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**13. ACCOUNTANTS' REPORT**

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**LAC Med Berhad**  
(Incorporated in Malaysia)  
Registration No: 202401049485 (1595329-H)

**Accountants' Report on the  
Financial Information**

**13. ACCOUNTANTS' REPORT (CONT'D)****26 MAY 2025**

**The Board of Directors**  
**LAC Med Berhad**  
 G-03A-3, Plaza Kelana Jaya,  
 Jalan SS7/13A,  
 47301 Petaling Jaya,  
 Selangor Darul Ehsan.

**Crowe Malaysia PLT**  
 201906000005 (LLP0018817-LCA) & AF 1018  
 Chartered Accountants  
 Level 16, Tower C, Megan Avenue II  
 12, Jalan Yap Kwan Seng  
 50450 Kuala Lumpur  
 Malaysia  
 Main +6 03 2788 9999  
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**Dear Sirs/Madam,**

**REPORTING ACCOUNTANTS' OPINION ON THE FINANCIAL INFORMATION CONTAINED  
 IN THE ACCOUNTANTS' REPORT OF LAC MED BERHAD ("LAC" OR "THE COMPANY")**

**OPINION**

We have audited the combined financial statements of LAC, LAC Medical Supplies Sdn Bhd, CVS Medical Sdn Bhd and PT Fairmed Imaging Nusajaya (collectively referred to as "the Group") which comprise the combined statements of financial position as at 31 December 2022, 31 December 2023 and 31 December 2024 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 each of the financial years ended 31 December 2022, 31 December 2023 and 31 December 2024, and notes to the combined financial statements, including a summary of material accounting policy information as set out on page 4 to 81.

This historical financial information has been prepared for inclusion in the prospectus of LAC in connection with the listing and quotation of entire enlarged issued shares capital of LAC on the Main Market of Bursa Malaysia Securities Berhad ("the Prospectus"). This report is required by the Prospectus Guidelines issued by the Securities Commission Malaysia (the "Prospectus Guidelines") and is given for the purpose of complying with Prospectus Guidelines and for no other purpose.

In our opinion, the combined financial information gives a true and fair view of the financial positions of the Group as at 31 December 2022, 31 December 2023 and 31 December 2024 and of their financial performance and their combined cash flows for each of the financial years ended 31 December 2022, 31 December 2023 and 31 December 2024 in accordance with the Malaysian Financial Reporting Standards and the International Financial Reporting 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 Accountant's Responsibilities for the Audit of the Financial Information* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

*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.

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**13. ACCOUNTANTS' REPORT (CONT'D)****DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL INFORMATION**

The Directors of the Company are responsible for the preparation of the combined financial information of the Group that gives a true and fair view in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of combined financial information that are free from material misstatement, whether due to fraud or error.

In preparing the combined financial information of the Group, the Directors are responsible for assessing the Group's ability 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' RESPONSIBILITY FOR THE AUDIT OF FINANCIAL INFORMATION**

Our objectives are to obtain reasonable assurance about whether the combined financial information of the Group as a whole are free from material misstatement, whether due to fraud or error, and to issue a 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 financial information.

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 information 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- 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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial information 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 report. However, future events or conditions may cause the Group to cease to continue as a going concern.

**13. ACCOUNTANTS' REPORT (CONT'D)****REPORTING ACCOUNTANTS' RESPONSIBILITY FOR THE AUDIT OF FINANCIAL INFORMATION (CONT'D)**

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: (Cont'd)

- Evaluate the overall presentation, structure and content of the combined financial information of the Group, including the disclosures, and whether the combined financial information of the Group represents the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the combined financial information of the entities or business units within the group as a basis for forming an opinion on the group combined financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes 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.

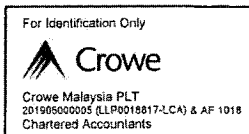
**RESTRICTION ON DISTRIBUTION AND USE**

This report is made solely to the Group for inclusion in the prospectus of LAC in connection with the listing and quotation of the entire enlarged issued shares capital of LAC on the Main Market of Bursa Malaysia Securities Berhad. As such, this report should not be used for any other purpose without our prior written consent. We do not assume responsibility to any other person for the content of this report.

**Crowe Malaysia PLT**  
201906000005 (LLP0018817-LCA) & AF 1018  
Chartered Accountants

Kuala Lumpur

**Lean Wei Ee**  
03827/05/2026 J  
Chartered Accountant

**13. ACCOUNTANTS' REPORT (CONT'D)****LAC MED BERHAD****COMBINED STATEMENTS OF FINANCIAL POSITION**

|   | Note | Audited<br>31 December<br>2022<br>RM | Audited<br>31 December<br>2023<br>RM | Audited<br>31 December<br>2024<br>RM |
|---|------|--------------------------------------|--------------------------------------|--------------------------------------|
| <b>ASSETS</b>                               |      |                                      |                                      |                                      |
| <b>NON-CURRENT ASSETS</b>                   |      |                                      |                                      |                                      |
| Property, plant and equipment               | 4    | 560,474                              | 1,233,634                            | 1,415,586                            |
| Right-of-use assets                         | 5    | 41,098                               | 129,695                              | 47,782                               |
| Deferred tax assets                         | 6    | 1,626,112                            | 2,127,640                            | 2,658,836                            |
|   |      | <u>2,227,684</u>                     | <u>3,490,969</u>                     | <u>4,122,204</u>                     |
| <b>CURRENT ASSETS</b>                       |      |                                      |                                      |                                      |
| Inventories                                 | 7    | 10,839,769                           | 21,608,167                           | 20,797,656                           |
| Trade receivables                           | 8    | 50,115,334                           | 66,419,510                           | 35,705,563                           |
| Other receivables, deposits and prepayments | 9    | 6,924,747                            | 6,327,243                            | 18,367,901                           |
| Contract assets                             | 10   | 841,701                              | 2,311,016                            | 3,034,612                            |
| Amount owing by directors                   | 11   | 49,378                               | -                                    | 139,500                              |
| Amount owing by related parties             | 12   | 4,710                                | -                                    | -                                    |
| Fixed deposits with licensed banks          | 13   | 8,420,605                            | 9,003,483                            | 30,097,211                           |
| Cash and bank balances                      |      | 23,828,032                           | 30,453,853                           | 15,843,630                           |
|   |      | <u>101,024,276</u>                   | <u>136,123,272</u>                   | <u>123,986,073</u>                   |
| <b>TOTAL ASSETS</b>                         |      | <u>103,251,960</u>                   | <u>139,614,241</u>                   | <u>128,108,277</u>                   |

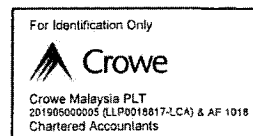
**13. ACCOUNTANTS' REPORT (CONT'D)****LAC MED BERHAD****COMBINED STATEMENTS OF FINANCIAL POSITION (CONT'D)**

