

**13. ACCOUNTANTS' REPORT**

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**Loob Berhad**

(Registration No. 201901046246 (1355576-V))  
(Incorporated in Malaysia)

**Accountants' Report on the  
Combined Financial Statements**

## 13. ACCOUNTANTS' REPORT (Cont'd)

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**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
<b>Assets</b>				
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
<b>Total non-current assets</b>		<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
<b>Total current assets</b>		<u>120,197,420</u>	<u>124,811,095</u>	<u>100,096,042</u>
<b>Total assets</b>		<u>392,072,885</u>	<u>358,362,630</u>	<u>229,923,116</u>
<b>Equity</b>				
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
<b>Equity attributable to owners of the Group</b>		<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)
<b>Total equity</b>		<u>93,022,748</u>	<u>71,564,955</u>	<u>61,227,421</u>

## 13. ACCOUNTANTS' REPORT (Cont'd)

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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
<b>Liabilities</b>				
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	-
<b>Total non-current liabilities</b>		<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
<b>Total current liabilities</b>		<u>166,751,339</u>	<u>162,897,436</u>	<u>103,517,782</u>
<b>Total liabilities</b>		<u>299,050,137</u>	<u>286,797,675</u>	<u>168,695,695</u>
<b>Total equity and liabilities</b>		<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)

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**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
<b>Revenue</b>	19	591,243,465	511,747,220	422,486,138
Cost of sales		(202,608,054)	(202,922,981)	(164,260,938)
<b>Gross profit</b>		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)
<b>Results from operating activities</b>		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)
<b>Profit before tax</b>	22	74,983,471	54,883,036	90,877,618
Tax expense	23	(23,387,073)	(16,368,021)	(26,344,495)
<b>Profit for the year</b>		51,596,398	38,515,015	64,533,123
<b>Items that are or may be reclassified subsequently to profit or loss</b>				
Foreign currency translation differences for foreign operations		630,943	93,418	(190,177)
<b>Other comprehensive income/(expense), net of tax</b>		630,943	93,418	(190,177)
<b>Total comprehensive income for year</b>		52,227,341	38,608,433	64,342,946

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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
<b>Profit attributable to:</b>				
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>
<b>Total comprehensive income attributable to:</b>				
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>
<b>Earnings per ordinary share (RM):</b>				
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----->							Non-controlling interests RM	Total RM
		Share capital RM	Invested equity RM	Merger reserve RM	Translation reserve RM	Revaluation reserve RM	Retained earnings RM			
At 1 July 2021		2	15,300,002	696,314	(131,545)	2,741,167	85,867,746	104,473,686	692,609	105,166,295
Foreign currency translation differences for foreign operations		-	-	-	(226,794)	-	-	(226,794)	36,617	(190,177)
Disposal		-	-	-	-	(2,741,167)	2,741,167	-	-	-
Total other comprehensive expense for the year		-	-	-	(226,794)	(2,741,167)	2,741,167	(226,794)	36,617	(190,177)
Profit for the year		-	-	-	-	-	66,026,014	66,026,014	(1,492,891)	64,533,123
Total comprehensive income for the year		-	-	-	(226,794)	(2,741,167)	68,767,181	65,799,220	(1,456,274)	64,342,946
- Acquisition of a subsidiary	25	-	-	-	-	-	14,048	14,048	(14,049)	(1)
- Change in ownership interest in subsidiaries		-	-	-	-	-	(24,583)	(24,583)	24,584	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)	(69,102)	69,639
Total transactions with owners of the Group		-	-	-	-	-	(107,745,970)	(107,745,970)	(535,850)	(108,281,820)
At 30 June 2022		2	15,300,002	696,314	(358,339)	-	46,888,957	62,526,936	(1,299,515)	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

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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			
<b>At 1 July 2022</b>		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
<b>Total comprehensive income for the year</b>		-	-	-	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)
<b>Total transactions with owners of the Group</b>		-	-	-	(18,155)	(33,298,296)	(33,316,451)	5,045,552	(28,270,899)
<b>At 30 June 2023</b>		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)

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## Combined statements of changes in equity (continued)

Audited Group	Note	<-----Attributable to owners of the Group----->					<-----Non-distributable----->			Distributable	
		Share capital RM	Invested equity RM	Merger reserve RM	Translation reserve RM	Retained earnings RM	Total RM	Non-controlling interests RM	Total 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 currencies 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)

