Standards).

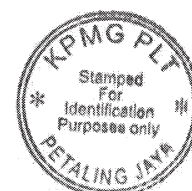
The Pro Forma SOFP have been prepared in a manner consistent with the format of the financial statements and the accounting policies adopted by the Group and adjusted for the events and transactions detailed in Note 1. The Pro Forma SOFP does not include the effects of the adoption of MFRS Accounting Standards which are effective for the annual period beginning on 1 July 2024.

The pro forma adjustments are appropriate for the purpose of preparing the Pro Forma SOFP.

The Pro Forma SOFP is not necessarily indicative of the financial position that would have been attained had the events and transactions detailed in Note 1 actually occurred at the respective dates. The Pro Forma SOFP has been prepared for illustrative purposes only.

2.2 Pro forma adjustments to the Pro Forma SOFP

The Pro Forma SOFP illustrates the effects of the following events or transactions:



12. FINANCIAL INFORMATION (Cont'd)**Attachment A****Loob Berhad ("Loob" or the "Company") and its combining entity (the "Group")**
Pro Forma Combined Statements of Financial Information and the notes thereon**2. Pro Forma Combined Statement of Financial Position (continued)****2.2.1 Pro Forma I – Completed Material Transactions**

Pro Forma I incorporates the effects of the Completed Material Transactions comprising the Pre-IPO dividends as described in Note 1.1.1, Transfer of Loob Philippines as described in Note 1.1.2 and drawdown of borrowings as described in 1.1.3.

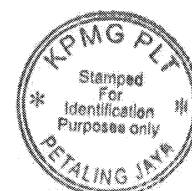
2.2.2 Pro Forma II – Proposed Pre-IPO Restructuring

Pro Forma II incorporates the effects of Pro Forma I and the Proposed Pre-IPO Restructuring as described in Note 1.2.

2.2.3 Pro Forma III – Proposed IPO

Pro Forma III incorporates the effects of Pro Forma II and the Proposed IPO (including the proposed use of proceeds) as described in Note 1.3.

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12. FINANCIAL INFORMATION (Cont'd)**Attachment A****Loob Berhad ("Loob" or the "Company") and its combining entity (the "Group")**
Pro Forma Combined Statements of Financial Information and the notes thereon**2.3 Effects on the Pro Forma SOFP****(a) Movement in property, plant and equipment**

	RM'000
Balance as at 30 June 2024	115,564
Effects of Pro Forma I:	
- Transfer of Loob Philippines	(15,289)
Pro Forma I, II and III	100,275

(b) Movement in right-of-use assets

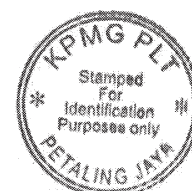
	RM'000
Balance as at 30 June 2024	135,759
Effects of Pro Forma I:	
- Transfer of Loob Philippines	(5,773)
Pro Forma I, II and III	129,986

(c) Movement in trade and other receivables

	Non-current RM'000	Current RM'000	Total RM'000
Balance as at 30 June 2024	11,667	32,485	44,152
Effects of Pro Forma I:			
- Transfer of Loob Philippines	(2,744)	(2,521)	(5,265)
- Amounts owing by Loob Philippines novated to TrueScale Ventures	39,842	-	-
- Set off against assignment of dividend payable to shareholders of TrueScale Ventures	(20,833)	-	-
- Impairment of amounts owing by TrueScale Ventures	(19,009)	-	-
Pro Forma I, II and III	8,923	29,964	38,887

(d) Movement in inventories

	RM'000
Balance as at 30 June 2024	36,134
Effects of Pro Forma I:	
- Transfer of Loob Philippines	(1,554)
Pro Forma I, II and III	34,580



12. FINANCIAL INFORMATION (Cont'd)**Attachment A****Loob Berhad ("Loob" or the "Company") and its combining entity (the "Group")**
Pro Forma Combined Statements of Financial Information and the notes thereon**2.3 Effects on the Pro Forma SOFP (continued)****(e) Movement in cash and cash equivalents**

	RM'000
Balance as at 30 June 2024	46,950
Effects of Pro Forma I:	
- Transfer of Loob Philippines	(2,524)
- Payment of Pre-IPO Dividends	(37,296)
- Drawdown of borrowings	24,000
Pro Forma I and II	31,130
Effects of Pro Forma III:	
- Proceeds from the Proposed Public Issue	[•]
- Estimated listing expenses	[•]
- Repayment of borrowings using proceeds from the Proposed Public Issue	[•]
Pro Forma III	[•]

(f) Movement in share capital

	RM'000
Balance as at 30 June 2024/Pro Forma I	*
Effects of Pro Forma II:	
- Issuance of Shares for the Proposed Pre-IPO Restructuring	28,768
Pro Forma II	28,768
Effects of Pro Forma III:	
- Issuance of Issue Shares pursuant to Proposed Public Issue	[•]
- Estimated listing expenses directly attributable to the Proposed Public Issue	[•]
Pro Forma III	[•]

* Refers to two (2) issued share at RM2.

(g) Movement in invested equity

	RM'000
Balance as at 30 June 2024/Pro Forma I	15,300
Effects of Pro Forma II:	
- Share swap pursuant to the Proposed Pre-IPO Restructuring	(15,300)
Pro Forma II and III	-

(h) Movement in merger reserve

	RM'000
Balance as at 30 June 2024/Pro Forma I	696
Effects of Pro Forma II:	
- Difference arising from share swap pursuant to the Proposed Pre-IPO Restructuring accounted for as merger reserve	(13,468)
Pro Forma II and III	(12,772)



12. FINANCIAL INFORMATION (Cont'd)**Attachment A****Loob Berhad ("Loob" or the "Company") and its combining entity (the "Group")**
Pro Forma Combined Statements of Financial Information and the notes thereon**2.3 Effects on the Pro Forma SOFP (continued)****(i) Movement in other reserve**

	RM'000
Balance as at 30 June 2024	73,428
Effects of Pro Forma I:	
- Transfer of Loob Philippines	1,973
- Declaration of Pre-IPO Dividends	(60,025)
Pro Forma I and II	15,376
Effects of Pro Forma III:	
- Estimated listing expenses charged to profit or loss of the Group	[•]
Pro Forma III	[•]

(j) Movement in lease liabilities

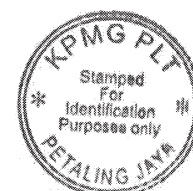
	Non-current RM'000	Current RM'000	Total RM'000
Balance as at 30 June 2024	113,173	26,785	139,958
Effects of Pro Forma I:			
- Transfer of Loob Philippines	(3,159)	(2,925)	(6,084)
Pro Forma I, II and III	110,014	23,860	133,874

(k) Movement in provision for restoration costs

	RM'000
Balance as at 30 June 2024	8,034
Effects of Pro Forma I:	
- Transfer of Loob Philippines	(502)
Pro Forma I, II and III	7,532

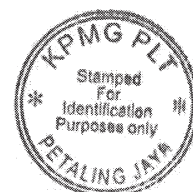
(l) Movement in loans and borrowings – non-current

	RM'000
Balance as at 30 June 2024	52,073
Effects of Pro Forma I:	
- Drawdown of borrowings	24,000
Pro Forma I and II	76,073
Effects of Pro Forma III:	
- Repayment of borrowings using proceeds from the Proposed Public Issue	[•]
Pro Forma III	[•]



12. FINANCIAL INFORMATION (Cont'd)**Attachment A****Loob Berhad ("Loob" or the "Company") and its combining entity (the "Group")**
Pro Forma Combined Statements of Financial Information and the notes thereon**2.3 Effects on the Pro Forma SOFP (continued)****(m) Movement in trade and other payables – current**

	RM'000
Balance as at 30 June 2024	72,987
Effects of Pro Forma I:	
- Amounts owing by Loob Philippines novated to TrueScale Ventures	39,842
- Transfer of Loob Philippines	(42,905)
Pro Forma I and II	69,924
Effects of Pro Forma III:	
- Reversal of accrued estimated listing expenses upon payment using proceeds from the Proposed Public Issue	[•]
Pro Forma III	[•]

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12. FINANCIAL INFORMATION (Cont'd)**Attachment A****Loob Berhad ("Loob" or the "Company") and its combining entity (the "Group")**
Pro Forma Combined Statements of Financial Information and the notes thereon**3. Pro Forma Combined Statement of Profit or Loss and Other Comprehensive Income**

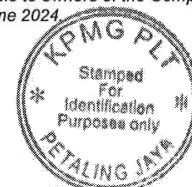
The pro forma combined statement of profit or loss and other comprehensive income of Loob for the financial year ended 30 June 2024, including pro forma combined earnings per share ("Pro Forma SOCI") as set out below have been prepared for illustrative purposes only to show the effects of the transaction referred to in Note 1.1.2 had this transaction been effected on 1 July 2023, and should be read in conjunction with the said notes in this section.

	Financial year ended 30 June 2024 ⁽¹⁾ RM'000	Pro Forma I After adjustment for the Transfer of Loob Philippines RM'000
Revenue	591,243	568,732
Cost of sales	(202,608)	(197,835)
Gross profit	388,635	370,897
Other income	2,811	2,911
Administrative expenses	(294,527)	(268,352)
Selling and distribution expenses	(5,004)	(5,004)
Other expenses	(3,397)	(1,691)
Net losses on impairment of financial instruments	(136)	(136)
Finance income	608	1,639
Finance costs	(14,114)	(12,556)
Share of results of associates / joint ventures	107	107
Profit before tax	74,983	87,815
Tax expense	(23,387)	(23,436)
Profit for the year	51,596	64,379
<i>Item that are or may be reclassified subsequently to profit or loss</i>		
Other comprehensive income for the year	631	71
Total comprehensive income for the year	52,227	64,450
Profit attributable to:		
Owners of the Company	50,797	63,580
Non-controlling interests	799	799
	51,596	64,379
Total comprehensive income attributable to:		
Owners of the Company	51,416	63,639
Non-controlling interests	811	811
	52,227	64,450
Weighted average number of ordinary shares (including invested equity):		
- Basic / Diluted ('000)	526	526
Earnings per share attributable to owners of the Company		
- Basic/Diluted (RM)	96.57	120.87

Notes:

⁽¹⁾ Extracted from the Accountants' Report.

⁽²⁾ The pro forma basic and diluted earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the financial year ended 30 June 2024.



12. FINANCIAL INFORMATION (Cont'd)**Attachment A****Loob Berhad ("Loob" or the "Company") and its combining entity (the "Group")**
Pro Forma Combined Statements of Financial Information and the notes thereon**3. Pro Forma Combined Statement of Profit or Loss and Other Comprehensive Income (continued)****3.1 Basis of preparation**

The applicable criteria on the basis of which the Directors have compiled the Pro Forma SOCI are as described below. The Pro Forma SOCI is prepared in accordance with the requirements of the Prospectus Guidelines and the Guidance Note for Issuers of Pro Forma Financial Information issued by the Malaysian Institute of Accountants.

The Pro Forma SOCI has been prepared based on:

- (iii) the accountants' report on the combined financial statements of Loob for the financial year ended 30 June 2024 which were prepared in accordance with MFRS Accounting Standards and IFRS Accounting Standards, on which an auditors' report dated 26 March 2025 has been issued. The auditors' report was not subject to any qualification, modification or disclaimer of opinion; and
- (iv) the audited financial statements of Loob Philippines for the financial year ended 30 June 2024 which were prepared in accordance with PFRS for SME, on which an auditors' report dated 4 October 2024 has been issued. The auditors' report was not subject to any qualification, modification or disclaimer of opinion. For the preparation of the Pro Forma SOFP, adjustments have been made to align to the accounting standards of the Group (MFRS Accounting Standards and IFRS Accounting Standards).

The Pro Forma SOCI have been prepared in a manner consistent with the format of the financial statements and the accounting policies adopted by the Group and adjusted for the events and transactions detailed in Note 1.1.2. The Pro Forma SOCI does not include the effects of the adoption of MFRS Accounting Standards which are effective for the annual period beginning on 1 July 2024.

The pro forma adjustments are appropriate for the purpose of preparing the Pro Forma SOCI.

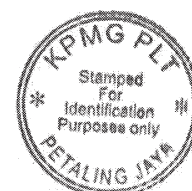
The Pro Forma SOCI is not necessarily indicative of the results of operations that would have been attained had the events and transactions detailed in Note 1.1.2 actually occurred at the respective dates. The Pro Forma SOCI has been prepared for illustrative purposes only.

3.2 Pro forma adjustments to the Pro Forma SOCI

The Pro Forma SOCI illustrates the effects of the following events or transactions:

3.2.1 Pro Forma I – Transfer of Loob Philippines

Pro Forma I incorporates the effects of the Transfer of Loob Philippines as described in Note 1.1.2.



12. FINANCIAL INFORMATION (Cont'd)

Attachment A

Loob Berhad ("Loob" or the "Company") and its combining entity (the "Group")
Pro Forma Combined Statements of Financial Information and the notes thereon

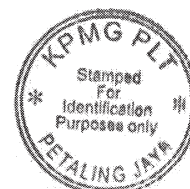
4. Pro Forma Combined Statement of Cash Flows

The pro forma combined statement of cash flows of Loob for the financial year ended 30 June 2024 ("Pro Forma SOCF") as set out below have been prepared for illustrative purposes only to show the effects of the transaction referred to in Note 1.1.2 had this transaction been effected on 1 July 2023, and should be read in conjunction with the said notes in this section.

	Financial year ended 30 June 2024 ⁽¹⁾ RM'000	Pro Forma I After adjustment for the Transfer of Loob Philippines RM'000
Cash flows from operating activities		
Profit before tax	74,983	87,815
<i>Adjustments for:</i>		
Amortisation on intangible assets	212	212
Bad debts written off	22	22
Deposits written off	133	133
Depreciation on:		
- property, plant and equipment	28,737	25,403
- right-of-use assets	30,624	27,495
Gain on termination of leases contracts	(130)	(124)
Finance costs	14,114	12,556
Finance income	(609)	(1,639)
Inventories written off	1,691	1,691
Property, plant and equipment written off	739	739
Reversal of impairment of trade receivables	(18)	(18)
Reversal of provision for restoration costs	(640)	(640)
Share of results of associates/joint ventures	(107)	(107)
Unrealised gain on foreign exchange	1,970	(1,918)
Operating profit before working capital changes	151,721	151,620
<i>Changes in working capital:</i>		
Contract liabilities	1,735	1,735
Inventories	(200)	(1,591)
Trade and other receivables	2,798	3,447
Trade and other payables	(11,525)	(5,072)
Cash generated from operations	144,529	150,139
Interest paid	(8,531)	(6,894)
Interest received	459	458
Tax paid	(18,872)	(18,872)
Net cash from operating activities	117,585	124,831

Note:

⁽¹⁾ Extracted from the Accountants' Report.



12. FINANCIAL INFORMATION (Cont'd)

Attachment A

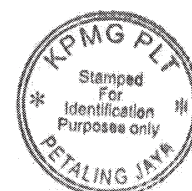
Loob Berhad ("Loob" or the "Company") and its combining entity (the "Group")
 Pro Forma Combined Statements of Financial Information and the notes thereon

4. Pro Forma Combined Statement of Cash Flows (continued)

	Financial year ended 30 June 2024 ⁽¹⁾ RM'000	Pro Forma I After adjustment for the Transfer of Loob Philippines RM'000
Cash flows from investing activities		
Proceeds from disposal of property, plant and equipment	4	4
Purchase of property, plant and equipment	(38,557)	(28,772)
Purchase of intangible assets	(1,008)	(1,008)
Advances to a related party	-	(21,021)
Net cash used in investing activities	(39,561)	(50,797)
Cash flows from financing activities		
Dividends paid to:		
- shareholders	(30,000)	(30,000)
- NCI	(769)	(769)
Drawdown of facility	10,000	10,000
Interest paid	(4,110)	(4,110)
Payments of:		
- lease liabilities	(25,374)	(22,361)
- revolving credit	(17,942)	(17,942)
- trade facilities	(2,642)	(2,642)
Net cash used in financing activities	(70,837)	(67,825)
Net increase in cash and cash equivalents	7,187	6,209
Effect of foreign currency translation differences	1,531	1,640
Cash and cash equivalents at 1 July 2023	38,232	36,576
Cash and cash equivalents at 30 June 2024	46,950	44,425

Note:

⁽¹⁾ Extracted from the Accountants' Report.



12. FINANCIAL INFORMATION (Cont'd)**Attachment A****Loob Berhad ("Loob" or the "Company") and its combining entity (the "Group")**
Pro Forma Combined Statements of Financial Information and the notes thereon**4. Pro Forma Combined Statement of Cash Flows (continued)****4.1 Basis of preparation**

The applicable criteria on the basis of which the Directors have compiled the Pro Forma SOCF are as described below. The Pro Forma SOCF is prepared in accordance with the requirements of the Prospectus Guidelines and the Guidance Note for Issuers of Pro Forma Financial Information issued by the Malaysian Institute of Accountants.

The Pro Forma SOCF has been prepared based on:

- (v) the accountants' report on the combined financial statements of Loob for the financial year ended 30 June 2024 which were prepared in accordance with MFRS Accounting Standards and IFRS Accounting Standards, on which an auditors' report dated 26 March 2025 has been issued. The auditors' report was not subject to any qualification, modification or disclaimer of opinion; and
- (vi) the audited financial statements of Loob Philippines for the financial year ended 30 June 2024 which were prepared in accordance with PFRS for SME, on which an auditors' report dated 4 October 2024 has been issued. The auditors' report was not subject to any qualification, modification or disclaimer of opinion. For the preparation of the Pro Forma SOCF, adjustments have been made to align to the accounting standards of the Group (MFRS Accounting Standards and IFRS Accounting Standards).

The Pro Forma SOCF have been prepared in a manner consistent with the format of the financial statements and the accounting policies adopted by the Group and adjusted for the events and transactions detailed in Note 1.1.2. The Pro Forma SOCF does not include the effects of the adoption of MFRS Accounting Standards which are effective for the annual period beginning on 1 July 2024.

The pro forma adjustments are appropriate for the purpose of preparing the Pro Forma SOCF.

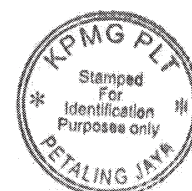
The Pro Forma SOCF is not necessarily indicative of the results of operations that would have been attained had the events and transactions detailed in Note 1.1.2 actually occurred at the respective dates. The Pro Forma SOCF has been prepared for illustrative purposes only.

4.2 Pro forma adjustments to the Pro Forma SOCF

The Pro Forma SOCF illustrates the effects of the following events or transactions:

4.2.1 Pro Forma I –Transfer of Loob Philippines

Pro Forma I incorporates the effects of the Transfer of Loob Philippines as described in Note 1.1.2.



13. ACCOUNTANTS' REPORT

Loob Berhad

(Registration No. 201901046246 (1355576-V))
(Incorporated in Malaysia)

**Accountants' Report on the
Combined Financial Statements**

13. ACCOUNTANTS' REPORT (Cont'd)

1

Loob Berhad(Registration No. 201901046246 (1355576-V))
(Incorporated in Malaysia)**Combined statements of financial position**

	Note	30.6.2024 Audited RM	30.6.2023 Audited RM	30.6.2022 Audited RM
Assets				
Property, plant and equipment	2	115,563,574	107,135,986	59,366,758
Right-of-use assets	3	135,758,757	114,435,098	60,942,463
Intangible assets	4	2,644,467	1,848,757	1,534,291
Investment in associates	6	-	-	468,570
Investment in joint ventures	7	576,451	469,256	415,948
Deferred tax assets	8	5,665,332	5,136,049	2,837,753
Trade and other receivables	9	11,666,884	4,526,389	4,261,291
Total non-current assets		<u>271,875,465</u>	<u>233,551,535</u>	<u>129,827,074</u>
Inventories	10	36,134,430	37,625,300	39,745,159
Current tax assets		4,628,941	6,695,361	2,761,868
Trade and other receivables	9	32,483,621	42,258,211	33,774,840
Cash and cash equivalents	11	46,950,428	38,232,223	23,814,175
Total current assets		<u>120,197,420</u>	<u>124,811,095</u>	<u>100,096,042</u>
Total assets		<u>392,072,885</u>	<u>358,362,630</u>	<u>229,923,116</u>
Equity				
Share capital	12	2	2	2
Invested equity	13	15,300,002	15,300,002	15,300,002
Reserves	12	74,124,328	52,708,441	47,226,932
Equity attributable to owners of the Group		<u>89,424,332</u>	<u>68,008,445</u>	<u>62,526,936</u>
Non-controlling interests		3,598,416	3,556,510	(1,299,515)
Total equity		<u>93,022,748</u>	<u>71,564,955</u>	<u>61,227,421</u>

13. ACCOUNTANTS' REPORT (Cont'd)

2

Registration No. 201901046246 (1355576-V)

Combined statements of financial position (continued)

	Note	30.6.2024 Audited RM	30.6.2023 Audited RM	30.6.2022 Audited RM
Liabilities				
Lease liabilities		113,172,601	97,866,784	43,680,683
Provision for restoration costs	16	8,034,301	6,908,433	4,329,120
Trade and other payables	17	433,027	7,952,340	6,410,959
Contract liabilities	18	8,447,106	9,176,365	10,757,151
Deferred tax liabilities	8	2,211,763	1,996,317	-
Total non-current liabilities		<u>132,298,798</u>	<u>123,900,239</u>	<u>65,177,913</u>
Loans and borrowings	15	52,072,790	62,656,550	14,138,759
Lease liabilities		26,784,804	16,925,502	18,414,117
Trade and other payables	17	72,987,063	74,327,525	54,290,414
Contract liabilities	18	9,965,501	6,808,904	11,138,631
Current tax liabilities		4,941,181	2,178,955	5,535,861
Total current liabilities		<u>166,751,339</u>	<u>162,897,436</u>	<u>103,517,782</u>
Total liabilities		<u>299,050,137</u>	<u>286,797,675</u>	<u>168,695,695</u>
Total equity and liabilities		<u>392,072,885</u>	<u>358,362,630</u>	<u>229,923,116</u>

The notes on pages 12 to 71 are an integral part of these combined financial statements.

13. ACCOUNTANTS' REPORT (Cont'd)

3

Loob Berhad(Registration No. 201901046246 (1355576-V))
(Incorporated in Malaysia)**Combined statements of profit or loss and other comprehensive income**

	Note	1.7.2023 - 30.6.2024 Audited RM	1.7.2022 - 30.6.2023 Audited RM	1.7.2021 - 30.6.2022 Audited RM
Revenue	19	591,243,465	511,747,220	422,486,138
Cost of sales		(202,608,054)	(202,922,981)	(164,260,938)
Gross profit		388,635,411	308,824,239	258,225,200
Other income		2,810,797	4,015,024	4,287,853
Administrative expenses		(294,526,675)	(243,370,855)	(161,689,911)
Selling and distribution expenses		(5,003,720)	(1,361,009)	(1,450,615)
Other expenses		(3,397,667)	(3,160,635)	(2,851,160)
Net losses on impairment of financial instruments	22	(136,498)	(245,756)	(595,015)
Results from operating activities		88,381,648	64,701,008	95,926,352
Finance income	20	608,868	433,380	589,526
Finance costs	21	(14,114,240)	(9,836,090)	(5,066,440)
Share of results of associates/joint ventures		107,195	(415,262)	(571,820)
Profit before tax	22	74,983,471	54,883,036	90,877,618
Tax expense	23	(23,387,073)	(16,368,021)	(26,344,495)
Profit for the year		51,596,398	38,515,015	64,533,123
Items that are or may be reclassified subsequently to profit or loss				
Foreign currency translation differences for foreign operations		630,943	93,418	(190,177)
Other comprehensive income/(expense), net of tax		630,943	93,418	(190,177)
Total comprehensive income for year		52,227,341	38,608,433	64,342,946

13. ACCOUNTANTS' REPORT (Cont'd)

4

Registration No. 201901046246 (1355576-V)

Combined statements of profit or loss and other comprehensive income (continued)

	Note	1.7.2023 - 30.6.2024 Audited RM	1.7.2022 - 30.6.2023 Audited RM	1.7.2021 - 30.6.2022 Audited RM
Profit attributable to:				
Owners of the Group		50,797,270	38,696,311	66,026,014
Non-controlling interests		<u>799,128</u>	<u>(181,296)</u>	<u>(1,492,891)</u>
		<u>51,596,398</u>	<u>38,515,015</u>	<u>64,533,123</u>
Total comprehensive income attributable to:				
Owners of the Group		51,415,887	38,797,960	65,799,220
Non-controlling interests		<u>811,454</u>	<u>(189,527)</u>	<u>(1,456,274)</u>
		<u>52,227,341</u>	<u>38,608,433</u>	<u>64,342,946</u>
Earnings per ordinary share (RM):				
Basic/Diluted	24	<u>96.57</u>	<u>73.56</u>	<u>125.52</u>

The notes on pages 12 to 71 are an integral part of these combined financial statements.

13. ACCOUNTANTS' REPORT (Cont'd)

Registration No. 201901046246 (1355576-V)

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Loob Berhad

(Registration No. 201901046246 (1355576-V))
(Incorporated in Malaysia)

Combined statements of changes in equity

Audited Group	Note	<-----Attributable to owners of the Group----->							Total RM
		<-----Non-distributable----->				Distributable			
Share capital RM	Invested equity RM	Merger reserve RM	Translation reserve RM	Revaluation reserve RM	Retained earnings RM	Non-controlling interests RM			
2	15,300,002	696,314	(131,545)	2,741,167	85,867,746	692,609	104,473,686	105,166,295	
Foreign currency translation differences for foreign operations	-	-	-	-	-	-	(226,794)	(190,177)	
Disposal	-	-	-	(2,741,167)	2,741,167	-	-	-	
Total other comprehensive expense for the year	-	-	(226,794)	(2,741,167)	2,741,167	36,617	(226,794)	(190,177)	
Profit for the year	-	-	-	-	66,026,014	(1,492,891)	66,026,014	64,533,123	
Total comprehensive income for the year	-	-	(226,794)	(2,741,167)	68,767,181	(1,456,274)	65,799,220	64,342,946	
- Acquisition of a subsidiary	-	-	-	-	14,048	(14,049)	14,048	(1)	
- Change in ownership interest in subsidiaries	-	-	-	-	(24,583)	24,584	(24,583)	1	
- Dividends paid to shareholders	-	-	-	-	(107,666,333)	-	(107,666,333)	(107,666,333)	
- Dividends paid to Non-controlling interests	-	-	-	-	-	(616,024)	-	(616,024)	
- Issuance of shares by a subsidiary to Non-controlling interests	-	-	-	-	(69,102)	69,639	(69,102)	537	
Total transactions with owners of the Group	-	-	-	-	(107,745,970)	(535,850)	(107,745,970)	(108,281,820)	
At 30 June 2022	2	15,300,002	696,314	(358,339)	-	46,888,957	62,526,936	61,227,421	
	Note 12.1	Note 13	Note 12.2	Note 12.3	Note 12.4				

Note 12.1 Note 13 Note 12.2 Note 12.3 Note 12.4

13. ACCOUNTANTS' REPORT (Cont'd)

Registration No. 201901046246 (1355576-V)

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Registration No. 201901046246 (1355576-V)

Combined statements of changes in equity (continued)

Audited Group	Note	Attributable to owners of the Group					Total RM	Non-controlling interests RM	Total RM
		Share capital RM	Invested equity RM	Merger reserve RM	Translation reserve RM	Retained earnings RM			
At 1 July 2022		2	15,300,002	696,314	(358,339)	46,888,957	62,526,936	(1,299,515)	61,227,421
Foreign currency translation differences for foreign operations		-	-	-	101,649	-	101,649	(8,231)	93,418
Profit for the year		-	-	-	-	38,696,311	38,696,311	(181,296)	38,515,015
Total comprehensive income for the year		-	-	-	101,649	38,696,311	38,797,960	(189,527)	38,608,433
- Change in ownership interest in subsidiaries		-	-	-	(18,155)	(5,177,991)	(5,196,146)	5,235,552	39,406
- Dividends paid to shareholders	25	-	-	-	-	(28,120,305)	(28,120,305)	-	(28,120,305)
- Dividends paid to Non-controlling interests		-	-	-	-	-	-	(190,000)	(190,000)
Total transactions with owners of the Group		-	-	-	(18,155)	(33,298,296)	(33,316,451)	5,045,552	(28,270,899)
At 30 June 2023		2	15,300,002	696,314	(274,845)	52,286,972	68,008,445	3,556,510	71,564,955

Note 12.1 Note 13 Note 12.2 Note 12.3

13. ACCOUNTANTS' REPORT (Cont'd)

Registration No. 201901046246 (1355576-V)

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Registration No. 201901046246 (1355576-V)

Combined statements of changes in equity (continued)

Audited Group	Note	Share capital RM	<-----Attributable to owners of the Group----->		Translation reserve RM	Distributable		Non-controlling interests RM	Total RM
			Non-distributable	Invested equity RM		Merger reserve RM	Retained earnings RM		
At 1 July 2023		2	15,300,002	696,314	(274,845)	52,286,972	68,008,445	3,556,510	71,564,955
Foreign currency translation differences for foreign operations		-	-	-	618,617	-	618,617	12,326	630,943
Profit for the year		-	-	-	-	50,797,270	50,797,270	799,128	51,596,398
Total comprehensive income for the year		-	-	-	618,617	50,797,270	51,415,887	811,454	52,227,341
- Dividends paid to shareholders	25	-	-	-	-	(30,000,000)	(30,000,000)	-	(30,000,000)
- Dividends paid to Non-controlling interests		-	-	-	-	-	-	(769,548)	(769,548)
Total transactions with owners of the Group		-	-	-	-	(30,000,000)	(30,000,000)	(769,548)	(30,769,548)
At 30 June 2024		2	15,300,002	696,314	343,772	73,084,242	89,424,332	3,598,416	93,022,748
	Note 12.1	Note 13	Note 12.2	Note 12.3					

The notes on pages 12 to 71 are an integral part of these combined financial statements.

13. ACCOUNTANTS' REPORT (Cont'd)

8

Loob Berhad(Registration No. 201901046246 (1355576-V))
(Incorporated in Malaysia)**Combined statements of cash flows**

	Note	1.7.2023 - 30.6.2024 Audited RM	1.7.2022 - 30.6.2023 Audited RM	1.7.2021 - 30.6.2022 Audited RM
Cash flows from operating activities				
Profit before tax		74,983,471	54,883,036	90,877,618
Adjustments for:				
Amortisation on intangible assets		212,093	25,911	-
Bad debts written off		21,570	121,872	193,804
Deposits written off		132,800	77,187	142,817
Depreciation on:				
- property, plant and equipment	2	28,737,417	21,619,866	12,018,900
- right-of-use assets	3	30,624,293	21,599,870	14,796,551
Fair value gain on liquid investments		-	-	(46,326)
Loss on disposal of subsidiaries		-	7,516	-
(Gain)/Loss on termination of leases contracts		(129,627)	218,196	(988,333)
Gain on remeasurement of leases contracts		-	(375,216)	-
Loss/(Gain) on disposal of property, plant and equipment		-	20,131	(257,149)
Finance costs		14,114,240	9,836,090	5,066,440
Finance income		(608,868)	(433,380)	(589,526)
Impairment/(Reversal of impairment) on:				
- property, plant and equipment	2	-	(156,975)	156,975
- right-of-use assets	3	-	(381,614)	381,614
Inventories written off		1,691,248	1,165,187	432,623
Property, plant and equipment written off		738,623	375,355	1,357,995
(Reversal of impairment)/Impairment of:				
- amount due from related parties		-	4,875	-
- trade receivables		(17,872)	41,822	258,394
Reversal of provision for restoration costs		(639,966)	(161,960)	(275,666)
Share of results of associates/joint ventures		(107,195)	415,262	571,820
Unrealised loss/(gain) on foreign exchange		1,969,414	(873,645)	(180,446)
Operating profit before working capital changes		151,721,641	108,029,386	123,918,105

13. ACCOUNTANTS' REPORT (Cont'd)

9

Registration No. 201901046246 (1355576-V)

Combined statements of cash flows (continued)

	Note	1.7.2023 - 30.6.2024 Audited RM	1.7.2022 - 30.6.2023 Audited RM	1.7.2021 - 30.6.2022 Audited RM
Cash flows from operating activities (continued)				
Changes in working capital:				
Contract assets		-	-	254,446
Contract liabilities		1,735,274	(7,167,456)	(4,321,421)
Inventories		(200,378)	954,672	(18,745,701)
Trade and other receivables		2,797,841	(8,914,788)	(13,211,080)
Trade and other payables		(11,525,828)	21,329,240	14,181,825
Cash generated from operations		144,528,550	114,231,054	102,076,174
Interest paid	21	(8,531,023)	(6,313,120)	(3,511,560)
Interest received		459,244	265,354	471,602
Tax paid		(18,872,264)	(23,884,493)	(24,435,554)
Net cash from operating activities		117,584,507	84,298,795	74,600,662
Cash flows from investing activities				
Acquisition of a subsidiary		-	-	(502,400)
Increase in investment in:				
- subsidiaries		-	(510)	-
Proceeds from disposal of:				
- assets held for sale		-	-	11,000,000
- subsidiaries, net of cash disposed	5.2	-	32,400	-
- property, plant and equipment		4,049	34,371	3,663,207
Purchase of property, plant and equipment		(38,556,722)	(69,108,841)	(45,466,243)
Purchase of intangible assets		(1,007,803)	(340,377)	-
Net cash used in investing activities		(39,560,476)	(69,382,957)	(31,305,436)

13. ACCOUNTANTS' REPORT (Cont'd)

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Registration No. 201901046246 (1355576-V)

Combined statements of cash flows (continued)

	Note	1.7.2023 - 30.6.2024 Audited RM	1.7.2022 - 30.6.2023 Audited RM	1.7.2021 - 30.6.2022 Audited RM
Cash flows from financing activities				
Dividends paid to:				
- shareholders	25	(30,000,000)	(28,120,305)	(107,666,333)
- Non-controlling interests		(769,548)	(190,000)	(616,024)
Drawdown of facility		10,000,000	53,641,706	14,138,759
Interest paid		(4,109,879)	(1,903,012)	(197,718)
Proceeds from issuance of shares by subsidiaries to Non-controlling interests		-	-	538
Payments of:				
- hire purchase		-	-	(193,779)
- lease liabilities		(25,373,941)	(19,060,315)	(12,406,194)
- term loans		-	-	(2,831,095)
- revolving credit		(17,942,054)	(5,123,915)	-
- trade facilities		(2,641,706)	-	-
Net cash used in financing activities		<u>(70,837,128)</u>	<u>(755,841)</u>	<u>(109,771,846)</u>
Net increase/(decrease) in cash and cash equivalents		7,186,903	14,159,997	(66,476,620)
Effect of foreign currency translation differences		1,531,302	258,051	101,904
Cash and cash equivalents at 1 July 2023/2022/2021		<u>38,232,223</u>	<u>23,814,175</u>	<u>90,188,891</u>
Cash and cash equivalents at 30 June		<u>46,950,428</u>	<u>38,232,223</u>	<u>23,814,175</u>

13. ACCOUNTANTS' REPORT (Cont'd)

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Registration No. 201901046246 (1355576-V)

Combined statements of cash flows (continued)**(i) Cash outflows for leases as a lessee**

	1.7.2023 - 30.6.2024 Audited RM	1.7.2022 - 30.6.2023 Audited RM	1.7.2021 - 30.6.2022 Audited RM
Included in net cash from operating activities:			
Payment relating to short-term leases	2,490,452	2,618,760	2,938,523
Payment relating to leases of low-value assets	1,214,650	982,809	589,178
Expenses relating to variable lease payments not included in the measurement of lease liabilities	10,237,005	10,438,113	11,166,326
Interest paid in relation to lease liabilities	8,531,023	6,313,120	3,296,236
	<u>22,473,130</u>	<u>20,352,802</u>	<u>17,990,263</u>
Included in net cash from financing activities:			
Payment of lease liabilities	<u>25,373,941</u>	<u>19,060,315</u>	<u>12,406,194</u>
Total cash outflows for leases	<u><u>47,847,071</u></u>	<u><u>39,413,117</u></u>	<u><u>30,396,457</u></u>

(ii) Reconciliation of movements of liabilities to cash flows arising from financing activities

Audited	Lease liabilities RM	Hire purchase RM	Term loans RM	Revolving credit RM	Trade financing RM
At 1 July 2021	38,750,482	193,779	2,831,095	-	-
Net addition/drawdown	39,977,584	-	-	14,138,759	-
Acquisition of subsidiaries	681,216	-	-	-	-
Expiration/Termination of lease contracts	(4,908,288)	-	-	-	-
Repayments	<u>(12,406,194)</u>	<u>(193,779)</u>	<u>(2,831,095)</u>	<u>-</u>	<u>-</u>
At 30 June 2022/1 July 2022	62,094,800	-	-	14,138,759	-
Net addition/drawdown	74,626,560	-	-	51,000,000	2,641,706
Expiration/Termination of lease contracts	(2,868,759)	-	-	-	-
Repayments	<u>(19,060,315)</u>	<u>-</u>	<u>-</u>	<u>(5,123,915)</u>	<u>-</u>
At 30 June 2023/1 July 2023	114,792,286	-	-	60,014,844	2,641,706
Net addition/drawdown	53,819,666	-	-	10,000,000	-
Expiration/Termination of lease contracts	(3,280,606)	-	-	-	-
Repayments	<u>(25,373,941)</u>	<u>-</u>	<u>-</u>	<u>(17,942,054)</u>	<u>(2,641,706)</u>
At 30 June 2024	<u><u>139,957,405</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>52,072,790</u></u>	<u><u>-</u></u>

The notes on pages 12 to 71 are an integral part of these combined financial statements.