For Identification Only

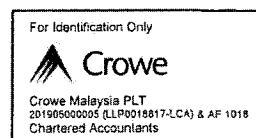


Crowe Malaysia PLT  
201905000005 (LLR0018817-LCA) & AF 1018  
Chartered Accountants

|  | Note | Audited<br>31 December<br>2022<br>RM | Audited<br>31 December<br>2023<br>RM | Audited<br>31 December<br>2024<br>RM |
|--|------|--------------------------------------|--------------------------------------|--------------------------------------|
| <b>EQUITY AND LIABILITIES</b>                |      |                                      |                                      |                                      |
| <b>EQUITY</b>                                |      |                                      |                                      |                                      |
| Share capital                                | 14   | 2,000,000                            | 2,000,000                            | 2,000,010                            |
| Foreign exchange translation reserve         | 15   | -                                    | -                                    | (3,667)                              |
| Retained earnings                            |      | 23,123,208                           | 37,866,992                           | 45,765,699                           |
| Equity attributable to owners of the Company |      | 25,123,208                           | 39,866,992                           | 47,762,042                           |
| Non-controlling interests                    |      | -                                    | -                                    | 136,412                              |
| <b>TOTAL EQUITY</b>                          |      | <b>25,123,208</b>                    | <b>39,866,992</b>                    | <b>47,898,454</b>                    |
| <b>NON-CURRENT LIABILITIES</b>               |      |                                      |                                      |                                      |
| Lease liabilities                            | 16   | -                                    | 53,230                               | -                                    |
| Hire purchase payables                       | 17   | 226,757                              | 157,079                              | 100,249                              |
| Borrowings                                   | 18   | 2,880,984                            | 2,063,751                            | 1,296,769                            |
|  |      | 3,107,741                            | 2,274,060                            | 1,397,018                            |
| <b>CURRENT LIABILITIES</b>                   |      |                                      |                                      |                                      |
| Trade payables                               | 19   | 19,256,795                           | 36,530,378                           | 28,744,137                           |
| Other payables and accruals                  | 20   | 5,404,656                            | 12,352,888                           | 14,979,695                           |
| Contract liabilities                         | 10   | 12,215,367                           | 16,355,267                           | 13,962,907                           |
| Amount owing to related parties              | 12   | 21,620                               | 1,000,909                            | 3,240                                |
| Lease liabilities                            | 16   | 42,108                               | 80,447                               | 53,230                               |
| Hire purchase payables                       | 17   | 74,237                               | 69,869                               | 56,830                               |
| Borrowings                                   | 18   | 32,018,170                           | 23,247,506                           | 18,916,516                           |
| Dividend payable                             |      | 4,000,000                            | 6,000,000                            | -                                    |
| Current tax liabilities                      |      | 1,988,058                            | 1,835,925                            | 2,096,250                            |
|  |      | 75,021,011                           | 97,473,189                           | 78,812,805                           |
| <b>TOTAL LIABILITIES</b>                     |      | <b>78,128,752</b>                    | <b>99,747,249</b>                    | <b>80,209,823</b>                    |
| <b>TOTAL EQUITY AND LIABILITIES</b>          |      | <b>103,251,960</b>                   | <b>139,614,241</b>                   | <b>128,108,277</b>                   |

**13. ACCOUNTANTS' REPORT (CONT'D)****LAC MED BERHAD****COMBINED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

| < ----- Audited ----- >   |      |              |               |               |
|---|------|--------------|---------------|---------------|
| < -- Financial Year Ended 31 December -- >  |      |              |               |               |
|   |      | <b>2022</b>  | <b>2023</b>   | <b>2024</b>   |
|   | Note | RM           | RM            | RM            |
| REVENUE   | 21   | 106,644,268  | 150,346,827   | 183,215,535   |
| COST OF SALES   |      | (76,875,493) | (109,316,416) | (137,740,072) |
| GROSS PROFIT  |      | 29,768,775   | 41,030,411    | 45,475,463    |
| OTHER INCOME  |      | 235,510      | 456,101       | 590,227       |
|   |      | 30,004,285   | 41,486,512    | 46,065,690    |
| SELLING AND DISTRIBUTION EXPENSES   |      | (2,085,407)  | (6,126,153)   | (5,172,043)   |
| ADMINISTRATIVE EXPENSES   |      | (7,983,948)  | (10,442,259)  | (12,692,748)  |
| OTHER EXPENSES  |      | (187,396)    | (246,100)     | (345,355)     |
| FINANCE COSTS   |      | (1,018,905)  | (1,082,377)   | (494,174)     |
| NET (IMPAIRMENT LOSSES)/REVERSAL OF<br>IMPAIRMENT LOSSES ON FINANCIAL<br>ASSETS AND CONTRACT ASSETS | 22   | (1,549,289)  | 2,106,962     | (318,724)     |
| PROFIT BEFORE TAXATION  | 23   | 17,179,340   | 25,696,585    | 27,042,646    |
| INCOME TAX EXPENSE  | 24   | (4,114,564)  | (4,952,801)   | (6,646,834)   |
| PROFIT AFTER TAXATION   |      | 13,064,776   | 20,743,784    | 20,395,812    |
| OTHER COMPREHENSIVE EXPENSES  |      |              |               |               |
| <u>Items that Will be Reclassified Subsequently<br/>to Profit or Loss</u>                           |      |              |               |               |
| Foreign currency translation differences  |      | -            | -             | (3,860)       |
| TOTAL COMPREHENSIVE INCOME FOR<br>THE FINANCIAL YEAR  |      | 13,064,776   | 20,743,784    | 20,391,952    |

**13. ACCOUNTANTS' REPORT (CONT'D)****LAC MED BERHAD****COMBINED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONT'D)**

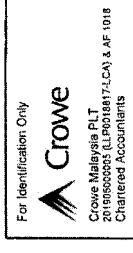
| < ----- Audited ----- >                    |                   |                   |                   |
|--|-------------------|-------------------|-------------------|
| < -- Financial Year Ended 31 December -- > |                   |                   |                   |
|  | 2022              | 2023              | 2024              |
| Note                                       | RM                | RM                | RM                |
| <b>PROFIT AFTER TAXATION</b>               |                   |                   |                   |
| <b>ATTRIBUTABLE TO:-</b>                   |                   |                   |                   |
| Owners of the Company                      | 13,064,776        | 20,743,784        | 20,398,707        |
| Non-controlling interests                  | -                 | -                 | (2,895)           |
|  | <u>13,064,776</u> | <u>20,743,784</u> | <u>20,395,812</u> |
| <b>TOTAL COMPREHENSIVE INCOME</b>          |                   |                   |                   |
| <b>ATTRIBUTABLE TO:-</b>                   |                   |                   |                   |
| Owners of the Company                      | 13,064,776        | 20,743,784        | 20,395,040        |
| Non-controlling interests                  | -                 | -                 | (3,088)           |
|  | <u>13,064,776</u> | <u>20,743,784</u> | <u>20,391,952</u> |
| <b>EARNINGS PER SHARE (SEN)</b>            |                   |                   |                   |
| - Basic                                    | 25 653            | 1,037             | 1,020             |
| - Diluted                                  | 25 653            | 1,037             | 1,020             |