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**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
<b>Cash flows from operating activities</b>				
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)
<b>Operating profit before working capital changes</b>		<b>151,721,641</b>	<b>108,029,386</b>	<b>123,918,105</b>

## 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
<b>Cash flows from operating activities (continued)</b>				
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
<b>Cash generated from operations</b>		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)
<b>Net cash from operating activities</b>		117,584,507	84,298,795	74,600,662
<b>Cash flows from investing activities</b>				
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)	-
<b>Net cash used in investing activities</b>		(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
<b>Cash flows from financing activities</b>				
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)	-	-
<b>Net cash used in financing activities</b>		<u>(70,837,128)</u>	<u>(755,841)</u>	<u>(109,771,846)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>		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>
<b>Cash and cash equivalents at 30 June</b>		<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**

	<b>1.7.2023 - 30.6.2024 Audited RM</b>	<b>1.7.2022 - 30.6.2023 Audited RM</b>	<b>1.7.2021 - 30.6.2022 Audited RM</b>
<b>Included in net cash from operating activities:</b>			
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>
<b>Included in net cash from financing activities:</b>			
Payment of lease liabilities	<u>25,373,941</u>	<u>19,060,315</u>	<u>12,406,194</u>
<b>Total cash outflows for leases</b>	<u>47,847,071</u>	<u>39,413,117</u>	<u>30,396,457</u>

**(ii) Reconciliation of movements of liabilities to cash flows arising from financing activities**

<b>Audited</b>	<b>Lease liabilities RM</b>	<b>Hire purchase RM</b>	<b>Term loans RM</b>	<b>Revolving credit RM</b>	<b>Trade financing RM</b>
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>139,957,405</u>	<u>-</u>	<u>-</u>	<u>52,072,790</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)

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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
<b>At 1 July 2021</b>							
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)	-
<b>At 30 June 2022/1 July 2022</b>							
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
<b>At 30 June 2023/1 July 2023</b>							
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)
<b>At 30 June 2024</b>							
	77,184,832	27,203,376	1,930,065	1,259,911	90,938,647	1,902,956	200,419,787



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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
<b>Accumulated depreciation and impairment loss</b>							
<b>At 1 July 2021</b>							
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
<b>At 30 June 2022/1 July 2022</b>							
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
<b>At 30 June 2023/1 July 2023</b>							
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
<b>Accumulated depreciation</b>							
<b>At 30 June 2023/1 July 2023</b>	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)
<b>At 30 June 2024</b>	37,518,779	9,931,530	1,309,266	705,114	35,391,524	-	84,856,213
<b>Carrying amounts</b>							
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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**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

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3. Right-of-use assets

	Food and beverages retail outlets and office premises RM	Hostels RM	Motor vehicles RM	Warehouse RM	Total RM
<b>Cost</b>					
<b>At 1 July 2021</b>					
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
<b>At 30 June 2022/1 July 2022</b>					
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
<b>At 30 June 2023/1 July 2023</b>					
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)
<b>At 30 June 2024</b>					
	226,733,502	190,131	712,535	102,924	227,739,092

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3. Right-of-use assets (continued)

	Food and beverages retail outlets and office premises RM	Hostels RM	Motor vehicles RM	Warehouse RM	Total RM
<b>Accumulated depreciation and impairment loss</b>					
<b>At 1 July 2021</b>					
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
<b>At 30 June 2022/1 July 2022</b>	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
<b>At 30 June 2023</b>	64,538,554	190,131	712,535	381,842	65,823,062

13. ACCOUNTANTS' REPORT (Cont'd)

3. Right-of-use assets (continued)

	Food and beverages retail outlets and office premises RM	Hostels RM	Motor vehicles RM	Warehouse RM	Total RM
<b>Accumulated depreciation</b>					
<b>At 1 July 2023</b>	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)
<b>At 30 June 2024</b>	<b>90,974,957</b>	<b>190,131</b>	<b>712,535</b>	<b>102,712</b>	<b>91,980,335</b>
<b>Carrying amounts</b>					
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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**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:

	<b>Leases with lease payments based on sales</b>		
	<b>1.7.2023 - 30.6.2024 RM</b>	<b>1.7.2022 - 30.6.2023 RM</b>	<b>1.7.2021 - 30.6.2022 RM</b>
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
<b>Cost</b>			
<b>At 1 July 2021</b>	1,157,247	-	1,157,247
Acquisition of subsidiaries	1,034,508	-	1,034,508
<b>At 30 June 2022/1 July 2022</b>	2,191,755	-	2,191,755
Additions	-	340,377	340,377
<b>At 30 June 2023/1 July 2023</b>	2,191,755	340,377	2,532,132
Additions	-	1,007,803	1,007,803
<b>At 30 June 2024</b>	2,191,755	1,348,180	3,539,935
<b>Accumulated amortisation and impairment loss</b>			
<b>At 1 July 2021/30 June 2022/ 1 July 2022</b>			
Accumulated impairment loss	657,464	-	657,464
	657,464	-	657,464
Amortisation for the year	-	25,911	25,911
<b>At 30 June 2023</b>			
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
<b>At 30 June 2024</b>			
Accumulated amortisation	-	238,004	238,004
Accumulated impairment loss	657,464	-	657,464
	657,464	238,004	895,468
<b>Carrying amounts</b>			
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.



## 13. ACCOUNTANTS' REPORT (Cont'd)

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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
<b>Subsidiaries of LHSB</b>					
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

## 13. ACCOUNTANTS' REPORT (Cont'd)

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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

## 13. ACCOUNTANTS' REPORT (Cont'd)

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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 %
<b>Subsidiaries of LAPL (continued)</b>					
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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## 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
<b>Fair value of consideration</b>		998,839
<b>Fair value of identifiable net assets</b>		
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>
<b>Goodwill arising from business combination</b>		
Fair value of consideration		998,839
Fair value of identifiable net assets		<u>35,669</u>
Goodwill		<u>1,034,508</u>
<b>Net cash outflow from acquisition of subsidiaries</b>		
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.

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**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:

	<b>RM</b>
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**

	<b>30.6.2024</b>	<b>30.6.2023</b>	<b>30.6.2022</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>
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:

<b>Name of entity</b>	<b>Nature of relationship</b>	<b>Principal place of business/ Country of incorporation</b>	<b>Effective ownership interest and voting interest</b>		
			<b>30.6.2024</b>	<b>30.6.2023</b>	<b>30.6.2022</b>
			<b>%</b>	<b>%</b>	<b>%</b>
<b>Associates of the Group</b>					
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**

	<b>30.6.2024</b>	<b>30.6.2023</b>	<b>30.6.2022</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>
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:

<b>Name of entity</b>	<b>Nature of relationship</b>	<b>Principal place of business/ Country of incorporation</b>	<b>30.6.2024</b>	<b>Effective ownership interest and voting interest</b>	<b>30.6.2022</b>
			<b>%</b>	<b>30.6.2023</b>	<b>30.6.2022</b>
				<b>%</b>	<b>%</b>
<b>Joint ventures of the Group</b>					
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:

	<b>Assets</b>		<b>Liabilities</b>		<b>Net</b>	
	<b>30.6.2024</b>	<b>30.6.2023</b>	<b>30.6.2024</b>	<b>30.6.2023</b>	<b>30.6.2024</b>	<b>30.6.2023</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
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
<b>Tax assets/(liabilities)</b>	<b>42,513,162</b>	<b>35,097,485</b>	<b>(39,059,593)</b>	<b>(31,957,753)</b>	<b>3,453,569</b>	<b>2,837,753</b>
Set off of tax	(36,847,830)	(29,961,436)	36,847,830	29,961,436	-	-
<b>Net tax assets/(liabilities)</b>	<b>5,665,332</b>	<b>5,136,049</b>	<b>(2,211,763)</b>	<b>(1,996,317)</b>	<b>3,453,569</b>	<b>2,837,753</b>

## 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):

	<b>30.6.2024</b>	<b>30.6.2023</b>	<b>30.6.2022</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>
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:

	<b>30.6.2024</b>	<b>30.6.2023</b>	<b>30.6.2022</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>
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
<b>Non-current</b>				
<b>Non-trade</b>				
Deposits		11,666,884	4,526,389	4,261,291
<b>Current</b>				
<b>Trade</b>				
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
<b>Non-trade</b>				
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**

	<b>30.6.2024</b>	<b>30.6.2023</b>	<b>30.6.2022</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>
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**

	<b>Note</b>	<b>30.6.2024</b>	<b>30.6.2023</b>	<b>30.6.2022</b>
		<b>RM</b>	<b>RM</b>	<b>RM</b>
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
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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 11<sup>th</sup> July 2024.