Loob Berhad

(Registration No. 201901046246 (1355576-V))
(Incorporated in Malaysia)

Notes to the combined financial statements

Loob Berhad is a public limited liability company, incorporated and domiciled in Malaysia. The addresses of the principal place of business and registered office of the Company are as follows:

Principal place of business

No. 14 (Block C), Jalan Teknologi
Taman Sains Selangor 1
Kota Damansara
47810 Petaling Jaya
Selangor Darul Ehsan

Registered Office

Third Floor, No 77, 79 & 81
Jalan SS 21/60
Damansara Utama
47400 Petaling Jaya
Selangor Darul Ehsan

The Company is principally involved in investment holding activities, whilst the principal activities of its combined entities are as stated in Note 5 to the combined financial statements.

1. Basis of preparation

The Company was incorporated for the purpose of a restructuring exercise that will result in the Company becoming the holding company of the combining entities.

The combined financial statements of the Company and its combining entities (the "Group") have been prepared solely in connection with the proposed listing of and quotation for the entire enlarged issued share capital of the Company on the Main Market of Bursa Malaysia Securities Berhad ("Listing") and for no other purpose.

The combined financial statements consist of the financial statements of the Company and the entities as disclosed in Note 5, under common control of Loo Woi Lip, Loo Chuu Lin and Loo Chee Leng (collectively referred to as the "Controlling Shareholders").

The combined financial statements of the Group for the financial years ended 30 June 2024, 2023 and 2022 were prepared in a manner as if the entities under common control were operating as a single economic entity at the beginning of the earliest comparative period presented or, if later, at the date that common control was established.

Entities under common control are entities which are ultimately controlled by the same parties and that control is not transitory. Control exists when the same parties have, as a result of contractual agreements, ultimate collective power to govern the financial and operating policies of each of the combining entities so as to obtain benefits from their activities, and that ultimate collective power is not transitory. The combined financial statements of commonly controlled entities are included in the combined financial statements from the day that control commences until the date that control ceases.

1. Basis of preparation (continued)

The financial information as prepared in the combined financial statements may not correspond with the consolidated financial statements of the Group after incorporating or effecting the relevant acquisitions, as the combined financial statements reflect business combinations under common control for the purpose of the Listing. Such financial information from the combined financial statements does not purport to predict the financial positions, results of operation and cash flows of the Group.

(a) Statement of compliance

The combined financial statements of the Group have been prepared in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board ("MFRS Accounting Standards") and IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards").

The following are accounting standards, interpretations and amendments of the MFRS Accounting Standards that have been issued by the Malaysian Accounting Standards Board ("MASB") but have not been adopted by the Group:

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 1 January 2024

- Amendments to MFRS 16, *Leases – Lease Liability in a Sale and Leaseback*
- Amendments to MFRS 101, *Presentation of Financial Statements – Non-current Liabilities with Covenants and Classification of Liabilities as Current or Non-current*
- Amendments to MFRS 107, *Statement of Cash Flows* and MFRS 7, *Financial Instruments: Disclosures – Supplier Finance Arrangements*

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 1 January 2025

- Amendments to MFRS 121, *The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability*

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 1 January 2026

- Amendments to MFRS 9, *Financial Instruments* and MFRS 7, *Financial Instruments: Disclosures – Classification and Measurement of Financial Instruments*
- Amendments that are part of Annual Improvements – Volume 11:
 - Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards*
 - Amendments to MFRS 7, *Financial Instruments: Disclosures*
 - Amendments to MFRS 9, *Financial Instruments*
 - Amendments to MFRS 10, *Consolidated Financial Statements*
 - Amendments to MFRS 107, *Statement of Cash Flows*
- Amendments to MFRS 9, *Financial Instruments* and MFRS 7, *Financial Instruments: Disclosures – Contracts Referencing Nature-dependent Electricity*

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 1 January 2027

- MFRS 18, *Presentation and Disclosure in Financial Statements*
- MFRS 19, *Subsidiaries without Public Accountability: Disclosures*

1. Basis of preparation (continued)

(a) Statement of compliance (continued)

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed

- Amendments to MFRS 10, *Consolidated Financial Statements* and MFRS 128, *Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The Group plans to apply the abovementioned accounting standards, interpretations and amendments in respective financial years when the abovementioned accounting standards, interpretation and amendments become effective, where applicable.

The initial application of the abovementioned accounting standards, interpretation and amendments are not expected to have any material financial impacts to the current period and prior period financial statements of the Group.

(b) Basis of measurement

The combined financial statements have been prepared on the historical cost basis, except for liquid investments which are measured at fair value.

Despite the Group's net current liabilities position, the Directors are of the opinion that the Group will be able to meet its liabilities as and when they fall due as there are unutilised financing facilities, coupled with the ability of the Group to generate sufficient operating cash flows based on historical trend of positive operating cash flows.

(c) Functional and presentation currencies

These combined financial statements are presented in Ringgit Malaysia ("RM"), which is the Group's functional currency. All financial information is provided in RM, unless otherwise stated.

(d) Use of estimates and judgements

The preparation of the combined financial statements in conformity with MFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements, other than as disclosed in the following notes:

- Note 2 – Change in estimates
- Note 3 – Extension options and incremental borrowing rate in relation to leases
- Note 27.4 – Allowances for doubtful debts
- Note 16 – Provision for restoration costs
- Note 18 – Measurement of contract liabilities

13. ACCOUNTANTS' REPORT (Cont'd)

Registration No. 201901046246 (1355576-V)

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Registration No. 201901046246 (1355576-V)

2. Property, plant and equipment

Cost	Equipment and electrical fittings RM	Furniture and fittings RM	Computer and software RM	Motor vehicles RM	Renovation RM	Construction work in progress RM	Total RM
At 1 July 2021							
Additions	30,227,606	6,641,103	1,291,159	502,096	22,414,926	993,455	62,070,345
Acquisition of subsidiary	18,292,306	5,200,682	246,143	496,690	17,278,073	3,952,349	45,466,243
Disposals	607,147	128,250	-	-	288,614	-	1,024,011
Written off	(3,186,292)	(66,361)	(1,390)	-	(452,595)	-	(3,706,638)
Reclassification	(1,028,645)	(275,458)	(161,135)	-	(1,695,701)	-	(3,160,939)
Effect of movements in exchange rates	25,437	1,834	456	-	993,455	(993,455)	-
At 30 June 2022/1 July 2022							
Additions	44,937,559	11,630,050	1,375,233	998,786	38,837,257	3,952,349	101,731,234
Disposals	17,553,588	6,700,491	287,408	148,832	9,057,233	35,361,289	69,108,841
Written off	(342,622)	-	-	-	-	-	(342,622)
Reclassification	(1,112,001)	(195,617)	-	-	(1,172,019)	-	(2,479,637)
Effect of movements in exchange rates	6,850,353	3,693,408	-	-	22,832,282	(33,376,043)	-
	31,465	259,774	874	-	309,001	-	601,114
At 30 June 2023/1 July 2023							
Additions	67,918,342	22,088,106	1,663,515	1,147,618	69,863,754	5,937,595	168,618,930
Disposals	8,650,633	6,018,249	267,742	112,293	11,817,617	11,690,188	38,556,722
Written off	(80,555)	(306)	-	-	(130,969)	-	(211,830)
Reclassification	(2,242,718)	(1,212,738)	-	-	(2,270,827)	-	(5,726,283)
Effect of movements in exchange rates	2,976,856	676,627	-	-	12,071,344	(15,724,827)	-
	(37,726)	(366,562)	(1,192)	-	(412,272)	-	(817,752)
At 30 June 2024							
	77,184,832	27,203,376	1,930,065	1,259,911	90,938,647	1,902,956	200,419,787

13. ACCOUNTANTS' REPORT (Cont'd)

Registration No. 201901046246 (1355576-V)

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Registration No. 201901046246 (1355576-V)

2. Property, plant and equipment (continued)

	Equipment and electrical fittings RM	Furniture and fittings RM	Computer and software RM	Motor vehicles RM	Renovation RM	Construction work in progress RM	Total RM
Accumulated depreciation and impairment loss							
At 1 July 2021							
Accumulated depreciation	15,929,095	3,321,292	800,423	216,096	11,195,605	-	31,462,511
Depreciation for the year	5,307,972	1,289,497	185,658	88,050	5,147,723	-	12,018,900
Acquisition of subsidiary	429,313	117,121	-	-	222,953	-	769,387
Disposals	(232,688)	(44,590)	-	-	(23,302)	-	(300,580)
Written off	(723,096)	(187,716)	(134,088)	-	(758,044)	-	(1,802,944)
Impairment	80,734	-	-	-	76,241	-	156,975
Effect of movements in exchange rates	17,283	2,246	17,440	-	23,258	-	60,227
At 30 June 2022/1 July 2022							
Accumulated depreciation	20,727,879	4,497,850	869,433	304,146	15,808,193	-	42,207,501
Accumulated impairment loss	80,734	-	-	-	76,241	-	156,975
	20,808,613	4,497,850	869,433	304,146	15,884,434	-	42,364,476
Depreciation for the year	8,484,475	2,825,754	206,239	184,960	9,918,438	-	21,619,866
Disposals	(288,120)	-	-	-	-	-	(288,120)
Written off	(898,510)	(161,431)	-	-	(1,044,341)	-	(2,104,282)
Reversal of impairment loss	(80,734)	-	-	-	(76,241)	-	(156,975)
Effect of movements in exchange rates	16,402	32,589	504	-	(1,516)	-	47,979
At 30 June 2023/1 July 2023							
Accumulated depreciation	28,042,126	7,194,762	1,076,176	489,106	24,680,774	-	61,482,944

2. Property, plant and equipment (continued)

	Equipment and electrical fittings RM	Furniture and fittings RM	Computer and software RM	Motor vehicles RM	Renovation RM	Construction work in progress RM	Total RM
Accumulated depreciation							
At 30 June 2023/1 July 2023	28,042,126	7,194,762	1,076,176	489,106	24,680,774	-	61,482,944
Depreciation for the year	11,601,274	3,959,889	233,919	216,008	12,726,327	-	28,737,417
Disposals	(78,537)	-	-	-	(129,244)	-	(207,781)
Written off	(2,040,133)	(1,150,514)	-	-	(1,797,013)	-	(4,987,660)
Effect of movements in exchange rates	(5,951)	(72,607)	(829)	-	(89,320)	-	(168,707)
At 30 June 2024	37,518,779	9,931,530	1,309,266	705,114	35,391,524	-	84,856,213
Carrying amounts							
At 1 July 2021	14,298,511	3,319,811	490,736	286,000	11,219,321	993,455	30,607,834
At 30 June 2022/1 July 2022	24,128,946	7,132,200	505,800	694,640	22,952,823	3,952,349	59,366,758
At 30 June 2023/1 July 2023	39,876,216	14,893,344	587,339	658,512	45,182,980	5,937,595	107,135,986
At 30 June 2024	39,666,053	17,271,846	620,799	554,797	55,547,123	1,902,956	115,563,574

13. ACCOUNTANTS' REPORT (Cont'd)

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Registration No. 201901046246 (1355576-V)

2. Property, plant and equipment (continued)**2.1 Change in estimates**

During the financial year ended 30 June 2024, the Group conducted an operational efficiency review of the outlets' property, plant and equipment, which resulted in changes in the expected usage of certain items of plant and equipment. Certain plant and equipment, which management previously intend to replace after five years of use, is now expected to remain in use for eight years depending on the remaining tenure of the tenancy agreements. As a result, the expected useful lives of these assets increased and their estimated residual values decreased. The effect of these changes in depreciation expense, recognised in administrative expenses, in current and future period is as follows:

	1.7.2023 - 30.6.2024 RM	1.7.2024 - 30.6.2025 RM	1.7.2025 - 30.6.2026 RM	1.7.2026 - 30.6.2027 RM	1.7.2027 - 30.6.2028 RM	Later RM
(Decrease)/ Increase in depreciation expenses	(3,942,083)	(4,122,956)	(3,919,744)	(2,461,650)	1,457,153	12,989,280

2.2 Material accounting policy information**(i) Recognition and measurement**

Items of property, plant and equipment are measured at cost less any accumulated depreciation and any accumulated impairment losses.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

(ii) Depreciation

Depreciation is recognised in combined statement of profit and loss and other comprehensive income on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment from the date that they are available for use. Property, plant and equipment under construction are not depreciated until the assets are ready for their intended use.

The estimated useful lives are as follows:

	1.7.2023 - 30.6.2024	1.7.2021 - 30.6.2023
• Equipment and electrical fittings	5 - 8 years	5 years
• Furniture and fittings	5 - 8 years	5 years
• Computer and software	5 years	5 years
• Motor vehicles	5 years	5 years
• Renovation	5 - 8 years or lease term, whichever is shorter	5 years or lease term, whichever is shorter

13. ACCOUNTANTS' REPORT (Cont'd)

Registration No. 201901046246 (1355576-V)

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Registration No. 201901046246 (1355576-V)

3. Right-of-use assets

	Food and beverages retail outlets and office premises RM	Hostels RM	Motor vehicles RM	Warehouse RM	Total RM
Cost					
At 1 July 2021					
Additions	72,983,245	578,343	853,054	489,585	74,904,227
Acquisition of subsidiary	41,986,103	-	-	-	41,986,103
Reclassification	1,496,805	-	-	-	1,496,805
Disposal	388,212	(388,212)	-	-	-
Expiration/Termination of lease contracts	-	-	(140,519)	-	(140,519)
Effect of movements in exchange rates	(6,892,763)	-	-	-	(6,892,763)
	94,463	-	-	-	94,463
At 30 June 2022/1 July 2022					
Additions	110,056,065	190,131	712,535	489,585	111,448,316
Expiration/Termination of lease contracts	77,263,296	-	-	-	77,263,296
Remeasurement	(7,396,388)	-	-	-	(7,396,388)
Effect of movements in exchange rates	(1,475,482)	-	-	-	(1,475,482)
	418,418	-	-	-	418,418
At 30 June 2023/1 July 2023					
Additions	178,865,909	190,131	712,535	489,585	180,258,160
Expiration/Termination of lease contracts	55,360,574	-	-	-	55,360,574
Effect of movements in exchange rates	(7,062,271)	-	-	(386,661)	(7,448,932)
	(430,710)	-	-	-	(430,710)
At 30 June 2024					
	226,733,502	190,131	712,535	102,924	227,739,092

13. ACCOUNTANTS' REPORT (Cont'd)

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Registration No. 201901046246 (1355576-V)

3. Right-of-use assets (continued)

	Food and beverages retail outlets and office premises RM	Hostels RM	Motor vehicles RM	Warehouse RM	Total RM
Accumulated depreciation and impairment loss					
At 1 July 2021					
Depreciation for the year	36,271,035	335,949	668,210	201,871	37,477,065
Acquisition of subsidiary	14,567,871	-	137,745	90,935	14,796,551
Reclassification	856,366	-	-	-	856,366
Disposal	145,818	(145,818)	-	-	-
Expiration/Termination of lease contracts	-	-	(140,519)	-	(140,519)
Impairment	(2,972,808)	-	-	-	(2,972,808)
Effect of movements in exchange rates	381,614	-	-	-	381,614
At 30 June 2022/1 July 2022	107,582	-	2	-	107,584
Accumulated depreciation	48,975,864	190,131	665,438	292,806	50,124,239
Accumulated impairment loss	381,614	-	-	-	381,614
	49,357,478	190,131	665,438	292,806	50,505,853
Depreciation for the year	21,463,737	-	47,097	89,036	21,599,870
Expiration/Termination of lease contracts	(4,944,822)	-	-	-	(4,944,822)
Remeasurement	(1,137,350)	-	-	-	(1,137,350)
Reversal of impairment loss	(381,614)	-	-	-	(381,614)
Effect of movements in exchange rates	181,125	-	-	-	181,125
At 30 June 2023	64,538,554	190,131	712,535	381,842	65,823,062

13. ACCOUNTANTS' REPORT (Cont'd)

Registration No. 201901046246 (1355576-V)

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Registration No. 201901046246 (1355576-V)

3. Right-of-use assets (continued)

	Food and beverages retail outlets and office premises RM	Hostels RM	Motor vehicles RM	Warehouse RM	Total RM
<i>Accumulated depreciation</i>					
At 1 July 2023	64,538,554	190,131	712,535	381,842	65,823,062
Depreciation for the year	30,624,293	-	-	-	30,624,293
Expiration/Termination of lease contracts	(4,018,823)	-	-	(279,130)	(4,297,953)
Effect of movements in exchange rates	(169,067)	-	-	-	(169,067)
At 30 June 2024	90,974,957	190,131	712,535	102,712	91,980,335
<i>Carrying amounts</i>					
At 1 July 2021	36,712,210	242,394	184,844	287,714	37,427,162
At 30 June 2022/1 July 2022	60,698,587	-	47,097	196,779	60,942,463
At 30 June 2023/1 July 2023	114,327,355	-	-	107,743	114,435,098
At 30 June 2024	135,758,545	-	-	212	135,758,757

13. ACCOUNTANTS' REPORT (Cont'd)

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Registration No. 201901046246 (1355576-V)

3. Right-of-use assets (continued)

The Group leases food and beverages retail outlets, hostels, motor vehicles, office premises and warehouses that run between one to three years (2023: one to three years; 2022: one to three years), with an option to renew the leases upon expiry.

3.1 Variable lease payments based on sales

Some leases of food and beverages retail outlets contain variable lease payments that are based on sales that the Group makes at the outlets. Those payments are common in retail outlets in the country where the Group operates. The variable rental payments were as follows:

	Leases with lease payments based on sales		
	1.7.2023 - 30.6.2024 RM	1.7.2022 - 30.6.2023 RM	1.7.2021 - 30.6.2022 RM
Variable payments	10,237,005	10,438,113	11,166,326
Estimated annual impact on rent of a 1% increase in sales	<u>102,370</u>	<u>104,365</u>	<u>147,177</u>

3.2 Extension options and incremental borrowing rate in relation to leases

The Group assesses at lease commencement by applying significant judgement whether it is reasonably certain to exercise the extension options. Group entities consider all facts and circumstances including their past practice and any cost that will be incurred to change the asset if an option to extend is not taken, to help them determine the lease term.

The Group also applied judgement and assumptions in determining the incremental borrowing rate of the respective leases. Group entities first determine the closest available borrowing rates before using significant judgement to determine the adjustments required to reflect the term, security, value or economic environment of the respective leases.

3.3 Material accounting policy information

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

13. ACCOUNTANTS' REPORT (Cont'd)

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4. Intangible assets

	Goodwill RM	Software Application RM	Total RM
Cost			
At 1 July 2021	1,157,247	-	1,157,247
Acquisition of subsidiaries	1,034,508	-	1,034,508
At 30 June 2022/1 July 2022	2,191,755	-	2,191,755
Additions	-	340,377	340,377
At 30 June 2023/1 July 2023	2,191,755	340,377	2,532,132
Additions	-	1,007,803	1,007,803
At 30 June 2024	2,191,755	1,348,180	3,539,935
Accumulated amortisation and impairment loss			
At 1 July 2021/30 June 2022/ 1 July 2022			
Accumulated impairment loss	657,464	-	657,464
	657,464	-	657,464
Amortisation for the year	-	25,911	25,911
At 30 June 2023			
Accumulated amortisation	-	25,911	25,911
Accumulated impairment loss	657,464	-	657,464
	657,464	25,911	683,375
Amortisation for the year	-	212,093	212,093
At 30 June 2024			
Accumulated amortisation	-	238,004	238,004
Accumulated impairment loss	657,464	-	657,464
	657,464	238,004	895,468
Carrying amounts			
At 1 July 2021	499,783	-	499,783
At 30 June 2022/1 July 2022	1,534,291	-	1,534,291
At 30 June 2023/1 July 2023	1,534,291	314,466	1,848,757
At 30 June 2024	1,534,291	1,110,176	2,644,467

4.1 Material accounting policy information

Intangible assets, other than goodwill, that are acquired by the Group, which have finite useful lives, are measured at cost less any accumulated amortisation and any accumulated impairment losses.

4.2 Judgement and assumption in relation to impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate the present value.

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5. Combining entities

Details of the combining entities are as follows:

Name of entity	Principal activities	Principal place of business/ Country of incorporation	Effective ownership interest and voting interest		
			30.6.2024	30.6.2023	30.6.2022
			%	%	%
Loob Holding Sdn. Bhd. ("LHSB")	Investment holding activities, managing of food and beverage retail outlets and provision of outsourcing services on finance and accounting, human resources and training, procurement and supply chain, and marketing	Malaysia	100	100	100
Subsidiaries of LHSB					
Archiva F&B Sdn. Bhd. ("AFSB")*@#	Dormant	Malaysia	70	70	70
BB Coffee Sdn. Bhd. ("BBCSB")	Trading and retail of food and beverages	Malaysia	100	100	100
BNC Beverage Sdn. Bhd. ("BNCBS")@@	Trading and retail of food and beverages	Malaysia	-	-	51
Bubbling Bubbles Sdn. Bhd. ("BBSB")*@#	Dormant	Malaysia	51	51	51
Detime F&B Sdn. Bhd. ("DSB")*@\$	Dormant	Malaysia	100	100	100
Evergreen Locate Sdn. Bhd. ("ELSB")	Trading and retail of food and beverages	Malaysia	70	70	86
Everland Beverage Sdn. Bhd. ("EBSB")*@#	Dormant	Malaysia	100	100	100
Famous Flavour Sdn. Bhd. ("FFSB")*@#	Dormant	Malaysia	100	100	100
Hakata Asia Sdn. Bhd. ("HASB")	Competitive training, trading and supply raw materials to food and beverages outlets including the operation of food and beverages outlets	Malaysia	51	51	51

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5. Combining entities (continued)

Name of entity	Principal activities	Principal place of business/ Country of incorporation	Effective ownership interest and voting interest		
			30.6.2024 %	30.6.2023 %	30.6.2022 %
Subsidiaries of LHSB (continued)					
Loob Australia Pty Ltd ("LAPL")* ^{^^}	Investment holding company	Australia	100	100	100
Loob Integrated Sdn. Bhd. ("LISB")	Trading and retail of food and beverages	Malaysia	100	100	100
Loob Management Services Sdn. Bhd. ("LMSSB")* ^{@#}	Dormant	Malaysia	100	100	100
Loob Philippines, Inc. ("LPI")*	Trading and retail of food and beverages	Philippines	99.98	99.98	-
Loob Vietnam Company Limited ("LVCL")*	Investment holding company	Vietnam	100	100	100
LRTS Retail Sdn. Bhd. ("LRTSSB")	Wholesale of food and beverages	Malaysia	100	100	100
Maven Beverage Sdn. Bhd. ("MBSB")* ^{@#}	Dormant	Malaysia	70	70	70
Merry Cafe Sdn. Bhd. ("MCSB")* ^{@#}	Trading and retail of food and beverages	Malaysia	60	60	60
Milieu Sdn. Bhd. ("MSB")* ^{\$\$\$\$}	Dormant	Malaysia	100	100	100
Nucoz Sdn. Bhd. ("NSB")	Trading and retail of food and beverages	Malaysia	51	51	51
Oishinbo Sdn. Bhd. ("OSB")	Trading and retail of food and beverages	Malaysia	51	51	51
Oishinbo Tea Sdn. Bhd. ("OTSB")* ^{@\$}	Dormant	Malaysia	51	51	51
Premium Delicious Sdn. Bhd. ("PDSB")	Trading and retail of food and beverages	Malaysia	80	80	80

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5. Combining entities (continued)

Name of entity	Principal activities	Principal place of business/ Country of incorporation	Effective ownership interest and voting interest		
			30.6.2024 %	30.6.2023 %	30.6.2022 %
Subsidiaries of LHSB (continued)					
QSL Management Service Sdn. Bhd. ("QSLSB")	Trading and retail of food and beverages	Malaysia	65	65	65
Rivietta Sdn. Bhd. ("RSB")	Trading and retail of food and beverages	Malaysia	100	100	100
Sodaxpress International Sdn. Bhd. ("SISB")	Operation of retail business in importing, marketing and selling soda machine and its merchandise	Malaysia	51.15	51.15	51.15
TLV Sandokan Sdn. Bhd. ("TLVSB")*@~	Trading and retail of food and beverages	Malaysia	100	100	51
TT Heritage Sdn. Bhd. ("TTSB")	Trading and retail of food and beverages	Malaysia	51	51	51
VLL Food & Beverage Sdn. Bhd. ("VFBSB")*@#	Dormant	Malaysia	100	100	100
Subsidiaries of LVCL					
Hakata Vietnam Limited ("HVL")~~	Operation of food and beverage retail outlet	Vietnam	-	-	100
Kim Le Vy Joint Stock Company Limited ("KLVJSC")*@	Operation of food and beverage retail outlet	Vietnam	98	98	98
Subsidiaries of LAPL					
Tfor3 Pty. Ltd. ("T3PL")*@^^	Operation of food and beverage retail outlet	Australia	100	100	80

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5. Combining entities (continued)

Name of entity	Principal activities	Principal place of business/ Country of incorporation	Effective ownership interest and voting interest		
			30.6.2024 %	30.6.2023 %	30.6.2022 %
Subsidiaries of LAPL (continued)					
Tfor5 Pty. Ltd. ("T5PL")(formerly known as Tealive WF Geelong Pty. Ltd. ("TWGPL"))*@^	Dormant	Australia	100	100	80
Tfor6 Pty. Ltd. ("T6PL")(formerly known as Tealive Carlton Pty. Ltd. ("TCPL"))*@##	Dormant	Australia	-	100	80
Tfor7 Pty. Ltd. ("T7PL") (formerly known as Tealive Hub Pty. Ltd. ("THPL"))*@##	Operation of food and beverage retail outlet	Australia	-	100	80
Tfor8 Pty. Ltd. ("T8PL")*@##	Operation of food and beverage retail outlet	Australia	-	70	56

* Subsidiaries not audited by KPMG PLT.

@ Consolidated based on management account.

@@ Strike-off on 30 June 2023.

Under member voluntary liquidation.

Voluntary deregistration completed on 22 February 2024.

^ Voluntary deregistration completed on 16 September 2024.

^^ Voluntary deregistration completed on 15 January 2025.

~ Strike-off on 23 July 2024.

~~ Strike-off on 25 April 2023.

\$ Dissolution on 23 November 2023

\$\$ Dissolution on 29 March 2024

\$\$\$ Dissolution on 10 August 2024

The Group did not hold any ownership interest in LPI as at 30 June 2022. However, the Group subscribed an unsecured convertible loan issued by LPI in financial year 2022. The conversion was presently exercisable and would give rise to controlling interest in LPI when exercised. Consequently, the Directors regarded LPI as subsidiary of the Group (see note 5.2).

13. ACCOUNTANTS' REPORT (Cont'd)

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Registration No. 201901046246 (1355576-V)

5. Combining entities (continued)

5.1 Acquisition of subsidiaries/Subscription of shares in subsidiaries

2023

- (i) On 5 May 2023, the Group subscribed to additional ordinary shares of LVCL amounting to RM2,129,705 through conversion of loan to LVCL into investment in LVCL. The conversion of loan did not result in changes in effective equity interest.

There were no material major classes of consideration transferred and amounts of assets acquired and liabilities assumed for the above acquisition.

2022

- (i) On 1 July 2021, the Group acquired the remaining 66% of the equity interest in VFBSB, comprising 66,000 ordinary shares for a total cash consideration of RM613,800. Following the acquisition, VFBSB became a wholly-owned subsidiary of the Group from an associate.

The following summarises the major classes of consideration transferred and the recognised amounts of assets acquired and liabilities assumed at the acquisition date:

	Note	30.6.2022 RM
Fair value of consideration		998,839
Fair value of identifiable net assets		
Property, plant and equipment	2	254,624
Right-of-use assets	3	640,439
Deferred taxation	8	14,000
Inventories		66,450
Trade and other receivables		230,412
Cash and bank balances		111,400
Tax refundable		33,582
Trade and other payables		(657,360)
Lease liabilities		(681,216)
Provision for restoration cost		(48,000)
Total identifiable net assets		<u>(35,669)</u>
Goodwill arising from business combination		
Fair value of consideration		998,839
Fair value of identifiable net assets		<u>35,669</u>
Goodwill		<u>1,034,508</u>
Net cash outflow from acquisition of subsidiaries		
Cash and cash equivalents acquired		111,400
Fair value of consideration, net of cost of investment in an associate which becomes a subsidiary during the year		<u>(613,800)</u>
		<u>(502,400)</u>

* Included in the fair value of consideration is RM385,039, being carrying value of investment in an associate prior to it becoming a subsidiary in the prior year.

13. ACCOUNTANTS' REPORT (Cont'd)

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Registration No. 201901046246 (1355576-V)

5. Combining entities (continued)**5.1 Acquisition of subsidiaries/Subscription of shares in subsidiaries (continued)**

- (ii) On 28 April 2022, the Group subscribed 999,900 ordinary shares of BBCSB for total cash consideration of RM999,900, which did not result in changes in effective equity interest.

5.2 Acquisition of non-controlling interest/Disposal to non-controlling interest**2023**

- (a) On 26 July 2022, the Group acquired the remaining 49% of the equity interest of TLVSB, comprising 490 ordinary shares for total cash consideration of RM490.
- (b) On 3 December 2021, the Group has subscribed an unsecured convertible loan issued by LPI. The conversion was presently exercisable and would give rise to controlling interest in LPI when exercised. Consequently, the Directors regarded LPI as a subsidiary of the Group.

On 3 October 2022, the Group subscribed 250,000 ordinary shares of LPI for a total consideration of Php25,000,000 (equivalent to RM2,198,100). Following the subscription, the Group has effective equity interest of 99.98% in LPI.

- (c) On 13 June 2023, the Group, via its subsidiary, LAPL acquired:
 - (i) the remaining 20% of the equity interest in T3PL, T5PL, T6PL and T7PL, comprising 20 ordinary shares for each entity, for a total consideration of AUD8 (equivalent to RM24). Following the acquisition T3PL, T5PL, T6PL and T7PL became a wholly-owned subsidiary of the Group.
 - (ii) 14% of the equity interest in T8PL, comprising 14 ordinary shares for a total cash consideration of AUD2 (equivalent to RM6). Following the acquisition, the Group has effective equity interest of 70% in T8PL.
- (d) On 1 July 2022, the Group disposed off 16% of the equity interest in ELSB, comprising 48,000 ordinary shares for total cash consideration of RM32,400. Following the disposal, the effective equity interest reduced from 86% to 70%.

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5. Combining entities (continued)**5.2 Acquisition of non-controlling interest/Disposal to non-controlling interest (continued)**

The following summarises the effect of changes in the equity interest in the abovementioned entities that is attributable to owners of the Group:

	RM
Effective interest at 1 July 2022	(2,195,896)
Effect of increase/decrease in Group's ownership interest	(5,177,991)
Share of comprehensive loss	(6,513,604)
Equity interest at 30 June 2023	<u>(13,887,491)</u>

2022

- (a) On 1 December 2021, the Group acquired the remaining 30% of equity interest in FFSB, comprising 300 ordinary shares for a total cash consideration of RM1. Following the acquisition, FFSB became a wholly-owned subsidiary of the Group.
- (b) On 18 August 2021, SISB had enlarged its share capital by way of allotment of additional 1,000 shares to its shareholders. The Group subscribed additional 463 ordinary shares of SISB for total cash consideration of RM463. Following the subscription, effective equity interest reduced from 56% to 51.15%.
- (c) On 1 January 2022, the Group disposed off 4% of the equity interest in ELSB, comprising 12,000 ordinary shares for total cash consideration of RM1. Following the disposal, the effective equity interest reduced from 90% to 86%.

Summary of the effect of changes in the equity interest in the abovementioned entities is not presented as the information is not material to the Group.

5.3 Non-controlling interest in subsidiaries

Summarised financial information of the non-controlling interest are not presented as the related information is not individually material to the Group.

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6. Investment in associates

	30.6.2024	30.6.2023	30.6.2022
	RM	RM	RM
Investment in shares	1,569,832	1,569,832	1,569,832
Share of post-acquisition reserve	(1,569,832)	(1,569,832)	(1,101,262)
	<u>-</u>	<u>-</u>	<u>468,570</u>

Details of the associates are as follows:

Name of entity	Nature of relationship	Principal place of business/ Country of incorporation	Effective ownership interest and voting interest		
			30.6.2024	30.6.2023	30.6.2022
			%	%	%
Associates of the Group					
Notable Paramount Sdn. Bhd. ("NPSB")	Processing and production of food and beverage products and is one of the strategic suppliers of the Group	Malaysia	43	43	43
Pure Infinite Sdn. Bhd. ("PISB") #	Operation of food and beverage retail outlet	Malaysia	40	40	40

Under member voluntary liquidation

The financial information on the associates are not presented as the associates are not material to the Group.

6.1 Unrecognised share of losses

The Group has not recognises losses related to Notable Paramount Sdn. Bhd, totalling RM463,120 (2023: RM87,363; 2022: nil) in the current financial year and RM550,483 (2023: RM87,363; 2022: nil) cumulatively, since the Group has no obligation in respect of these losses.

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7. Investment in joint ventures

	30.6.2024	30.6.2023	30.6.2022
	RM	RM	RM
Investment in shares	400,038	400,038	400,038
Share of post-acquisition reserve	176,413	69,218	15,910
	<u>576,451</u>	<u>469,256</u>	<u>415,948</u>

Details of the joint ventures are as follows:

Name of entity	Nature of relationship	Principal place of business/ Country of incorporation	30.6.2024	Effective ownership interest and voting interest	30.6.2022
			%	30.6.2023	30.6.2022
				%	%
Joint ventures of the Group					
Wonder Group Sdn. Bhd. ("WGSB")	Manufacture and wholesale of tea, cocoa and other beverages and is one of the strategic suppliers of WSB	Malaysia	35	35	35
Wonderbrew Sdn. Bhd. ("WSB")	Trading of tea, cocoa and other beverages and is one of the beverage suppliers of the Group	Malaysia	35	35	35

The financial information on the joint venture are not presented as the joint venture are not material to the Group.

Wonder Group Sdn. Bhd. and Wonderbrew Sdn. Bhd. are regarded as joint venture by virtue of an agreement with its other shareholders, which confer the right to jointly control the entities.