13. ACCOUNTANTS' REPORT (CONT'D)

LAC MED BERHAD

COMBINED STATEMENTS OF CHANGES IN EQUITY



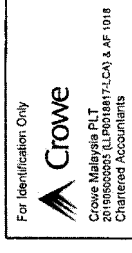
|   | Note | Share<br>Capital<br>RM | Retained<br>Profits<br>RM | Attributable to<br>the Owners of<br>the Company<br>RM | Non-<br>controlling<br>Interests<br>RM | Total<br>Equity<br>RM |
|---|------|------------------------|---------------------------|---|--|-----------------------|
| <b>Audited</b>  |      |                        |                           |   |  |                       |
| Balance at 1 January 2022   |      | 2,000,000              | 14,058,432                | 16,058,432  | -                                      | 16,058,432            |
| Profit after taxation/Total comprehensive income for the financial year |      | -                      | 13,064,776                | 13,064,776  | -                                      | 13,064,776            |
| Distributions to the owners of the Company:<br>- Dividends              | 26   | -                      | (4,000,000)               | (4,000,000)   | -                                      | (4,000,000)           |
| Balance at 31 December 2022   |      | 2,000,000              | 23,123,208                | 25,123,208  | -                                      | 25,123,208            |

The annexed notes form an integral part of these financial statements.

13. ACCOUNTANTS' REPORT (CONT'D)

LAC MED BERHAD

COMBINED STATEMENTS OF CHANGES IN EQUITY (CONT'D)



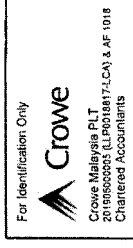
| Audited   | Note | Share Capital RM | Foreign Exchange Translation Reserve RM | Retained Profits RM | Attributable to the Owners of the Company RM | Non-controlling Interests RM | Total Equity RM |
|---|------|------------------|---|---------------------|--|------------------------------|-----------------|
| Balance at 1 January 2023   |      | 2,000,000        | -                                       | 23,123,208          | 25,123,208                                   | -                            | 25,123,208      |
| Profit after taxation/Total comprehensive income for the financial year |      | -                | -                                       | 20,743,784          | 20,743,784                                   | -                            | 20,743,784      |
| Distributions to the owners of the Company:                             | 26   | -                | -                                       | (6,000,000)         | (6,000,000)                                  | -                            | (6,000,000)     |
| - Dividends   |      | -                | -                                       | (6,000,000)         | (6,000,000)                                  | -                            | (6,000,000)     |
| Balance at 31 December 2023/1 January 2024                              |      | 2,000,000        | -                                       | 37,866,992          | 39,866,992                                   | -                            | 39,866,992      |
| Profit after taxation for the financial year                            |      | -                | -                                       | 20,398,707          | 20,398,707                                   | (2,895)                      | 20,395,812      |
| Other comprehensive expense for the financial year:                     |      | -                | (3,667)                                 | -                   | (3,667)                                      | (193)                        | (3,860)         |
| - Foreign currency translations difference                              |      | -                | (3,667)                                 | -                   | (3,667)                                      | (193)                        | (3,860)         |
| Total comprehensive income for the financial year                       |      | -                | (3,667)                                 | 20,398,707          | 20,395,040                                   | (3,088)                      | 20,391,952      |
| Balance carried forward   |      | 2,000,000        | (3,667)                                 | 58,265,699          | 60,262,032                                   | (3,088)                      | 60,258,944      |

The annexed notes form an integral part of these financial statements.

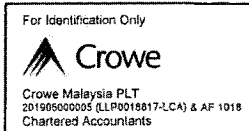
13. ACCOUNTANTS' REPORT (CONT'D)

LAC MED BERHAD

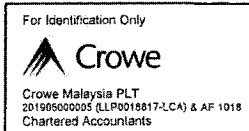
COMBINED STATEMENTS OF CHANGES IN EQUITY (CONT'D)



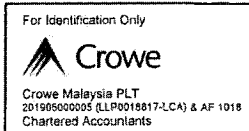
| Audited  | Note | Share Capital RM | Foreign Exchange Translation Reserve RM | Retained Profits RM | Attributable to the Owners of the Company RM | Non-controlling Interests RM | Total Equity RM    |
|--|------|------------------|---|---------------------|--|------------------------------|--------------------|
| Balance brought forward                            |      | 2,000,000        | (3,667)                                 | 58,265,699          | 60,262,032                                   | (3,088)                      | 60,258,944         |
| Dividends Issuance of shares                       | 26   | -<br>10          | -<br>-                                  | (12,500,000)<br>-   | (12,500,000)<br>10                           | -<br>-                       | (12,500,000)<br>10 |
| Total contributions by and distributions to owners |      | 10               | -                                       | (12,500,000)        | (12,499,990)                                 | -                            | (12,499,990)       |
| Acquisition of a subsidiary                        |      | -                | -                                       | -                   | -  | 139,500                      | 139,500            |
| Balance at 31 December 2024                        |      | 2,000,010        | (3,667)                                 | 45,765,699          | 47,762,042                                   | 136,412                      | 47,898,454         |

**13. ACCOUNTANTS' REPORT (CONT'D)****LAC MED BERHAD****COMBINED STATEMENTS OF CASH FLOWS**

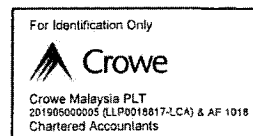
| < ----- Audited ----- >                                |               |              |              |
|--|---------------|--------------|--------------|
| < -- Financial Year Ended 31 December -- >             |               |              |              |
|  | 2022          | 2023         | 2024         |
| Note   | RM            | RM           | RM           |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>            |               |              |              |
| Profit before taxation                                 | 17,179,340    | 25,696,585   | 27,042,646   |
| Adjustments for:-                                      |               |              |              |
| Depreciation of property, plant and equipment          | 4 124,144     | 220,378      | 305,551      |
| Depreciation of right-of-use assets                    | 5 55,702      | 67,739       | 81,913       |
| Property, plant and equipment written off              | 4 -           | 780          | 13,650       |
| Provision of warranties                                | 4,297,750     | 7,054,458    | 7,079,176    |
| Gain on modification of leases                         | -             | (405)        | -            |
| Impairment loss:                                       |               |              |              |
| - Trade receivables                                    | 8 1,421,385   | -            | 384,713      |
| - Contract assets                                      | 10 134,921    | -            | -            |
| Inventories written down                               | 7 139,000     | -            | 68,763       |
| Interest expense on lease liabilities                  | 27(b) 3,398   | 5,918        | 7,553        |
| Interest expense on borrowings                         | 27(b) 829,060 | 1,007,118    | 431,081      |
| Interest income from deposits with licensed banks      | (209,262)     | (176,448)    | (500,680)    |
| Reversal of impairment loss on trade receivables       | 8 (7,017)     | (2,106,962)  | (65,989)     |
| Reversal of inventories previously written down        | 7 -           | (284,000)    | -            |
| Reversal of provision for warranties                   | (1,285,964)   | (704,696)    | (1,291,740)  |
| Operating profit before working capital changes        | 22,682,457    | 30,780,465   | 33,556,637   |
| (Increase)/Decrease in trade and other receivables     | (9,561,585)   | (13,599,710) | 18,354,565   |
| Increase in contract assets                            | (63,647)      | (1,469,315)  | (723,596)    |
| (Increase)/Decrease in inventories                     | (1,470,208)   | (10,484,398) | 741,748      |
| (Decrease)/Increase in trade and other payables        | (11,929,669)  | 17,872,053   | (10,950,730) |
| Increase/(Decrease) in contract liabilities            | 7,772,179     | 4,139,900    | (2,392,360)  |
| Increase/(Decrease) in amount owing to related parties | 21,620        | 979,289      | (997,669)    |
| <b>CASH FROM OPERATIONS</b>                            | 7,451,147     | 28,218,284   | 37,588,595   |
| Income tax paid  | (4,579,039)   | (5,770,165)  | (6,917,705)  |
| Income tax refunded                                    | -             | 163,703      | -            |
| <b>NET CASH FROM OPERATING ACTIVITIES</b>              | 2,872,108     | 22,611,822   | 30,670,890   |