**15. Loans and borrowings**

	<b>Note</b>	<b>30.6.2024 RM</b>	<b>30.6.2023 RM</b>	<b>30.6.2022 RM</b>
<b>Current</b>				
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**

	<b>30.6.2024</b>	<b>30.6.2023</b>	<b>30.6.2022</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>
<b>At beginning of the year</b>	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)
<b>At end of the year</b>	<b>8,034,301</b>	<b>6,908,433</b>	<b>4,329,120</b>

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
<b>Non-current</b>				
<b>Non-trade</b>				
Refundable deposits	17.2	433,027	7,952,340	6,410,959
<b>Current</b>				
<b>Trade</b>				
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>
<b>Non-trade</b>				
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**

	<b>30.6.2024</b>	<b>30.6.2023</b>	<b>30.6.2022</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>
<b>At 1 July</b>	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	<u>(695,852)</u>	<u>(2,160,793)</u>	<u>(2,057,175)</u>
<b>At 30 June</b>	<u>18,412,607</u>	<u>15,985,269</u>	<u>21,895,782</u>
<b>Maturity profile:</b>			
Within 1 year	9,965,501	6,808,904	11,138,631
2 to 5 years	<u>8,447,106</u>	<u>9,176,365</u>	<u>10,757,151</u>
	<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
<b>Revenue from contracts with customers</b>			
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
<b>Total revenue</b>	<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**

	<b>1.7.2023 - 30.6.2024 RM</b>	<b>1.7.2022 - 30.6.2023 RM</b>	<b>1.7.2021 - 30.6.2022 RM</b>
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**

	<b>1.7.2023 - 30.6.2024 RM</b>	<b>1.7.2022 - 30.6.2023 RM</b>	<b>1.7.2021 - 30.6.2022 RM</b>
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**

	<b>1.7.2023 - 30.6.2024 RM</b>	<b>1.7.2022 - 30.6.2023 RM</b>	<b>1.7.2021 - 30.6.2022 RM</b>
<b>Profit before tax is arrived at after charging/(crediting):</b>			
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
<b>Profit before tax is arrived at after charging/(crediting) (continued):</b>			
<b>Material expenses/(income)</b>			
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)
<b>Expenses arising from leases</b>			
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
<b>Net losses on impairment of financial instruments</b>			
<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
<b>Current tax expense</b>			
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>
<b>Deferred tax expense</b>			
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>
<b>Real property gain tax ("RPGT")</b>	-	116,660	-
	<u>23,387,073</u>	<u>16,368,021</u>	<u>26,344,495</u>
<b>Reconciliation of tax expense</b>			
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:

	<b>1.7.2023 - 30.6.2024</b>	<b>1.7.2022 - 30.6.2023</b>	<b>1.7.2021 - 30.6.2022</b>
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:

	<b>RM per share</b>	<b>Total amount RM</b>	<b>Date of payment</b>
<b>30.6.2024</b>			
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>	
<b>30.6.2023</b>			
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>	
<b>30.6.2022</b>			
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**

	<b>1.7.2023 - 30.6.2024 RM</b>	<b>1.7.2022 - 30.6.2023 RM</b>	<b>1.7.2021 - 30.6.2022 RM</b>
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").

<b>30.6.2024</b>	<b>Carrying amount RM</b>	<b>AC RM</b>	<b>FVTPL RM</b>
<b>Financial assets</b>			
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>
<b>Financial liabilities</b>			
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
<b>30.6.2023</b>			
<b>Financial assets</b>			
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>
<b>Financial liabilities</b>			
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>
<b>30.6.2022</b>			
<b>Financial assets</b>			
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>
<b>Financial liabilities</b>			
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**

	<b>1.7.2023 - 30.6.2024 RM</b>	<b>1.7.2022 - 30.6.2023 RM</b>	<b>1.7.2021 - 30.6.2022 RM</b>
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
<b>30.6.2024</b>			
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>
<b>30.6.2023</b>			
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>
<b>30.6.2022</b>			
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
<b>Balance at 1 July 2023/2022/2021</b>	234,146	272,362	13,968
Net remeasurement of loss allowance	(17,872)	41,822	258,394
Write off	-	(80,038)	-
<b>Balance at 30 June</b>	<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
<b>Balance at 1 July 2021/30 June 2022/ 1 July 2022/30 June 2023/1 July 2023/30 June 2024</b>	<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.