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8. Deferred tax assets/(liabilities)**Recognised deferred tax assets/(liabilities)**

Deferred tax assets/(liabilities) are attributable to the following:

	Assets		Liabilities		Net	
	30.6.2024	30.6.2023	30.6.2024	30.6.2023	30.6.2024	30.6.2023
	RM	RM	RM	RM	RM	RM
Property, plant and equipment	-	1,203,956	-	(8,259,983)	(8,259,983)	(2,669,710)
Contract liabilities	4,500,796	3,872,059	-	-	4,500,796	3,872,059
Right-of-use assets	-	-	(30,799,610)	(28,093,581)	(30,799,610)	(28,093,581)
Lease liabilities	33,596,652	29,423,949	-	-	33,596,652	29,423,949
Tax losses	3,594,885	-	-	-	3,594,885	-
Others	820,829	597,521	-	-	820,829	597,521
Tax assets/(liabilities)	42,513,162	35,097,485	(39,059,593)	(31,957,753)	3,453,569	2,837,753
Set off of tax	(36,847,830)	(29,961,436)	36,847,830	29,961,436	-	-
Net tax assets/(liabilities)	5,665,332	5,136,049	(2,211,763)	(1,996,317)	3,453,569	2,837,753

8. Deferred tax assets/(liabilities) (continued)

Movement in temporary differences during the year

	At 1.7.2021 RM	Recognised in profit or loss (Note 23) RM	Acquisition of subsidiaries (Note 5.1) RM	Foreign currency translation differences RM	At 30.6.2022/ 1.7.2022 RM	Recognised in profit or loss (Note 23) RM	Foreign currency translation differences RM	At 30.6.2023/ 1.7.2023 RM	Recognised in profit or loss (Note 23) RM	At 30.6.2024 RM
Property, plant and equipment	(780,681)	(1,882,029)	(7,000)	-	(2,669,710)	9,494	-	(2,660,216)	(5,599,767)	(8,259,983)
Revaluation reserve	(304,000)	304,000	-	-	-	-	-	-	-	-
Investment properties/ Assets held for sale	(44,000)	44,000	-	-	-	-	-	-	-	-
Contract liabilities	5,964,142	(1,329,083)	-	-	4,635,059	(763,000)	-	3,872,059	628,737	4,500,796
Right-of-use assets	(7,789,140)	(6,052,590)	(154,000)	-	(13,995,730)	(14,097,851)	-	(28,093,581)	(2,706,029)	(30,799,610)
Lease liabilities	7,969,910	6,139,332	163,000	-	14,272,242	15,151,707	-	29,423,949	4,172,703	33,596,652
Tax losses	-	-	-	-	-	-	-	-	3,594,885	3,594,885
Others	970,659	(377,665)	12,000	(9,102)	595,892	42,383	(40,754)	597,521	223,308	820,829
	5,986,890	(3,154,035)	14,000	(9,102)	2,837,753	342,733	(40,754)	3,139,732	313,837	3,453,569

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8. Deferred tax assets/(liabilities) (continued)**Unrecognised deferred tax assets**

Deferred tax assets have not been recognised in respect of the following items (stated at gross):

	30.6.2024	30.6.2023	30.6.2022
	RM	RM	RM
Lease liabilities	-	1,498,920	-
Contract liabilities	-	796,708	-
Unutilised tax losses	3,394,886	8,714,736	1,735,344
Unabsorbed capital allowances	-	602,380	-
	<u>3,394,886</u>	<u>11,612,744</u>	<u>1,735,344</u>

The unutilised tax losses of a subsidiary in Philippines for which no deferred tax assets was recognised will expire over a 5-year period for which expiry is as follow:

	30.6.2024	30.6.2023	30.6.2022
	RM	RM	RM
Expiring in 2026	-	7,000,555	-
Expiring in 2027	3,394,886	1,714,181	1,735,344
	<u>3,394,886</u>	<u>8,714,736</u>	<u>1,735,344</u>

The unabsorbed capital allowance does not expire under current tax legislation in countries where respective Group entities operate.

Deferred tax assets have not been recognised because it is not probable that future taxable profit will be available against which the Group entities can utilise the benefits therefrom.

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9. Trade and other receivables

	Note	30.6.2024 RM	30.6.2023 RM	30.6.2022 RM
Non-current				
Non-trade				
Deposits		11,666,884	4,526,389	4,261,291
Current				
Trade				
Trade receivables	9.1	13,514,500	15,077,198	13,590,240
Amount due from associates	9.2	-	-	2,449,663
Amount due from related parties	9.2	244,651	195,870	101,333
Amount due from non-controlling shareholder		-	380,681	-
		13,759,151	15,653,749	16,141,236
Non-trade				
Amount due from associates	9.2	3,765,863	3,468,436	-
Other receivables		2,724,949	4,436,675	5,305,829
Deposits		4,143,707	8,589,165	5,272,564
Prepayments		7,173,136	10,110,156	6,314,208
VAT receivables		916,815	30	741,003
		18,724,470	26,604,462	17,633,604
		32,483,621	42,258,211	33,774,840
		44,150,505	46,784,600	38,036,131

9.1 Trade receivables

These amounts are unsecured, non-interest bearing and subject to normal trade terms.

9.2 Amounts due from associates and related parties

Trade amount due from associates and related parties are subject to normal trade terms.

Non-trade amount due from associates is unsecured, interest bearing at the rate of 3.2% to 5% (2023: 3.2% to 5%; 2022: Nil) per annum and repayable on demand.

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10. Inventories

	30.6.2024 RM	30.6.2023 RM	30.6.2022 RM
Raw materials	9,499,151	9,493,823	8,432,568
Trading goods	<u>26,635,279</u>	<u>28,131,477</u>	<u>31,312,591</u>
	<u>36,134,430</u>	<u>37,625,300</u>	<u>39,745,159</u>
Recognised in profit or loss:			
Inventories recognised as cost of sales	165,340,529	173,036,396	128,739,933
Inventories written off	<u>1,691,248</u>	<u>1,165,187</u>	<u>432,623</u>

10.1 Material accounting policy information

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is calculated using the weighted average method.

11. Cash and cash equivalents

	Note	30.6.2024 RM	30.6.2023 RM	30.6.2022 RM
Cash and bank balances		42,680,396	33,836,276	21,540,116
Fixed deposits placed with licensed banks	11.1	3,151,731	2,326,231	2,274,059
Liquid investments	11.2	<u>1,118,301</u>	<u>2,069,716</u>	<u>-</u>
		<u>46,950,428</u>	<u>38,232,223</u>	<u>23,814,175</u>

11.1 Included in the deposits placed with licensed banks of the Group is RM2,715,511 (2023: RM1,678,191; 2022: RM1,500,000), pledged as securities for banking facilities granted to the Group.

11.2 The liquid investments represent investments in unit trust funds which primarily invest in money market instruments. The Directors regard the liquid investments as cash and cash equivalents in view of its high liquidity and insignificant risk of negative changes in value.

12. Share capital and reserves

12.1 Share capital

Issued and fully paid shares with no par value
classified as equity instruments:
Ordinary shares

At beginning of year/end of year	2	2	2	2	2

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

12.2 Merger reserve

The merger reserve represents the difference between the cost of acquisition and the nominal value of the shares of subsidiaries acquired in previous years.

12.3 Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

12.4 Revaluation reserve

The revaluation reserve relates to the revaluation of property, plant and equipment immediately prior to its reclassification as investment properties.

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12. Share capital and reserves (continued)**12.5 Material accounting policy for acquisitions from entities under common control**

Business combinations arising from transfers of interests in entities that are under the control of the shareholder that controls the Group are accounted for as if the acquisition had occurred at the beginning of the earliest comparatives period presented or, if later, at the date that common control was established; for this purpose comparatives are restated. The assets and liabilities acquired are recognised at the carrying amounts from the perspective of the common control shareholders at the date of transfer. The differences between the cost of acquisition and the nominal value of the shares acquired are taken to merger reserve (or adjusted against any suitable reserve in the case of debit differences). The other components of equity of the acquired entities are added to the same components within the Group and any resulting gain or loss is recognised directly in equity.

13. Invested equity

For the purpose of these combined financial statements, the invested equity at the end of the respective financial years is the aggregate of the share capital of combining entities constituting the Group.

The invested equity constitutes the share capital of Loob Holding Sdn. Bhd..

14. Share-based payment arrangement

The controlling shareholders of the Group have entered into a Call Option Agreement ("COA") with a third party service provider ("Service Provider") in 2018. The salient features of the COA are, inter alia, as follows:

Call Option A

- i) Granted by the controlling shareholders to the Service Provider;
- ii) Option period expires in 78 months from the date of the COA;
- iii) The Call Option A may be exercised by the Service Provider from the second anniversary of the date of COA onwards in the event that:
 - a. the Group's profit before tax has exceeded a prescribed threshold in any audited financial year;
 - b. approval from the relevant regulatory authority for the liquidity event has been obtained; and
 - c. the Call Option Period has not lapsed or expired.

Upon exercised, the controlling shareholders would transfer a portion of their interest in the Company ("Call Option Shares") to the Service Provider at an agreed option price.

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14. Share-based payment arrangement (continued)*Call Option B*

- i) Granted by the Service Provider to the controlling shareholders;
- ii) The Call Option B may be exercised by the controlling shareholders in the event that:
 - a. The Service Provider has previously exercised the Call Option A and is the registered and beneficial owner of the Call Option Shares; and
 - b. Either:
 - both the controlling shareholders and the Service Provider have jointly decided to abort the liquidity event and do not proceed with such liquidity event during the rest of the unexpired Call Option Period; or
 - the Company has failed to meet the requirements for the liquidity event and does not proceed with the liquidity event at any time during the Call Option Period; or
 - upon the expiry of the Call Option Period, the liquidity event does not occur for any reasons whatsoever.

Upon exercised, the Service Provider would transfer the Call Option Shares to the controlling shareholders at an agreed option price.

The Group has regarded the arrangement as a share-based payment pursuant to MFRS 2, *Share-based Payment* as the Group would benefit from the services performed by the Service Provider. The fair value of the Call Option will be measured with reference to the Call Option granted when the services is received by the Group.

The Call Option has expired on 11th July 2024.

15. Loans and borrowings

	Note	30.6.2024 RM	30.6.2023 RM	30.6.2022 RM
Current				
Revolving credit	15.1	52,072,790	60,014,844	14,138,759
Trade financing		-	2,641,706	-
		<u>52,072,790</u>	<u>62,656,550</u>	<u>14,138,759</u>

15.1 Revolving credit

The revolving credit of the Group is secured against:

- a) the pledged of fixed deposit of Loob Holding Sdn. Bhd.
- b) Corporate guarantee by subsidiaries.

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16. Provision for restoration costs

	30.6.2024	30.6.2023	30.6.2022
	RM	RM	RM
At beginning of the year	6,908,433	4,329,120	2,558,945
Additions	1,540,908	2,612,052	2,008,519
Unwinding of discount	406,926	312,270	169,510
Utilisation	(182,000)	(105,088)	(179,825)
Acquisition of subsidiaries (Note 5)	-	-	48,000
Reversal	(639,966)	(161,960)	(275,666)
Remeasurement	-	(77,961)	-
Translation difference	-	-	(363)
At end of the year	8,034,301	6,908,433	4,329,120

Provision for restoration costs is provided based on management's best estimate of the cost required to restore food and beverage retail outlets and office premises to their original state and condition upon the expiry or termination of the lease agreement and it is only adjusted when there are significant changes on the cost required for restoration.

The discount rate used to determine the provision ranges from 4.32% to 6.85% (2023: 5.90 to 6.85%; 2022: 5.60% to 6.85%).

16.1 Significant judgement and assumption in relation to provision for restoration costs

A provision for restoration costs is recognised when there is a present obligation as a result of operational activities undertaken, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the provision can be measured reliably. The estimated future obligations include the cost of removing the facilities and restoring the affected areas.

16.2 Material accounting policy information

As part of the identification and measurement of right-of-use assets, the Group has recognised a provision for restoration costs. In determining the fair value of the provision, assumptions and estimates are made in relation to the expected cost to remove the facilities and restoring the premises.

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17. Trade and other payables

	Note	30.6.2024 RM	30.6.2023 RM	30.6.2022 RM
Non-current				
Non-trade				
Refundable deposits	17.2	433,027	7,952,340	6,410,959
Current				
Trade				
Trade payables		19,371,489	23,198,563	15,428,495
Amount due to associate	17.3	540,000	-	-
		<u>19,911,489</u>	<u>23,198,563</u>	<u>15,428,495</u>
Non-trade				
Amount due to Directors	17.4	148,110	59,582	182,007
Amount due to non-controlling shareholders	17.1	172,072	666,198	991,702
Other payables		9,047,159	15,389,883	13,895,448
Refundable deposits	17.2	8,370,078	384,403	666,301
Accrued expenses		29,853,081	30,621,890	18,629,492
VAT payable		37,256	-	48,429
SST payable		5,447,818	4,007,006	4,358,305
Withholding tax payable		-	-	90,235
		<u>53,075,574</u>	<u>51,128,962</u>	<u>38,861,919</u>
		<u>72,987,063</u>	<u>74,327,525</u>	<u>54,290,414</u>

17.1 Amount due to non-controlling shareholders

Amount due to non-controlling shareholders is the amount due to corporate shareholders of subsidiaries of RM172,072 (2023: RM560,783; 2022: RM671,725) which subject to interest charge of 4% (2023: 4%; 2022: 4%) per annum, unsecured and repayable on demand.

17.2 Refundable deposits

Refundable deposits comprised security deposits and rental deposits. These deposits are refundable upon the termination by notice as per the franchise or tenancy agreements, or the expiration of the respective agreement.

17.3 Amount due to associate

Trade amount due to associate is subject to normal trade terms.

17.4 Amount due to Directors

The amount due to Directors is non-trade in nature, unsecured, non-interest bearing and repayable on demand.

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18. Contract liabilities

	30.6.2024	30.6.2023	30.6.2022
	RM	RM	RM
At 1 July	15,985,269	21,895,782	25,388,946
Additions	16,063,435	12,489,476	20,388,294
Recognised as revenue	(12,940,245)	(16,239,196)	(21,824,283)
Expired	(695,852)	(2,160,793)	(2,057,175)
At 30 June	<u>18,412,607</u>	<u>15,985,269</u>	<u>21,895,782</u>
Maturity profile:			
Within 1 year	9,965,501	6,808,904	11,138,631
2 to 5 years	8,447,106	9,176,365	10,757,151
	<u>18,412,607</u>	<u>15,985,269</u>	<u>21,895,782</u>

The contract liabilities of the Group relates to unfulfilled performance obligations arising from franchise/license fees charged to franchisees/licensees, for the granting of the right to utilise the franchise/license for a period of 5 or 3 years (2023: 5 or 3 years; 2022: 5 or 3 years), with an extension option of another 5 or 3 years (2023: 5 or 3 years; 2022: 5 or 3 years), customers' loyalty points, sale of vouchers and prepaid top-up credits by customers.

18.1 Measurement of contract liabilities

The Group's arrangement with franchisees and licensees allow for the renewal/extension option. The Group assessed whether the option to renew/extend the franchise and license arrangement provide a material right to the customer that needs to be accounted for as a separate performance obligation.

The Group's loyalty program allows customers to accumulate points that can be redeemed for free drinks. The Group has a program that provides incentives to prepaid customers to redeem for free drinks once the quantity of drinks purchased achieved the threshold specified. The Group's unutilised vouchers will be recognised as revenue when the vouchers are utilised by customers. The loyalty points and prepaid incentives give rise to a separate performance obligation as they provide a material right to the customers. The Group allocates a portion of the consideration received to loyalty points and prepaid incentives. The consideration allocated to the points issued and prepaid incentives is measured at fair value, estimated by reference to the fair value of the free drinks and redemption profile. This amount is deferred and included in contract liabilities. Upon expiry the contract liability is recognised as revenue.

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19. Revenue

	1.7.2023 - 30.6.2024 RM	1.7.2022 - 30.6.2023 RM	1.7.2021 - 30.6.2022 RM
Revenue from contracts with customers			
Sales of food and beverages	465,650,826	380,477,500	279,491,743
Supply of goods	102,426,176	104,443,178	122,296,011
Franchise/License fees and royalty	14,136,800	18,825,732	12,320,794
Management and marketing income	9,029,663	8,000,810	8,377,590
Total revenue	<u>591,243,465</u>	<u>511,747,220</u>	<u>422,486,138</u>

Nature of goods and services

The following information reflects the typical transactions of the Group:

Nature of goods or services	Timing of recognition or method used to recognise revenue	Significant payment terms
Sales of food and beverages	Revenue is recognised at a point in time when the food and beverages are served to the customers.	Cash term or credit period of two to three days from transaction day.
Supply of goods	Revenue is recognised at a point in time when or as control of the goods is transferred to the customers.	Credit period of 0 to 30 days from invoice date.
Franchise/License fees and royalty	i. Franchise/License fees are recognised over time over the licensing period. ii. Royalty is recognised over time over the licensing period based on a percentage of franchisee's/licensee's sales.	Credit period of 0 to 30 days from invoice date.
Management and marketing income	i. Maintenance, management and marketing income are recognised over time when the services are rendered. ii. Unredeemed vouchers and pre-paid top up credits, upon expiry of vouchers and credits.	Credit period of 0 to 30 days from invoice date.

There are no variable elements in the considerations and obligations for returns, refunds or warranty being provided by the Group.

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20. Finance income

	1.7.2023 - 30.6.2024 RM	1.7.2022 - 30.6.2023 RM	1.7.2021 - 30.6.2022 RM
Interest income of financial assets that are not at fair value through profit or loss:			
- deposits placed with licensed banks	438,350	241,840	138,318
- imputed interest income	149,364	110,824	94,515
Distribution from liquid investments	20,894	69,716	333,284
Unwinding of discount for non-current deposits	260	11,000	23,409
	<u>608,868</u>	<u>433,380</u>	<u>589,526</u>

21. Finance costs

	1.7.2023 - 30.6.2024 RM	1.7.2022 - 30.6.2023 RM	1.7.2021 - 30.6.2022 RM
Interest expense of financial liabilities that are not at fair value through profit or loss:			
- bank overdrafts	6,649	25,768	64,546
- hire purchase	-	-	4,060
- imputed interest expenses	9,623	24,977	55,401
- revolving credit	2,747,617	1,737,172	52,955
- term loans	-	-	140,703
- others	1,345,990	165,840	95,377
Interest expense on lease liabilities	8,531,023	6,313,120	3,296,236
Unwinding of discount:			
- franchise fees	692,064	870,066	828,257
- refundable deposits	374,348	386,877	359,395
- provision for restoration costs	406,926	312,270	169,510
	<u>14,114,240</u>	<u>9,836,090</u>	<u>5,066,440</u>

22. Profit before tax

	1.7.2023 - 30.6.2024 RM	1.7.2022 - 30.6.2023 RM	1.7.2021 - 30.6.2022 RM
Profit before tax is arrived at after charging/(crediting):			
Audit fees			
KPMG PLT	279,700	276,500	276,500
Other auditors	44,943	54,265	40,916

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22. Profit before tax (continued)

	1.7.2023 - 30.6.2024 RM	1.7.2022 - 30.6.2023 RM	1.7.2021 - 30.6.2022 RM
Profit before tax is arrived at after charging/(crediting) (continued):			
Material expenses/(income)			
Amortisation of intangible assets	212,093	25,911	-
Collaboration fee arising from a collaboration agreement	4,721,314	4,809,462	7,203,896
Depreciation of property, plant and equipment	28,737,417	21,619,866	12,018,900
Depreciation of right-of-use assets	30,624,293	21,599,870	14,796,551
Fair value gain on liquid investments	-	-	(46,326)
Loss on disposal of a subsidiary	-	7,516	-
Net (gain)/loss on termination of lease contracts	(129,627)	218,196	(988,333)
Government grant on wages subsidy	-	-	(579,141)
Impairment loss/(Reversal of impairment loss) on:			
- property, plant and equipment	-	(156,975)	156,975
- right-of-use assets	-	(381,614)	381,614
Inventories written off	1,691,248	1,165,187	432,623
Loss/(Gain) on disposal of property, plant and equipment	-	20,131	(257,149)
Property, plant and equipment written off	738,623	375,355	1,357,995
Realised loss/(gain) on foreign exchange	393,113	450,103	(231,054)
Rental income	(416,514)	(718,574)	(392,650)
Reversal of provision for restoration cost	(639,966)	(161,960)	(275,666)
Unrealised loss/(gain) on foreign exchange	1,969,414	(873,645)	(180,446)
Expenses arising from leases			
Expenses relating to:			
- short-term leases	2,490,452	2,618,760	2,938,523
- low-value assets	1,214,650	982,809	589,178
- variable lease payments not included in the measurement of lease liabilities	10,237,005	10,438,113	11,166,326
Net losses on impairment of financial instruments			
<i>Financial assets at amortised cost</i>			
Bad debts written off	21,570	121,872	193,804
Deposits written off	132,800	77,187	142,817
(Reversal of impairment)/Impairment of:			
- amount due from related companies	-	4,875	-
- trade receivables	(17,872)	41,822	258,394

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23. Tax expense

	1.7.2023 - 30.6.2024 RM	1.7.2022 - 30.6.2023 RM	1.7.2021 - 30.6.2022 RM
Current tax expense			
Current year	24,272,706	19,128,663	24,675,522
Over provision in prior year	(571,796)	(2,534,569)	(1,485,062)
	<u>23,700,910</u>	<u>16,594,094</u>	<u>23,190,460</u>
Deferred tax expense			
Origination and reversal of temporary differences	(924,367)	183,764	2,436,009
Under/(Over) provision in prior year	610,530	(526,497)	718,026
	<u>(313,837)</u>	<u>(342,733)</u>	<u>3,154,035</u>
Real property gain tax ("RPGT")	-	116,660	-
	<u>23,387,073</u>	<u>16,368,021</u>	<u>26,344,495</u>
Reconciliation of tax expense			
Profit for the year	51,596,398	38,515,015	64,533,123
Total income tax expense	<u>23,387,073</u>	<u>16,368,021</u>	<u>26,344,495</u>
Profit excluding tax	<u>74,983,471</u>	<u>54,883,036</u>	<u>90,877,618</u>
Income tax calculated using Malaysian tax rate of 24% (2023: 24%; 2022: 24%)	17,996,033	13,171,929	21,810,628
Effect of tax rates in foreign jurisdictions	126,016	140,348	(73,441)
Non-deductible expenses	3,913,366	3,707,728	5,120,292
Tax exempt income	(659,362)	(78,154)	(55,816)
Effect of RPGT	-	116,660	-
Movement of deferred tax assets not recognised	1,972,286	2,370,576	309,868
(Over)/Under provision in prior year			
- current tax	(571,796)	(2,534,569)	(1,485,062)
- deferred tax	610,530	(526,497)	718,026
	<u>23,387,073</u>	<u>16,368,021</u>	<u>26,344,495</u>

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24. Earnings per ordinary share**Basic earnings per ordinary share**

The calculation of basic earnings per ordinary share was based on the profit attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding, calculated as follows:

	1.7.2023 - 30.6.2024	1.7.2022 - 30.6.2023	1.7.2021 - 30.6.2022
Profit attributable to owners of the Group (RM)	<u>50,797,270</u>	<u>38,696,311</u>	<u>66,026,014</u>
Weighted average number of ordinary shares (including invested equity): At beginning of the year/At end of the year (unit)	<u>526,019</u>	<u>526,019</u>	<u>526,019</u>
Basic earnings per share (RM)	<u>96.57</u>	<u>73.56</u>	<u>125.52</u>

Diluted earnings per ordinary share

Diluted earnings per ordinary share was equivalent to the basic earnings per ordinary share as there were no potentially dilutive equity instruments in issue.

25. Dividends

Dividends recognised by the Group:

	RM per share	Total amount RM	Date of payment
30.6.2024			
Second interim ordinary - 2023	38.02	20,000,000	30 August 2023
First interim ordinary – 2024	19.01	<u>10,000,000</u>	22 December 2023
		<u>30,000,000</u>	
30.6.2023			
Fourth interim ordinary – 2022	15.44	8,120,305	26 September 2022
First interim ordinary – 2023	38.02	<u>20,000,000</u>	17 January 2023
		<u>28,120,305</u>	
30.6.2022			
Second interim ordinary – 2021	14.57	7,666,333	16 July 2021
First interim ordinary – 2021	95.05	50,000,000	28 September 2021
Second interim ordinary – 2022	47.53	25,000,000	31 January 2022
Third interim ordinary – 2022	47.53	<u>25,000,000</u>	28 February 2022
		<u>107,666,333</u>	

The Directors have declared second interim single tier dividend of RM26.62 per ordinary share totalling RM14,000,000 on 26 July 2024 and paid on 29 July 2024, and declared a third interim single tier dividend of RM7.60 per ordinary share totalling RM4,000,000 on 27 August 2024 and paid on 30 August 2024, in respect of financial year ended 30 June 2024.

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25. Dividends (continued)

On 31 December 2024, Loob Berhad had declared first interim single tier dividend of RM79.89 per ordinary shares in respect of the financial year ending 30 June 2025 totalling RM42,024,954, which was paid on 31 December 2024.

The financial statements for the current financial year do not reflect the second and third interim dividend declared for financial year ended 30 June 2024 and first interim single tier dividend for financial year ending 30 June 2025. Such dividends will be accounted for in equity as an appropriation of retained earnings in the financial year ending 30 June 2025.

The Directors do not recommend any final dividend to be paid for the financial year ended 30 June 2024.

26. Employee benefit expenses

	1.7.2023 - 30.6.2024 RM	1.7.2022 - 30.6.2023 RM	1.7.2021 - 30.6.2022 RM
Salaries, wages and other benefits	104,067,032	79,608,290	55,710,396
Defined contribution plan	10,675,652	8,966,058	5,806,709
Social security contribution	1,506,530	1,330,556	816,518
	<u>116,249,214</u>	<u>89,904,904</u>	<u>62,333,623</u>

27. Financial instruments**27.1 Categories of financial instruments**

The table below provides an analysis of financial instruments categorised as follows:

- (a) Fair value through profit or loss ("FVTPL"); and
(b) Amortised cost ("AC").

30.6.2024	Carrying amount RM	AC RM	FVTPL RM
Financial assets			
Trade and other receivables, excluding prepayments and VAT receivables	36,060,554	36,060,554	-
Cash and cash equivalents	46,950,428	45,832,127	1,118,301
	<u>83,010,982</u>	<u>81,892,681</u>	<u>1,118,301</u>
Financial liabilities			
Trade and other payables, excluding VAT and SST payable and withholding tax payable	(67,935,016)	(67,935,016)	-
Loans and borrowings	(52,072,790)	(52,072,790)	-
	<u>(120,007,806)</u>	<u>(120,007,806)</u>	<u>-</u>

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27. Financial instruments (continued)**27.1 Categories of financial instruments (continued)**

	Carrying amount RM	AC RM	FVTPL RM
30.6.2023			
Financial assets			
Trade and other receivables, excluding prepayments and VAT receivables	36,674,414	36,674,414	-
Cash and cash equivalents	38,232,223	36,162,507	2,069,716
	<u>74,906,637</u>	<u>72,836,921</u>	<u>2,069,716</u>
Financial liabilities			
Trade and other payables, excluding VAT and SST payable and withholding tax payable	(78,272,859)	(78,272,859)	-
Loans and borrowings	(62,656,550)	(62,656,550)	-
	<u>(140,929,409)</u>	<u>(140,929,409)</u>	<u>-</u>
30.6.2022			
Financial assets			
Trade and other receivables, excluding prepayments and VAT receivables	30,980,920	30,980,920	-
Cash and cash equivalents	23,814,175	23,814,175	-
	<u>54,795,095</u>	<u>54,795,095</u>	<u>-</u>
Financial liabilities			
Trade and other payables, excluding VAT and SST payable and withholding tax payable	(56,204,404)	(56,204,404)	-
Loans and borrowings	(14,138,759)	(14,138,759)	-
	<u>(70,343,163)</u>	<u>(70,343,163)</u>	<u>-</u>

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27. Financial instruments (continued)**27.2 Net gains and losses arising from financial instruments**

	1.7.2023 - 30.6.2024 RM	1.7.2022 - 30.6.2023 RM	1.7.2021 - 30.6.2022 RM
Net gains/(losses) on:			
Financial assets at fair value through profit or loss	20,894	69,716	379,610
Financial assets at amortised cost	342,923	206,638	82,528
Financial liabilities at amortised cost	<u>(2,960,591)</u>	<u>(1,928,781)</u>	<u>(403,240)</u>
	<u>(2,596,774)</u>	<u>(1,652,427)</u>	<u>58,898</u>

27.3 Financial risk management

The Group has exposure to the following risks from their financial instruments:

- Credit risk
- Liquidity risk
- Market risk

27.4 Credit risk

Credit risk is the risk of a financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from the individual characteristics of each customer and associates. There are no significant changes as compared to prior periods.

Trade receivables*Risk management objectives, policies and processes for managing the risk*

Trade receivables are monitored on an ongoing basis to mitigate risk of bad debts. The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer.

The management has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. Credit limits are established for each customer and reviewed quarterly. Any credit exceeding those limits require approval from the management.

At each reporting date, the Group assesses whether any of the trade receivables are credit impaired.

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27. Financial instruments (continued)**27.4 Credit risk (continued)****Trade receivables (continued)**

The gross carrying amounts of credit impaired receivables are written off (either partially or full) when there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Nevertheless, trade receivables that are written off could still be subject to enforcement activities.

There are no significant changes as compared to previous year.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk arising from trade receivables is represented by the carrying amounts in the statement of financial position.

Recognition and measurement of impairment loss

In managing credit risk of trade receivables, the Group manages its debtors and takes appropriate actions (including but not limited to legal actions) to recover long overdue balances.

The Group uses an allowance matrix to measure expected credit losses ("ECLs") of trade receivables. An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses ("ECL"). The provision rates are based on days past due for groupings of various customer segments with similar loss patterns. Generally, trade receivables are written off if past due for more than one year and are not subject to enforcement activity. The Group does not hold collateral as security.

A considerable amount of judgement is required in assessing the loss rates, which are based on actual credit loss experience. The Group also considers differences between (a) economic conditions during the period over which the historic data has been collected, (b) current conditions and (c) the Group's view of economic conditions over the expected lives of the receivables. If the financial conditions of the customers with which the Group deals were to deteriorate, resulting in an impairment of their ability to make payments, additional allowance may be required.

The following table provides information about the exposure to credit risk and ECLs for trade receivables which are grouped together as they are expected to have similar risk nature.

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27. Financial instruments (continued)

27.4 Credit risk (continued)

Trade receivables (continued)

Recognition and measurement of impairment losses (continued)

	Gross carrying amount RM	Loss allowance RM	Net balance RM
30.6.2024			
Current (not past due)	6,326,778	-	6,326,778
1 – 30 days past due	2,022,040	-	2,022,040
31 – 60 days past due	604,289	-	604,289
More than 60 days past due	4,777,667	(216,274)	4,561,393
	<u>13,730,774</u>	<u>(216,274)</u>	<u>13,514,500</u>
30.6.2023			
Current (not past due)	6,938,755	-	6,938,755
1 – 30 days past due	3,530,324	-	3,530,324
31 – 60 days past due	1,235,609	-	1,235,609
More than 60 days past due	3,606,656	(234,146)	3,372,510
	<u>15,311,344</u>	<u>(234,146)</u>	<u>15,077,198</u>
30.6.2022			
Current (not past due)	7,820,102	(80,038)	7,740,064
1 – 30 days past due	2,691,007	-	2,691,007
31 – 60 days past due	1,810,706	-	1,810,706
More than 60 days past due	1,540,787	(192,324)	1,348,463
	<u>13,862,602</u>	<u>(272,362)</u>	<u>13,590,240</u>

The movements in the allowance for impairment in respect of trade receivables during the year are shown below.

	2024 RM	2023 RM	2022 RM
Balance at 1 July 2023/2022/2021	234,146	272,362	13,968
Net remeasurement of loss allowance	(17,872)	41,822	258,394
Write off	-	(80,038)	-
Balance at 30 June	<u>216,274</u>	<u>234,146</u>	<u>272,362</u>

Concentration of credit risk

The Group is not subjected to any significant credit risk exposure to any single counterparty or a group of counterparties having similar characteristics.

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27. Financial instruments (continued)**27.4 Credit risk (continued)****Other receivables and deposits**

Other receivables and deposits mainly relate to transactions outside trade activities, advances provided to employees and deposits for office leased and retail outlets. The maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position. At each reporting date, the Group assesses whether any of the other receivables and deposits are credit impaired.

As at the end of the reporting period, the Group written off RM132,800 of deposits (2023: RM77,187; 2022: RM142,817).

The movements in the allowance for impairment in respect of other receivables and deposits of the Group during the year are shown below.

	RM	RM	RM
Balance at 1 July 2021/30 June 2022/ 1 July 2022/30 June 2023/1 July 2023/30 June 2024	<u>478,538</u>	<u>478,538</u>	<u>478,538</u>

Cash and cash equivalents

The cash and cash equivalents are held with licensed banks and financial institutions. As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

These licensed banks and financial institutions have low credit risks. Consequently, the Group is of the view that the loss allowance is not material and hence, it is not provided for.

Amounts due from associates and related parties*Risk management objectives, policies and processes for managing the risk*

The Group provides unsecured advances to its associates and related parties. The Group monitors the ability of the associates and related parties to repay the advances on an individual basis.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

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27. Financial instruments (continued)**27.4 Credit risk (continued)****Amounts due from associates and related parties (continued)***Recognition and measurement of impairment loss*

Generally, the Group considers balances with its associates and related parties to have low credit risk. The Group assumes that there is a significant increase in credit risk when the financial position of the associates and related parties deteriorates significantly. The Group considers the balance to be credit impaired when the associates and related parties are unlikely to repay its balances to the Group in full.

The Group determines the probability of default for these balances individually using internal information available.

The following table provides information about the exposure to credit risk and ECL for associates and related parties balances.

	Gross carrying amount RM	Loss allowance RM	Net balance RM
30.6.2024			
Low credit risk	4,010,514	-	4,010,514
30.6.2023			
Low credit risk	3,664,306	-	3,664,306
30.6.2022			
Low credit risk	2,550,996	-	2,550,996

27.5 Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's exposure to liquidity risk arises principally from its various payables, loan and borrowings and lease liabilities.

27. Financial instruments (continued)**27.5 Liquidity risk (continued)***Maturity analysis*

The Group maintains a level of cash and cash equivalents and bank facilities deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due.

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

The table below summarises the maturity profile of the Group's financial liabilities as at the end of the reporting period based on undiscounted contractual payments:

	Carrying amount RM	Contractual interest rate/ Discount rate %	Contractual cashflows RM	Within 1 year RM	2 – 5 years RM	More than 5 years RM
30.6.2024						
<i>Non-derivative financial liabilities</i>						
Trade and other payables, excluding VAT and SST payable and withholding tax payable	67,762,944	-	67,762,944	67,329,917	433,027	-
Amount due to non-controlling shareholders	172,072	4.00	178,955	178,955	-	-
Loans and borrowings	52,072,790	4.18	54,249,433	54,249,433	-	-
Lease liabilities	139,957,405	2.25 – 9.00	168,121,979	35,847,199	94,836,581	37,438,199
	<u>259,965,211</u>		<u>290,313,311</u>	<u>157,605,504</u>	<u>95,269,608</u>	<u>37,438,199</u>

27. Financial instruments (continued)**27.5 Liquidity risk (continued)***Maturity analysis (continued)*

	Carrying amount RM	Contractual interest rate/ Discount rate %	Contractual cashflows RM	Within 1 year RM	2 – 5 years RM	More than 5 years RM
30.6.2023						
<i>Non-derivative financial liabilities</i>						
Trade and other payables, excluding VAT and SST payable and withholding tax payable	77,712,076	-	77,712,076	69,759,736	7,952,340	-
Amount due to non-controlling shareholders	560,783	4.00	560,783	560,783	-	-
Loans and borrowings	62,656,550	4.20	65,288,125	65,288,125	-	-
Lease liabilities	114,792,286	2.25 - 9.00	144,660,221	27,957,591	88,904,167	27,798,463
	<u>255,721,695</u>		<u>288,221,205</u>	<u>163,566,235</u>	<u>96,856,507</u>	<u>27,798,463</u>

27. Financial instruments (continued)**27.5 Liquidity risk (continued)***Maturity analysis (continued)*

	Carrying amount RM	Contractual interest rate/ Discount rate %	Contractual cashflows RM	Within 1 year RM	2 – 5 years RM	More than 5 years RM
30.6.2022						
<i>Non-derivative financial liabilities</i>						
Trade and other payables, excluding VAT and SST payable and withholding tax payable	55,532,679	-	55,532,679	49,121,720	6,410,959	-
Amount due to non-controlling shareholders	671,725	4.00	698,594	698,594	-	-
Loans and borrowings	14,138,759	3.20	14,591,199	14,591,199	-	-
Lease liabilities	62,094,800	2.25 - 9.00	80,645,482	20,440,930	44,258,809	15,945,743
	<u>132,437,963</u>		<u>151,467,954</u>	<u>84,852,443</u>	<u>50,669,768</u>	<u>15,945,743</u>

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27. Financial instruments (continued)**27.6 Market risk**

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Group's financial position or cash flows.

27.6.1 Currency risk

The Group is exposed to foreign currency risk on sales and purchases that are denominated in a currency other than Ringgit Malaysia. The currency giving rise to the risk is U.S. Dollar ("USD") and Japanese Yen ("JPY").