**13. ACCOUNTANTS' REPORT (CONT'D)****LAC MED BERHAD****COMBINED STATEMENTS OF CASH FLOWS (CONT'D)**

| < ----- Audited ----- >  |                 |             |              |
|--|-----------------|-------------|--------------|
| < -- Financial Year Ended 31 December -- >                                       |                 |             |              |
| Note   | 2022<br>RM      | 2023<br>RM  | 2024<br>RM   |
| NET CASH FROM/(FOR) INVESTING ACTIVITIES   |                 |             |              |
| Purchase of property, plant and equipment  | 27(a) (226,878) | (894,318)   | (501,153)    |
| Issuance of shares   | -               | -           | 10           |
| Repayment from directors   | 730,500         | 49,378      | -            |
| (Advances to)/Repayment from related parties                                     | (4,710)         | 4,710       | -            |
| Placement of fixed deposit with licensed banks with tenure of more than 3 months | -               | -           | (10,000,000) |
| (Placement)/Withdrawal of fixed deposit pledged to licensed banks                | (434,163)       | (582,878)   | 1,198,136    |
| Interest received  | 209,262         | 176,448     | 500,680      |
| NET CASH FROM/(FOR) INVESTING ACTIVITIES   | 274,011         | (1,246,660) | (8,802,327)  |

**13. ACCOUNTANTS' REPORT (CONT'D)****LAC MED BERHAD****COMBINED STATEMENTS OF CASH FLOWS (CONT'D)**

| < ----- Audited ----- >  |       |                   |                     |                     |
|--|-------|-------------------|---------------------|---------------------|
| < -- Financial Year Ended 31 December -- >                     |       |                   |                     |                     |
|  | Note  | 2022<br>RM        | 2023<br>RM          | 2024<br>RM          |
| <b>CASH FLOWS FROM/(FOR)</b>                                   |       |                   |                     |                     |
| <b>FINANCING ACTIVITIES</b>                                    |       |                   |                     |                     |
| Interest paid  | 27(b) | (832,458)         | (1,013,036)         | (438,634)           |
| Drawdown of bankers' acceptances                               | 27(b) | 27,801,929        | 15,811,929          | 7,387,000           |
| Drawdown of invoice financing                                  | 27(b) | 1,566,000         | -                   | -                   |
| Drawdown of letter of credit                                   | 27(b) | 21,590,930        | 26,842,231          | 49,763,638          |
| Drawdown of promissory note                                    | 27(b) | 7,532,357         | 12,476,250          | -                   |
| Drawdown of trade financing                                    | 27(b) | -                 | 3,255,228           | -                   |
| Repayment of term loans  | 27(b) | (744,162)         | (774,768)           | (811,096)           |
| Repayment of hire purchase payables                            | 27(b) | (51,702)          | (74,046)            | (69,869)            |
| Repayment of lease liabilities                                 | 27(b) | (55,402)          | (64,362)            | (80,447)            |
| Repayment of bankers' acceptances                              | 27(b) | (21,492,953)      | (22,831,247)        | (9,501,658)         |
| Repayment of invoice financing                                 | 27(b) | -                 | (1,566,000)         | -                   |
| Repayment of letter of credit                                  | 27(b) | (18,340,856)      | (26,428,695)        | (49,829,843)        |
| Repayment of promissory note                                   | 27(b) | (4,784,997)       | (13,813,112)        | (1,410,498)         |
| Repayment of trade financing                                   | 27(b) | -                 | (2,559,713)         | (695,515)           |
| Dividend paid  |       | (3,400,000)       | (4,000,000)         | (18,500,000)        |
| <b>NET CASH FROM/(FOR) FINANCING ACTIVITIES</b>                |       | <b>8,788,686</b>  | <b>(14,739,341)</b> | <b>(24,186,922)</b> |
| <b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>    |       | <b>11,934,805</b> | <b>6,625,821</b>    | <b>(2,318,359)</b>  |
| <b>CASH AND EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR</b> |       | <b>11,893,227</b> | <b>23,828,032</b>   | <b>30,453,853</b>   |
| <b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR</b>  | 27(c) | <b>23,828,032</b> | <b>30,453,853</b>   | <b>28,135,494</b>   |

**13. ACCOUNTANTS' REPORT (CONT'D)****LAC MED BERHAD****NOTES TO THE COMBINED FINANCIAL STATEMENTS****1. GENERAL INFORMATION**

LAC Med Sdn Bhd was incorporated in Malaysia under the Companies Act 2016 on 22 November 2024, as a private limited company and is principally engaged in the business of investment holding. On 14 April 2025, LAC Med Sdn Bhd was converted into a public limited company and assumed the name of LAC Med Berhad ("LAC" or "the Company").

LAC was incorporated with a total paid-up share capital of RM10 comprising 20 ordinary shares.

The registered office and principal place of business are as follows:

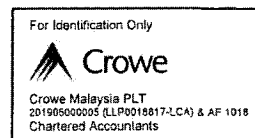
Registered office : Office Suite No. 603 Block C  
 Pusat Dagangan Phileo Damansara 1  
 No. 9, Jalan 16/11  
 Off Jalan Damansara  
 46350 Petaling Jaya  
 Selangor Darul Ehsan.

Principal place of business : G-03A-3, Plaza Kelana Jaya  
 Jalan SS7/13A  
 47301 Petaling Jaya  
 Selangor Darul Ehsan.