	<b>Gross carrying amount RM</b>	<b>Loss allowance RM</b>	<b>Net balance RM</b>
<b>30.6.2024</b>			
Low credit risk	4,010,514	-	4,010,514
<b>30.6.2023</b>			
Low credit risk	3,664,306	-	3,664,306
<b>30.6.2022</b>			
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
<b>30.6.2024</b>						
<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
<b>30.6.2023</b>						
<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
<b>30.6.2022</b>						
<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:

	<b>30.6.2024</b>		<b>30.6.2023</b>		<b>30.6.2022</b>	
	<b>USD</b>	<b>JPY</b>	<b>Denominated in</b>		<b>USD</b>	<b>JPY</b>
	<b>RM</b>	<b>RM</b>	<b>USD</b>	<b>JPY</b>	<b>RM</b>	<b>RM</b>
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)
<b>Net exposure</b>	<b>5,346,953</b>	<b>(465,091)</b>	<b>4,528,343</b>	<b>(86,977)</b>	<b>3,070,992</b>	<b>215,886</b>

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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**

	<b>Profit or loss</b>		
	<b>1.7.2023 - 30.6.2024</b>	<b>1.7.2022 - 30.6.2023</b>	<b>1.7.2021 - 30.6.2022</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>
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
<b>Fixed rate instruments</b>			
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>
<b>Floating rate instruments</b>			
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
<b>30.6.2024</b>		
Floating rate instruments	<u>(395,753)</u>	<u>395,753</u>
<b>30.6.2023</b>		
Floating rate instruments	<u>(476,190)</u>	<u>476,190</u>
<b>30.6.2022</b>		
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
<b>30.6.2024</b>				
<b>Financial assets</b>				
Non-current deposits	-	10,337,321	10,337,321	11,666,884
Liquid investment	1,118,301	-	1,118,301	1,118,301
<b>Financial liabilities</b>				
Non-current refundable deposits	-	433,027	433,027	433,027
<b>30.6.2023</b>				
<b>Financial assets</b>				
Non-current deposits	-	4,217,473	4,217,473	4,526,389
Liquid investment	2,069,716	-	2,069,716	2,069,716
<b>Financial liabilities</b>				
Non-current refundable deposits	-	7,952,340	7,952,340	7,952,340
<b>30.6.2022</b>				
<b>Financial assets</b>				
Non-current deposits	-	4,143,911	4,143,911	4,261,291
<b>Financial liabilities</b>				
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)**

	<b>30.6.2024</b>	<b>30.6.2023</b>	<b>30.6.2022</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>
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.

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**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	26,389,518	99,696,048	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)
	<u>113,779,385</u>	<u>(10,795,489)</u>	<u>7,243,700</u>	<u>110,227,596</u>

**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	13,191,614	59,988,286	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)
	<u>92,052,189</u>	<u>(5,647,845)</u>	<u>2,532,635</u>	<u>88,936,979</u>

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**29. Operating segments (continued)**

<b>1.7.2021 to 30.6.2022 Segment profit/(loss)</b>	<b>Tealive Malaysia RM</b>	<b>Tealive Philippines RM</b>	<b>Bask Bear RM</b>	<b>Total RM</b>
	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**

	<b>1.7.2023 - 30.6.2024 RM</b>	<b>1.7.2022 - 30.6.2023 RM</b>	<b>1.7.2021 - 30.6.2022 RM</b>
<b>Profit or loss</b>			
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

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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
<b>1.7.2023 to 30.6.2024</b>				
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
<b>1.7.2022 to 30.6.2023</b>				
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
<b>1.7.2021 to 30.6.2022</b>				
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.

	<b>1.7.2023 - 30.6.2024 RM</b>	<b>1.7.2022 - 30.6.2023 RM</b>	<b>1.7.2021 - 30.6.2022 RM</b>
<b>A. Associates</b>			
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>B. Related party</b>			
Rental paid	333,040	-	-
Purchase of goods	<u>(13,647,724)</u>	<u>(12,553,910)</u>	<u>(19,089,948)</u>
<b>C. Key management personnel</b>			
<b>Directors' remuneration</b>			
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)**

	<b>1.7.2023 - 30.6.2024 RM</b>	<b>1.7.2022 - 30.6.2023 RM</b>	<b>1.7.2021 - 30.6.2022 RM</b>
<b>D. Companies in which Directors have substantial financial interest</b>			
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.



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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

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  
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### *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