Risk management objectives, policies and processes for managing the risk

The Group does not hedge the currency risk because the amounts are short-term in nature.

27. Financial instruments (continued)**27.6 Market risk (continued)****27.6.1 Currency risk (continued)***Exposure to foreign currency risk*

The Group's exposure to foreign currency (a currency which is other than the currency of the Group entities) risk, based on carrying amounts as at the end of the reporting period are as follows:

	30.6.2024		30.6.2023		30.6.2022	
	USD RM	JPY RM	USD RM	JPY RM	USD RM	JPY RM
Bank balances	682,894	-	2,850,763	-	525,532	-
Trade and other receivables	5,786,292	-	4,063,652	-	3,276,895	229,728
Trade and other payables	(1,122,233)	(465,091)	(2,386,072)	(86,977)	(731,435)	(13,842)
Net exposure	5,346,953	(465,091)	4,528,343	(86,977)	3,070,992	215,886

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27. Financial instruments (continued)**27.6 Market risk (continued)****27.6.1 Currency risk (continued)***Currency risk sensitivity analysis*

A 1% (2023: 1%; 2022: 1%) strengthening of RM against USD and JPY at the end of the reporting period would have increased/(decreased) post-tax profit or loss by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the end of the reporting period. This analysis assumes that all other variables, in particular interest rates, remained constant and ignores any impact of forecasted transactions.

Profit or loss

	Profit or loss		
	1.7.2023 - 30.6.2024	1.7.2022 - 30.6.2023	1.7.2021 - 30.6.2022
	RM	RM	RM
USD	(40,637)	(34,415)	(23,340)
JPY	<u>3,535</u>	<u>661</u>	<u>(1,641)</u>

A 1% (2023: 1%; 2022: 1%) weakening of RM against USD and JPY at the end of the reporting period would have had equal but opposite effect on USD and JPY to the amounts shown above, on the basis that all other variables remained constant.

27.6.2 Interest rate risk

The Group's variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates. Short-term receivables and payables are not significantly exposed to interest rate risk.

Risk management objectives, policies and processes for managing the risk

The Group's interest rate management objective is to manage the interest expense consistent with maintaining an acceptable level of exposure to interest rate fluctuation. In order to achieve this objective, the Group targets a mix of fixed and floating debt based on assessment of its existing exposure and desired interest rate profile.

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27. Financial instruments (continued)

27.6 Market risk (continued)

27.6.2 Interest rate risk (continued)

Exposure to interest rate risk

The interest rate profile of the Group's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period are as follows:

	30.6.2024 RM	30.6.2023 RM	30.6.2022 RM
Fixed rate instruments			
Amount due from associates	3,765,863	3,254,898	-
Amount due to non-controlling shareholders	(172,072)	(560,783)	(671,725)
Fixed deposit placed with financial institutions	3,151,731	2,326,231	2,274,059
Lease liabilities	<u>(139,957,405)</u>	<u>(114,792,286)</u>	<u>(62,094,800)</u>
	<u>(133,211,883)</u>	<u>(109,771,940)</u>	<u>(60,492,466)</u>
Floating rate instruments			
Loans and borrowings	<u>(52,072,790)</u>	<u>(62,656,550)</u>	<u>(14,138,759)</u>

*Interest rate risk sensitivity analysis**Fair value sensitivity analysis for fixed rate instruments*

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss, and the Group does not designate derivatives as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points ("bp") in interest rates at the end of the reporting period would have increased/(decreased) post-tax profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

	Profit or loss	
	100 bp increase RM	100 bp decrease RM
30.6.2024		
Floating rate instruments	<u>(395,753)</u>	<u>395,753</u>
30.6.2023		
Floating rate instruments	<u>(476,190)</u>	<u>476,190</u>
30.6.2022		
Floating rate instruments	<u>(107,455)</u>	<u>107,455</u>

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27. Financial instruments (continued)

27.7 Fair value information

The carrying amounts of cash and cash equivalents, liquid investments, short-term receivables and payables and variable loans and borrowings reasonably approximate their fair values due to the relatively short-term nature of these financial instruments.

The carrying amounts of the floating rate borrowings approximate fair values as they are subject to variable interest rates which in turn approximate the current market interest rates for similar loans at the end of the reporting period.

The table below analyses financial instruments carried at fair value and those not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statement of financial position.

	Fair value of financial instruments carried at fair value Level 1 RM	Fair value of financial instruments not carried at fair value Level 3 RM	Total fair value RM	Carrying amount RM
30.6.2024				
Financial assets				
Non-current deposits	-	10,337,321	10,337,321	11,666,884
Liquid investment	1,118,301	-	1,118,301	1,118,301
Financial liabilities				
Non-current refundable deposits	-	433,027	433,027	433,027
30.6.2023				
Financial assets				
Non-current deposits	-	4,217,473	4,217,473	4,526,389
Liquid investment	2,069,716	-	2,069,716	2,069,716
Financial liabilities				
Non-current refundable deposits	-	7,952,340	7,952,340	7,952,340
30.6.2022				
Financial assets				
Non-current deposits	-	4,143,911	4,143,911	4,261,291
Financial liabilities				
Non-current refundable deposits	-	6,410,959	6,410,959	6,410,959

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27. Financial instruments (continued)**27.7 Fair value information (continued)****Level 1 fair value**

The fair value of liquid investments are their last quoted bid price by the fund managers at the end of the reporting period.

Level 3 fair value

Level 3 fair value is estimated using unobservable inputs for the financial assets. The following table shows the valuation techniques used in the determination of fair values within Level 3, as well as the key unobservable inputs used in the valuation models.

Financial instruments not carried at fair value

Type	Description of valuation technique and input used
Non-current deposits	Discounted cash flow using a rate based on the current rate of borrowings/deposits of the Group at the reporting date.

27.8 Material accounting policy information

The Group applies settlement date accounting for regular way purchase or sale of financial assets.

28. Capital management

The primary objective of the Group's capital management is to ensure that they maintain a healthy capital ratio in order to support its business and maximise shareholders' value.

The Group manages their capital structure and make adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders or issue new share capital.

The Directors also monitor and are determined to maintain an optimal debt-to-equity ratio.

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28. Capital management (continued)

	30.6.2024	30.6.2023	30.6.2022
	RM	RM	RM
Loans and borrowings (Note 15)	52,072,790	62,656,550	14,138,759
Less: Cash and cash equivalents (Note 11)	(46,950,428)	(38,232,223)	(23,814,175)
Net debt/(cash)	<u>5,122,362</u>	<u>24,424,327</u>	<u>(9,675,416)</u>
Total equity	<u>93,022,748</u>	<u>71,564,955</u>	<u>61,227,421</u>
Net debt-to-equity ratio	<u>0.06</u>	<u>0.34</u>	<u>-</u>

No changes were made in the objectives, policies or processes during the financial year.

29. Operating segments

The Group has three reportable segments, as described below, which are the Group's strategic business units. For each of the strategic business units, the Chief Operating Decision Maker ("CODM") (i.e. the Group's Chief Executive Officer) reviews internal management reports on a monthly basis. The following summary describes the operations in each of the Group's reportable segments:

- (i) Tealive Malaysia Includes the operation and management of food and beverages Tealive outlets and wholesale and trading of materials in Malaysia.
- (ii) Tealive Philippines Includes the operation and management of food and beverages Tealive outlets in Philippines.
- (iii) Bask Bear Includes the operation of Bask Bear food and beverage retail outlets in Malaysia.

Other non-reportable segments comprise of retail business of importing, marketing and selling of soda machine and operations of food and beverage retail outlets in Australia and Vietnam. None of these segments meet the quantitative threshold for reporting segments in financial year ended 30 June 2022, 30 June 2023 and 30 June 2024.

Performance is measured based on segment profit before tax, excluding share of profit of equity accounted associate and joint ventures as included in the internal management reports that are reviewed by the CODM. Segment profit before tax is used to measure performance as management believes that such information is the most relevant in evaluating the results of respective segments.

Segment assets and liabilities information are neither included in the internal management reports nor provided regularly to the CODM. Hence, no disclosure is made on segment assets and liabilities.

29. Operating segments (continued)**1.7.2023 to 30.6.2024**
Segment profit/(loss)*Included in the measure of segment profit/(loss)**are:*

Revenue from external customers	460,833,163	Tealive Philippines RM	26,389,518	Bask Bear RM	99,696,048	Total RM	586,918,729
Inter-segment revenue	32,287,279		-		-		32,287,279
Depreciation and amortisation	(39,942,668)		(6,140,638)		(13,877,197)		(59,960,503)
Finance income	2,110,194		1,101		17,753		2,129,048
Finance costs	(9,551,796)		(2,589,353)		(3,496,925)		(15,638,074)

1.7.2022 to 30.6.2023
Segment profit/(loss)*Included in the measure of segment profit/(loss)**are:*

Revenue from external customers	433,770,528	Tealive Philippines RM	13,191,614	Bask Bear RM	59,988,286	Total RM	506,950,428
Inter-segment revenue	34,498,124		-		1,651,076		36,149,200
Depreciation and amortisation	(33,290,876)		(2,949,161)		(7,218,343)		(43,458,380)
Finance income	1,125,430		1,656		3,179		1,130,265
Finance costs	(7,895,897)		(772,265)		(1,858,223)		(10,526,385)

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29. Operating segments (continued)

1.7.2021 to 30.6.2022 Segment profit/(loss)	Tealive Malaysia RM	Tealive Philippines RM	Bask Bear RM	Total RM
	122,007,453	(1,592,352)	419,272	120,834,373
<i>Included in the measure of segment profit/(loss)</i>				
are:				
Revenue from external customers	409,506,551	619,349	8,263,536	418,389,436
Inter-segment revenue	3,925,834	-	2,134,476	6,060,310
Depreciation and amortisation	(24,331,409)	(68,894)	(1,072,368)	(25,472,671)
Finance income	695,006	492	418	695,916
Finance costs	(4,582,568)	(75,150)	(254,413)	(4,912,131)

Reconciliations of reportable segment revenue, profit or loss and other material items

	1.7.2023 - 30.6.2024 RM	1.7.2022 - 30.6.2023 RM	1.7.2021 - 30.6.2022 RM
Profit or loss			
Total profit for reportable segments	110,227,596	88,936,979	120,834,373
Other non-reportable segments	2,652,652	1,399,964	(2,724,918)
Elimination of inter-segment profits	(590,141)	(499,857)	(734,661)
Share of profit of equity accounted associate	107,195	(415,262)	(571,820)
Unallocated expenses	(37,413,831)	(34,538,788)	(25,925,356)
Consolidated profit (excluding tax)	74,983,471	54,883,036	90,877,618

29. Operating segments (continued)**Reconciliations of reportable segment revenue, profit or loss and other material items (continued)**

	External revenue RM	Depreciation and amortisation RM	Finance costs RM	Finance income RM
1.7.2023 to 30.6.2024				
Total reportable segments	586,918,729	(59,960,503)	(15,638,074)	2,129,048
Other non-reportable segments	4,324,736	(110,880)	-	3,654
Elimination of inter-segment transactions	-	497,580	1,523,834	(1,523,834)
Consolidated total	591,243,465	(59,573,803)	(14,114,240)	608,868
1.7.2022 to 30.6.2023				
Total reportable segments	506,950,428	(43,458,380)	(10,526,385)	1,130,265
Other non-reportable segments	4,796,792	(175,566)	(7,638)	1,048
Elimination of inter-segment transactions	-	388,299	697,933	(697,933)
Consolidated total	511,747,220	(43,245,647)	(9,836,090)	433,380
1.7.2021 to 30.6.2022				
Total reportable segments	418,389,436	(25,472,671)	(4,912,131)	695,916
Other non-reportable segments	4,096,702	(1,346,286)	(261,243)	544
Elimination of inter-segment transactions	-	3,506	106,934	(106,934)
Consolidated total	422,486,138	(26,815,451)	(5,066,440)	589,526

29. Operating segments (continued)

Geographical information

Revenue and non-current assets information based on the geographical by selling locations and assets respectively are as follows:

	Revenue		Non-current assets	
	1.7.2023 - 30.6.2024 RM	1.7.2022 - 30.6.2023 RM	1.7.2021 - 30.6.2022 RM	30.6.2022 30.6.2023 30.6.2024 RM RM RM
Malaysia	564,469,245	496,740,563	419,812,080	209,873,866
Vietnam	384,702	1,325,186	1,088,511	5,893
Australia	-	489,857	966,198	-
Philippines	26,389,518	13,191,614	619,349	14,009,338
	591,243,465	511,747,220	422,486,138	223,889,097
				122,728,030

Non-current assets information presented above excludes financial instruments and deferred tax assets as presented in the Group's statements of financial position.

Information about major customers

There were no major customers contributing revenue which equals to ten percent (10%) or more of the total revenue of the Group.

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30. Related parties**Identity of related parties**

For the purposes of the financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the parties are subject to common control. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly and entity that provides key management personnel services to the Group. The key management personnel include all the Directors of the Group.

The Group has related party relationship with its combining entities, related companies, associates and key management personnel.

Significant related party transactions

Related party transactions have been entered into in the normal course of business under normal trade terms. The significant related party transactions of the Group are shown below. The balances related to the below transactions are shown in Notes 9 and 17.

	1.7.2023 - 30.6.2024 RM	1.7.2022 - 30.6.2023 RM	1.7.2021 - 30.6.2022 RM
A. Associates			
Purchase of goods	(4,858,110)	(585,000)	(64,037)
Purchase of equipment	-	-	(256,321)
Imputed interest income	149,364	110,824	94,098
Loan	(250,000)	(810,000)	-
Loan repayment	<u>207,510</u>	<u>-</u>	<u>-</u>
B. Related party			
Rental paid	333,040	-	-
Purchase of goods	<u>(13,647,724)</u>	<u>(12,553,910)</u>	<u>(19,089,948)</u>
C. Key management personnel			
Directors' remuneration			
Salaries, wages and other benefits	(1,952,053)	(2,084,145)	(1,785,400)
Defined contribution plan	(332,497)	(356,451)	(313,646)
Social security contribution	<u>(7,252)</u>	<u>(7,159)</u>	<u>(15,860)</u>
	<u>(2,291,802)</u>	<u>(2,447,755)</u>	<u>(2,114,906)</u>

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30. Related parties (continued)**Significant related party transactions (continued)**

	1.7.2023 - 30.6.2024 RM	1.7.2022 - 30.6.2023 RM	1.7.2021 - 30.6.2022 RM
D. Companies in which Directors have substantial financial interest			
Royalty	-	-	(144,941)

31. Subsequent event**(a) Disposal of LPI**

On 20 January 2025, Loob Holding Sdn. Bhd. disposed off 99.98% of the equity interest in LPI, comprising 250,049 ordinary shares for total consideration of PHP25,004,900 (equivalent to RM1,893,821). Following the disposal, LPI was no longer a subsidiary of the Group.

(b) Disposal of Loob Vietnam Company Limited ("LVCL")

On 29 November 2024, Loob Holding Sdn. Bhd. entered into a Capital Transfer Agreement to dispose off 100% of the equity interest in LVCL for total consideration of VND58,572,860,000 (equivalent to RM50,960).

The disposal was completed by 24 February 2025. Following the disposal, LVCL will no longer a subsidiary of the Group.

(c) Acquisition of Sodaxpress International Sdn. Bhd. ("SISB")

On 30 November 2024, Loob Holding Sdn. Bhd. acquired the remaining 48.9% of the equity interest of SISB, comprising 977 ordinary shares for total consideration of RM3,945,551. Following the acquisition, SISB became a wholly-owned subsidiary of the Group.

(d) Strike off of Loob Australia Pty Ltd and Tfor3 Pty Ltd

On 15 January 2025, Loob Australia Pty Ltd and Tfor3 Pty Ltd have completed its voluntary deregistration.

13. ACCOUNTANTS' REPORT (Cont'd)

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26 March 2025

Dear Sirs,

Reporting Accountants' opinion on the combined financial statements contained in the Accountants' Report of Loob Berhad

Opinion

We have audited the combined financial statements of Loob Berhad and the combining entities, Loob Holding Sdn. Bhd. and its subsidiaries (collectively referred to as "Loob" or the "Group"), which comprise the combined statements of financial position as at 30 June 2024, 30 June 2023 and 30 June 2022, and the combined statements of profit or loss and other comprehensive income, combined statements of changes in equity and combined statements of cash flows of the Group for the years then ended, and notes to the accountants' report, including a summary of material accounting policy information, as set out on pages 1 to 71. The combined financial statements of the Group have been prepared for inclusion in the draft prospectus of Loob in connection with the proposed listing of and quotation for the entire issued and paid-up share capital of the Company on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities") and for no other purposes.

In our opinion, the accompanying combined financial statements give a true and fair view of the combined financial positions of the Group as of 30 June 2024, 30 June 2023 and 30 June 2022, and of its combined financial performances and combined cash flows for the years then ended in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board ("MFRS Accounting Standards") and IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards").

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Reporting Accountants' Responsibilities for the Audit of the Combined Financial Statements* section of our reporting accountants' report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

13. ACCOUNTANTS' REPORT (Cont'd)

Loob Berhad
*Accountants' Report on the
 Combined Financial Statements*

Independence and Other Ethical Responsibilities

We are independent of the Group in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Responsibilities of the Directors for the Combined Financial Statements

The Directors of the Company (the "Directors") are responsible for the preparation of the combined financial statements of the Group that give a true and fair view in accordance with MFRS Accounting Standards and IFRS Accounting Standards. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of the combined financial statements of the Group that are free from material misstatement, whether due to fraud or error.

In preparing the combined financial statements of the Group, the Directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Reporting Accountants' Responsibilities for the Audit of the Combined Financial Statements

Our objectives are to obtain reasonable assurance about whether the combined financial statements of the Group as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these combined financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the combined financial statements of the Group, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Group.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

13. ACCOUNTANTS' REPORT (Cont'd)

Loob Berhad
*Accountants' Report on the
 Combined Financial Statements*

**Reporting Accountants' Responsibilities for the Audit of the Combined Financial Statements
 (continued)**

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our reporting accountants' report to the related disclosures in the combined financial statements of the Group or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the combined financial statements of the Group, including the disclosures, and whether the combined financial statements of the Group represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the combined financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Restriction on Distribution and Use

This report is made solely to the Company and for inclusion in the draft prospectus of the Company in connection with the proposed listing of and quotation for the entire issued and paid-up share capital of the Company on the Main Market of Bursa Securities and should not be relied upon for any other purposes. We do not assume responsibility to any other person for the content of this report.

KPMG PLT
 (LLP0010081-LCA & AF 0758)
 Chartered Accountants

Ooi Eng Siong
 Approval Number: 03240/02/2026 J
 Chartered Accountant

14. ADDITIONAL INFORMATION

14.1 SHARE CAPITAL

- (i) Save as disclosed in this Prospectus, no securities will be issued or allotted on the basis of this Prospectus later than six (6) months after the date of issue of this Prospectus.
- (ii) As at the LPD, we have only one (1) class of shares in our Company, namely ordinary shares, all of which rank equally with one another. There are no special rights attached to our Shares.
- (iii) Save as disclosed in Section 6.1.3 of this Prospectus, our Company has not issued or proposed to issue any shares, stocks or debentures as fully or partly paid-up in cash or otherwise, within the two (2) years immediately preceding the date of this Prospectus.
- (iv) As at the date of this Prospectus, save for our Offer Shares reserved for subscription by the Eligible Persons as disclosed in Section 4.2.2(i) of this Prospectus, there is currently no other scheme involving our employees and Directors in the share capital of our Company or any of our subsidiaries.
- (v) We have not agreed, conditionally or unconditionally, to put the share capital of our Company or any of our subsidiaries under option.
- (vi) As at the date of this Prospectus, neither we nor our Material Subsidiaries, joint ventures and associate have any outstanding warrants, options, convertible securities or uncalled capital save as disclosed in Sections 6.3.14 and 6.3.15 of this Prospectus.
- (vii) Save as disclosed in Sections 2.2, 4.8.3 and 12.4 of this Prospectus, and save as provided for under our Constitution as reproduced in Section 14.2 below and the Act, there are no other restrictions upon the holding or voting or transfer of our Shares or the interests in our Company or any of our subsidiaries or upon the declaration or payment of any dividend or distribution thereon.

14.2 EXTRACTS OF OUR CONSTITUTION

The following provisions are reproduced from our Constitution and are qualified in its entirety by reference to our Constitution and by applicable law. The words, terms and expressions appearing in the following provisions shall bear the same meanings used in our Constitution unless they are otherwise defined or the context otherwise requires.

Word	Meaning
“Act”	: The Companies Act 2016 and any statutory modification, amendment or re-enactment thereof for the time being in force.
“Alternate Director”	: Any person who has been appointed and for the time being holds office as an alternate director of the Company in accordance with the provisions of this Constitution.
“Applicable Laws”	: All laws, by-laws, regulations, rules, orders and/or official directions for the time being in force affecting the Company, including but not limited to the Act, the Securities Law, the Listing Requirements and every other law for the time being in force concerning companies and affecting the Company and any other orders, directives or requirements imposed on the Company by the Securities Commission, the Exchange and/or other relevant regulatory bodies and/or authorities.

14. ADDITIONAL INFORMATION (Cont'd)

Word	Meaning
“Central Depositories Act “	: Securities Industry (Central Depositories) Act 1991 and any statutory modification, amendment or re-enactment thereof for the time being in force.
“Central Depository”	: Bursa Malaysia Depository Sdn. Bhd. (Registration No. 198701006854 (165570-W)) or such other name by which it may be known from time to time and its successors in title and permitted assigns.
“Company”	: Loob Berhad (Registration No. 201901046246 (1355576-V)) including any change of name from time to time.
“Deposited Security”	: A security in the Company standing to the credit of a Securities Account and includes a security in a Securities Account that is in suspense and “Deposited Securities” shall be construed accordingly.
“Directors”	: The directors who have been appointed and for the time being hold office as a director of the Company in accordance with the provisions of the Act and this Constitution and, unless the context otherwise provides or requires, includes an Alternate Director.
“Exchange”	: Bursa Malaysia Securities Berhad (Registration No. 200301033577 (635998-W)) or such other name by which it may be known from time to time, where the Securities of the Company are listed and quoted.
“Listing Requirements”	: The Main Market Listing Requirements of the Exchange including any amendment or modification thereto that may be made from time to time.
“Member or Members”	: Any person/persons for the time being holding one or more shares in the Company and whose names appear in the Register (except Bursa Malaysia Depository Nominees Sdn. Bhd. in its capacity as bare trustee) including Depositors whose names appear on the Record of Depositors and who has a credit balance of shares in the Company in his or her Securities Account who shall be treated as if he/she were a Member pursuant to Section 35 of the Central Depositories Act.
“Record of Depositors”	: A record provided by the Central Depository to the Company pursuant to an application under Chapter 24.0 of the Rules.
“Register”	: The register of Members to be kept pursuant to Section 50 of the Act.
“Registrar”	: The registrar of companies designated under Section 20A(1) of the Companies Commission of Malaysia Act 2001.
“Rules”	: The rules of the Central Depository and any amendment thereof for the time being in force.

14. ADDITIONAL INFORMATION (Cont'd)

Word	Meaning
"Securities"	: Any securities as defined in Section 2(1) of the Capital Markets and Services Act 2007 and any statutory modification, amendment or re-enactment thereof for the time being in force and "Security" shall be construed accordingly.
"share or shares"	: As regards the Company, or any other corporation means and includes a preference or deferred as well as an ordinary share and also stock and any security which carries any power of voting with respect to the management of the Company or such other corporation issuing or creating the same.

14.2.1 Remuneration of Directors**Clause 101 – Directors' remuneration**

"Subject to the Act and the Listing Requirements, the fees of the Directors and any benefits payable to the Directors shall from time to time be determined by way of an ordinary resolution of the Company in a general meeting and such fees shall be divided among the Directors in such proportions and manner as the Directors may determine and in default of agreement equally, except that if a Director has held office for part only of the period in respect of which such fees are payable, such a Director shall be entitled only to that proportion of the fees as is related to the period during which he has held office PROVIDED ALWAYS that:-

- (i) salaries, benefits and other emoluments payable to executive Director(s) pursuant to an employment contract or a contract of service need not be determined by the Company in a general meeting but such salaries may not include a commission on or percentage of turnover;
- (ii) fees payable to non-executive Directors shall be a fixed sum and not by way of a commission on or percentage of profits or turnover; and
- (iii) any fee paid to an Alternate Director shall be agreed upon between himself and the Director nominating him and shall be paid out of the remuneration of the latter."

Clause 102 – Reimbursement of expenses

- "(a) The Directors shall be entitled to be reimbursed for all travelling or expenses as may be incurred in attending meetings of the Directors or of any committee of the Directors or general meetings or otherwise howsoever in or about the business of the Company in the course of the performance of their duties as Directors. In addition to the foregoing, a Director shall be entitled to such reasonable fixed allowance as may be determined by the Directors in respect of any attendance at any meeting and/or the performance of any duty or other things required of him as a Director.

14. ADDITIONAL INFORMATION (Cont'd)

- (b) If any Director being willing shall be called upon to perform extra services or to make any special exertions in going or residing away from his usual place of business or residence for any of the purposes of the Company or in giving special attention to the business of the Company as a member of a committee of Directors, the Company may remunerate the Director so doing either by a fixed sum or otherwise (other than by a sum to include a commission on or percentage of turnover) as may be determined by the Board provided that in the case of non-executive Directors, the said remuneration shall not include a commission on or percentage of profits or turnover. In the case of an executive Director, such fee may be either in addition to or in substitution for any director's fees payable to him from time to time."

Clause 126 – Alternate Directors

- "(a) A Director may appoint any other person approved by a majority of the Board to act as his alternate provided that any fee paid by the Company to the alternate shall be deducted from that Director's remuneration. The Alternate Director shall not be required to hold any shares in the Company but shall be entitled to receive notices of all meetings and to attend, speak and vote, and be counted for the quorum, and generally to exercise all powers, rights, duties and authorities of the Director appointing him, at any such meeting at which the Director appointing him is not present. For the avoidance of doubt, an Alternate Director may not vote nor attend any meeting at which the Director appointing him is present. Any appointment so made may be revoked at any time by the appointor or by a majority of the Directors, and any appointment or revocation under this Constitution shall be effected by notice in writing to be delivered to the Secretary of the Company. An Alternate Director shall ipso facto cease to be an Alternate Director if his appointor for any reason ceases to be a Director.
- (b) No Director may act as an Alternate Director, and a person may not act as an Alternate Director for more than one (1) Director of the Company.
- (c) If any Director retires by rotation and is re-elected by the meeting or is, pursuant to this Constitution, deemed to be re-elected at the meeting at which such retirement took effect, any appointment made by him of an Alternate Director which was in force immediately prior to the appointor's retirement shall continue to operate after such re-election as if the appointor had not so retired.
- (d) Every person acting as an Alternate Director shall be an officer of the Company and shall alone be responsible to the Company for his own acts and defaults and he shall not be deemed to be the agent of or for the Director appointing him."

Clause 128 – Remuneration of chief executive, executive Director, managing Director

"The remuneration of the chief executive, executive Director, managing Director or any person holding an equivalent position, shall, from time to time be fixed by the Directors and may be by way of salary or commission or participation in profits or otherwise or by any or all of these modes but such remuneration shall not include a commission on or percentage of turnover but it may be a term of their appointment that they shall receive a pension, gratuity or other benefits upon their retirement."

14.2.2 Voting and borrowing powers of Directors**Clause 78 – Chairman's casting vote**

"In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a second or casting vote."

14. ADDITIONAL INFORMATION (Cont'd)**Clause 106 – Directors' borrowing powers**

- “(a) Subject to the Act and the Listing Requirements, the Directors may exercise all the powers of the Company to do all or any of the following for any debt, liability, or obligation of the Company or of any related party (as defined in Section 7 of the Act):
- (i) borrow money, raise funds and/or accept credit facilities;
 - (ii) mortgage or charge its undertaking, property (both present and future), and uncalled capital, or any part of such undertaking, property and uncalled capital;
 - (iii) issue debentures and other securities whether outright or as security;
 - (iv) lend and advance money or give credit to any person or company;
 - (v) guarantee and give guarantees or indemnities for the payment of money or the performance of contracts or obligations by any person or company; and/or
 - (vi) secure or undertake in any way the repayment of moneys lent or advanced to or the liabilities incurred by any person or company; and otherwise to assist any person or of any related party (as defined in Section 7 of the Act).
- (b) The Directors shall not borrow any money or mortgage or charge any of the Company's or the subsidiaries' undertaking, property or any uncalled capital, or to issue debentures and other securities whether outright or as security for any debt, liability or obligation of an unrelated third party.”

Clause 120 – Votes by majority and chairman of the meeting to have a casting vote

“Subject to this Constitution, any question arising at any meeting of Directors shall be decided by a majority of votes of the Directors present and a determination by a majority of Directors shall for all purposes be deemed a determination of the Directors. In case of an equality of votes, the chairman of the meeting shall have a second or casting vote, except where at the meeting only two (2) Directors form a quorum, the chairman of the meeting at which only such a quorum is present, or only two (2) Directors are competent to vote on the question at issue shall not have a casting vote.”

Clause 123 – Restriction on voting

“Subject to Section 222 of the Act, a Director shall not participate in any discussion or vote in respect of any contract or proposed contract or arrangement in which he has directly or indirectly an interest and if he shall do so his vote shall not be counted. A Director shall, notwithstanding his interest, be counted in the quorum for any meeting where a decision is to be taken upon any contract or proposed contract or arrangement in which he is in any way interested.”

Clause 124 – Power to vote

“A Director may vote in respect of:-

- (i) any arrangement for giving the Director himself or any other Directors any security or indemnity in respect of money lent by him to or obligations undertaken by him for the benefit of the Company;

14. ADDITIONAL INFORMATION (Cont'd)

- (ii) any arrangement for the giving by the Company of any security to a third party in respect of a debt or obligation of the Company for which the Director himself or any other Director has assumed responsibility in whole or in part, under a guarantee or indemnity or by the deposit of a security;
- (iii) any contract by the Director himself to subscribe for or underwrite shares or debentures of the Company; or
- (iv) any contract or arrangement with any other company in which he is interested only as an officer of the Company or as a holder of shares or other securities in that company."

14.2.3 Changes to share capital**Clause 56 – Power to increase capital**

"The Company may from time to time by ordinary resolution increase its share capital by the creation and issue of new shares, such new capital to be of such amount and to be divided into shares of such respective amounts and to carry such rights or to be subject to such conditions or restrictions in regard to dividend, return of capital, voting or otherwise as the general meeting resolving upon such increase may direct."

Clause 57 – Issue of new shares to Members

"Subject to any direction to the contrary that may be given by the Company in general meeting, all new shares or other convertible securities shall, before issue, be offered to such persons as at the date of the offer are entitled to receive notices from the Company of general meetings in proportion as nearly as the circumstances admit, to the amount of the existing shares or securities to which they are entitled. The offer shall be made by notice specifying the number of shares or securities offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares or securities offered, the Directors may dispose of those shares or securities in such manner as they think most beneficial to the Company. The Directors may likewise also dispose of any new share or security which (by reason of the ratio which the new shares or securities bear to the shares or securities held by persons entitled to an offer of new shares or securities) cannot, in the opinion of the Directors, be conveniently offered under this Constitution. Notwithstanding the above, the Directors shall not be required to offer any new ordinary shares for the time being unissued and not allotted and any new shares or other convertible securities from time to time to be created to the holders of the existing shares where the said shares or securities are to be issued as consideration or part consideration for the acquisition of shares or assets by the Company.

For the avoidance of doubt, where the approval of Members is obtained in a general meeting for any issuance of shares or convertible securities, including approvals obtained for implementation of a scheme that involves a new issuance of shares or other convertible securities to employees of the Company and its subsidiaries and approval obtained under Sections 75 and 76 of the Act, such approval shall be deemed to be a direction to the contrary given in general meeting which will render the pre-emptive rights above inapplicable.

In any case and in respect of any issuance of shares or convertible securities, the pre-emptive rights of Members are strictly as contained in the Constitution and accordingly, Section 85 of the Act in respect of pre-emptive rights to new shares, shall not apply and the Company is not required to offer new shares or convertible securities in proportion to the shareholdings of the existing Members."

14. ADDITIONAL INFORMATION (Cont'd)**Clause 59 – Power to alter capital**

“Subject to the provisions of this Constitution and the Act, the Company may alter its share capital in any one or more of the following ways by ordinary resolution:

- (i) consolidate and divide all or any of its share capital, the proportion between the amount paid and the amount, if any, unpaid on each subdivided share shall be the same as it was in the case of the share from which the subdivided share is derived;
- (ii) convert all or any of its paid-up shares into stock and reconvert that stock into fully-paid shares;
- (iii) subdivide its shares or any of its shares, such that whatever is in the subdivision, the proportion between the amount paid and the amount, if any, unpaid on each subdivided share shall be the same as it was in the case of the share from which the subdivided share is derived; or
- (iv) cancel shares which at the date of the passing of the resolution in that behalf have not been taken or agreed to be taken by any person or which have been forfeited and diminish the amount of its share capital by the amount of the shares so cancelled.”

Clause 60 – Power to reduce capital

“The Company may by special resolution, reduce its share capital in any manner permitted or authorised under and in compliance with the Act and the Applicable Laws.”

Clause 61 – Purchase by the Company of its own shares

“The Company may, subject to its obtaining such approval from the relevant authorities (if required) and to its compliance with the Act, the Listing Requirements and the Applicable Laws, purchase its own shares. Any shares so purchased by the Company shall be purchased in good faith and in the best interests of the Company and dealt with in accordance with the Act, the Listing Requirements and all Applicable Laws. The provisions of Clauses 59 and 60 herein above shall not affect the power of the Company to cancel any shares or reduce its share capital pursuant to any exercise of the Company’s powers under this Clause. The cancellation of shares purchased shall not be deemed to be a reduction of share capital within the meaning of the Act.”

Clause 156 – Capitalisation of profits by bonus issue etc.

“The Company in general meeting may upon the recommendation of the Directors resolve that it is desirable to capitalise any part of the amount for the time being standing to the credit of the Company’s reserve accounts or to the credit of the profit and loss account or otherwise available for distribution, provided that such sum be not required for paying the dividends on any shares carrying a fixed cumulative preferential dividend and accordingly that such sum be set free for distribution amongst the Members who would have been entitled thereto if distributed by way of dividend and in the same proportions on condition that the same be not paid in cash but be applied either in or towards paying up any amounts for the time being unpaid on any shares held by such Members respectively or paying up in full unissued shares or debentures of the Company to be allotted and distributed, credited as fully paid up to and amongst such Members in the proportion aforesaid, or partly in the one way and partly in the other, and the Directors shall give effect to such resolution.”

14. ADDITIONAL INFORMATION (Cont'd)**14.2.4 Transfer of Securities****Clause 30 – Transfer in writing**

“Subject to this Constitution, the Central Depositories Act and the Rules, any Member may transfer all or any of his Securities (except those Deposited Securities which are for the time being designated as securities in suspense) by an instrument in writing in the form prescribed and approved by the Exchange upon which the Company is listed on the Exchange. The instrument lodged with the Company shall have been executed by or on behalf of the transferor and the transferee, and the transferor shall be deemed to remain the holder of the Securities transferred until the transfer is registered and the name of the transferee is entered in the Record of Depositors.”

Clause 31 – Transfers of Securities

“The transfer of any Deposited Securities shall be made by way of book entry by the Central Depository in accordance with the Rules and, notwithstanding Sections 105, 106 and 110 of the Act, but subject to Section 148(2) of the Act and any exemption that may be made from compliance with Section 148(1) of the Act, the Company shall be precluded from registering and effecting any transfer of such Deposited Securities.”

Clause 32 – No restriction on the transfer of fully paid Securities

“Subject to this Constitution, the Central Depositories Act and the Rules, there shall be no restriction on the transfer of fully paid Securities except where required by law.”

Clause 33(a) – Refusal to register

“The Central Depository may, in its absolute discretion, refuse to register any transfer of Deposited Security that does not comply with the Central Depositories Act and/or the Rules.”