The information of entities within the combined financial statements is as follows:

- (a) LAC Medical Supplies Sdn. Bhd. ("LAC Medical"), which was incorporated on 30 December 2003 in Malaysia, as a private limited company and is principally engaged in the business of supply and integration of medical devices, and related products and services.
- (b) CVS Medical Sdn. Bhd. ("CVS Medical"), which was incorporated on 25 January 2017 in Malaysia, as a private limited company and is principally engaged in the business of supply and integration of medical devices, and related products and services.
- (c) PT Fairmed Imaging Nusajaya ("PT Fairmed") was incorporated on 4 December 2024 in Indonesia, as a private limited company and is principally engaged in the business of supply and integration of medical devices, and related products and services.

The Company and the above entities are collectively defined as "the Group".

**13. ACCOUNTANTS' REPORT (CONT'D)****LAC MED BERHAD****NOTES TO THE COMBINED FINANCIAL STATEMENTS****1. GENERAL INFORMATION (CONT'D)**

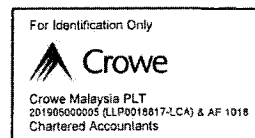
LAC has entered into a Share Sale Agreement on 9 April 2025 to acquire the equity interest in the following companies:

- (a) Acquisition of the entire equity interest in LAC Medical for a total purchase consideration of RM34,383,117, to be satisfied via the issuance of 229,220,780 new shares at an issue price of RM0.15 per share;
- (b) Acquisition of the entire equity interest in CVS Medical for a total purchase consideration of RM13,455,930, to be satisfied via the issuance of 89,706,200 new shares at an issue price of RM0.15 per share; and
- (c) Acquisition of the entire equity interest in GoCloud Solutions Sdn Bhd ("GoCloud") for a total purchase consideration of RM1,031,310, to be satisfied via the issuance of 6,875,400 new shares at an issue price of RM0.15 per share.

The acquisitions of the above companies were completed on [.] 2025.

The acquisitions of LAC Medical and CVS Medical is combined using merger method of accounting. GoCloud is not included in the combined financial statements for the financial years ended 31 December 2022, 31 December 2023 and 31 December 2024 as it is not a commonly controlled entity.



**13. ACCOUNTANTS' REPORT (CONT'D)****LAC MED BERHAD****NOTES TO THE COMBINED FINANCIAL STATEMENTS****2. BASIS OF PREPARATION**

The combined financial statements for the financial years ended 31 December 2022, 31 December 2023 and 31 December 2024 are the combination or aggregation of all of the financial statements of the entities of the Group.

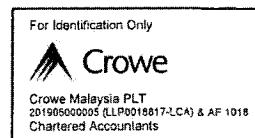
The combined financial statements of the Group have been prepared based on the financial statements of the following entities in accordance with Malaysia Financial Reporting standards and International Financial Reporting Standards for the relevant financial years as follows:

| Company     | < -- Financial Year Ended 31 December -- > |      |      |
|-------------|--|------|------|
|             | 2022                                       | 2023 | 2024 |
| LAC         | (i)  | (i)  | ✓    |
| LAC Medical | ✓  | ✓    | ✓    |
| CVS Medical | ✓  | ✓    | ✓    |
| PT Fairmed  | (ii)                                       | (ii) | ✓    |

(i) No financial statements are available for LAC as LAC was incorporated on 22 November 2024.

(ii) No financial statements are available for PT Fairmed as PT Fairmed was incorporated on 4 December 2024.

✓ The combined financial statements of the Group include the financial statements of these combining entities for the financial years ended 31 December 2022, 31 December 2023 and 31 December 2024

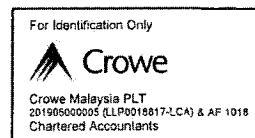
**13. ACCOUNTANTS' REPORT (CONT'D)****LAC MED BERHAD****NOTES TO THE COMBINED FINANCIAL STATEMENTS****2. BASIS OF PREPARATION (CONT'D)**

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 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.

The combined financial statements of the Group for the relevant period were prepared in a manner similar to the "pooling-of-interest" method, as if the entities within the Group were operating as a single economic enterprise from the beginning of the earliest comparative period covered by the relevant period or the date of incorporation of entities within the Group. Such manner of presentation reflects the economic substance of the combining companies, which were under common control throughout the relevant period.

The identifiable assets of all commonly controlled entities are accounted for at their historical costs. The accounting policies of common controlled entities have been changed where necessary to align them with the policies adopted by the Group.

All material intra-group transactions and balances have been eliminated on combination.

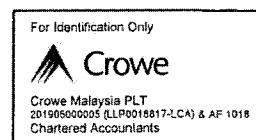
**13. ACCOUNTANTS' REPORT (CONT'D)****LAC MED BERHAD****NOTES TO THE COMBINED FINANCIAL STATEMENTS****2. BASIS OF PREPARATION (CONT'D)**

- 2.1 The combined financial statements of the Group are prepared under the historical cost convention and modified to include other basis of valuation as disclosed in other sections under material accounting policy information, and in compliance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and Prospectus Guidelines issued by the Securities Commission Malaysia.
- 2.2 The Group has not applied in advance the following accounting standards and/or interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective for the current financial year:-

**MFRSs and/or IC Interpretations (Including The Consequential Amendments)**

|   | <b>Effective Date</b> |
|---|-----------------------|
| Amendments to MFRS 121: Lack of Exchangeability   | 1 January 2025        |
| Annual Improvements to MFRS Accounting Standards – Volume 11  | 1 January 2026        |
| Amendments to MFRS 9 and MFRS 7: Amendments to the Classification and Measurement of Financial Instruments                | 1 January 2026        |
| Amendments to MFRS 9 and MFRS 7: Contracts Referencing Nature-dependent Electricity                                       | 1 January 2026        |
| MFRS 18 Presentation and Disclosure in Financial Statements   | 1 January 2027        |
| MFRS 19 Subsidiaries without Public Accountability: Disclosures   | 1 January 2027        |
| Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture | Deferred              |

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group upon its initial application.

**13. ACCOUNTANTS' REPORT (CONT'D)****LAC MED BERHAD****NOTES TO THE COMBINED FINANCIAL STATEMENTS****3. MATERIAL ACCOUNTING POLICY INFORMATION****3.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS***Key Sources of Estimation Uncertainty*

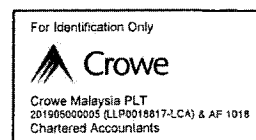
Management believes that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year other than as disclosed below:-

**(a) Depreciation of Property, Plant and Equipment and Right-of-use Assets**

The estimates for the residual values, useful lives and related depreciation charges for the property, plant and equipment and right-of-use assets are based on commercial factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions. The Group anticipates that the residual values of its property, plant and equipment and right-of-use assets will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount. Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

**(b) Impairment of Property, Plant and Equipment and Right-of-use Assets**

The Group determines whether an item of its property, plant and equipment and right-of-use assets is impaired by evaluating the extent to which the recoverable amount of the asset is less than its carrying amount. This evaluation is subject to changes such as market performance, economic and political situation of the country.

**13. ACCOUNTANTS' REPORT (CONT'D)****LAC MED BERHAD****NOTES TO THE COMBINED FINANCIAL STATEMENTS****3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)****3.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)***Key Sources of Estimation Uncertainty (Cont'd)***(c) Write down of Inventories**

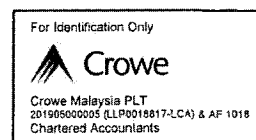
Reviews are made periodically by management on damaged, obsolete and slow-moving inventories. These reviews require judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories.

**(d) Impairment of Trade Receivables and Contract Assets**

The Group uses the simplified approach to estimate a lifetime expected credit loss allowance for all trade receivables and contract assets. The contract assets are grouped with trade receivables for impairment assessment because they have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group develops the expected loss rates based on the payment profiles of past sales and the corresponding historical credit losses, and adjusts for qualitative and quantitative reasonable and supportable forward-looking information. If the expectation is different from the estimation, such difference will impact the carrying values of trade receivables and contract assets.

**(e) Impairment of Non-Trade Receivables**

The loss allowances for non-trade financial assets are based on assumptions about risk of default (probability of default) and expected loss if a default happens (loss given default). It also requires the Group to assess whether there is a significant increase in credit risk of the non-trade financial asset at the reporting date. The Group uses judgement in making these assumptions and selecting appropriate inputs to the impairment calculation, based on the past payment trends, existing market conditions and forward-looking information.

**13. ACCOUNTANTS' REPORT (CONT'D)****LAC MED BERHAD****NOTES TO THE COMBINED FINANCIAL STATEMENTS****3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)****3.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)***Key Sources of Estimation Uncertainty (Cont'd)***(f) Income Taxes**

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group recognises tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax expense and deferred tax balances in the period in which such determination is made.

**(g) Discount Rates used in Leases**

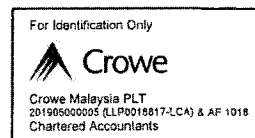
Where the interest rate implicit in the lease cannot be readily determined, the Group uses the incremental borrowing rate to measure the lease liabilities. The incremental borrowing rate is the interest rate that the Group would have to pay to borrow over a similar term, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. Therefore, the incremental borrowing rate requires estimation particularly when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the incremental borrowing rate using observable inputs when available and is required to make certain entity-specific estimates.

**(h) Revenue recognition for services provided on contracts**

The Group recognises certain revenue related to services provided on contracts by reference to the progress using the input method, determined based on the proportion of costs incurred for work performed to date over the estimated total costs. The total estimated costs are based on approved budgets, which require assessment and judgement to be made on changes in, for example, work scope, changes in costs and costs to completion. In making the judgement, management relies on past experience and the work of specialists.

**(i) Deferred tax assets**

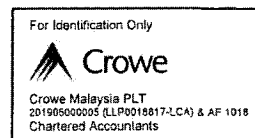
Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that future taxable profits would be available against which the deductible temporary could be utilised. Management judgement is required to determine the amount of deferred tax assets that can be recognised, based on the assessment of the probability of the future taxable profits.

**13. ACCOUNTANTS' REPORT (CONT'D)****LAC MED BERHAD****NOTES TO THE COMBINED FINANCIAL STATEMENTS****3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)****3.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)***Key Sources of Estimation Uncertainty (Cont'd)**Critical Judgements Made in Applying Accounting Policies*

Management believes that there are no instances of application of critical judgement in applying the Group's accounting policies which will have a significant effect on the amounts recognised in the combined financial statements.

**Lease Terms**

Some leases contain extension options exercisable by the Group before the end of the non-cancellable contract period. In determining the lease term, management considers all facts and circumstances including the past practice and any cost that will be incurred to change the asset if an option to extend is not taken. An extension option is only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

**13. ACCOUNTANTS' REPORT (CONT'D)****LAC MED BERHAD****NOTES TO THE COMBINED FINANCIAL STATEMENTS****3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)****3.2 FINANCIAL INSTRUMENTS****(a) Financial Assets**Financial Assets Through Profit or Loss

The financial assets are initially measured at fair value. Subsequent to the initial recognition, the financial assets are remeasured to their fair values at the reporting date with fair value changes recognised in profit or loss. The fair value changes do not include interest and dividend income.

Financial Assets At Amortised Cost

The financial assets are initially measured at fair value plus transaction costs except for trade receivables without significant financing component which are measured at transaction price only. Subsequent to the initial recognition, all financial assets are measured at amortised cost less any impairment losses.

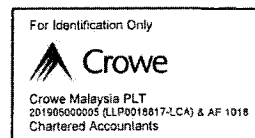
**(b) Financial Liabilities**Financial Liabilities Through Profit or Loss

The financial liabilities are initially measured at fair value. Subsequent to the initial recognition, the financial liabilities are remeasured to their fair values at the reporting date with fair value changes recognised in profit or loss. The fair value changes do not include interest expense.

Financial Liabilities at Amortised Cost

The financial liabilities are initially measured at fair value less transaction costs. Subsequent to the initial recognition, the financial liabilities are measured at amortised cost.



**13. ACCOUNTANTS' REPORT (CONT'D)****LAC MED BERHAD****NOTES TO THE COMBINED FINANCIAL STATEMENTS****3. MATERIAL ACCOUNTING POLICIES INFORMATION (CONT'D)****3.2 FINANCIAL INSTRUMENTS (CONT'D)****(c) Equity Instruments**Ordinary Shares

Ordinary shares are recorded on initial recognition at the proceeds received less directly attributable transaction costs incurred. The ordinary shares are not remeasured subsequently.

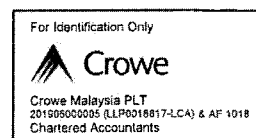
**3.3 PROPERTY, PLANT AND EQUIPMENT**

All items of property, plant and equipment are initially measured at cost including the estimated costs of dismantling and removing the items and restoring that site on which they are located.

Subsequent to initial recognition, all property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses.

Depreciation on other property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over the estimated useful lives. The principal annual depreciation rates are:-

|                                      |            |
|--------------------------------------|------------|
| Computer                             | 20% to 25% |
| Furniture and fittings and equipment | 10% to 20% |
| Medical equipment                    | 10% to 20% |
| Motor vehicle                        | 20%        |
| Office equipment                     | 20%        |
| Renovation                           | 10%        |

**13. ACCOUNTANTS' REPORT (CONT'D)****LAC MED BERHAD****NOTES TO THE COMBINED FINANCIAL STATEMENTS****3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)****3.4 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES****(a) Short-term Leases and Leases of Low-value Assets**

The Group apply the "short-term lease" and "lease of low-value assets" recognition exemption. For these leases, the Group recognise the lease payments as an operating expense on a straight-line method over the term of the lease unless another systematic basis is more appropriate.