Clause 33(b) – Indemnity against wrongful transfer

“Subject to the Act, the Central Depositories Act and the Rules, neither the Company nor the Directors nor any of its officers shall incur any liability for registering or acting upon a transfer of Deposited Security although the same may, by reason of any fraud or other cause not known to the Company or the Directors or other officers, be legally inoperative or insufficient to pass the property in the Deposited Security proposed or professed to be transferred, and although transferred, as between the transferor and the transferee, be liable to be set aside and in every such case, the person registered as transferee, his executors, administrators and assignees alone, subject to compliance with the Act, the Central Depositories Act and the Rules, shall be entitled to be recognised as the holder of such Deposited Security and the previous holder shall, so far as the Company is concerned, be deemed to have transferred his whole title thereto.”

Clause 34 – Suspension of registration

“Subject to the provisions of the Act, the Central Depositories Act, the Rules and the Listing Requirements, the registration of transfers of any Securities may be suspended at such times and for such periods as the Directors may from time to time determine PROVIDED ALWAYS that such registration shall not be suspended for more than thirty (30) days in any year. Any notice of intention to close the Register and the reason therefor shall be given to the Exchange. Such closure of the Register shall be at least fourteen (14) days (or such other period as prescribed by the Exchange from time to time) after the date of notification to the Exchange stating the purpose or purposes for the suspension. In this respect, the Company shall request the Central Depository, in accordance with the Rules, to issue the appropriate Record of Depositors.”

14. ADDITIONAL INFORMATION (Cont'd)**Clause 35 – Prohibited transfer**

“No shares shall in any circumstances be transferred to any infant, bankrupt or person of unsound mind under the Applicable Laws.”

Clause 36 – Renunciation

“Subject to the provisions of this Constitution, the Directors may at any time after the allotment of any share but before any person has been entered in the Register as the holder recognise a renunciation of such allotment of shares by the allottee in favour of some other person and may accord to any allottee of a share a right to effect such renunciation on such terms and conditions as the Directors may determine.”

14.2.5 Rights, preferences and restrictions attached to each class of securities relating to voting, dividend, liquidation and any special rights**Clause 7 – Allotment of shares**

“Without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares and subject to the provisions of this Constitution, the Act, any Applicable Laws, and to the provisions of any resolution of the Company, the Board may issue, allot or grant rights to subscribe for or otherwise dispose of such shares to such persons at such price, on such terms and conditions, with such preferred, deferred and/or other special rights and subject to such restrictions and at such times as the Board may determine but the Board in making any issue of shares shall comply with the following conditions:-

- (i) in the case of shares, other than ordinary shares, no special rights shall be attached until the same has been expressed in this Constitution and in the resolution creating the same;
- (ii) no shares shall be issued which shall have the effect of transferring a controlling interest in the Company to any person or corporation without the prior approval of the Members in general meetings;
- (iii) every issue of shares or options to employees and/or Directors of the Company and/or its subsidiaries under an employee share option scheme shall be approved by the Members in general meeting;
- (iv) no Director shall participate in a scheme that involves a new issuance of shares or options unless the Members in a general meeting have approved the specific allotment to be made to such Director; and
- (v) except in the case of an issue of Securities on a pro-rata basis to all Members, or, pursuant to a back-to-back placement or a Dividend Reinvestment Scheme undertaken in compliance with the Listing Requirements, there shall be no issuance and allotment of Securities to a Director, major shareholder, chief executive or person connected with any Director, major shareholder or chief executive (hereinafter referred to as the “interested Director”, “interested major shareholder”, “interested chief executive” or “interested person connected with a Director, major shareholder or chief executive” respectively) unless the Members in a general meeting have approved of the specific allotment to be made to such aforesaid interested Director, interested major shareholder, interested chief executive or interested person connected with a Director, major shareholder or chief executive, as the case may be. In this Constitution, “major shareholder”, “chief executive”, “person connected with any Director, major shareholder or chief executive” and “Dividend Reinvestment Scheme” shall have the meaning ascribed thereto in the Listing Requirements.”

14. ADDITIONAL INFORMATION (Cont'd)**Clause 8 – Rights of preference shareholders**

“Subject to the Act and the Listing Requirements, any preference shares may with the sanction of an ordinary resolution, be issued on the terms that they are, or at the option of the Company are liable, to be redeemed and the Company shall not unless with the consent of the existing preference shareholders at a class of meeting issue preference shares ranking in priority above preference shares already issued, but may issue preference shares ranking equally therewith. Preference shareholders shall have:-

- (i) the same rights as ordinary shareholders as regards to receiving notices, reports and audited accounts and attending general meetings of the Company; and
- (ii) the right to vote at any meeting convened for the purpose of reducing the capital of the Company or on a proposal to wind up or during the winding up of the Company, or sanctioning a sale of the whole of the Company's undertaking, property or business, or where any resolution to be submitted to the meeting directly affects their rights and privileges, or when the dividend on the preference shares or part of the dividend is in arrears for more than six (6) months.”

Clause 10 – Variation of class rights

“Subject to Sections 71 and 91 of the Act, if at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, whether or not the Company is being wound up, be varied or abrogated with:

- (i) the consent in writing of the holders of not less than seventy-five per centum (75%) of the total voting rights of the Members in that class; or
- (ii) the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class. To every such separate general meeting, the provisions of this Constitution relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be at least two (2) persons holding or representing by proxy at least one-third (1/3) of the number of the issued shares of the class (excluding any shares of that class held as treasury shares). If that class of shares has only one holder, a quorum shall be constituted by one (1) person present holding shares of such class. Any holder of shares of the class present in person or by proxy may demand a poll and shall be entitled on a poll to one (1) vote for every such share held by him. For adjourned meetings, the quorum is one (1) person present holding shares of such class. To every such special resolution, Section 292 of the Act shall with such adaptations as are necessary, apply.

The rights attached to an existing class of preference shares shall be deemed to be varied by the issue of new preference shares that rank equally with the existing class of preference shares unless such issuance was authorised by the terms of the issue of the existing preference shares or by this Constitution as in force at the time when the existing preference shares were issued.”

Clause 11 – Ranking of class rights

“The rights conferred upon the holders of any shares or class of shares issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of such shares, as regards to participation in the profits or assets of the Company in some or in all respect be deemed to be varied by the creation or issue of further shares ranking pari passu therewith.”

14. ADDITIONAL INFORMATION (Cont'd)**Clause 42 – Person entitled may receive dividends etc**

“Subject to the provisions of any Applicable Laws, where the registered holder of any share dies or becomes bankrupt, his personal representative or the assignee of his estate, as the case may be, shall, upon the production of such evidence as may from time to time be properly required by the Directors and/or the Central Depository in that behalf, be entitled to receive and may give a discharge for all dividends and other moneys payable in respect of the shares as the registered holder would have been entitled to if he had not died or become bankrupt, but he shall not be entitled to receive notice of or to attend or vote at any meeting, or, save as aforesaid, to exercise any of the rights and privileges of a Member, unless and until he shall have become a Member in respect of the shares.”

Clause 54 – Rights of stock holders

“The holders of stock shall, according to the amount of the stock held by them, have the same rights, privileges and advantages with regards to dividends, participation in assets on a winding up, voting at meetings of the Company and other matters as if they held the shares from which the stock arose, so that none of such rights, privileges or advantages (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of the stock which would not, if existing in shares, have conferred such rights, privileges or advantages.”

Clause 149 – Payment of dividends

“Subject to the rights of persons, if any, entitled to shares with special rights as to dividend, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but no amount paid or credited as paid on a share in advance of call shall be treated for the purposes of this Constitution as paid on the share. All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date, that share shall rank for dividend accordingly.”

Clause 154 – Payment of Dividends in specie

“The Company, upon the recommendation of the Directors in authorising distribution of dividends, may direct payment of such dividends wholly or partly by the distribution of specific assets and in particular of paid-up shares, debentures or debenture stock of any other company or in any one (1) or more of such ways; and the Directors shall give effect to such resolution, and where any difficulty arises in regard to payment of such distribution, the Directors may settle the same as they think expedient, and in particular may issue fractional certificates and fix the value for the distribution of such specific assets or any part thereof and may determine that cash payments shall be made to any Member upon the footing of the value so fixed in order to adjust the rights of all parties and may vest any such specific assets in trustees as may seem expedient to the Directors. No distribution, settlement, arrangement or adjustment so made by the Directors shall be questioned by any Member.”

14. ADDITIONAL INFORMATION (Cont'd)**14.3 DEPOSITED SECURITIES AND RIGHTS OF DEPOSITORS**

As our Shares are proposed for quotation on the Official List, such Shares must be prescribed as shares required to be deposited with Bursa Depository. Upon such prescription, a holder of our Shares must deposit his Shares with Bursa Depository on or before the date is fixed, failing which our Share Registrar will be required to transfer his Shares to the Minister of Finance Inc. and such Shares may not be traded on Bursa Securities.

Dealing in our Shares deposited with Bursa Depository may only be effected by a person having a securities account with Bursa Depository ("**Depositor**") by means of entries in the securities account of that Depositor.

A Depositor whose name appears in the Record of Depositors maintained by Bursa Depository in respect of our Shares shall be deemed to be a shareholder of our Company and shall be entitled to all rights, benefits, powers and privileges and be subject to all liabilities, duties and obligations in respect of, or arising from, such Shares.

14.4 LIMITATION ON THE RIGHT TO HOLD SECURITIES AND/OR EXERCISE VOTING RIGHTS

Subject to Section 14.3 above, there is no limitation on the right to own our Shares, including any limitation on the right of a non-resident or non-Malaysian shareholder to hold or exercise voting rights on our Shares which is imposed by Malaysian law or by our Constitution.

14.5 REPATRIATION OF CAPITAL, REMITTANCE OF PROFIT AND TAXATION

As at the LPD, our Group has not established any other place of business outside Malaysia and is not subject to government law, decree, regulatory and/or other requirement which may affect the repatriation of capital and remittance of profit by or to our Group.

All corporations in Malaysia are required to adopt a single tier dividend. All dividends distributed by Malaysian resident companies under a single-tier dividend are not taxable. Further, the Government does not levy withholding tax on dividend payment. Therefore, there is no withholding tax imposed on dividends paid to non-residents by Malaysian resident companies. There is no Malaysian capital gains tax arising from the disposal of listed shares.

14.6 MATERIAL CONTRACTS

Save as disclosed below, our Group has not entered into any material contracts that are not in the ordinary course of our Group's business during the Financial Years Under Review and up to the date of this Prospectus:

14.6.1 Collaboration Agreement, Operating Agreement and Letter of Novation

See Section 7.20 of this Prospectus for further details of the Collaboration Agreement, the Operating Agreement and the Letter of Novation.

14. ADDITIONAL INFORMATION (Cont'd)

14.6.2 Subscription and shareholders agreement dated 14 July 2021 between Poh Wen Xian, Loke Boon Eng, Wonder Group and Loob Holding in respect of our joint venture, Wonder Group

On 14 July 2021, Loob Holding had entered into a subscription and shareholders agreement with Poh Wen Xian ("**Joseph**"), Loke Boon Eng ("**Boon**") and Wonder Group to regulate the relationship as the shareholders of Wonder Group ("**Initial Subscription and Shareholders Agreement**"). Subsequently on 6 October 2021, Loob Holding issued a letter to Joseph, Boon and Wonder Group to amend the Initial Subscription and Shareholders Agreement ("**Supplemental Letter**"). A supplemental subscription and shareholders agreement was entered into on 18 July 2022 between Loob Holding, Joseph, Boon and Wonder Group to further amend the Initial Subscription and Shareholders Agreement ("**Supplemental Subscription and Shareholders Agreement**") (the Initial Subscription and Shareholders Agreement, the Supplemental Letter and the Supplemental Subscription and Shareholders Agreement are collectively referred to as the "**Wonder Group Subscription and Shareholders Agreement**"). The rights and obligations of the parties as stipulated in the Wonder Group Subscription and Shareholders Agreement are in relation to, among others, the nomination and composition of the board of directors, the quorum to board of directors' and shareholders' meetings, pre-emptive rights and restriction in transfer of shares applicable to the shareholders.

Pursuant to the Wonder Group Subscription and Shareholders Agreement, in consideration of RM1.00 paid by Loob Holding to each of Joseph and Boon, Joseph and Boon have granted Loob Holding a call option to purchase, acquire and/or otherwise transfer 8.8% and 7.2% equity interest, representing a total of approximately 49,233 ordinary shares in Wonder Group held by Joseph and Boon respectively ("**Wonder Group Call Option**") which upon exercise by Loob Holding would result in Loob Holding having 51.0% of the shares in Wonder Group ("**Wonder Group Call Option Shares**"). The Wonder Group Call Option Shares shall be purchased, acquired and/or otherwise transferred to Loob Holding based on the valuation of Wonder Group at an agreed enterprise value/EBITDA multiple based on the latest preceding financial year's audited financial statements of Wonder Group ("**Wonder Group Call Option Price**").

The Wonder Group Call Option may be exercised by Loob Holding at any time after 1 July 2024 by way of a written notice issued by Loob Holding to Joseph and Boon within a period of 1 year from 1 July 2024 (i.e., 30 June 2025) ("**Wonder Group Call Option Period**"). The Wonder Group Call Option lapses if it is not validly exercised by Loob Holding by the end of the Wonder Group Call Option Period and upon lapsing, the Wonder Group Call Option is of no further effect. The completion of the sale and transfer of the Wonder Group Call Option Shares shall take place simultaneously with the sale and transfer of the WonderBrew Call Option Shares (as defined in Section 14.6.3 of this Prospectus).

14.6.3 Shareholders agreement dated 18 July 2022 between Poh Wen Xian, Loke Boon Eng, WonderBrew and Loob Holding in respect of our joint venture, WonderBrew ("**WonderBrew Shareholders Agreement**")

On 18 July 2022, Loob Holding had entered into the WonderBrew Shareholders Agreement with Joseph, Boon and WonderBrew to regulate the relationship as the shareholders of WonderBrew. The rights and obligations of the parties as stipulated in the WonderBrew Shareholders Agreement are in relation to, among others, the nomination and composition of the board of directors, the quorum to board of directors' and shareholders' meetings, pre-emptive rights and restriction in transfer of shares applicable to the shareholders.

14. ADDITIONAL INFORMATION (Cont'd)

Pursuant to the WonderBrew Shareholders Agreement, in consideration of RM1.00 paid by Loob Holding to each of Joseph and Boon, Joseph and Boon have granted Loob Holding a call option to purchase, acquire and/or otherwise transfer 8.8% and 7.2% equity interest, representing a total of 16 ordinary shares in WonderBrew held by Joseph and Boon respectively ("**WonderBrew Call Option**") which upon exercise by Loob Holding would result in Loob Holding having 51.0% of the shares in WonderBrew ("**WonderBrew Call Option Shares**"). The WonderBrew Call Option Shares shall be purchased, acquired and/or otherwise transferred to Loob Holding based on the valuation of WonderBrew at an agreed enterprise value/EBITDA multiple based on the latest preceding financial year's audited financial statements of WonderBrew.

The WonderBrew Call Option may be exercised by Loob Holding at any time after 1 July 2024 by way of a written notice issued by Loob Holding to Joseph and Boon within a period of 1 year from 1 July 2024 (i.e., 30 June 2025) ("**WonderBrew Call Option Period**"). The WonderBrew Call Option lapses if it is not validly exercised by Loob Holding by the end of the WonderBrew Call Option Period and upon lapsing, the WonderBrew Call Option is of no further effect. The completion of the sale and transfer of the WonderBrew Call Option Shares shall take place simultaneously with the sale and transfer of the Wonder Group Call Option Shares.

14.6.4 Joint venture shareholders' agreement dated 24 August 2022 between Loob Holding, Zhejiang Boduo and Shanghai Panfei International Trade Co., Ltd in respect of our associate, Notable Paramount

On 24 August 2022, Loob Holding had entered into a joint venture shareholders agreement with Zhejiang Boduo and Shanghai Panfei International Trade Co., Ltd ("**Shanghai Panfei**") to regulate their relationship as the shareholders of Notable Paramount ("**Initial Joint Venture Shareholders Agreement in relation to Notable Paramount**"). Shanghai Panfei has ceased to be a shareholder of Notable Paramount on 30 July 2024 upon disposal of its entire interest in Notable Paramount to Zhejiang Boduo. Subsequently on 22 November 2024, Zhejiang Boduo and Loob Holding entered into an addendum to the Initial Joint Venture Shareholders Agreement in relation to Notable Paramount to amend the Initial Joint Venture Shareholders Agreement in relation to Notable Paramount. The rights and obligations of the parties as stipulated in the agreement are in relation to, among others, the nomination and composition of the board of directors, the appointment of key management of Notable Paramount, the quorum to board of directors' and shareholders' meetings, pre-emptive rights and restriction in transfer of shares applicable to the shareholders.

14.6.5 Capital transfer agreement dated 29 November 2024 between Loob Holding and TrueScale Ventures in respect of the Transfer of LV Holdings VN

On 29 November 2024, Loob Holding entered into a capital transfer agreement with TrueScale Ventures for the transfer of its whole contributed capital of VND58,572,860,000, representing 100.0% of the charter capital of LV Holdings VN, to TrueScale Ventures for a cash consideration of RM50,960. See Section 6.1.2(ii) of this Prospectus for further details on the Transfer of LV Holdings VN.

14.6.6 Deed of assignment of shares of stock dated 20 January 2025 between Loob Holding and TrueScale Ventures in respect of the Transfer of Loob Philippines

On 20 January 2025, Loob Holding entered into a deed of assignment of shares of stock with TrueScale Ventures for the transfer of all 250,049 common shares of stock of Loob Philippines held by Loob Holding, representing approximately 100.0% of the equity interest in Loob Philippines, to TrueScale Ventures for a cash consideration of PHP25,004,900, equivalent to approximately RM1,893,821.12 (based on an exchange rate of PHP100: RM7.5738). See Section 6.1.2(i) of this Prospectus for further details on the Transfer of Loob Philippines.

14. ADDITIONAL INFORMATION (Cont'd)**14.6.7 Share sale agreement**

On 21 March 2025, our Company entered into a share sale agreement with the then shareholders of Loob Holding for the acquisition of 526,017 Loob Holding Shares, representing 100.0% of the issued share capital of Loob Holding, for a consideration of RM28,767,873.33. See Section 6.1.3 of this Prospectus for further details on the Pre-IPO Restructuring.

14.6.8 MOU

On 14 March 2025, LRTS Retail entered into a MOU with Aik Cheong with intention to develop, manufacture, and distribute our FMCG range via formation of a joint venture, in which we will hold a 51% stake. See Section 7.3.3 of this Prospectus for further details on the collaboration with Aik Cheong.

14.6.9 Retail underwriting agreement

[•]

14.6.10 Lock-up letter dated [•] in relation to our IPO and Listing

[•]

14.7 MATERIAL LITIGATION

As at the LPD, our Group is not engaged in any governmental, legal or arbitration proceedings, including those relating to bankruptcy, receivership or similar proceedings which may have or have had, material or significant effects on our financial position or profitability in the 12 months immediately preceding the date of this Prospectus.

14.8 CONSENTS

The written consents of the Principal Adviser, Joint Bookrunners, Sole Managing Underwriter, Joint Underwriters, legal advisers, Share Registrar, Issuing House and company secretaries as listed in the Corporate Directory of this Prospectus for the inclusion in this Prospectus of their names in the form and context in which such names appear have been given before the issue of this Prospectus and have not subsequently been withdrawn.

The written consent of KPMG PLT for the inclusion of its name, the Accountants' Report, the Reporting Accountants' Letter on the Pro Forma Consolidated Financial Information and all references thereto in the form and context in which they are included in this Prospectus has been given before the issue of this Prospectus and has not subsequently been withdrawn.

The written consent of Frost & Sullivan for the inclusion of its name, the IMR Report and all references thereto in the form and context in which they are included in this Prospectus has been given before the issue of this Prospectus and has not subsequently been withdrawn.

14.9 DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents may be inspected at our registered office during office hours for a period of six (6) months from the date of this Prospectus:

- (i) our Constitution;
- (ii) our material contracts as referred to in Section 14.6 of this Prospectus;

14. ADDITIONAL INFORMATION *(Cont'd)*

- (iii) our audited financial statements for the Financial Years Under Review;
- (iv) audited financial statements of each of our subsidiaries for the Financial Years Under Review;
- (v) Reporting Accountants' Letter on the Pro Forma Combined Financial Information as included in Section 12.6 of this Prospectus;
- (vi) Accountants' Report as included in Section 13 of this Prospectus;
- (vii) IMR Report as included in Section 8 of this Prospectus; and
- (viii) letters of consent referred to in Section 14.9 of this Prospectus.

14.10 RESPONSIBILITY STATEMENTS

Our Directors, our Promoters and the Selling Shareholders have seen and approved this Prospectus. They collectively and individually accept full responsibility for the accuracy of the information. Having made all reasonable enquiries, and to the best of their knowledge and belief, they confirm there is no false or misleading statement or other facts which if omitted, would make any statement in this Prospectus false or misleading.

Maybank IB, being the Principal Adviser, Joint Bookrunner for the Institutional Offering, and Sole Managing Underwriter and Joint Underwriter for the Retail Offering, acknowledges that, based on all available information, and to the best of its knowledge and belief, this Prospectus constitutes a full and true disclosure of all material facts concerning our IPO.

15. PROCEDURES FOR APPLICATION

THIS SUMMARY OF PROCEDURES FOR APPLICATION AND ACCEPTANCE DOES NOT CONTAIN THE DETAILED PROCEDURES AND FULL TERMS AND CONDITIONS AND YOU CANNOT RELY ON THIS SUMMARY FOR PURPOSES OF ANY APPLICATION FOR OUR IPO SHARES. YOU MUST REFER TO THE DETAILED PROCEDURES AND TERMS AND CONDITIONS AS SET OUT IN THE “DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE” ACCOMPANYING THE ELECTRONIC COPY OF OUR PROSPECTUS ON THE WEBSITE OF BURSA SECURITIES. YOU SHOULD ALSO CONTACT THE ISSUING HOUSE FOR FURTHER ENQUIRIES.

Unless otherwise defined, all words and expressions used in this Section shall carry the same meaning as ascribed to them in our Prospectus.

Unless the context otherwise requires, words used in the singular include the plural, and vice versa.

15.1 OPENING AND CLOSING OF APPLICATIONS

OPENING OF THE APPLICATION PERIOD : 10:00 A.M., [●]

CLOSING OF THE APPLICATION PERIOD : 5:00 P.M., [●]

In the event there is any change to the dates and times stated above, we will advertise the notice of changes in widely circulated English and Bahasa Malaysia daily newspapers within Malaysia and make an announcement on the website of Bursa Securities.

Late Applications will not be accepted.

15.2 METHODS OF APPLICATION

15.2.1 Application of our Offer Shares under the Retail Offering

Application must be in accordance with our Prospectus and our Constitution. The submission of an Application Form does not mean that the Application will succeed.

Types of Application and category of investors		Application method
Applications by the Eligible Persons		Pink Application Form only
Applications by the Malaysian Public:		
(i)	Individuals	White Application Form or Electronic Share Application or Internet Share Application
(ii)	Non-individuals	White Application Form only

The Eligible Persons may still apply for our Offer Shares offered to the Malaysian Public using the White Application Form, Electronic Share Application or Internet Share Application.

15.2.2 Application of our IPO Shares under the Institutional Offering

Institutional and selected investors who have been allocated our IPO Shares under the Institutional Offering (other than Bumiputera investors approved by the MITI) will be contacted directly by the Joint Bookrunners and should follow the instructions as communicated by the Joint Bookrunners.

15. PROCEDURES FOR APPLICATION (Cont'd)

Bumiputera investors approved by the MITI who have been allocated our IPO Shares will be contacted directly by the MITI and should follow the instructions as communicated by the MITI.

15.3 ELIGIBILITY

15.3.1 General

You must have a CDS account and a correspondence address in Malaysia. If you do not have a CDS account, you may open a CDS account by contacting any of the ADAs set out in the list of ADAs accompanying the electronic copy of our Prospectus on the website of Bursa Securities. The CDS account must be in your own name. **Invalid, nominee or third party CDS accounts will not be accepted for the Applications.**

Only **ONE (1)** Application Form for each category from each applicant will be considered and **APPLICATIONS MUST BE FOR AT LEAST 100 OFFER SHARES OR MULTIPLES OF 100 OFFER SHARES.**

MULTIPLE APPLICATIONS WILL NOT BE ACCEPTED UNLESS EXPRESSLY ALLOWED IN THESE TERMS AND CONDITIONS. AN APPLICANT WHO SUBMITS MULTIPLE APPLICATIONS IN HIS OWN NAME OR BY USING THE NAME OF OTHERS, WITH OR WITHOUT THEIR CONSENT, COMMITS AN OFFENCE UNDER SECTION 179 OF THE CMSA AND IF CONVICTED, MAY BE PUNISHED WITH A MINIMUM FINE OF RM1,000,000 AND A JAIL TERM OF UP TO TEN (10) YEARS UNDER SECTION 182 OF THE CMSA.

AN APPLICANT IS NOT ALLOWED TO SUBMIT MULTIPLE APPLICATIONS IN THE SAME CATEGORY OF APPLICATION.

AN APPLICANT WHO WISHES TO SUBMIT APPLICATIONS USING A JOINT BANK ACCOUNT MUST CONTACT THE FINANCIAL INSTITUTION HANDLING THE APPLICATIONS TO ENSURE THAT THE NAME ON THE JOINT BANK ACCOUNT MATCHES THE NAME ON THEIR CDS ACCOUNT. THIS STEP MINIMIZES THE RISK OF REJECTION OF IPO APPLICATIONS DUE TO NAME DISCREPANCIES. OUR COMPANY, PRINCIPAL ADVISER AND ISSUING HOUSE ARE NOT RESPONSIBLE FOR ANY ISSUES ARISING THEREAFTER.

15.3.2 Application by the Malaysian Public

You can only apply for our Offer Shares if you fulfil all of the following:

- (i) you must be one of the following:
 - (a) a Malaysian citizen who is at least 18 years old as at the date of the Application for our Issue Shares; or
 - (b) a corporation/institution incorporated in Malaysia with a majority of Malaysian citizens on your board of directors/trustees and if you have a share capital, more than half of the issued share capital, excluding preference share capital, is held by Malaysian citizens; or
 - (c) a superannuation, co-operative, foundation, provident, pension fund established or operating in Malaysia;
- (ii) you must not be a director or employee of the Issuing House or an immediate family member of a director or employee of the Issuing House; and
- (iii) you must submit the Application by using only one of the following methods:
 - (a) White Application Form;

15. PROCEDURES FOR APPLICATION (Cont'd)

- (b) Electronic Share Application; or
- (c) Internet Share Application.

15.3.3 Application by the Eligible Persons

The Eligible Persons (including any entities, wherever established) will be provided with Pink Application Forms and letters from us detailing their respective allocation. The applicants must follow the notes and instructions in the said documents and where relevant, in our Prospectus.

15.4 PROCEDURES FOR APPLICATION BY WAY OF APPLICATION FORM

The Application Form must be completed in accordance with the notes and instructions contained in the respective category of the Application Form. Applications made on the incorrect type of Application Form or which do not conform **STRICTLY** to the terms of our Prospectus or the respective category of Application Form or notes and instructions or which are illegible will not be accepted.

The FULL amount payable is RM[●] for each Offer Share.

Payment must be made out in favour of "MIH **SHARE ISSUE ACCOUNT NO [●]**" and crossed "**A/C PAYEE ONLY**" and endorsed on the reverse side with your name and address.

Each completed Application Form, accompanied by the appropriate remittance and legible photocopy of the relevant documents may be submitted using one of the following methods:

- (i) despatch by **ORDINARY POST** in the official envelopes provided to the following address:

Malaysian Issuing House Sdn Bhd
(Registration No. 199301003608 (258345-X))
11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya
Selangor Darul Ehsan

or

P.O. Box 00010
Pejabat Pos Jalan Sultan
46700 Petaling Jaya
Selangor Darul Ehsan

- (ii) **DELIVER BY HAND AND DEPOSIT** in the drop-in boxes provided at the front portion of Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan

so as to arrive not later than 5.00 p.m. on [●] or such other time and date as our Directors and the Joint Underwriters may, in their absolute discretion, mutually decide as the date or time for closing.

We, together with the Issuing House, will not issue any acknowledgement of the receipt of your Application Forms or Application monies. Please direct all enquiries in respect of the Application Form to the Issuing House.

15. PROCEDURES FOR APPLICATION (*Cont'd*)

15.5 APPLICATION BY WAY OF ELECTRONIC SHARE APPLICATION

Only Malaysian individuals may apply for our Offer Shares offered to the Malaysian Public by way of Electronic Share Application.

Electronic Share Applications may be made through the ATM of the following Participating Financial Institutions and their branches, namely Affin Bank Berhad, Alliance Bank Malaysia Berhad, AmBank (M) Berhad, CIMB Bank Berhad, Malayan Banking Berhad, Public Bank Berhad and RHB Bank Berhad. A processing fee will be charged by the respective Participating Financial Institutions (unless waived) for each Electronic Share Application.

The exact procedures, terms and conditions for Electronic Share Application are set out on the ATM screens of the relevant Participating Financial Institutions.

Please refer to the detailed procedures and terms and conditions of Electronic Share Application set out in the “**Detailed Procedures for Application and Acceptance**” accompanying the electronic copy of our Prospectus on the website of Bursa Securities or contact the relevant Participating Financial Institution for further enquiries.

15.6 APPLICATION BY WAY OF INTERNET SHARE APPLICATION

Only Malaysian individuals may use the Internet Share Application to apply for our Offer Shares offered to the Malaysian Public.

Internet Share Applications may be made through an internet financial services website of the Internet Participating Financial Institutions, namely Affin Bank Berhad, Alliance Bank Malaysia Berhad, CGS International Securities Malaysia Sdn Bhd (*formerly known as CGS-CIMB Securities Sdn Bhd*), Malacca Securities Sdn Bhd, Malayan Banking Berhad, Moomoo Securities Malaysia Sdn Bhd and Public Bank Berhad. A processing fee will be charged by the respective Internet Participating Financial Institutions (unless waived) for each Internet Share Application.

The exact procedures, terms and conditions for Internet Share Application are set out on the internet financial services website of the respective Internet Participating Financial Institutions.

Please refer to the detailed procedures and terms and conditions of Internet Share Application set out in the “**Detailed Procedures for Application and Acceptance**” accompanying the electronic copy of our Prospectus on the website of Bursa Securities or contact the relevant Internet Participating Financial Institution for further enquiries.

15.7 AUTHORITY OF OUR BOARD AND THE ISSUING HOUSE

The Issuing House, on the authority of our Board, reserves the right to:

- (i) reject the Applications which:
 - (a) do not conform to the instructions of our Prospectus, Application Forms, Electronic Share Application and Internet Share Application (where applicable); or
 - (b) are illegible, incomplete or inaccurate; or
 - (c) are accompanied by an improperly drawn up, or improper form of, remittance; or
- (ii) reject or accept any Application, in whole or in part, on a non-discriminatory basis without the need to give any reason; and

15. PROCEDURES FOR APPLICATION (Cont'd)

- (iii) bank in all Application monies (including those from unsuccessful/partially successful applicants) which would subsequently be refunded, where applicable (without interest), in accordance with Section 15.9 of this Prospectus.

If you are successful in your Application, our Board reserves the right to require you to appear in person at the registered office of the Issuing House at any time within 14 days of the date of the notice issued to you to ascertain that your Application is genuine and valid. Our Board shall not be responsible for any loss or non-receipt of the said notice nor shall it be accountable for any expenses incurred or to be incurred by you for the purpose of complying with this provision.

15.8 OVER/UNDER-SUBSCRIPTION

In the event of over-subscription for the Retail Offering, the Issuing House will conduct a ballot in the manner approved by our Directors to determine the acceptance of Applications in a fair and equitable manner. In determining the manner of balloting, our Directors will consider the desirability of allotting and allocating our Offer Shares to a reasonable number of applicants for the purpose of broadening the shareholding base of our Company and establishing a liquid and adequate market for our Shares.

The basis of allocation of our Shares and the balloting results in connection therewith will be furnished by the Issuing House to the SC, Bursa Securities, all major English and Bahasa Malaysia newspapers as well as posted on the Issuing House's website at www.mih.com.my within one (1) Market Day after the balloting date.

Pursuant to the Listing Requirements, we are required to have a minimum of 25.0% of our Company's enlarged issued Shares to be held by at least 1,000 public shareholders holding not less than 100 Shares each upon our Listing. We expect to achieve this at the point of our Listing. In the event the above requirement is not met, we may not be allowed to proceed with our Listing. In the event thereof, monies paid in respect of all Applications will be returned in full (without interest).

In the event of an under-subscription of our Offer Shares by the Malaysian Public and/or Eligible Persons, subject to the clawback and reallocation provisions as set out in Section 4.2.3 of this Prospectus, any of the abovementioned Offer Shares not applied for will then be subscribed by the Joint Underwriters based on the terms of the Retail Underwriting Agreement.

15.9 UNSUCCESSFUL/PARTIALLY SUCCESSFUL APPLICANTS

If you are unsuccessful/partially successful in your Application, your Application monies (without interest) will be refunded to you in the following manner:

15.9.1 For applications by way of Application Form

- (i) The Application monies or the balance of it, as the case may be, will be returned to you through the self-addressed and stamped Official "A" envelope you provided by ordinary post (for fully unsuccessful Applications) or by crediting into your bank account (the same bank account you have provided to Bursa Depository for the purposes of cash dividend/distribution) or if you have not provided such bank account information to Bursa Depository, the balance of Application monies will be refunded via banker's draft sent by ordinary/registered post to your last address maintained with Bursa Depository (for partially successful Applications) within ten (10) Market Days from the date of the final ballot at your own risk.
- (ii) If your Application is rejected because you did not provide a CDS account number, your Application monies will be refunded via banker's draft sent by ordinary/registered post to your address as stated in the National Registration Identity Card or any official valid temporary identity document issued by the relevant authorities from time to time or the authority card (if you are a member of the armed forces or police) at your own risk.

15. PROCEDURES FOR APPLICATION (Cont'd)

- (iii) A number of Applications will be reserved to replace any successfully balloted Applications that are subsequently rejected. The Application monies relating to these Applications which are subsequently rejected or unsuccessful or only partly successful will be refunded (without interest) by the Issuing House as per items (i) and (ii) above (as the case may be).
- (iv) The Issuing House reserves the right to bank into its bank account all Application monies from unsuccessful applicants. These monies will be refunded (without interest) within ten (10) Market Days from the date of the final ballot by crediting into your bank account (the same bank account you have provided to Bursa Depository for the purposes of cash dividend/distribution) or by issuance of banker's draft sent by registered post to your last address maintained with Bursa Depository if you have not provided such bank account information to Bursa Depository or as per item (ii) above (as the case may be).

15.9.2 For applications by way of Electronic Share Application and Internet Share Application

- (i) The Issuing House shall inform the Participating Financial Institutions or Internet Participating Financial Institutions of the unsuccessful or partially successful Applications within two (2) Market Days after the balloting date. The full amount of the Application monies or the balance of it will be credited without interest into your account with the Participating Financial Institution or Internet Participating Financial Institution (or arranged with the Authorised Financial Institutions) within two (2) Market Days after the receipt of confirmation from the Issuing House.
- (ii) You may check your account on the fifth (5th) Market Day from the balloting date.
- (iii) A number of Applications will be reserved to replace any successfully balloted Applications that are subsequently rejected. The Application monies relating to these Applications which are subsequently rejected will be refunded (without interest) by the Issuing House by crediting into your account with the Participating Financial Institution or Internet Participating Financial Institution (or arranged with the Authorised Financial Institutions) not later than ten (10) Market Days from the date of the final ballot. For Applications that are held in reserve and which are subsequently unsuccessful or partially successful, the relevant Participating Financial Institution will be informed of the unsuccessful or partially successful Applications within two (2) Market Days after the final balloting date.

The Participating Financial Institution will credit the Application monies or any part thereof (without interest) within two (2) Market Days after the receipt of confirmation from the Issuing House.

15.10 SUCCESSFUL APPLICANTS

If you are successful in your Application:

- (i) Our IPO Shares allotted to you will be credited into your CDS account.
- (ii) A notice of allotment will be despatched to you at your last address maintained with the Bursa Depository, at your own risk, before our Listing. This is your only acknowledgement of acceptance of your Application.
- (iii) In accordance with Section 14(1) of the SICDA, Bursa Securities has prescribed our Shares as Prescribed Securities. As such, our IPO Shares issued/offered through our Prospectus will be deposited directly with Bursa Depository and any dealings in these Shares will be carried out in accordance with the SICDA and Rules of Bursa Depository.

15. PROCEDURES FOR APPLICATION (Cont'd)

- (iv) In accordance with Section 29 of the SICDA, all dealings in our Shares will be by book entries through CDS accounts. No physical share certificates will be issued to you and you shall not be entitled to withdraw any deposited securities held jointly with Bursa Depository or its nominee as long as our Shares are listed on Bursa Securities.
- (v) In the event that the Final Retail Price is lower than the Retail Price, the difference will be refunded to you without any interest thereon. The refund will be credited into your bank account for purposes of cash dividend/ distribution if you have provided such bank account information to Bursa Depository or despatched, in the form of cheques, by ordinary post to your address maintained with Bursa Directory if you have not provided such bank account information to Bursa Depository, or by crediting into your account with the Participating Financial Institutions for applications made via the Electronic Share Application or by crediting into your account with the Internet Participating Financial Institutions for applications made via the Internet Share Application, within ten (10) Market Days from the date of final ballot of application, at your own risk.

15.11 ENQUIRIES

Enquiries in respect of the Applications may be directed as follows:

Mode of Application	Parties to direct the queries
Application Form	Issuing House Enquiry Services Telephone at +603-7890 4700
Electronic Share Application	Participating Financial Institutions
Internet Share Application	Internet Participating Financial Institutions and Authorised Financial Institutions

You may also check the status of your Application at the Issuing House's website at www.mih.com.my, by entering your CDS account number on the site after the allotment date. The status of your Application will be available by 3:00 p.m. Alternatively, you may contact any of the ADAs set out in the Detailed Procedures for Application and Acceptance accompanying the Electronic Prospectus on the website of Bursa Securities.

ANNEXURE A: OUR MAJOR LICENCES, PERMITS AND APPROVALS**DETAILS OF OUR MAJOR LICENCES, PERMITS AND APPROVALS**

We have various licences, permits and approval for our operations. Details of the major licences, permits and approvals obtained by our Group for our operations and the status of compliance as at the LPD are as follows:

A. FRANCHISE REGISTRATION

No.	Licencee	Approving authority/ Issuer	Description of licence, permit or approval	Licence/ permit/ Serial/ reference no.	Validity period	Major conditions imposed	Status of compliance
1.	Loob Holding	MDTCL	Franchisor registration pursuant to Sections 6, 8(4) and 9 of the Franchise Act granting Loob Holding the approval to operate a franchise business or make an offer to sell the Tealive franchise to any person	FS/00135/2023	10 November 2023 to 9 November 2028	Nil	Complied

Pursuant to the Franchise (Amendment) Act 2020 (“**Franchise Amendment Act**”) which came into force on 28 April 2022, more stringent requirements and penalties governing franchise registration were introduced to the franchise industry in Malaysia. In line with the Franchise Amendment Act, a new online portal known as MyFEX 2.0 was introduced by the Registrar of Franchises of Malaysia on 29 July 2022 to align the franchise registration process in Malaysia. This MyFEX 2.0 system replaces the previous MyFEX 1.0 system and provides for the registration, maintenance and renewal of franchises in Malaysia. All the existing franchisors are required to re-register their franchises under the new MyFEX 2.0 system. Franchises registered under the MyFEX 1.0 system are given a grace period of three (3) years starting from 1 August 2022 to complete the re-registration. We had obtained approval of application for registration as the franchisor to operate or make an offer to sell the Tealive franchise under the MyFEX 1.0 system effective from 20 June 2019. As at the LPD, we, as a franchisor, have submitted 281 online applications, representing 98.9% of our total 284 franchisees in the MyFEX 2.0 system to re-register our Tealive franchisees. As at 30 June 2025, 147 applications have been approved and the remaining 134 applications are pending approval from the Registrar of Franchises of Malaysia. We have not submitted applications for the remaining three (3) Tealive franchisees as we have ceased the FAs with two (2) Tealive franchisees as at 1 March 2025 and we do not plan to renew the FA with the remaining one (1) Tealive franchisee.

ANNEXURE A: OUR MAJOR LICENCES, PERMITS AND APPROVALS *(Cont'd)*

Failure to re-register the franchisees under the MyFEX 2.0 system within the grace period above may result in the issuance of a notice of suspension, termination or cancellation of the franchise registration by the Registrar of Franchises of Malaysia pursuant to Section 12 of the Franchise Act. In the event the Registrar of Franchises of Malaysia proposes to suspend, terminate or cancel the franchise registration, he shall give the franchisor written notice of his intention to do so and provide the franchisor an opportunity to make a written representation within 14 days from the date of service of the notice. As at the LPD, we have not received any notice from the Registrar of Franchises of Malaysia of its intention to suspend, terminate or cancel our franchise registration due to the pending approval for the re-registration of our franchisees under the MyFEX 2.0 system.

Further, pursuant to Section 6B(1) of the Franchise Act, it is the obligation of a franchisee who has been granted a franchise from a local franchisor to register the franchise with the Registrar of Franchises of Malaysia within 14 days from the date of signing of the franchise agreement. Any franchisee who fails to comply commits an offence and shall, on conviction, be liable (a) to a fine of not less than RM10,000 and not more than RM50,000, and for a second or subsequent offence, to a fine not less than RM20,000 and not more than RM100,000, if it is a body corporate; or (b) to a fine or not less than RM5,000 and not more than RM25,000 or to imprisonment for a term not exceeding six (6) months, and for a second or subsequent offence, to a fine of not less than RM10,000 and not more than RM50,000 or to imprisonment for a term not exceeding one (1) year, if it is not a body corporate. As at the LPD, we have not received any notification from our franchisees of any complaints, documents or summons received in respect of the non-registration of the franchisees above.

Our Board is of the view that the above sanctions and penalties are unlikely as all applications for registration of our franchisees have been submitted to the MyFEX 2.0 system and are currently being processed by the Registrar of Franchises of Malaysia, and as such, this does not pose potential risk of material adverse impact on our Group's business and operations. We will follow up closely with the Registrar of Franchises of Malaysia on the outcome of the re-registration.

ANNEXURE A: OUR MAJOR LICENCES, PERMITS AND APPROVALS (Cont'd)**B. OPERATIONAL LICENCES IN RESPECT OF OUR HQ AND OTHER OFFICES**

No.	Licencee	Approving authority/ Issuer	Description of licence, permit or approval	Licence/ permit/ Serial/ reference no.	Validity period	Major conditions imposed	Status of compliance
1.	Loob Holding	Majlis Bandaraya Petaling Jaya	Trade, Business and Industrial Licence for management office activities at No. 14 (Block C & E), Jalan Teknologi, Taman Sains Selangor 1, Kota Damansara, 47810 Petaling Jaya, Selangor	L2780000674 327	30 October 2024 to 31 December 2025	Nil	Complied
2.	Loob Integrated	Majlis Bandaraya Petaling Jaya	Trade, Business and Industrial Licence for management office, training centre and food analysis laboratory activities at No. 14 (Block E), Jalan Teknologi, Taman Sains Selangor 1, Kota Damansara, 47810 Petaling Jaya, Selangor	L2560000684 160	23 June 2025 to 31 December 2025	Nil	Complied
3.	BB Coffee	Majlis Bandaraya Petaling Jaya	Trade, Business and Industrial Licence for management office activities at No. 14 (Block C & E), Jalan Teknologi, Taman Sains Selangor 1, Kota Damansara, 47810 Petaling Jaya, Selangor	L2780000684 408	23 June 2025 to 31 December 2025	Nil	Complied
4.	LRTS Retail	Majlis Bandaraya Petaling Jaya	Trade, Business and Industrial Licence for management office activities at No. 14 (Block C & E), Jalan Teknologi, Taman Sains Selangor 1, Kota Damansara, 47810 Petaling Jaya, Selangor	L2780000684 257	23 June 2025 to 31 December 2025	Nil	Complied

ANNEXURE A: OUR MAJOR LICENCES, PERMITS AND APPROVALS (Cont'd)

No.	Licencee	Approving authority/ Issuer	Description of licence, permit or approval	Licence/ permit/ Serial/ reference no.	Validity period	Major conditions imposed	Status of compliance
5.	Sodaxpress International	Majlis Bandaraya Petaling Jaya	Trade, Business and Industrial Licence for management office activities at No. 14 (Block C & E), Jalan Teknologi, Taman Sains Selangor 1, Kota Damansara, 47810 Petaling Jaya, Selangor	L2780000684 409	21 February 2025 to 20 August 2025 ⁽¹⁾	Nil	Complied
6.	Hakata Asia	Majlis Bandaraya Petaling Jaya	Trade, Business and Industrial Licence for management office activities at Mezzanine Floor, No. 14 (Block D), Jalan Teknologi, Taman Sains Selangor 1, Kota Damansara, 47810 Petaling Jaya, Selangor	L2780000684 5087	17 March 2025 to 12 September 2025 ⁽¹⁾	Nil	Complied
7.	Loob Holding	Majlis Perbandaran Penampang	Trade Licence to run a business of business management services at Lot No. 2, First Floor, Lido Plaza, Jalan Nosoob Hungab, Kampung Hungab, 88300 Penampang, Sabah	PPG/2021/111 42	Issuance Date: 3 March 2025 Valid until 31 December 2025	Nil	Complied
8.	Loob Holding	Pemungut Lesen Perdagangan Kuching	Businesses, Professions and Trading Licence to run a business of management services at the Northbank, Block 12, Muara Tebas Land District, 93350 Kuching, Sarawak	1228261	10 December 2024 to 22 December 2025	Nil	Complied

ANNEXURE A: OUR MAJOR LICENCES, PERMITS AND APPROVALS (Cont'd)

No.	Licencee	Approving authority/ Issuer	Description of licence, permit or approval	Licence/ permit/ Serial/ reference no.	Validity period	Major conditions imposed	Status of compliance
9.	Loob Integrated	Majlis Bandaraya Johor Bahru	Trade, Business and Industrial Licence for training centre use at 38-02, Jalan Perjiranan 4/1, Bandar Dato Onn, 81100 Johor Bahru, Johor	L2025L10633 48	18 February 2025 to 17 February 2026	Nil	Complied

Note:

- (1) On 24 June 2025, our Group had written to the local council, requesting to extend the validity period of these temporary licences for an additional six (6) months from the date of expiry pending inspection of the relevant premises by the local council prior to the issuance of the full licences. As at 30 June 2025, the approval from the local council has yet to be obtained.

C. OPERATIONAL LICENCES AND REGISTRATION IN RESPECT OF OUR STORES**1. Business and signage licences**

As at 15 August 2025, we have obtained all the business and signage licences for all Tealive Corporate Stores and Bask Bear Corporate Stores, save for the following:

- (a) 29 Tealive Corporate Stores, representing 5.2% of our total 555 Tealive Corporate Stores; and
- (b) three (3) Bask Bear Corporate Stores, representing 2.3% of our total 129 Bask Bear Corporate Stores.

See Section 7.18.2 of this Prospectus for further details of the delay in obtaining business and signage licences for Tealive Corporate Stores and Bask Bear Corporate Stores.

2. Storage licences

As at 26 May 2025, we have rented 67 external storage spaces to house inventory and goods required for the operations of selected Tealive Corporate Stores and Bask Bear Corporate Stores, out of which we have obtained storage licences for 11 external storage spaces. We were not required to obtain storage licences for the four (4) external storage spaces located in Sabah and Sarawak.

ANNEXURE A: OUR MAJOR LICENCES, PERMITS AND APPROVALS (Cont'd)

As at 26 May 2025, we have submitted storage licence applications for 18 external storage spaces for which approvals are pending and will continue to submit applications for the remaining 34 external storage spaces.

See Section 7.18.5 of this Prospectus for further details of our non-material operational non-compliances.

3. Food Premises Registration via Food Safety Information System of Malaysia (FoSIM)

All food premises involved in the preparation, processing, storage and serving of food for sale are required to be registered with Ministry of Health via FoSIM.

As at the LPD, all our 547 Tealive Corporate Stores and 129 Bask Bear Corporate Stores have been registered via FoSIM and are valid.

Such registration is valid for a period of three (3) years and are renewable upon expiry.

D. PRODUCT LICENCES AND CERTIFICATIONS

In Malaysia, Halal certification issued by JAKIM ensures that the products which are endorsed or certified Halal are pure and Halal in accordance with Islamic principles.

As at the LPD, Halal certificates have been obtained for 493 Tealive Corporate Stores and 266 Tealive Franchised Stores in Malaysia, representing 91.3% of the 831 Tealive stores in Malaysia. As at the LPD, Halal certificates have been obtained for 119 Bask Bear Corporate Stores and all six (6) Bask Bear Franchised Stores in Malaysia, representing 92.6% of the 135 Bask Bear stores. All our Halal certificates are valid. Such Halal certification is valid for a period of two (2) years and renewable upon expiry. As at 30 June 2025, our Group had submitted applications to JAKIM and obtained Halal certificates for 27 out of the remaining 54 Tealive Corporate Stores and seven (7) out of the remaining 18 Tealive Franchised Stores in Malaysia. We have also submitted applications to JAKIM and obtained Halal certificates for five (5) out of the remaining ten (10) Bask Bear Corporate Stores. We will continue to submit applications to JAKIM for the remaining 43 stores in Malaysia save for the two (2) Tealive Corporate Stores and two (2) Tealive Franchised Stores which have ceased operations as at 30 June 2025, and 1 Tealive Franchised Store which is expected to cease operations by November 2025.

ANNEXURE B: OUR MATERIAL PROPERTIES AND MATERIAL EQUIPMENT**B.1 MATERIAL PROPERTIES OWNED BY OUR GROUP**

As at the LPD, our Group does not own any properties.

B.2 MATERIAL PROPERTIES TENANTED BY OUR GROUP

As at the LPD, details of the material properties tenanted by our Group are as follows:

No.	Name of landlord/tenant /Postal address	Description of property/ Existing use	Date of issuance of CCC or equivalent	Built-up area (approximate)	Period of tenancy	Annual rental (RM'000)
1.	LH KD Property (landlord) / Loob Holding (tenant) No. 14 (Block C & Block E), Jalan Teknologi, Taman Sains Selangor 1, Kota Damansara, 47810 Petaling Jaya, Selangor	Two (2) blocks of 2-storey detached office buildings / HQ and food analysis laboratory	18 January 2013	36,200 sq. ft.	Three (3) years commencing from 1 December 2023 to 30 November 2026	999
2.	LH KD Property (landlord) / Hakata Asia (tenant) Mezzanine Floor, No. 14 (Block D), Jalan Teknologi, Taman Sains Selangor 1, Kota Damansara, 47810 Petaling Jaya, Selangor	Mezzanine floor of a single-storey detached building / Office	18 January 2013	535 sq. ft.	Three (3) years commencing from 1 December 2024 to 30 November 2027	13
3.	Sim Poi Kon and Chee Fah Ken ⁽¹⁾ (landlord) / Loob Holding (tenant) Lot No. 2, First Floor, Lido Plaza, Jalan Nosoob Hungab, Kampung Hungab, 88300 Penampang, Sabah	First floor of a three-storey terraced office block / Office and training centre	29 January 2014	1,046 sq. ft.	Three (3) years commencing from 1 March 2024 to 28 February 2027	26

ANNEXURE B: OUR MATERIAL PROPERTIES, PLANTS AND EQUIPMENT (Cont'd)

No.	Name of landlord/tenant /Postal address	Description of property/ Existing use	Date of issuance of CCC or equivalent	Built-up area (approximate)	Period of tenancy	Annual rental (RM'000)
4.	Nucoz ⁽²⁾ (principal tenant) / Loob Holding (tenant) Mezzanine Floor, The Northbank, Block 12, Muara Tebas Land District, 93350 Kuching, Sarawak	Mezzanine floor of a single-storey stand-alone detached building / Office	28 August 2020	810 sq. ft.	Three (3) years commencing from 24 June 2024 to 23 June 2027	35
5.	Gan Poh Beng (landlord) / Loob Integrated (tenant) 38-02, Jalan Perjiranan 4/1, Bandar Dato Onn, 81100 Johor Bahru, Johor	Second floor of a three-storey terraced building / Training centre	27 March 2019	1,540 sq. ft.	Three (3) years commencing from 1 February 2025 to 31 January 2028	19

Notes:

(1) *Sim Poi Kon and Chee Fah Ken are the proxy owner of the property on behalf of BCCM Rainfield Church.*

(2) *Nucoz has rented this demised premises from the landlord, Ibraco Berhad as a Tealive drive through store at a monthly rental of RM17,325.*

None of the above properties are in breach of any land use conditions and/or are in non-compliance with current statutory requirements, land rules or building regulations which will have a material adverse impact on our operations or the utilisation of our assets on the said properties. No valuations have been conducted on any of the properties disclosed above.

B.3 MATERIAL PLANTS AND EQUIPMENT

As at the LPD, our Group does not own any material plants and equipment.

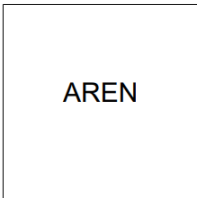
ANNEXURE C: OUR TRADEMARKS, BRAND NAMES AND OTHER INTELLECTUAL PROPERTY RIGHTS (Cont'd)

Save as disclosed below, as at the LPD, we do not have any patents, trademarks, brand names, technical assistance agreements, franchises and other intellectual property rights which our Group's business or profitability is materially dependent on:

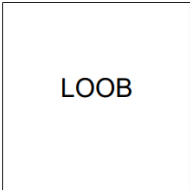
Trademarks

As at the LPD, we have the following material trademarks in the markets that we operate:

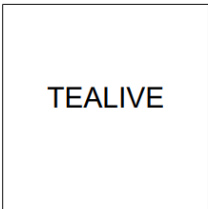
Malaysia

No.	Trademark	Registered owner / Applicant	Registration /Application no.	Place of registration / application	Expiry date	Class/ Description of trademark
1.		Loob Holding	TM2022007629	Malaysia	24 March 2032	30: Coffee, tea, cocoa and artificial coffee; chocolate-based beverages; chocolate beverages with milk; cocoa-based beverages; cocoa beverages with milk; coffee; coffee-based beverages; coffee beverages with milk; coffee flavorings [flavourings]; iced tea; tea-based beverages; bubble tea; iced tea; tea-based beverages; rooibos tea; barley tea; ginger tea; cocoa powder; chocolate powder; coffee-based beverages; chocolate-based beverages; cocoa-based beverages; Japanese green tea; aromatic teas, other than for medicinal use; beverages made of tea; beverages with a tea base; black tea; coffee, cocoa-, chocolate- or tea-based beverages; earl grey tea; fruit teas; kombucha tea; milk tea [tea-based]; tea beverages; tea-based beverages with fruit flavoring; tea-based beverages with fruit flavouring. 43: Provision of food and beverages; cafe and restaurant services; cafe services; cafeteria services; bar services; snack-bar services; hotel services; fast-food restaurant services; tea room services; canteen services; take away food and drink services; bubble tea shop.

ANNEXURE C: OUR TRADEMARKS, BRAND NAMES AND OTHER INTELLECTUAL PROPERTY RIGHTS (Cont'd)

No.	Trademark	Registered owner / Applicant	Registration /Application no.	Place of registration / application	Expiry date	Class/ Description of trademark
2.		Loob Holding	TM2022001902	Malaysia	21 January 2032	35: Advertising; business management; marketing and promotional services; business inquiries; business information; business consulting services; business management; business administration; business consulting services; business project management services; business research; office functions; providing business information; database management; compilation of information into computer databases; computerized on-line retail store services; online advertising on a computer network; dissemination of advertising via the internet; rental of advertising space; business assistance; provision of an online marketplace for buyers and sellers of goods and services; digital advertising services; provision of information and advisory services relating to ecommerce; social media strategy and marketing consultancy; data processing services; compilation of statistics; consumer research; opinion polling; price comparison services; product demonstration; on-line ordering services; commercial intermediation services; shareholder record keeping services; advisory services relating to the operation of franchises; providing assistance in the management of franchised businesses; product demonstration; demonstration of goods; presentation of goods on communication media, for retail purposes; shop window dressing; organization of trade fairs for commercial or advertising purposes; organisation, operation and supervision of loyalty and incentive schemes; distribution and dissemination of advertising materials [leaflets, prospectuses, printed material, samples]; advertising by mail order; direct mail advertising; distribution of samples; rental of vending machines; business assistance, management and administrative services; business consultancy and advisory services; business management and organization consultancy; business organization consultancy; professional business

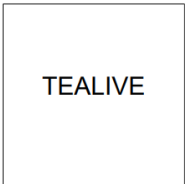
ANNEXURE C: OUR TRADEMARKS, BRAND NAMES AND OTHER INTELLECTUAL PROPERTY RIGHTS (Cont'd)

No.	Trademark	Registered owner / Applicant	Registration /Application no.	Place of registration / application	Expiry date	Class/ Description of trademark
						consultancy; advisory services for business management.
3.		Loob Holding	TM2022006743	Malaysia	16 March 2032	9: Application software for wireless devices; Artificial intelligence software; Augmented reality software; Cloud computing software; Computer e-commerce software to allow users to perform electronic business transactions via a global computer network; Computer software; Computer software and application software for use in providing information and trading of crypto products, cryptocurrency, crypto tokens, non-fungible tokens and utility tokens; Computer software for mobile phones; Computer software platforms, recorded or downloadable; Downloadable cryptographic keys for receiving and spending crypto assets; Downloadable digital media, namely, digital tokens, non-fungible tokens, semi-fungible tokens, digital collectibles and digital assets; Downloadable e-wallets; Downloadable multimedia files containing artwork, text, audio and video files and non-fungible tokens; Downloadable software; Downloadable software applications for smartphones; Downloadable software for receiving and accessing non-fungible tokens; Downloadable software for spending and trading non-fungible tokens; Downloadable software for use in creating, manipulating, and participating in virtual environments; Downloadable software in the nature of a mobile application for cloud kitchen delivery and ordering; Downloadable software in the nature of a mobile application for food and beverage delivery and ordering; Downloadable software in the nature of a mobile application for food and beverage delivery and ordering; Downloadable virtual goods for use online and in virtual environments and social networking sites; Downloadable virtual goods including virtual food and beverage products; E-commerce and e-payment software; Encoded loyalty cards; Encoded payment cards;

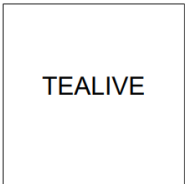
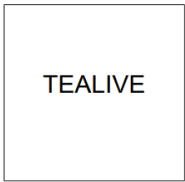
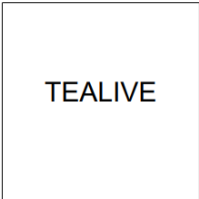
ANNEXURE C: OUR TRADEMARKS, BRAND NAMES AND OTHER INTELLECTUAL PROPERTY RIGHTS (Cont'd)

No.	Trademark	Registered owner / Applicant	Registration /Application no.	Place of registration / application	Expiry date	Class/ Description of trademark
						Interactive business software; Interactive software; Recorded software for use in creating, manipulating, and participating in virtual environments; Recorded virtual goods for use online and in virtual environments and social networking sites; Software; Software applications [apps] for internet of things [iot] enabled devices; Software applications for use with mobile devices; Virtual reality software; Web application software. 41: Conducting physical and virtual events relating to non-fungible tokens (NFTs), and digital collectibles; Entertainment services namely organizing and conducting events and experiences providing full immersion virtual reality experiences; Entertainment services, namely, providing on-line, actual, and virtual events; Know-how transfer [training]; Organization of exhibitions for cultural or educational purposes; Organization of exhibitions, events and competition for education or entertainment purposes via internet and the use of virtual and augmented reality technologies; Organization of virtual seminars, virtual conferences, and virtual exhibitions; Organization, arranging and conducting of competitions (education or entertainment); Organization, arranging and conducting of educational, entertainment, sporting and cultural events; Organizing, arranging and conducting of educational events using augmented and virtual reality technologies; Organizing, arranging and conducting of virtual workshops; Personnel training and development; Practical training [demonstration]; Providing information about education, training, entertainment, sporting and cultural activities using augmented and virtual reality technologies; Providing information about entertainment and entertainment events via on-line networks and the Internet; Providing online information about education, training, entertainment, sporting and cultural activities;

ANNEXURE C: OUR TRADEMARKS, BRAND NAMES AND OTHER INTELLECTUAL PROPERTY RIGHTS (Cont'd)

No.	Trademark	Registered owner / Applicant	Registration /Application no.	Place of registration / application	Expiry date	Class/ Description of trademark
						Providing on-line training seminars; Providing training courses; Providing training facilities; Providing training programmes. 43: Bar services; Bubble tea shop; Cafe services; Cafeteria services; Canteen services; Food and beverage preparation services; Food kiosk services being services for providing food and drink; Hotel services; Mobile cafe services for providing food and drink; Operating a virtual bubble tea shop; Operating a virtual restaurant featuring actual and virtual goods; Operating a virtual restaurant online featuring delivery; Operating virtual cafes, restaurants, and bars; Providing food and beverages; Providing information relating to the preparation of food and drink; Provision of food and beverage services through mobile apps, e-mail orders, Internet website, on-line computer network, virtual orders or point of sale systems online and in virtual environment; Provision of restaurant services; Rental of drink dispensing machines; Restaurant services for the provision of fast food; Serving of tea, coffee, cocoa, carbonated drinks or fruit juice beverages; Snack bar; Take away food and drink services; Tea room services; Virtual kitchen/ghost kitchen services.
4.		Loob Holding	TM2022001912	Malaysia	21 January 2032	25: Hats; headbands [clothing]; caps being headwear; clothing articles, footwear, headgear; skull caps; combinations [clothing]; collars [clothing]; neckties; jackets [clothing]; jerseys [clothing]; sweaters; tee-shirts; scarves; shawls; singlets; vests; skirts; socks; uniforms; waterproof clothing; wristbands [clothing]; shirts; pants; shorts; trousers; leggings; underwear; boots and shoes; slippers; swimsuits; aprons [clothing].

ANNEXURE C: OUR TRADEMARKS, BRAND NAMES AND OTHER INTELLECTUAL PROPERTY RIGHTS (Cont'd)

No.	Trademark	Registered owner / Applicant	Registration /Application no.	Place of registration / application	Expiry date	Class/ Description of trademark
5.		Loob Holding	TM2022001913	Malaysia	21 January 2032	28: Games, toys and playthings; video game apparatus; gymnastic and sporting articles; dolls; novelty toys for parties; plush toys; plush toys with attached comfort blanket; teddy bears; toy figures; toy robots.
6.		Loob Holding	TM2022001914	Malaysia	21 January 2032	16: Advertisement boards of paper or cardboard; placards of paper or cardboard; posters; signboards of paper or cardboard; announcement cards; cards*; greeting cards; postcards; bags [envelopes, pouches] of paper or plastics, for packaging; booklets; notebooks; pads [stationery]; bookmarkers; calendars; cardboard articles; catalogues; brochures; pamphlets; printed matter; printed publications; printed promotional materials; prospectuses; handbooks; magazines [periodicals]; newsletters; newspapers; paper tapes; diagrams; graphic representations; stationery; writing instruments; seals [stamps]; folders [stationery]; bank cheques; diaries; stickers; directories; personal organizers; photographs.
7.		Loob Holding	TM2023015629	Malaysia	1 June 2033	30: Coffee, tea, cocoa and artificial coffee; Chocolate-based beverages; Chocolate beverages with milk; Cocoa-based beverages; Cocoa beverages with milk; Coffee; Coffee-based beverages; Coffee-based beverages with milk; Coffee flavorings [flavourings]; Iced tea; Tea-based beverages; Bubble tea; Carbonated iced black tea; Lemon black tea; Tea bag; Tea powder; Iced black tea; Black tea bag; Tea; Scented tea; Scented tea bag; Rose tea; Chrysanthemum tea; Fruit tea; Mixed fruit tea bag; Lemon tea; Camomile tea; Kumquat tea; Mint tea; Milk tea; Rooibos tea; Fiveleaf gynostemma tea; Angelica keiskei tea; Herbal tea; Baicao herbal tea; Herbaceous plant tea bag; Mesona tea; Dark plum tea; Barley tea; Tea with roasted rice; Rice tea; Coix seed and

ANNEXURE C: OUR TRADEMARKS, BRAND NAMES AND OTHER INTELLECTUAL PROPERTY RIGHTS (Cont'd)

No.	Trademark	Registered owner / Applicant	Registration /Application no.	Place of registration / application	Expiry date	Class/ Description of trademark
						wheat germ tea; Ginseng tea bag; Chinese wolfberry tea; Lucid ganoderma tea; Jujube tea; Four substances tea; Semen cassiae tea; Astragalus tea; Tuber fleece flower tea; Roselle tea; Vegetable tea bag; Burdock tea, ginger soup; Ginger tea; Coffee bean; Cocoa powder; Chocolate powder; Chocolate-based beverages, cocoa-based beverages.
						43: Provision of food and beverages; Cafe and restaurant services; Cafe services; Cafeteria services; Bar services; Snack-bar services; Hotel services; Fast-food restaurant services; Tea room services; Canteen services; Take away food and drink services.
8.		Loob Holding	TM2020019185	Malaysia	1 September 2030	9: Computer e-commerce software to allow users to perform electronic business transactions via a global computer network; Computer software for mobile phones; Downloadable software applications for smartphones; Encoded loyalty cards; Software applications [apps] for internet of things [iot] enabled devices; Software applications for use with mobile devices.
9.		Loob Holding	TM2019042871	Malaysia	21 November 2029	30: All included in class 30; biscuits; bread; bread rolls; buns; cakes; candy; cereal-based snack food; chips [cereal products]; chocolate; condiments; confectionery; cookies; crackers; edible ices; frozen yoghurt [confectionery ices]; fruit jellies [confectionery]; ice cream; ice for refreshment; ice, natural or artificial; meal; mint for confectionery; noodles; nutmegs; pancakes; pasta; pasties; pies; pizza; popcorn; puddings; rice; rice cakes; rice-based snack food; sandwiches; sauces [condiments]; seasoning; spaghetti; spices; spring rolls; sugar; sugar confectionery; sushi; tacos; tapioca; tapioca flour for food; tarts; waffles.

ANNEXURE C: OUR TRADEMARKS, BRAND NAMES AND OTHER INTELLECTUAL PROPERTY RIGHTS (Cont'd)

No.	Trademark	Registered owner / Applicant	Registration /Application no.	Place of registration / application	Expiry date	Class/ Description of trademark
10.		Loob Holding	2017050392	Malaysia	10 January 2027	30: All included in Class 30; Angelica keiskei tea; Astragalus tea; Baicao herbal tea; Barley tea; Black tea bag; Bubble tea; Burdock tea; Camomile tea; Carbonated iced black tea; Chinese wolfberry tea; Chocolate beverages with milk; Chocolate powder; Chocolate-based beverages; Chrysanthemum tea; Cocoa beverages with milk; Cocoa powder; Cocoa-based beverages; Coffee; Coffee bean; Coffee beverages with milk; Coffee flavorings [flavourings]; Coffee, tea, cocoa and artificial coffee; Coffee-based beverages; Coix seed and wheat germ tea; Dark plum tea; Fiveleaf gynostemma tea; Four substances tea; Fruit tea; Ginger soup; Ginger tea; Ginseng tea bag; Herbaceous plant tea bag; Herbal tea; Iced black tea; Iced tea; Jujube tea; Kumquat tea; Lemon black tea; Lemon tea; Lucid ganoderma tea; Mesona tea; Milk tea; Mint tea; Mixed fruit tea bag; Rice tea; Rooibos tea; Rose tea; Roselle tea; Scented tea; Scented tea bag; Semen cassiae tea; Tea; Tea bag; Tea powder; Tea with roasted rice; Tea-based beverages; Tuber fleeceflower tea; Vegetable tea bag. 43: All included in Class 43; Bar services; Bubble tea shop; Cafe services; Cafeteria services; Canteen services; Hotel services; Provision of restaurant services; Restaurant services for the provision of fast food; Snack bar; Take away food and drink services; Tea room services.
11.		Loob Holding	2017062860	Malaysia	11 July 2027	32: Aerated water; all included in Class 32; essences for making beverages; fruit juices; isotonic beverages; mineral water [beverages]; non-alcoholic beverages; non-alcoholic fruit juice beverages; non-alcoholic fruits extracts; powders for effervescing beverages; soda water; syrups for beverages.

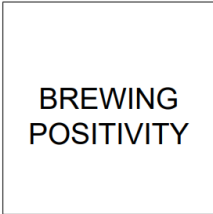
ANNEXURE C: OUR TRADEMARKS, BRAND NAMES AND OTHER INTELLECTUAL PROPERTY RIGHTS (Cont'd)

No.	Trademark	Registered owner / Applicant	Registration /Application no.	Place of registration / application	Expiry date	Class/ Description of trademark
12.		Loob Holding	2017062862	Malaysia	11 July 2027	35: Advertising; all included in Class 35; business information; business inquiries; demonstration of goods; distribution of samples; import-export agencies; marketing; on-line advertising on a computer network; presentation of goods on communication media, for retail purposes; publicity; the bringing together, for the benefit of others, of a variety of goods (including but not limited to foods and beverages), enabling customers to conveniently view and purchase those goods in a retail stores, wholesale outlets, or from a general merchandise web site provided on the global communication network.
13.		Loob Holding	TM2020019187	Malaysia	1 September 2030	36: Issuance of customer loyalty coupons; Issuance of customer loyalty discount cards; Issuance of customer loyalty discount codes; Issuance of customer loyalty points; Issue of tokens of value as a reward for customer loyalty; Loyalty point payment processing services.
14.	 (1)	Loob Holding	TM2022006271	Malaysia	10 March 2032	43: Provision of food and beverages; cafe and restaurant services; cafe services; cafeteria services; bar services; snack-bar services; hotel services; fast-food restaurant services; tea room services; canteen services; take away food and drink services.
15.		Loob Holding	TM2022017724	Malaysia	14 July 2032	35: Administration of business affairs; administration of consumer loyalty programmes; advertising agency services; advertising and marketing services provided by means of social media; advertising and marketing services; advertising and promotion services; advertising communication strategy services; advertising film production; advertising for others; advertising services provided over the Internet; advertising services to create brand identity for others; advertising, promotional and marketing services; advertising, promotional and public relations services; advertising; affiliate marketing; banner

ANNEXURE C: OUR TRADEMARKS, BRAND NAMES AND OTHER INTELLECTUAL PROPERTY RIGHTS (Cont'd)

No.	Trademark	Registered owner / Applicant	Registration /Application no.	Place of registration / application	Expiry date	Class/ Description of trademark
						advertising; brand positioning services; business administration services; business marketing; consultancy relating to advertising and promotion services; consultancy relating to advertising; consultancy relating to search engine optimization; consultancy services relating to publicity; consulting services in the field of Internet marketing; content marketing strategies; cooperative advertising and marketing services; creation of advertising material; digital advertising services; dissemination of advertising for others via the internet; drafting of advertising material; interactive marketing strategies; internet marketing services; internet marketing; leasing of advertising space and advertising material; marketing and promotional activities relating to business administration and business management; online advertising; online marketing; preparation of advertisements and promotional and marketing materials for others; preparing advertisements for others; preparing promotional and merchandising material for others; production of advertising materials; promoting the goods and services of others over the Internet; promoting the goods and services of others via a global computer network; promoting the goods and services of others; providing and rental of advertising space on the Internet; providing business information via the Internet; providing marketing consultancy in the field of social media; public relations services; publication of advertising material on-line; sales promotion services for others; social media marketing; social media strategy and marketing consultancy; sponsorship advertising; writing of publicity texts.