**(b) Right-of-use Assets**

Right-of-use assets are initially measured at cost. Subsequent to the initial recognition, the right-of-use assets are stated at cost less accumulated depreciation and any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities.

The right-of-use assets are depreciated using the straight-line method from the commencement date to the earlier of the end of the estimated useful lives of the right-of-use assets or the end of the lease term.

**(c) Lease Liabilities**

Lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the entities' incremental borrowing rate. Subsequent to the initial recognition, the lease liabilities are measured at amortised cost and adjusted for any lease reassessment or modifications.

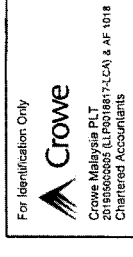
**3.5 INVENTORIES**

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average cost method and comprises the purchase price and incidentals incurred in bringing the inventories to their present location and condition.

13. ACCOUNTANTS' REPORT (CONT'D)

LAC MED BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS



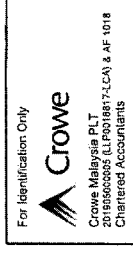
4. PROPERTY, PLANT AND EQUIPMENT

|                                   | At<br>1 January<br>2022<br>RM | Additions<br>RM | Depreciation<br>Charges<br>(Note 23)<br>RM | At<br>31 December<br>2022<br>RM |
|-----------------------------------|-------------------------------|-----------------|--|---------------------------------|
| <b>Audited</b>                    |                               |                 |  |                                 |
| <b>31 December 2022</b>           |                               |                 |  |                                 |
| <i>Carrying Amount</i>            |                               |                 |  |                                 |
| Computer                          | 93,868                        | 77,474          | (40,774)                                   | 130,568                         |
| Furniture, fittings and equipment | -                             | 17,034          | (1,584)                                    | 15,450                          |
| Medical equipment                 | 13,892                        | -               | (6,462)                                    | 7,430                           |
| Motor vehicle                     | 67,568                        | 355,000         | (68,704)                                   | 353,864                         |
| Office equipment                  | 2,412                         | 39,370          | (5,870)                                    | 35,912                          |
| Renovation                        | -                             | 18,000          | (750)                                      | 17,250                          |
|                                   | 177,740                       | 506,878         | (124,144)                                  | 560,474                         |

13. ACCOUNTANTS' REPORT (CONT'D)

LAC MED BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS



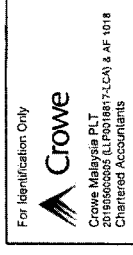
4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

|                                   | At<br>1 January<br>2023<br>RM | Additions<br>RM | Written<br>Off<br>RM | Depreciation<br>Charges<br>(Note 23)<br>RM | At<br>31 December<br>2023<br>RM |
|-----------------------------------|-------------------------------|-----------------|----------------------|--|---------------------------------|
| <b>Audited</b>                    |                               |                 |                      |  |                                 |
| <b>31 December 2023</b>           |                               |                 |                      |  |                                 |
| <i>Carrying Amount</i>            |                               |                 |                      |  |                                 |
| Computer                          | 130,568                       | 147,724         | (780)                | (57,743)                                   | 219,769                         |
| Furniture, fittings and equipment | 15,450                        | 48,239          | -                    | (5,379)                                    | 58,310                          |
| Medical equipment                 | 7,430                         | 463,987         | -                    | (42,796)                                   | 428,621                         |
| Motor vehicle                     | 353,864                       | -               | -                    | (92,704)                                   | 261,160                         |
| Office equipment                  | 35,912                        | 19,104          | -                    | (9,389)                                    | 45,627                          |
| Renovation                        | 17,250                        | 215,264         | -                    | (12,367)                                   | 220,147                         |
|                                   | 560,474                       | 894,318         | (780)                | (220,378)                                  | 1,233,634                       |

13. ACCOUNTANTS' REPORT (CONT'D)

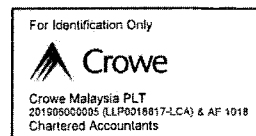
LAC MED BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS

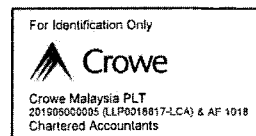


4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

|                                   | At<br>1 January<br>2024<br>RM | Additions<br>RM | Written<br>Off<br>RM | Depreciation<br>Charges<br>(Note 23)<br>RM | At<br>31 December<br>2024<br>RM |
|-----------------------------------|-------------------------------|-----------------|----------------------|--|---------------------------------|
| <b>Audited</b>                    |                               |                 |                      |  |                                 |
| <b>31 December 2024</b>           |                               |                 |                      |  |                                 |
| <i>Carrying Amount</i>            |                               |                 |                      |  |                                 |
| Computer                          | 219,769                       | 314,775         | -                    | (100,625)                                  | 433,919                         |
| Furniture, fittings and equipment | 58,310                        | 21,493          | -                    | (19,241)                                   | 60,562                          |
| Medical equipment                 | 428,621                       | -               | -                    | (56,243)                                   | 372,378                         |
| Motor vehicle                     | 261,160                       | -               | -                    | (83,660)                                   | 177,500                         |
| Office equipment                  | 45,627                        | 48,182          | -                    | (16,599)                                   | 77,210                          |
| Renovation                        | 220,147                       | 116,703         | (13,650)             | (29,183)                                   | 294,017                         |
|                                   | 1,233,634                     | 501,153         | (13,650)             | (305,551)                                  | 1,415,586                       |

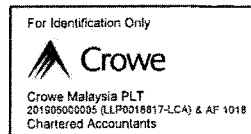
**13. ACCOUNTANTS' REPORT (CONT'D)****LAC MED BERHAD****NOTES TO THE COMBINED FINANCIAL STATEMENTS****4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)**

|                                     | At<br>Cost<br>RM | Accumulated<br>Depreciation<br>RM | Carrying<br>Amount<br>RM |
|-------------------------------------|------------------|-----------------------------------|--------------------------|
| <b>Audited<br/>31 December 2022</b> |                  |                                   |                          |
| Computer                            | 441,832          | (311,264)                         | 130,568                  |
| Furniture, fittings and equipment   | 17,834           | (2,384)                           | 15,450                   |
| Medical equipment                   | 63,950           | (56,520)                          | 7,430                    |
| Motor vehicle                       | 601,520          | (247,656)                         | 353,864                  |
| Office equipment                    | 47,381           | (11,469)                          | 35,912                   |
| Renovation                          | 20,950           | (3,700)                           | 17,250                   |
|                                     | <b>1,193,467</b> | <b>(632,993)</b>                  | <b>560,474</b>           |
| <b>Audited<br/>31 December 2023</b> |                  |                                   |                          |
| Computer                            | 407,605          | (187,836)                         | 219,769                  |
| Furniture, fittings and equipment   | 66,073           | (7,763)                           | 58,310                   |
| Medical equipment                   | 527,937          | (99,316)                          | 428,621                  |
| Motor vehicle                       | 601,520          | (340,360)                         | 261,160                  |
| Office equipment                    | 66,485           | (20,858)                          | 45,627                   |
| Renovation                          | 236,214          | (16,067)                          | 220,147                  |
|                                     | <b>1,905,834</b> | <b>(672,200)</b>                  | <b>1,233,634</b>         |