ANNEXURE C: OUR TRADEMARKS, BRAND NAMES AND OTHER INTELLECTUAL PROPERTY RIGHTS (Cont'd)

No.	Trademark	Registered owner / Applicant	Registration /Application no.	Place of registration / application	Expiry date	Class/ Description of trademark
16.		Loob Holding	TM2019004990	Malaysia	14 February 2029	30: All included in class 30; angelica keiskei tea; astragalus tea; baicao herbal tea; barley tea; black tea bag; bubble tea; burdock tea; camomile tea; carbonated iced black tea; chinese wolfberry tea; chocolate beverages with milk; chocolate powder; chocolate-based beverages; chrysanthemum tea; cocoa beverages with milk; cocoa powder; cocoa-based beverages; coffee; coffee bean beverages; coffee beverages with milk; coffee flavorings [flavourings]; coffee, tea, cocoa and artificial coffee; coffee-based beverages; coix seed and wheat germ tea; dark plum tea; fiveleaf gynostemma tea; four substances tea; fruit tea; ginger soup; ginger tea; ginseng tea bags; herbaceous plant tea bags; herbal tea; iced black tea; iced tea; jujube tea; kumquat tea; lemon black tea; lemon tea; lucid ganoderma tea; mesona tea; milk tea; mint tea; mixed fruit tea bag; rice.
17.		Loob Holding	TM2019004993	Malaysia	14 February 2029	43: All included in class 43; bar services; bubble tea shop; cafe services; cafeteria services; canteen services; hotel services; provision of restaurant services; restaurant services for the provision of fast food; snack bar; take away food and drink services; tea room services.
18.		Loob Holding	TM2024007347	Malaysia	15 March 2034	16: Absorbent sheets of paper or plastic for foodstuff packaging; Advent calendars; Advertisement boards of paper or cardboard; Advertising pamphlets; Annuals [printed publications]; Bags [envelopes, pouches] of paper or plastics, for merchandise packaging; Bags made of paper; Booklets; Books; Brochures; Bulletins; Calendars; Catalogues; Coffee filters of paper; Containers made of paper; Display banners of cardboard; Envelopes; Illustrations; Informational flyers; Instruction manuals; Leaflets; Magazines [periodicals]; Manuals; News bulletins [printed matter]; Newsletters; Packaging bags of paper; Paperboard; Paper banners; Posters;

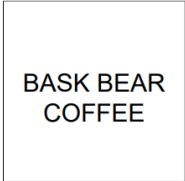
ANNEXURE C: OUR TRADEMARKS, BRAND NAMES AND OTHER INTELLECTUAL PROPERTY RIGHTS (Cont'd)

No.	Trademark	Registered owner / Applicant	Registration /Application no.	Place of registration / application	Expiry date	Class/ Description of trademark
						Printed booklets; Printed flyers; Printed matter; Printed promotional materials; Prospectuses; Stationery.
						25: Hats; Headbands [clothing]; Caps being headwear; Clothing articles, footwear, headgear; Skull caps; Combinations [clothing]; Collars [clothing]; Neckties; Jackets [clothing]; Jerseys [clothing]; Sweaters; Tee-shirts; Scarves; Shawls; Singlets; Vests; Skirts; Socks; Uniforms; Waterproof clothing; Wristbands [clothing]; Shirts; Pants; Shorts; Trousers; Leggings; Underwear; Boots and shoes; Slippers; Swimsuits; Aprons [clothing]
19.	 (1)	Loob Holding	TM2024007348	Malaysia	15 March 2034	16: Absorbent sheets of paper or plastic for foodstuff packaging; Advent calendars; Advertisement boards of paper or cardboard; Advertising pamphlets; Annuals [printed publications]; Bags [envelopes, pouches] of paper or plastics, for merchandise packaging; Bags made of paper; Booklets; Books; Brochures; Bulletins; Calendars; Catalogues; Coffee filters of paper; Containers made of paper; Display banners of cardboard; Envelopes; Illustrations; Informational flyers; Instruction manuals; Leaflets; Magazines [periodicals]; Manuals; News bulletins [printed matter]; Newsletters; Packaging bags of paper; Paperboard; Paper banners; Posters; Printed booklets; Printed flyers; Printed matter; Printed promotional materials; Prospectuses; Stationery. 25: Hats; Headbands [clothing]; Caps being headwear; Clothing articles, footwear, headgear; Skull caps; Combinations [clothing]; Collars [clothing]; Neckties; Jackets [clothing]; Jerseys [clothing]; Sweaters; Tee-shirts; Scarves; Shawls; Singlets; Vests; Skirts; Socks; Uniforms; Waterproof clothing; Wristbands [clothing]; Shirts; Pants; Shorts; Trousers; Leggings; Underwear; Boots and shoes; Slippers; Swimsuits; Aprons [clothing].

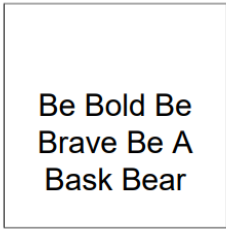
ANNEXURE C: OUR TRADEMARKS, BRAND NAMES AND OTHER INTELLECTUAL PROPERTY RIGHTS (Cont'd)

No.	Trademark	Registered owner / Applicant	Registration /Application no.	Place of registration / application	Expiry date	Class/ Description of trademark
20.		BB Coffee	TM2019033801	Malaysia	12 September 2029	30: All included in class 30; angelica keiskei tea; astragalus tea; baicao herbal tea; barley tea; black tea bag; bubble tea; burdock tea; camomile tea; carbonated iced black tea; chinese wolfberry tea; chocolate beverages with milk; chocolate powder; chocolate-based beverages; chrysanthemum tea; cocoa beverages with milk; cocoa powder; cocoa-based beverages; coffee; coffee bean; coffee beverages with milk; coffee flavorings [flavourings]; coffee, tea, cocoa and artificial coffee; coffee-based beverages; coix seed and wheat germ tea; dark plum tea; fiveleaf gynostemma tea; four substances tea; fruit tea; ginger soup; ginger tea; ginseng tea bag; herbaceous plant tea bag; herbal tea; iced black tea; iced tea; jujube tea; kumquat tea; lemon black tea; lemon tea; lucid ganoderma tea; mesona tea; milk tea; mint tea; mixed fruit tea bag; rice tea; rooibos tea; rose tea; roselle tea; scented tea; scented tea bag; semen cassiae tea; tea; tea bag.
21.		BB Coffee	TM2019033803	Malaysia	12 September 2029	43: All included in Class 43; bar services; bubble tea shop; cafe services; cafeteria services; canteen services; hotel services; provision of restaurant services; restaurant services for the provision of fast food; snack bar; take away food and drink services; tea room services.
22.		BB Coffee	TM2020019623	Malaysia	3 September 2030	35: Administrative processing of purchase orders; Advertising; Business administration; Business advisory services relating to the establishment and operation of franchises; Business information; Business inquiries; Corporate communications services; Direct mail advertising; Dissemination of advertising matter; Distribution of samples; Export agency services; Import-export agency services; Invoicing; Marketing services; Office functions; Online advertising on a computer network; Organization of exhibitions for commercial or

ANNEXURE C: OUR TRADEMARKS, BRAND NAMES AND OTHER INTELLECTUAL PROPERTY RIGHTS (Cont'd)

No.	Trademark	Registered owner / Applicant	Registration /Application no.	Place of registration / application	Expiry date	Class/ Description of trademark
						advertising purposes; Presentation of goods on communication media, for retail purposes; Promotional services; Providing business information via a web site; Provision of an online marketplace for buyers and sellers of goods and services; Public relations; Publicity; Retail services featuring a wide variety of consumer goods; Telemarketing services; Television advertising; The bringing together, for the benefit of others, of a variety of goods, excluding the transport thereof, enabling customers to conveniently view and purchase those goods; Writing of publicity texts.
23.		BB Coffee	TM2023010236	Malaysia	12 April 2033	43: Provision of food and beverages; cafe and restaurant services; cafe services; cafeteria services; bar services; snack-bar services; hotel services; fast-food restaurant services; tea room services; canteen services; take away food and drink services.
24.	 (1)	BB Coffee	TM2022006273	Malaysia	10 March 2032	43: Provision of food and beverages; cafe and restaurant services; cafe services; cafeteria services; bar services; snack-bar services; hotel services; fast-food restaurant services; tea room services; canteen services; take away food and drink services.
25.	 (1)	BB Coffee	TM2022007627	Malaysia	24 March 2032	43: Provision of food and beverages; cafe and restaurant services; cafe services; cafeteria services; bar services; snack-bar services; hotel services; fast-food restaurant services; tea room services; canteen services; take away food and drink services.

ANNEXURE C: OUR TRADEMARKS, BRAND NAMES AND OTHER INTELLECTUAL PROPERTY RIGHTS (Cont'd)

No.	Trademark	Registered owner / Applicant	Registration /Application no.	Place of registration / application	Expiry date	Class/ Description of trademark
26.		BB Coffee	TM2023010235	Malaysia	12 April 2033	43: Provision of food and beverages; Cafe and restaurant services; Cafe services; Cafeteria services; Bar services; Snack-bar services; Hotel services; Fast-food restaurant services; Tea room services; Canteen services; Take away food and drink services.
27.	 (1)	BB Coffee	TM2023031486	Malaysia	17 October 2033	43: Provision of food and beverages; Cafe and restaurant services; Cafe services; Cafeteria services; Bar services; Snack-bar services; Hotel services; Fast-food restaurant services; Tea room services; Canteen services; Take away food and drink services
28.		Sodaxpress International	2014063709	Malaysia	12 September 2034	6: All included in Class 6; Metal containers for carbon dioxide made wholly or principally of common metals or of alloys thereof; Parts and fittings thereof.
29.		Sodaxpress International	2014063716	Malaysia	12 September 2034	7: All included in Class 7; Apparatus for the preparation of soda water and sparkling beverages.

ANNEXURE C: OUR TRADEMARKS, BRAND NAMES AND OTHER INTELLECTUAL PROPERTY RIGHTS (Cont'd)

No.	Trademark	Registered owner / Applicant	Registration /Application no.	Place of registration / application	Expiry date	Class/ Description of trademark
30.		Sodaxpress International	2014063721	Malaysia	12 September 2034	32: All included in Class 32; Mineral and aerated waters and other non-alcoholic drinks, including, fruit drinks and soft drinks, syrups for making beverages, including, soft drinks and fruit drinks and other preparations for making beverages, including, concentrates used in the preparation of soft drinks and fruit drinks.
31.	 (1) Mark Description: The trademark is the colour PURPLE depicted in the representation attached to the application form being approximated by reference PMS 7676C in the Pantone Colour Formula Guide and used in relation to the designated services covered by the application.	Loob Holding	TM2022006270	Malaysia	N/A ⁽²⁾	43: Provision of food and beverages; Cafe and restaurant services; Bubble tea shop.

Notes:

(1) The trademark is in colour.

ANNEXURE C: OUR TRADEMARKS, BRAND NAMES AND OTHER INTELLECTUAL PROPERTY RIGHTS (Cont'd)

- (2) *Loob Holding had, on 10 March 2022, submitted the application for registration of trademark under class 43 to MyIPO. The application had been provisionally refused for registration by MyIPO on 18 January 2024 pursuant to Section 23(1)(b) and Section 23(1)(c) of the Trademarks Act 2019 based on the following grounds:*
- (a) *The mark is a representation which is not stated/represented in a special or unique way and is devoid of any distinctive character. Hence, the mark is contrary to Section 23(1)(b) of the Trademarks Act 2019.*
 - (b) *The mark consists exclusively of signs or indications which may serve, in trade, to designate the kind, quality, quantity, intended purpose, value, geographic origin and other characteristics of goods/services. Hence, the mark is contrary to Section 23(1)(c) of the Trademarks Act 2019. (Explanatory Note: The colour applied is common and lacks distinctive features in the applied service industry.)*

Loob Holding had, on 27 February 2024, submitted an application to MyIPO requesting for ex-parte hearing to appeal in response to the provisional refusal and is currently awaiting the hearing date from MyIPO on the appeal. As at the LPD, Loob Holding has not received any response from MyIPO on the hearing date.

ANNEXURE C: OUR TRADEMARKS, BRAND NAMES AND OTHER INTELLECTUAL PROPERTY RIGHTS (Cont'd)**Bangladesh**

No.	Trademark	Registered owner / Applicant	Registration no. / Application no.	Place of registration / application	Expiry date	Class/ Description of trademark
1.		Loob Holding	292827	Bangladesh	N/A ⁽¹⁾	43: Bistro services; cafe-restaurants; café and snack-bar services; café services; cafés; carry-out restaurant services; catering of food and drinks; catering services; coffee and tea bars; coffee shop services; coffee shops; coffeeshouse and snack-bar services; fast food restaurants; fast-food snack bars; food and drink catering; mobile café services for providing food and drink; mobile restaurant services; restaurant services; restaurant services featuring take-out services; snack bar services; take-away fast food services; take-away restaurant services; take-out restaurant services; tea bar services; tea rooms; teahouse services.

Note:

- (1) Loob Holding had on, 17 August 2023, submitted an application for registration of trademark under class 43 to the Department of Patents, Designs and Trademarks of Bangladesh. The application had been refused for registration by the Department of Patents, Designs and Trademarks of Bangladesh on 19 December 2023 pursuant to Section 8(c), Section 10(1) and Section 10(3) of the Trademarks Act 2009 based on the ground that there is a pending and registered senior mark deceptively similar to this mark as below:

No.	Mark
1.	
2.	TEAVANA
3.	
4.	WELIVE

ANNEXURE C: OUR TRADEMARKS, BRAND NAMES AND OTHER INTELLECTUAL PROPERTY RIGHTS (Cont'd)

5.



Loob Holding had, on 18 August 2024, submitted a written appeal in response to the refusal and is currently awaiting the response from the Department of Patents, Designs and Trademarks of Bangladesh on the appeal. As at the LPD, Loob Holding has not received any response from the Department of Patents, Designs and Trademarks of Bangladesh.

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ANNEXURE C: OUR TRADEMARKS, BRAND NAMES AND OTHER INTELLECTUAL PROPERTY RIGHTS (Cont'd)**Brunei**

No.	Trademark	Registered owner	Registration no.	Place of registration	Expiry date	Class/ Description of trademark
1.		Loob Holding	50548	Brunei	15 March 2029	30: Bubble tea; carbonated iced black tea; lemon black tea; tea bag; tea powder; iced black tea; iced tea; black tea bag; tea-based beverages; tea; scented tea; scented tea bag; rose tea; chrysanthemum tea; fruit tea; mixed fruit tea bag; lemon tea; camomile tea; kumquat tea; mint tea; milk tea; rooibos tea; fiveleaf gynostemma tea; angelica keiskei tea; herbal tea; baicao herbal tea; herbaceous plant tea bag; mesona tea; dark plum tea; barley tea; tea with roasted rice; rice tea; coix seed and wheat germ tea; ginseng tea bag; Chinese wolfberry tea; lucid ganoderma tea; jujube tea; semen cassiae tea; astragalus tea; tuber fleeceflower tea; roselle tea; vegetable tea bag; burdock tea; ginger soup; ginger tea; coffee bean; cocoa powder; chocolate powder; coffee-based beverages; chocolate-based beverages; cocoa-based beverages. 43: Services for providing food and drink; tea house; coffee shop; coffee house; bar; hotels; cafe, cafeterias; snack bars; takeaway services for food and beverages; restaurants; canteens; restaurant services for the provision of fast food; self-service restaurants; catering [food and drink].

ANNEXURE C: OUR TRADEMARKS, BRAND NAMES AND OTHER INTELLECTUAL PROPERTY RIGHTS (Cont'd)**Cambodia**

No.	Trademark	Registered owner	Registration no.	Place of registration	Expiry date	Class/ Description of trademark
1.		Loob Holding	KH/2022/89402	Cambodia	9 March 2031	30: Bubble tea; carbonated iced black tea; lemon black tea; tea bag; tea powder; iced black tea; iced tea; black tea bag; tea-based beverages; tea; scented tea; scented tea bag; rose tea; chrysanthemum tea; fruit tea; mixed fruit tea bag; lemon tea; camomile tea; kumquat tea; mint tea; milk tea; rooibos tea; fiveleaf gynostemma tea; angelica keiskei tea; herbal tea; baicao herbal tea; herbaceous plant tea bag; mesona tea; dark plum tea; barley tea; tea with roasted rice; rice tea; coix seed and wheat germ tea; ginseng tea bag; Chinese wolfberry tea; lucid ganoderma tea; jujube tea; four substances tea; semen cassiae tea; astragalus tea; tuber fleeceflower tea; roselle tea; vegetable tea bag; burdock tea; ginger soup; ginger tea; coffee bean; cocoa powder; chocolate powder; coffee-based beverages; chocolate-based beverages; cocoa-based beverages.
2.		Loob Holding	KH/2019/72820	Cambodia	12 February 2028	43: Mobile cafe services for providing food and drink; hot and cold beverage store; tea house; coffee shop; coffee house; bar; hotels; cafe, cafeterias; snack bars; take-away services for food and beverages; restaurants; canteens; restaurant services for the provision of fast food.

Note:

(1) *The trademark is in colour.*

ANNEXURE C: OUR TRADEMARKS, BRAND NAMES AND OTHER INTELLECTUAL PROPERTY RIGHTS (Cont'd)**Canada**

No.	Trademark	Registered owner	Registration no.	Place of registration	Expiry date	Class/ Description of trademark
1.	 ⁽¹⁾	Loob Holding	TMA1191999	Canada	26 July 2033	30: Almond cakes; almond confectionery; artificial coffee and tea; barley tea; beverages made of coffee; beverages made of tea; biscotti; biscuits; biscuits and bread; black tea; bread and buns; bread and pastry; breadsticks; breakfast cereals; brown rice tea; brownies; butter biscuits; buttermilk biscuits; caffeine-free coffee; cakes; cappuccino; cappuccino mix; cereal bars; cereal-based bars; cereal-based snack food; chai tea; chamomile-based beverages; chocolate; chocolate bars; chocolate cakes; chocolate chip cookies; chocolate confectionery; chocolate cupcakes; citron tea; cocoa; cocoa extracts for human consumption; cocoa mix; cocoa powder; cocoa that is granulated for drinks; cocoa-based beverages; coffee and artificial coffee; coffee and coffee substitutes; coffee-based beverages; coffee beans; coffee beverages with milk; coffee concentrate; coffee essences; coffee essences for use as substitutes for coffee; coffee extracts; coffee extracts for use as substitutes for coffee; coffee pods; coffee substitutes; coffee syrups; coffee-based beverages; cookies; corn-based snack food; cupcakes; danish pastries; decaf coffee; earl grey tea; english tea; flavourings of tea; flowers or leaves for use as tea substitutes; frozen confectionery; frozen yogurt pies and cakes; fruit cakes; fruit teas; fruit-based confectionery; ginger tea; ginseng tea; granola snacks; granulated coffee for drinks; green tea; ground coffee; herbal tea beverages; herbal teas; hot chocolate; iced coffee; iced tea; instant coffee; instant tea; japanese green tea; japanese sponge cakes [kasuter]; japanese style steamed cakes (mushi-gashi); jasmine tea; lime tea; loose leaf tea; matcha; moon cakes; muesli bars; muffins; non-

ANNEXURE C: OUR TRADEMARKS, BRAND NAMES AND OTHER INTELLECTUAL PROPERTY RIGHTS (Cont'd)

No.	Trademark	Registered owner	Registration no.	Place of registration	Expiry date	Class/ Description of trademark
						alcoholic chocolate-based beverages; non-alcoholic coffee-based beverages; non-alcoholic tea-based beverages; oolong tea; pastries; powdered cocoa for drinks; powdered coffee for drinks; prepared cocoa and cocoa-based beverages; prepared coffee and coffee-based beverages; rice cakes; rice-based snack food; roasted brown rice tea; roasted cocoa for drinks; roasted coffee for drinks; sage tea; sandwiches; scones; shortbread biscuits; sponge cakes; sugar confectionery; sweet pounded rice cakes [mochi-gashi]; tapioca; tarts; tea; tea bags; tea beverages with milk; tea extracts; tea infusions; tea substitutes. 32: Beverages consisting of a blend of fruit and vegetable juices; concentrated fruit juices; concentrates for making fruit beverages; concentrates for making fruit juices; fruit beverages and fruit juices; fruit concentrates and purées used for making beverages; fruit smoothies; fruit-based soft drinks flavoured with tea; ice tea powder mix; non-alcoholic beverages containing fruit juices; non-alcoholic beverages flavoured with coffee; non-alcoholic beverages flavoured with tea; non-alcoholic beverages with tea flavour; powder used in the preparation of fruit juices; smoothies; syrups for the preparation of fruit juices; vegetable smoothies. 43: Bistro services; cafe-restaurants; café and snack-bar services; café services; cafés; carry-out restaurant services; catering of food and drinks; catering services; coffee and tea bars; coffee shop services; coffee shops; coffee-house and snack-bar services; fast food restaurants; fast-food snack bars; food and drink catering; mobile cafe services for providing food and drink; mobile restaurant

ANNEXURE C: OUR TRADEMARKS, BRAND NAMES AND OTHER INTELLECTUAL PROPERTY RIGHTS (Cont'd)

No.	Trademark	Registered owner	Registration no.	Place of registration	Expiry date	Class/ Description of trademark
						services; restaurant services; restaurant services featuring take-out services; snack bar services; take-away fast food services; take-away restaurant services; take-out restaurant services; tea bar services; tea rooms; teahouse services.

Note:

(1) *The trademark is in colour.*

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ANNEXURE C: OUR TRADEMARKS, BRAND NAMES AND OTHER INTELLECTUAL PROPERTY RIGHTS (Cont'd)**India**

No.	Trademark	Registered owner / Applicant	Registration no. / Application no.	Place of registration / application	Expiry date	Class/ Description of trademark
1.		Rivietta ⁽¹⁾	3736329	India	24 January 2028	43: Services for providing food and drink; tea house; coffee shop; coffee house; bar; hotels; cafe, cafeterias; snack bars; take-away services for food and beverages; restaurants; canteens; restaurant services for the provision of fast food; self-service restaurants; catering [food and drink].
2.	Tealive	Loob Holding	6618088	India	N/A ⁽²⁾	9: Software; downloadable software; web application software; computer software platforms, recorded or downloadable; computer software; smartphone software applications, downloadable; software applications for use with mobile devices; computer software for mobile phones; application software for wireless devices; interactive software; interactive business software; downloadable cryptographic keys for receiving and spending crypto assets; downloadable software in the nature of a mobile application for food delivery and ordering; downloadable software in the nature of a mobile application for dark kitchen delivery and ordering; e-commerce and e-payment software; computer e-commerce software to allow users to perform electronic business transactions via a global computer network; downloadable e-wallets; encoded loyalty cards; encoded prepaid payment cards; payment cards being magnetically encoded; virtual reality software; augmented reality software; downloadable application software for virtual environments; artificial intelligence software; cloud computing software; computer software for the display of digital media; downloadable virtual goods; downloadable software for receiving and accessing non-fungible tokens; downloadable software for spending and trading non-fungible

ANNEXURE C: OUR TRADEMARKS, BRAND NAMES AND OTHER INTELLECTUAL PROPERTY RIGHTS (Cont'd)

No.	Trademark	Registered owner / Applicant	Registration no. / Application no.	Place of registration / application	Expiry date	Class/ Description of trademark
						tokens; downloadable multimedia files containing artwork authenticated by non-fungible tokens [NFT]; downloadable multimedia files containing texts authenticated by non-fungible tokens [NFT]; downloadable multimedia files containing audio files authenticated by non-fungible tokens [NFT]; downloadable multimedia files containing videos authenticated by non-fungible tokens [NFT].
3.	Tealive	Loob Holding	6618089	India	N/A ⁽²⁾	16: Absorbent sheets of paper or plastic for foodstuff packaging; absorbent sheets of paper or plastic for packaging foodstuffs; advent calendars; advertisement boards made of paper or cardboard; advertising pamphlets; annuals [printed publications]; bags [envelopes, pouches] of paper or plastic, for packaging; bags [envelopes, pouches] of paper or plastics, for merchandise packaging; bags made of paper; bags of paper or plastic for packaging; booklets; books; brochures; bulletins; calendars; catalogues; coffee filters of paper; containers made of paper; display banners of cardboard; envelopes; illustrations; informational flyers; instruction manuals; leaflets; magazines [periodicals]; news bulletins [printed matter]; newsletters; packaging bags of paper; paper board; paper banners; posters; printed flyers; printed promotional materials; prospectuses; stationery; manuals; printed matter; printed booklets.
4.	Tealive	Loob Holding	6618090	India	N/A ⁽²⁾	25: Hats; headbands [clothing]; caps being headwear; clothing articles, footwear, headgear; skull caps; combinations [clothing]; collars [clothing]; neckties; jackets [clothing]; jerseys [clothing]; sweaters; tee shirts; scarves; singlets; vests; vest tops; skirts; socks; trousers; leggings; underwear; boots and shoes; slippers; swimsuits;

ANNEXURE C: OUR TRADEMARKS, BRAND NAMES AND OTHER INTELLECTUAL PROPERTY RIGHTS (Cont'd)

No.	Trademark	Registered owner / Applicant	Registration no. / Application no.	Place of registration / application	Expiry date	Class/ Description of trademark
						aprons [clothing]; uniforms; waterproof clothing; wristbands [clothing]; t-shirts; shirts; pants; shorts; trousers for adults; trousers for children; leggings [trousers]; underwear for children; underwear for men; underwear for women; shoes and boots; slipper shoes; swimwear; aprons [for wear].
5.	Tealive	Loob Holding	6618091	India	N/A ⁽²⁾	28: Games, toys, and playthings; video game apparatus; gymnastic and sporting articles; dolls; novelty toys for parties; plush toys; plush toys with attached comfort blanket; teddy bears; toy figures; toy robots.
6.	Tealive	Loob Holding	6618092	India	N/A ⁽²⁾	29: Meat, fish, poultry, and game; meat extracts; preserved, dried, and cooked fruits and vegetables; jellies, jams, compotes, fruit, and vegetable spreads; eggs; milk; milk products, flavoured milk beverages; milk-based beverages; edible oils and fats; milk-based snacks.
7.	Tealive	Loob Holding	6618093	India	N/A ⁽²⁾	30: Coffee; tea based beverages; tea based drinks; tea beverages; tea drinks; tea; cocoa; cocoa beverages; cocoa drinks; beverages with a coffee base; coffee drinks; coffee, cocoa, chocolate, or tea-based beverages; beverages with a cocoa base; cocoa beverages with milk; coffee beverages; coffee beverages with milk; coffee flavourings; coffee-based beverages; coffee-based drinks; fruit-flavoured tea-based beverages; fruit-flavoured tea-based drinks; iced tea; tea-based iced beverages; tea-based milk tea; bubble tea; chocolate-based beverages; chocolate-based beverages with milk; black tea; tea filter bags, filled; fruit teas; camomile tea; kombucha [japanese tea made from seaweed]; peppermint tea; milk tea [tea-based]; rooibos tea; herbal tea; barley tea; brown rice tea; roasted brown

ANNEXURE C: OUR TRADEMARKS, BRAND NAMES AND OTHER INTELLECTUAL PROPERTY RIGHTS (Cont'd)

No.	Trademark	Registered owner / Applicant	Registration no. / Application no.	Place of registration / application	Expiry date	Class/ Description of trademark
						rice tea; ginger tea; coffee bean beverages; roasted coffee beans; cocoa powder; chocolate powder; chocolate beverages; chocolate beverages with milk; prepared cocoa beverages.
8.	Tealive	Loob Holding	6618094	India	N/A ⁽²⁾	32: Mineral and aerated waters; fruit beverages and fruit juices; syrups and other preparations for making non-alcoholic beverages; essences for making beverages; isotonic beverages; mineral water [beverages]; non-alcoholic beverages; non-alcoholic fruit juice beverages; non-alcoholic fruits extracts; powders for effervescing beverages; soda water; syrups for beverages.
9.	Tealive	Loob Holding	6618095	India	N/A ⁽²⁾	35: Administration of business affairs; administration of consumer loyalty programmes; advertising agency services; advertising and marketing services provided by means of social media; advertising and marketing services; advertising and promotion services; advertising communication strategy services; advertising film production; advertising for others; advertising services provided over the internet; advertising services to create brand identity for others; advertising; advertising and marketing; advertising, promotional and marketing services; advertising, promotional and public relations services; affiliate marketing; affiliate marketing services; banner advertising; brand positioning services; business administration services; business marketing; consultancy relating to advertising and promotion services; consultancy relating to advertising; consultancy relating to search engine optimization; consultancy relating to search engine optimization for sales promotion; consultancy services relating to publicity; consulting services in the field of internet

ANNEXURE C: OUR TRADEMARKS, BRAND NAMES AND OTHER INTELLECTUAL PROPERTY RIGHTS (Cont'd)

No.	Trademark	Registered owner / Applicant	Registration no. / Application no.	Place of registration / application	Expiry date	Class/ Description of trademark
						marketing; content marketing strategies; cooperative advertising and marketing services; creation of advertising material; digital advertising services; dissemination of advertising for others via the internet; drafting of advertising material; interactive marketing strategies; internet marketing services; internet marketing; leasing of advertising space and advertising material; marketing and promotional activities relating to business administration and business management; online advertising; online advertising and marketing services; online advertising services; online marketing; online marketing services; preparation of advertisements and promotional and marketing materials for others; preparing advertisements for others; preparing promotional and merchandising material for others; production of advertising materials; promoting the goods and services of others over the internet; promoting the goods and services of others via a global computer network; promoting the goods and services of others; providing and rental of advertising space on the internet; providing business information via the internet; providing marketing consultancy in the field of social media; public relations services; publication of advertising material on-line; sales promotion services for others; social media marketing; social media marketing services; social media strategy and marketing consultancy; sponsorship advertising; writing of publicity texts.
10.	Tealive	Loob Holding	6618096	India	N/A ⁽²⁾	36: Issuing tokens of value as a reward for customer loyalty; issuing stored value cards; issuing of discount coupons; issuing tokens of value as part of a customer membership scheme; issuing of tokens of value in relation to customer loyalty schemes.

ANNEXURE C: OUR TRADEMARKS, BRAND NAMES AND OTHER INTELLECTUAL PROPERTY RIGHTS (Cont'd)

No.	Trademark	Registered owner / Applicant	Registration no. / Application no.	Place of registration / application	Expiry date	Class/ Description of trademark
11.	Tealive	Loob Holding	6618097	India	N/A ⁽²⁾	41: Organization, arranging and conducting of seminars; organization, arranging and conducting of competitions [education or entertainment]; organization of exhibitions for cultural or educational purposes; conducting of competitions on the internet; organization of exhibitions for educational purposes; organization of entertainment events; entertainment services; know-how transfer [training]; practical training [demonstration]; personnel training; providing courses of training; employment training.

Notes:

- (1) *The application for the assignment of the mark from Rivietta to Loob Holding was submitted on 29 July 2022. As at the LPD, the recordal of the assignment for the mark is pending.*
- (2) *Loob Holding had, on 11 September 2024, submitted applications for registration of the trademarks under class 9, class 16, class 25, class 28, class 29, class 30, class 32, class 35, class 36 and class 41 to the Registrar of Trade Marks of India. As at the LPD, the trademark application has passed the formalities check whereby the Registrar of Trade Marks of India has authenticated the submitted records.*

ANNEXURE C: OUR TRADEMARKS, BRAND NAMES AND OTHER INTELLECTUAL PROPERTY RIGHTS (Cont'd)**Indonesia**

No.	Trademark	Registered owner	Registration no.	Place of registration	Expiry date	Class/ Description of trademark
1.		Sodaxpress International	IDM000618189	Indonesia	1 March 2027	6: Containers made of metal for carbon dioxide, composed entirely or primarily of common metal or its alloys, including parts and accessories.
2.		Sodaxpress International	IDM000618190	Indonesia	1 March 2027	7: Equipment for making soda water and carbonated beverages.

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ANNEXURE C: OUR TRADEMARKS, BRAND NAMES AND OTHER INTELLECTUAL PROPERTY RIGHTS (Cont'd)**Republic of Mauritius**

No.	Trademark	Registered owner	Registration no.	Place of registration	Expiry date	Class/ Description of trademark
1.	 (1)	Loob Holding	30435/2021	Republic of Mauritius	27 May 2031	30: Tea-based beverages with fruit flavoring; Packaged tea; Preparations for making beverages [tea based]; Black tea; Iced tea; Tea-based beverages; Tea; Aromatic tea; Flowers or leaves for use as tea substitutes; Fruit tea; Fruit flavoured tea; Chamomile-based beverages; Beverages made of tea; Rooibos [tea]; Herbal teas, other than for medicinal use; Roasted barley tea; Beverages with tea base; Coffee beans; Cocoa powder; Chocolate powder; Coffee-based beverages; Chocolate-based beverages; Cocoa-based beverages; Binding agents for ice cream; cones for ice cream; dairy ice cream; dairy puddings; frozen confectionery containing ice cream; fruit ice creams; ice creams; ice cream products; ice-cream cakes; mixtures for making ice cream; mixtures for making frozen confections; mixtures for making cakes; non-dairy ice cream; powders for making ice cream; dairy puddings; dessert puddings; puddings; food products having a pastry base; macaroons [pastry]; pastry; pastry products; pavlovas; confectionery; frozen yogurt [confectionery ices]; frozen yogurt cakes; yogurt confectionery; cakes; cheesecakes; chocolate cakes; cream cakes; fruit cakes; apple pies; cream pies; fruit pies; pies; apple tarts; custard tarts; egg tarts; tarts; candies [sweets]; sweets [candy]. 43: Services for providing food and drink; tea house; coffee shop; coffee house; bar; hotels; café; cafeterias; snack bars; take-away services for food and beverages; restaurants; canteens; restaurant services for the provision of fast food; self-service restaurants; catering [food and drink].

Note:

(1) The trademark is in colour.

ANNEXURE C: OUR TRADEMARKS, BRAND NAMES AND OTHER INTELLECTUAL PROPERTY RIGHTS (Cont'd)**Myanmar**

No.	Trademark	Registered owner / Applicant	Registration no.	Place of registration	Expiry date	Class/ Description of trademark
1.	 (1)	Loob Holding	MM /T/2020/000944	Myanmar	26 April 2033	43: Services for providing food and drink; tea house; coffee shop; coffee house; bar; hotels; café; cafeterias; snack bars; take-away services for food and beverages; restaurants; canteens; restaurant services for the provision of fast food; self-service restaurants; catering [food and drink]

Note:

(1) *The trademark is in colour.*

ANNEXURE C: OUR TRADEMARKS, BRAND NAMES AND OTHER INTELLECTUAL PROPERTY RIGHTS (Cont'd)**Philippines**

No.	Trademark	Registered owner	Registration no.	Place of registration	Expiry date	Class/ Description of trademark
1.	AREN	Loob Holding	514148	Philippines	12 December 2032	30: Coffee, tea, cocoa and artificial coffee; chocolate-based beverages; chocolate beverages with milk; cocoa-based beverages; cocoa beverages with milk; coffee; coffee-based beverages; coffee beverages with milk; coffee flavorings [flavourings]; iced tea; tea-based beverages; bubble tea; rooibos tea; barley tea; ginger tea; cocoa powder; chocolate powder; Japanese green tea; aromatic teas, other than for medicinal use; beverages made of tea; beverages with a tea base; black tea; coffee-, cocoa-, chocolate- or tea-based beverages; earl grey tea; fruit teas; kombucha tea; milk tea [tea-based]; tea beverages; tea-based beverages with fruit flavoring; tea-based beverages with fruit flavouring. 43: Provision of food and beverages; cafe and restaurant services; cafe services; cafeteria services; bar services; snack-bar services; hotel services; fast-food restaurant services; tea room services; canteen services; take away food and drink services; bubble tea shop.
2.	BASK BEAR COFFEE	BB Coffee	505107	Philippines	25 July 2032	30: Coffee, tea, cocoa and artificial coffee; chocolate-based beverages; chocolate beverages with milk; cocoa-based beverages; cocoa beverages with milk; coffee; coffee-based beverages; coffee beverages with milk; coffee flavorings [flavourings]; iced tea; tea-based beverages; bubble tea; carbonated iced black tea; lemon black tea; tea bag; tea powder; iced black tea; black tea bag; tea; scented tea; scented tea bag; rose tea; chrysanthemum tea; fruit tea; mixed fruit tea bag; lemon tea; camomile tea; kumquat tea; mint tea; milk tea; rooibos tea; fiveleaf gynostemma

ANNEXURE C: OUR TRADEMARKS, BRAND NAMES AND OTHER INTELLECTUAL PROPERTY RIGHTS (Cont'd)

No.	Trademark	Registered owner	Registration no.	Place of registration	Expiry date	Class/ Description of trademark
						tea; angelica keiskei tea; herbal tea; baicao herbal tea; herbaceous plant tea bag; mesona tea; dark plum tea; barley tea; tea with roasted rice; rice tea; coix seed and wheat germ tea; ginseng tea bag; chinese wolfberry tea; lucid ganoderma tea; jujube tea; four substances tea; semen cassiae tea; astragalus tea; tuber fleeceflower tea; roselle tea; vegetable tea bag; burdock tea; ginger soup; ginger tea; coffee bean; cocoa powder; chocolate powder; cocoa-based beverages. 35: The bringing together, for the benefit of others, of a variety of goods, excluding the transport thereof, enabling customers to conveniently view and purchase those goods; retail services featuring a wide variety of consumer goods; business advisory services relating to the establishment and operation of franchises; marketing services; promotional services; business administration; office functions; administrative processing of purchase orders; advertising; publicity; business information; business inquiries; providing business information via a website; corporate communications services; direct mail advertising; dissemination of advertising matter; distribution of samples; organization of exhibitions for commercial or advertising purposes; import-export agency services; invoicing; online advertising on a computer network; provision of an online marketplace for buyers and sellers of goods and services; presentation of goods on communication media, for retail purposes; public relations; telemarketing services; television advertising; writing of publicity texts; export agency services. 43: Provision of restaurant services; cafe services; cafeteria services; bar services; snack bar; hotel services; restaurant services for the provision of fast

ANNEXURE C: OUR TRADEMARKS, BRAND NAMES AND OTHER INTELLECTUAL PROPERTY RIGHTS (Cont'd)

No.	Trademark	Registered owner	Registration no.	Place of registration	Expiry date	Class/ Description of trademark
						food; bubble tea shop; tea room services; canteen services; take away food and drink services; services for providing food and drink.
3.	 (1)	BB Coffee	514141	Philippines	12 December 2032	30: Coffee, tea, cocoa and artificial coffee; chocolate-based beverages; chocolate beverages with milk; cocoa-based beverages; cocoa beverages with milk; coffee; coffee-based beverages; coffee beverages with milk; coffee flavorings [flavourings]; iced tea; tea-based beverages; bubble tea; carbonated iced black tea; lemon black tea; tea bag; tea powder; iced black tea; black tea bag; tea; scented tea; scented tea bag; rose tea; chrysanthemum tea; fruit tea; mixed fruit tea bag; lemon tea; camomile tea; kumquat tea; mint tea; milk tea; rooibos tea; fiveleaf gynostemma tea; angelica keiskei tea; herbal tea; baicao herbal tea; herbaceous plant tea bag; mesona tea; dark plum tea; barley tea; tea with roasted rice; rice tea; coix seed and wheat germ tea; ginseng tea bag; Chinese wolfberry tea; lucid ganoderma tea; jujube tea; four substances tea; semen cassiae tea; astragalus tea; tuber fleeceflower tea; roselle tea; vegetable tea bag; burdock tea; ginger soup; ginger tea; coffee bean; cocoa powder; chocolate powder; cocoa-based beverages. 35: The bringing together, for the benefit of others, of a variety of goods, excluding the transport thereof, enabling customers to conveniently view and purchase those goods; retail services featuring a wide variety of consumer goods; business advisory services relating to the establishment and operation of franchises; marketing services; promotional services; business administration; office functions; administrative processing of purchase orders; advertising; publicity; business

ANNEXURE C: OUR TRADEMARKS, BRAND NAMES AND OTHER INTELLECTUAL PROPERTY RIGHTS (Cont'd)

No.	Trademark	Registered owner	Registration no.	Place of registration	Expiry date	Class/ Description of trademark
						information; business inquiries; providing business information via a website; corporate communications services; direct mail advertising; dissemination of advertising matter; distribution of samples; organization of exhibitions for commercial or advertising purposes; import-export agency services; invoicing; online advertising on a computer network; provision of an online marketplace for buyers and sellers of goods and services; presentation of goods on communication media, for retail purposes; public relations; telemarketing services; television advertising; writing of publicity texts; export agency services.
						43: Provision of restaurant services; cafe services; cafeteria services; bar services; snack bar; hotel services; restaurant services for the provision of fast food; bubble tea shop; tea room services; canteen services; take away food and drink services; services for providing food and drink.
4.		Loob Holding	11286	Philippines	30 November 2027	30: bubble tea; carbonated iced black tea; lemon black tea; tea bag; tea powder; iced black tea; iced tea; black tea bag; tea-based beverages; tea; scented tea; scented tea bag; rose tea; chrysanthemum tea; fruit tea; mixed fruit tea bag; lemon tea; camomile tea; kumquat tea; mint tea; milk tea; rooibos tea; fiveleaf gynostemma tea; angelica keiskei tea; herbal tea; baicao herbal tea; herbaceous plant tea bag; mesona tea; dark plum tea; barley tea; tea with roasted rice; rice tea; coix seed and wheat germ tea; ginseng tea bag; chinese wolfberry tea; lucid ganoderma tea; jujube tea; four substances tea; semen cassiae tea; astragalus tea; tuber fleeceflower tea; roselle tea; vegetable tea bag; burdock tea; ginger soup; ginger tea; coffee bean; cocoa powder; chocolate powder; coffee-

ANNEXURE C: OUR TRADEMARKS, BRAND NAMES AND OTHER INTELLECTUAL PROPERTY RIGHTS (Cont'd)

<u>No.</u>	<u>Trademark</u>	<u>Registered owner</u>	<u>Registration no.</u>	<u>Place of registration</u>	<u>Expiry date</u>	<u>Class/ Description of trademark</u>
						based beverages; chocolate-based beverages; cocoa-based beverages; all in class 30. 43: services for providing food and drink; tea house; coffee shop; coffee house; bar; hotels; cafe, cafeterias; snack bars; take-away services for food and beverages; restaurants; canteens; restaurant services for the provision of fast food; self-service restaurants; catering [food and drink]; all in class 43.

Note:

(1) *The trademark is in colour.*

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ANNEXURE C: OUR TRADEMARKS, BRAND NAMES AND OTHER INTELLECTUAL PROPERTY RIGHTS (Cont'd)**Thailand**

No.	Trademark	Registered owner / Applicant	Registration /Application no.	Place of registration / application	Expiry date	Class/ Description of trademark
1.		Rivietta	170126890	Thailand	N/A ⁽¹⁾	30: Bubble Tea; Carbonated Iced Black Tea Lemon Black Tea Tea Bags; Dissolved Tea Powder; Iced Black Tea; Iced Tea Beverages Black Tea Bags; Tea-Based Beverages Tea Scented Tea; Scented Tea Bags Rose Tea Chrysanthemum Tea; Fruit Tea; Mixed Fruit Tea Bags; Lemon Tea; Chamomile Tea; Kumquat Tea; Mint Tea; Milk Tea Beverages; Rooibos Leaf Tea; Gynostemma Tea; Ashitaba Herb Tea; Non-Medicinal Herbal Tea Chinese Herbal Tea Herbaceous Herbal Tea Bags Grass Jelly Tea; Plum Tea; Barley Tea; Roasted Rice Tea; Rice Tea; Job's Tea and Wheat Germ Tea; Ginseng Tea Bags; Goji Berry Tea; Reishi Mushroom Tea; Jujube Tea; Four Herbs Tea Tea Made from Chinese Cinnamon Extract; Astragalus Plant Tea; Xiu Ou Tea Roselle Tea; Vegetable Tea Bags Tea made from burdock; Tea made from ginseng; Coffee beans; Cocoa powder; Chocolate powder; Coffee-based drinks; Chocolate-based drinks; Cocoa-based drinks.
2.		Rivietta	170126891	Thailand	N/A ⁽¹⁾	43: [Food and Beverage Services; Teahouses; Coffee Shop Services; Tea and Coffee Bar Services; Food and Beverage Bars; Hotels; Cafes; Cafeterias; Snack Bar Services; Takeaway Food and Beverage Services; Restaurants; Cafeterias; Fast Food Restaurant Services; Self-service Restaurants; Food and Beverage Catering].

ANNEXURE C: OUR TRADEMARKS, BRAND NAMES AND OTHER INTELLECTUAL PROPERTY RIGHTS (Cont'd)

Note:

- (1) *Rivietta had, on 1 August 2017, submitted applications for registration of the trademarks under class 30 and class 43 to the Department of Intellectual Property of Thailand. The applications had been refused for registration by the Department of Intellectual Property of Thailand on 27 September 2019 pursuant to Sections 6 and 7(2) of the Trademark Act B.E. 2534 based on the ground that the term “tealive” is derived from the word “tea” (which means tea or a tea drink) and the word “live” (which means to live, to have energy, or to be lively), which when used in connection with the services for which registration is applied for, is a term that directly refers to the nature or qualities of services which lacks distinctiveness.*

Rivietta had, on 15 October 2019, submitted a written appeal in response to the refusal and on 15 August 2024, the Trademark Board of the Department of Intellectual Property of Thailand maintained the decision above on the same ground and refused the appeal. On 2 December 2024, Rivietta filed an appeal to the Central Intellectual Property and International Trade Court for an order that the Department of Intellectual Property of Thailand’s decision above be revoked and that the registration of the marks be allowed. As at the LPD, the outcome of the appeal to court is pending.

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ANNEXURE C: OUR TRADEMARKS, BRAND NAMES AND OTHER INTELLECTUAL PROPERTY RIGHTS (Cont'd)**United Arab Emirates ("UAE")**

No.	Trademark	Registered owner	Registration no.	Place of registration	Expiry date	Class/ Description of trademark
1.		Loob Holding	360171	UAE	22 September 2031	30: Fruit-flavored tea-based beverages; packaged tea; preparations for making tea-based beverages; black tea; iced tea; tea-based beverages; tea; aromatic tea; flowers or leaves used as tea substitutes; fruit tea; fruit-flavored tea; chamomile-based beverages; beverages made from tea; rooibos tea; herbal tea not for medical use; roasted barley tea; coffee beans; cocoa powder; chocolate powder; coffee-based beverages; chocolate-based beverages; cocoa-based beverages; ice cream stabilizers; ice cream cones; dairy-based ice cream; dairy-based pudding; frozen desserts containing ice cream; fruit ice cream; ice cream; ice cream products; ice cream cakes; mixes for making ice cream; mixes for making frozen desserts; mixes for making cakes; non-dairy ice cream; ice cream powders; pudding desserts; pudding; pastry-based food products; macarons [pastries]; pies; pastry products; pavlova (desserts); sweets; frozen yogurt [iced desserts]; frozen cakes made from dairy products; dairy-based desserts; cake; cheesecake; chocolate cake; cream cake; fruit cake; apple pie; cream pie; fruit pie; pies; apple tarts (fruit cakes); custard tarts; egg tarts; tarts (fruit cakes); sweets [confectionery].
2.		Loob Holding	360173	UAE	22 September 2031	43: Food and beverage provision services; tea houses; coffee houses; bar services; hotels; cafés; cafeterias; snack bar restaurants; fast food services for food and beverages; restaurants; temporary or mobile restaurants (canteens); restaurant services for fast food provision; self-service restaurants; catering services for food and beverages.

ANNEXURE C: OUR TRADEMARKS, BRAND NAMES AND OTHER INTELLECTUAL PROPERTY RIGHTS (Cont'd)

No.	Trademark	Registered owner	Registration no.	Place of registration	Expiry date	Class/ Description of trademark
3.	 <i>Note: This is read as "Tealive" in Jawi.</i>	Loob Holding	421435	UAE	25 April 2034	30: Coffee, tea, cocoa and artificial coffee; Chocolate-based beverages; Chocolate beverages with milk; Cocoa-based beverages; Cocoa beverages with milk; Coffee; Coffee-based beverages; Coffee-based beverages with milk; Coffee flavorings [flavourings]; Iced tea; Tea-based beverages; Bubble tea; Carbonated iced black tea; Lemon black tea; Tea bag; Tea powder; Iced black tea; Black tea bag; Tea; Scented tea; Scented tea bag; Rose tea; Chrysanthemum tea; Fruit tea; Mixed fruit tea bag; Lemon tea; Camomile tea; Kumquat tea; Mint tea; Milk tea; Rooibos tea; Fiveleaf gynostemma tea; Angelica keiskei tea; Herbal tea; Baicao herbal tea; Herbaceous plant tea bag; Mesona tea; Dark plum tea; Barley tea; Tea with roasted rice; Rice tea; Coix seed and wheat germ tea; Ginseng tea bag; Chinese wolfberry tea; Lucid ganoderma tea; Jujube tea; Four substances tea; Semen cassiae tea; Astragalus tea; Tuber fleece flower tea; Roselle tea; Vegetable tea bag; Burdock tea, ginger soup; Ginger tea; Coffee bean; Cocoa powder; Chocolate powder; Chocolate-based beverages, cocoa-based beverages.
4.	 <i>Note: This is read as "Tealive" in Jawi.</i>	Loob Holding	421437	UAE	25 April 2034	43: Provision of food and beverages; Cafe and restaurant services; Cafe services; Cafeteria services; Snack-bar services; Hotel services; Fast-food restaurant services; Tea room services; Canteen services; Take away food and drink services.

ANNEXURE C: OUR TRADEMARKS, BRAND NAMES AND OTHER INTELLECTUAL PROPERTY RIGHTS (Cont'd)**Vietnam**

No.	Trademark	Registered owner / Applicant	Registration no.	Place of registration	Expiry date	Class/ Description of trademark
1.	tealive	Loob Holding	4-0328861-000	Vietnam	19 April 2027	30: Coffee; tea; cocoa and artificial coffee; chocolate-based beverages; chocolate beverages with milk; cocoa-based beverages; cocoa beverages with milk; coffee-based beverages; coffee beverages with milk; coffee flavorings; iced tea; tea-based beverages; bubble tea; carbonated black iced tea; lemon black tea; tea bags; tea powder; iced black tea; black tea bags; scented tea; scented tea bags; rose tea; chamomile tea; fruit tea; mixed fruit tea bags; lemon tea; camomile tea; kumquat tea; mint tea; milk tea (tea as the main ingredient); rooibos tea; gynostemma tea; ashitaba tea (angelica keiskei tea); herbal tea not for medical purposes; baicao herbal tea not for medical purposes; herbal tea bags; mesona tea (grass jelly); dark plum tea; barley tea; tea with roasted rice; rice tea; oat sprout and coix seed tea; ginseng tea bags; wolfberry tea; ganoderma tea; jujube tea; four-substance tea; cassia seed tea; astragalus tea; tuber fleeceflower tea; roselle tea; vegetable tea bags; burdock tea; ginger (spice); ginger tea; coffee beans; cocoa powder; chocolate powder. (Priority claimed based on application no. 2017050392 filed on 10/01/2017 in Malaysia). 43: Restaurant services; beverage services; self-service restaurant services; bar services; pub services; hotel services; fast food restaurant services; bubble tea shop services; tea room services; canteen services; takeaway food and beverage shop services (provided by restaurants). (Priority claimed based on application no. 2017050396 filed on 10/01/2017 in Malaysia).

ANNEXURE D: SALIENT TERMS OF OUR FRANCHISE AGREEMENTS**D.1 SALIENT TERMS OF THE FA WITH MALAYSIAN FRANCHISEES***Tealive franchisees*

The salient terms of the FA which governs the operation of the Tealive Franchised Stores of our Malaysian Tealive franchisees are as follows:

Term

The agreement shall continue in effect and force for five (5) years ("**Initial Term**") unless earlier terminated or extended in accordance with the terms of the agreement. Loob Holding ("**franchisor**") may, at its option, renew the agreement for another five (5) years from the expiry of the Initial Term. The franchisee may, at its option, request to extend the agreement for one-time only extension based on the same terms of the agreement for a period of not more than six (6) months from the expiration of the Initial Term.

Tealive Franchised Stores at the premises***(a) Site Selection and Approval Process***

The franchisee shall ensure that the premises for the Tealive Franchised Store has been approved by the franchisor in writing.

(b) Tenancy agreement for the premises

The franchisee shall cause the legal owner of the premises on which the Tealive Franchised Store is located to provide an option in the tenancy agreement allowing the franchisor the right but not the obligation to continue the tenancy currently vested in the franchisee at the prevailing rental rates upon the expiration or termination of the franchise agreement for whatever reason.

The termination or expiration of the tenancy agreement for any reason whatsoever may at the sole option of the franchisor, result in the automatic termination of the agreement.

(c) Decoration and maintenance of the Tealive Franchised Store

The franchisee shall be fully responsible for all costs, fees, charges and expenses incurred for the development, renovation and complete identification of the overall concept and uniform image of the Tealive Franchised Store at the premises strictly in accordance with the specifications provided by the franchisor. The franchisee shall at its sole cost and expense, among others, obtain all required and necessary permits and licences to develop, renovate and design the Tealive Franchised Store including building, utility, signage, safety, environmental, health, sanitation, trading, business and such other permits and licences as may be necessary to operate the business at the premises.

(d) Commencement of business at the premises

The franchisee agrees that it shall not open the Tealive Franchised Store for business until, among others, the franchisee has at its own cost and expense obtained the required approvals from all governmental authority, departmental agency or local council whose approval is required under applicable law, by-law or regulation for the agreement to be effective.

ANNEXURE D: SALIENT TERMS OF OUR FRANCHISE AGREEMENTS (Cont'd)***Payments***

The franchisee shall pay to the franchisor fees including franchise fees (at the Initial Term and upon renewal), monthly royalties based on a percentage of gross sales generated by the franchisees (where the percentage is consistent across all franchisees) and one-off payments for initial training and support as well as equipment and service fees.

The franchisor's initial and continuing obligations

The franchisor agrees, warrants and undertakes with the franchisee, among others, the following, subject always to the franchisee's full and prompt compliance with any and all of its obligations under the agreement:

(a) Initial training and support

To provide the franchisee's designated staff with the initial training on the procedures, techniques and methods in accordance with the details as specified in the manuals containing details of the Tealive proprietary system ("**Manuals**"), or as may be specified by the franchisor provided that the franchisee shall be fully responsible for all costs, compensation, insurance, travel and other expenses which the franchisee and its designated staff will incur in connection with the training program.

(b) Raw ingredients, equipment and other supplies

To supply the franchisee with the equipment, raw ingredients and such other products and services detailed in the Manuals and on such terms as the franchisor may determine from time to time.

The franchisee's obligations

The franchisee warrants, undertakes and covenants with the franchisor that it shall fully and promptly perform and observe, among others, the following terms:

(a) Conformity with the Tealive proprietary system and operational compliance

- (i) To operate the business strictly in accordance with the Tealive proprietary system, the franchisor's instructions, guidelines and the Manuals, and to continuously operate the business on a daily basis in accordance with the operating hours set out in the Manuals and on such times, hours and on such days as may be specified by the franchisor from time to time, subject to any laws, by-laws, regulations, tenancy agreement for the premises and where applicable, the rules of occupation in a shopping centre, mall, commercial building or complex where the premises are located.
- (ii) To participate in any discounts, credit card, loyalty card, brand building, co-branding or similar activities implemented or to be implemented by the franchisor.

(b) Management and staffing requirements

To ensure that its employees fully comply with applicable labour, employment, social security, employees provident fund, tax and immigration laws, by-laws, regulations and guidelines issued by any relevant regulators and authorities.

ANNEXURE D: SALIENT TERMS OF OUR FRANCHISE AGREEMENTS (Cont'd)

(c) Purchase of supplies

To order and purchase from the franchisor directly, and from no other entity (unless it is with the franchisor's prior written approval) the equipment, hardware, software, raw ingredients and such other ingredients for making the products together with any of the serve-ware used in the business at the prices fixed by the franchisor.

(d) Compliance with laws and good business practice

- (i) To operate the Tealive Franchised Store in full compliance with the highest standards of business ethics and to comply with all applicable laws, regulations, by-laws and guidelines including but not limited to, all laws and regulations relating to franchise, product liability, consumer protection, handling and preparation of food and beverages, halal certification, health, cleanliness, sanitation and hygiene, safety standards, occupational hazards and health, workers compensation insurance, insurance and taxes.
- (ii) To ensure that all dealings with its customers, suppliers and the public adhere to the highest standards of honesty, fair dealing and ethical conduct.
- (iii) To refrain from engaging in any form of business or advertising practice which may be injurious to the business of the Tealive Franchised Store, the franchisor and the goodwill associated with the Tealive trademarks and other Tealive stores.
- (iv) To secure and maintain in force in its name all required licences, permits, approvals and certificates relating to the operation of the Tealive Franchised Store.
- (v) To make all payments due to the relevant authorities and regulatory bodies promptly.
- (vi) To promptly notify the franchisor in writing of any complaints, documents or summons received as a result of breach of applicable laws in relation to the operation of the business and shall be responsible for and shall handle such complaints at its own cost and expense.
- (vii) To promptly notify the franchisor in writing of any action, suit or proceeding, or the issuance of any order, summons, injunction, award or decree of any court, agency or other governmental authority that may adversely affect, among others, the operation or financial condition of the franchisee, or any notice of violation of any law, ordinance or regulation relating to health, sanitation or cleanliness at the Tealive Franchised Store.

Intellectual property

The franchisee shall use the Tealive trademarks as the sole identification of the Tealive Franchised Store and agrees that they belong to and shall remain exclusively property of the franchisor and its affiliates.

First right of refusal

If the franchisee (or its controlling owners or its principals) shall at any time decide to sell its controlling interest in the agreement, the Tealive Franchised Store, the assets of the Tealive Franchised Store, the premises or a controlling ownership interest in the franchisee, the franchisor shall have the first right to purchase such interest in accordance with the terms of the agreement.

ANNEXURE D: SALIENT TERMS OF OUR FRANCHISE AGREEMENTS (Cont'd)***Prohibition against similar business***

The franchisee agrees that during the term of the agreement and for a period of two (2) years after the rescission, expiration or termination of the agreement, the franchisee, the franchisee's controlling owners, the principals, the connected persons and/or any of its employees shall not:

- (a) have any direct or indirect interest or beneficial ownership in any business, commercial or retail activity which is dealing with products considered by the franchisor to be the same, identical, similar or competitive products as the Tealive products or based on same or similar system as Tealive;
- (b) be engaged, interested or concerned in the sale or supply of any products and/or services which in the sole opinion of the franchisor to be competitive with the products provided pursuant to the business;
- (c) perform services as a director, officer, manager, employee, consultant, representative, agent or otherwise for any other restaurant, carry-out or delivery business serving or selling the same or similar products as the products then being offered in the Tealive Franchised Stores;
- (d) assist any person, firm or corporation with technical advice or guidance in relation to any business similar to or compete with the Tealive business; or
- (e) have any direct or indirect interest in any entity which has granted or is granting franchises or licences to others to operate any other restaurant, carry-out or delivery business serving or selling the same or similar products as the products then being offered in the Tealive Franchised Stores.

Prohibition on solicitation of any person employed by Loob Holding or our other franchisees

The franchisee undertakes that during the term of the agreement and for a period of two (2) years after the rescission, expiration or termination of the agreement, it shall not, directly or indirectly, on its own or on behalf of or in conjunction with any person:

- (a) engage or offer to engage as an independent consultant or a service provider to;
- (b) offer shares of its company, its affiliates or its related companies to;
- (c) induce, solicit or recruit or attempt to induce, solicit or recruit,

any person who is at that time or has at any time in the preceding two (2) years immediately before such engagement, offer or employment, employed by the franchisor or by any person (including the franchisor's franchisees) who is or has at that time operating the Tealive Franchised Store, unless the prior written consent of the franchisor is first obtained.

Termination

The franchisor shall have the right to terminate the agreement if the franchisee commits any breach of the terms of the agreement including, among others, the following circumstances:

- (a) the franchisee becomes insolvent;
- (b) bankruptcy proceedings are commenced or threatened against the controlling owners or principals of the franchisee;

ANNEXURE D: SALIENT TERMS OF OUR FRANCHISE AGREEMENTS (Cont'd)

- (c) the franchisee, its controlling owners, principals, officers or employees make any unauthorised use of the intellectual property owned by the franchisor in relation to Tealive;
- (d) the franchisee, its controlling owners, principals, connected persons or employees breach any of the non-competition and confidentiality covenants of the agreement;
- (e) the franchisee fails to operate the business in accordance with the Tealive proprietary system and any such directions, advice and guidelines as may be specified by the franchisor;
- (f) the franchisee fails to obtain or maintain the required licences, consents, permits and approvals; and/or
- (g) the franchisee receives three (3) or more written notices of default from the franchisor within a calendar year during the term of the agreement, in respect of any breach by the franchisee, regardless of whether such notices relate to the same or to different defaults and whether or not such defaults have been remedied by the franchisee.

On the termination or expiration of the agreement, the franchisee agrees and undertakes that it shall, among others:

- (a) immediately cease to operate the business of the Tealive Franchised Stores at the premises and shall not thereafter hold itself out in any way as a franchisee of the franchisor and refrain from any action that would or may indicate any relationship between it and the franchisor; and
- (b) immediately cease to use in any way whatsoever any and all of the intellectual property including the Tealive proprietary system, the Tealive trademarks and any other trade names, logos, devices, insignia, procedures or methods which are or may be associated with the Tealive trademarks or the Tealive proprietary system.

Further, the franchisor has the option to purchase from the franchisee part or all of the assets of the business of the franchisee on the termination or expiration of the agreement.

Indemnification

The franchisee shall indemnify, defend and hold harmless the franchisor, its affiliates, subsidiaries and related corporation and their respective shareholders, directors, officers, employees, agents, successors and assignees against and reimburse all claims, obligations and damages directly or indirectly arising out of:

- (a) the operation of the Tealive Franchised Store in any manner not in accordance with the agreement;
- (b) the franchisee's breach of the agreements entered into between the franchisor and the franchisee;
- (c) negligence by the franchisee; and
- (d) any civil wrong or criminal offences by the franchisee relating to the business of the Tealive Franchised Stores.

Governing law

The agreement shall be construed and enforced according to the laws of Malaysia.

ANNEXURE D: SALIENT TERMS OF OUR FRANCHISE AGREEMENTS (Cont'd)**Bask Bear franchisees**

The salient terms of the FA for our Bask Bear franchisees are substantially the same as the salient terms of the Tealive FA for our Malaysian Tealive franchisees as set out in Section D.1, Annexure D of this Prospectus, save for the following:

- (a) in relation to the term, the franchisee's option to extend the agreement is for a period of one (1) year from the expiration of the Initial Term; and
- (b) in relation to the payment, the franchisee shall pay to the franchisor fees including franchise fees (at the Initial Term and upon renewal), royalties based on a percentage of gross sales generated by the franchisees and one-off payments for initial training and support as well as equipment and project management fees. The term 'project management fee' used in the Bask Bear FA is in substance the same as the term 'service fee' used in the Tealive FA as both relate to payments in consideration of the project management services provided by our Group to our franchisees in facilitating the establishment of the Tealive Franchised Stores and Bask Bear Franchised Stores respectively.

D.2 SALIENT TERMS OF THE MFA, ARDA AND FA WITH INTERNATIONAL FRANCHISEES

The salient terms of the MFA, ARDA and FA which govern the operation of the Tealive Franchised Stores of our international franchisees are as follows:

Term

The agreement typically continues in effect and force for five (5) to ten (10) years ("**Initial Term**") unless earlier terminated or extended in accordance with the terms of the agreement. The parties may typically renew the agreement for another five (5) to ten (10) years from the expiry of the Initial Term.

Development schedule

The international franchisee shall establish, develop and continuously operate the agreed minimum number of Tealive Franchised Stores in accordance with the development schedule.

Payments

The international franchisee shall pay to Loob Holding ("**franchisor**") fees including franchise fees (at the Initial Term and every renewal term) and monthly royalties based on a percentage of gross sales generated by the international franchisees.

The franchisor's initial and continuing obligations

The franchisor agrees, warrants and undertakes with the international franchisee, among others, the following, subject always to the international franchisee's full and prompt compliance with any and all of its obligations under the agreement:

- (a) *Initial training and support*

To provide the international franchisee's designated staff with the initial training on the procedures, techniques and methods in accordance with the details as specified in the manuals containing details of the Tealive proprietary system ("**Manuals**"), or as may be specified by the franchisor provided that the international franchisee shall be fully responsible for all costs, compensation, insurance, travel and other expenses which the international franchisee and its designated staff will incur in connection with the training program.

ANNEXURE D: SALIENT TERMS OF OUR FRANCHISE AGREEMENTS (Cont'd)**(b) Site selection and design layout**

The franchisor will provide the international franchisee with its site selection criteria and its standard layouts and store designs for the Tealive Franchised Stores.

(c) Raw ingredients and other supplies

The franchisor will support the international franchisee in the procurement of the raw ingredients and other supplies to operate the Tealive Franchised Stores and the international franchisee is permitted to procure raw ingredients and supplies from third-party suppliers as approved by the franchisor.

The international franchisee's obligations

The international franchisee warrants, undertakes and covenants with the franchisor that it shall fully and promptly perform and observe, among others, the following terms:

(a) Conformity with the Tealive proprietary system and operational compliance

- (i) To operate the business strictly in accordance with the Tealive proprietary system, the franchisor's instructions, guidelines and the Manuals, and to continuously operate the business on a daily basis and in accordance with applicable laws, tenancy agreement for the premises and where applicable, the rules of occupation in a shopping centre, mall, commercial building or complex where the premises are located.
- (ii) To participate in any discounts, loyalty programs, credit card, loyalty card, co-branding or similar scheme operated or to be operated by the franchisor including any similar brand building and promotional activities.

(b) Management and staffing requirements

To ensure that its employees fully comply with applicable labour, employment, social security, tax and immigration laws, by-laws, regulations and guidelines issued by any relevant regulators and authorities.

(c) Purchase of supplies

The international franchisee may procure the raw ingredients and supplies from other third-party suppliers approved by the franchisor.

(d) Compliance with laws and good business practice

- (i) To operate the Tealive Franchised Stores in full compliance with the highest standards of business ethics and to comply with all applicable laws, regulations, by-laws and guidelines including but not limited to, all laws and regulations relating to franchise, product liability, consumer protection, handling and preparation of food and beverages, halal certification, health, cleanliness, sanitation and hygiene, safety standards, occupational hazards and health, workers compensation insurance, insurance and taxes.
- (ii) To ensure that all dealings with its customers, suppliers and the public adhere to the highest standards of honesty, fair dealing and ethical conduct.
- (iii) To refrain from engaging in any form of business or advertising practice which may be injurious to the business of the Tealive Franchised Stores, the franchisor and the goodwill associated with the Tealive trademarks.

ANNEXURE D: SALIENT TERMS OF OUR FRANCHISE AGREEMENTS (Cont'd)

- (iv) To secure and maintain in force in its name all required licences, permits, approvals and certificates relating to the operation of the Tealive Franchised Stores.
- (v) To make all payments due to the relevant authorities and regulatory bodies promptly.
- (vi) To promptly notify the franchisor in writing of any complaints, documents or summons received as a result of breach of applicable laws in relation to the operation of the business and shall be responsible for and shall handle such complaints at its own cost and expense.
- (vii) To promptly notify the franchisor in writing of any action, suit or proceeding, or the issuance of any order, summons, injunction, award or decree of any court, agency or other governmental authority that may adversely affect, among others, the operation or financial condition of the international franchisee, or any notice of violation of any law, ordinance or regulation relating to health, sanitation or cleanliness at the Tealive Franchised Stores.

Intellectual property

The international franchisee shall use the Tealive trademarks as the sole identification of the Tealive Franchised Store and agrees that they belong to and shall remain exclusively property of the franchisor or its affiliates.

First right of refusal

If the international franchisee (or its controlling owners or its principals) shall at any time decide to sell its controlling interest in the agreement, the business in the territory, the Tealive Franchised Stores, the assets of the Tealive Franchised Stores, the premises or a controlling ownership interest in the international franchisee, the franchisor shall have the first right to purchase such interest in accordance with the terms of the agreement.

Prohibition against similar business

The international franchisee agrees that during the term of the agreement and/or for a period of one (1) to two (2) years after the rescission, expiration or termination of the agreement, the international franchisee, the international franchisee's controlling owners, the principals, the connected persons and/or any of its employees shall not:

- (a) have any direct or indirect interest or beneficial ownership in any business, commercial or retail activity which is dealing with products considered by the franchisor to be the same, identical, similar or competitive products as the Tealive products or based on same or similar system as Tealive;
- (b) be engaged, interested or concerned in the sale or supply of any products and/or services which in the sole opinion of the franchisor to be competitive with the products provided pursuant to the business;
- (c) perform services as a director, officer, manager, employee, consultant, representative, agent or otherwise for any other restaurant, carry-out or delivery business serving or selling the same or similar products as the products then being offered in the Tealive Franchised Stores;
- (d) assist any person, firm or corporation with technical advice or guidance in relation to any business similar to or compete with the Tealive business; and/or

ANNEXURE D: SALIENT TERMS OF OUR FRANCHISE AGREEMENTS (Cont'd)

- (e) have any direct or indirect interest in any entity which has granted or is granting franchises or licences to others to operate any other restaurant, carry-out or delivery business serving or selling the same or similar products as the products then being offered in the Tealive Franchised Stores.

Prohibition on solicitation of any person employed by Loob Holding or our other franchisees

The international franchisee undertakes that during the term of the agreement and for a period of one (1) to two (2) years after the rescission, expiration or termination of the agreement, it shall not, directly or indirectly, on its own or on behalf of or in conjunction with any person:

- (a) engage or offer to engage as an independent consultant or a service provider to;
- (b) offer shares of its company, its affiliates or its related companies to;
- (c) induce, solicit or recruit or attempt to induce, solicit or recruit,

any person or senior executive who is at that time or has at any time in the preceding one (1) to two (2) years immediately before such engagement, offer or employment, employed by the franchisor or by any person (including the franchisor's franchisees) who is or has at that time operating the Tealive Franchised Stores, unless the prior written consent of the franchisor is first obtained.

Termination

The franchisor shall have the right to terminate the agreement if the international franchisee commits any breach of the terms of the agreement including, among others, the following circumstances:

- (a) the international franchisee fails to comply with the development schedule;
- (b) the international franchisee becomes insolvent;
- (c) bankruptcy proceedings are commenced or threatened against the controlling owners or principals of the international franchisee;
- (d) the international franchisee, its controlling owners, principals, officers or employees make any unauthorised use of the intellectual property owned by the franchisor in relation to Tealive;
- (e) the international franchisee, its controlling owners, principals, connected persons or employees breach any of the non-competition and/or confidentiality covenants of the agreement;
- (f) the international franchisee fails to operate the business in accordance with the Tealive proprietary system and any such directions, advice and guidelines as may be specified by the franchisor;
- (g) the international franchisee fails to obtain or maintain the required licences, consents, permits and approvals; and/or
- (h) the international franchisee receives three (3) or more written notices of default from the franchisor within a calendar year during the term of the agreement, in respect of any breach by the international franchisee, regardless of whether such notices relate to the same or to different defaults and whether or not such defaults have been remedied by the franchisee.

ANNEXURE D: SALIENT TERMS OF OUR FRANCHISE AGREEMENTS (Cont'd)

On the termination or expiration of the agreement, the international franchisee agrees and undertakes that it shall, among others:

- (a) immediately cease to operate the business of the Tealive Franchised Stores at the premises and shall not thereafter hold itself out in any way as a franchisee of the franchisor and refrain from any action that would or may indicate any relationship between it and the franchisor; and
- (b) immediately cease to use in any way whatsoever any and all of the intellectual property including the Tealive proprietary system, the Tealive trademarks and any other trade names, logos, devices, insignia, procedures or methods which are or may be associated with the Tealive trademarks or the Tealive proprietary system.

Further, the franchisor has the option to purchase from the international franchisee part or all of the assets of the business of the international franchisee on the termination or expiration of the agreement.

In addition, there is also an option for the franchisor to require the international franchisee to assign the tenancy agreements for the premises where the Tealive Franchised Stores are operating at to the franchisor⁽¹⁾.

Note:

- (1) *Not applicable in the MFA for UAE.*

Indemnification

The international franchisee shall indemnify, defend and hold harmless the franchisor, its affiliates, subsidiaries and related corporation and their respective shareholders, directors, officers, employees, agents, successors and assignees against and reimburse all claims, obligations and damages directly or indirectly arising out of:

- (a) the operation of the Tealive Franchised Store in any manner not in accordance with the agreement;
- (b) the international franchisee's breach of the agreements entered into between the franchisor and the international franchisee;
- (c) negligence by the international franchisee; and
- (d) any civil wrong or criminal offences by the international franchisee relating to the business of the Tealive Franchised Stores.

Governing law

Depending on the territory, the agreements shall be construed and enforced according to the laws of Singapore, Ontario, Canada, Republic of Philippines, India, Bangladesh and Vietnam respectively.

Based on the salient terms set out above, there are no major differences in the terms of the FAs with our Malaysian franchisees and the MFAs, ARDAs and FAs with our international franchisees other than provisions relating to: (i) the term of the agreements; (ii) Tealive Franchised Stores at the premises, including site selection and approval process, decoration and maintenance of the Tealive Franchised Stores and commencement of business at the premises; (iii) the duration of the prohibition against engaging in similar businesses; (iv) the duration of the prohibition against solicitation of any person employed by Loob Holding or our other franchisees; and (v) the governing laws.