**13. ACCOUNTANTS' REPORT (CONT'D)****LAC MED BERHAD****NOTES TO THE COMBINED FINANCIAL STATEMENTS****4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)**

|                                   | At<br>Cost<br>RM | Accumulated<br>Depreciation<br>RM | Carrying<br>Amount<br>RM |
|-----------------------------------|------------------|-----------------------------------|--------------------------|
| <b>Audited</b>                    |                  |                                   |                          |
| <b>31 December 2024</b>           |                  |                                   |                          |
| Computer                          | 722,380          | (288,461)                         | 433,919                  |
| Furniture, fittings and equipment | 87,566           | (27,004)                          | 60,562                   |
| Medical equipment                 | 527,937          | (155,559)                         | 372,378                  |
| Motor vehicle                     | 601,520          | (424,020)                         | 177,500                  |
| Office equipment                  | 114,667          | (37,457)                          | 77,210                   |
| Renovation                        | 339,267          | (45,250)                          | 294,017                  |
|                                   | <b>2,393,337</b> | <b>(977,751)</b>                  | <b>1,415,586</b>         |

Included in the property, plant and equipment of the Group was a motor vehicle held under hire purchase arrangements with a total carrying amount of RM177,500 (31 December 2023 - RM261,160 and 31 December 2022 - RM353,864) respectively. This asset has been pledged as security for the hire purchase payables of the Group as disclosed in Note 17 to the financial statements.

**13. ACCOUNTANTS' REPORT (CONT'D)****LAC MED BERHAD****NOTES TO THE COMBINED FINANCIAL STATEMENTS****5. RIGHT-OF-USE ASSETS**

|  | At<br>1 January<br>2022<br>RM | Modification<br>Of Lease<br>Liabilities<br>RM | Depreciation<br>charges<br>(Note 23)<br>RM | At<br>31 December<br>2022<br>RM |
|--|-------------------------------|---|--|---------------------------------|
|--|-------------------------------|---|--|---------------------------------|

**Audited  
31 December 2022***Carrying Amount*

|           |        |        |          |        |
|-----------|--------|--------|----------|--------|
| Offices   | 43,062 | -      | (22,467) | 20,595 |
| Warehouse | 18,589 | 35,149 | (33,235) | 20,503 |
|           | 61,651 | 35,149 | (55,702) | 41,098 |

|  | At<br>1 January<br>2023<br>RM | Addition<br>RM | Derecognition<br>Due to<br>Lease<br>Modification<br>RM | Depreciation<br>charges<br>(Note 23)<br>RM | At<br>31 December<br>2023<br>RM |
|--|-------------------------------|----------------|--|--|---------------------------------|
|--|-------------------------------|----------------|--|--|---------------------------------|

**Audited  
31 December 2023***Carrying Amount*

|           |        |         |         |          |         |
|-----------|--------|---------|---------|----------|---------|
| Offices   | 20,595 | 163,825 | (7,489) | (47,236) | 129,695 |
| Warehouse | 20,503 | -       | -       | (20,503) | -       |
|           | 41,098 | 163,825 | (7,489) | (67,739) | 129,695 |

|  | At<br>1 January<br>2024<br>RM | Addition<br>RM | Depreciation<br>charges<br>(Note 23)<br>RM | At<br>31 December<br>2024<br>RM |
|--|-------------------------------|----------------|--|---------------------------------|
|--|-------------------------------|----------------|--|---------------------------------|

**Audited  
31 December 2024***Carrying Amount*

|         |         |   |          |        |
|---------|---------|---|----------|--------|
| Offices | 129,695 | - | (81,913) | 47,782 |
|---------|---------|---|----------|--------|

The Group leases offices that run for 1 to 2 (31 December 2023 - 1 to 2 and 31 December 2022 - 1 to 2) years, with an option to renew the lease after that date.



**13. ACCOUNTANTS' REPORT (CONT'D)****LAC MED BERHAD****NOTES TO THE COMBINED FINANCIAL STATEMENTS**

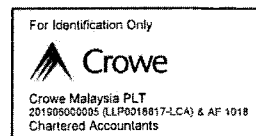
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Crowe Malaysia PLT  
201506000205 (LLP0316817-LCA) & AF 1018  
Chartered Accountants

**6. DEFERRED TAX ASSETS**

|                                     | <b>Audited<br/>31 December<br/>2022<br/>RM</b> | <b>Audited<br/>31 December<br/>2023<br/>RM</b> | <b>Audited<br/>31 December<br/>2024<br/>RM</b> |
|-------------------------------------|--|--|--|
| At 1 January                        | 865,087  | 1,626,112                                      | 2,127,640                                      |
| Recognised in profit or loss        | 761,025  | 501,528  | 531,196  |
| At 31 December                      | <u>1,626,112</u>                               | <u>2,127,640</u>                               | <u>2,658,836</u>                               |
| Movement in deferred tax assets:    |  |  |  |
|                                     | At<br>1 January<br>2022<br>RM                  | Recognised<br>in Profit<br>or Loss<br>RM       | At<br>31 December<br>2022<br>RM                |
| <b>Audited<br/>31 December 2022</b> |  |  |  |
| <i>Deferred Tax Assets</i>          |  |  |  |
| Property, plant and equipment       | (6,975)  | 11,255   | 4,280  |
| Provisions                          | 872,062  | 749,770  | 1,621,832                                      |
|                                     | <u>865,087</u>                                 | <u>761,025</u>                                 | <u>1,626,112</u>                               |
|                                     | At<br>1 January<br>2023<br>RM                  | Recognised<br>in Profit<br>or Loss<br>RM       | At<br>31 December<br>2023<br>RM                |
| <b>Audited<br/>31 December 2023</b> |  |  |  |
| <i>Deferred Tax Assets</i>          |  |  |  |
| Property, plant and equipment       | 4,280  | (22,750)                                       | (18,470)                                       |
| Provisions                          | 1,621,832                                      | 524,278  | 2,146,110                                      |
|                                     | <u>1,626,112</u>                               | <u>501,528</u>                                 | <u>2,127,640</u>                               |

**13. ACCOUNTANTS' REPORT (CONT'D)****LAC MED BERHAD****NOTES TO THE COMBINED FINANCIAL STATEMENTS****6. DEFERRED TAX ASSETS (CONT'D)**

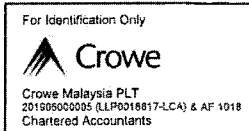
Movement in deferred tax assets: (Cont'd)

|                                     | At<br>1 January<br>2024<br>RM | Recognised<br>in Profit<br>or Loss<br>RM | At<br>31 December<br>2024<br>RM |
|-------------------------------------|-------------------------------|--|---------------------------------|
| <b>Audited<br/>31 December 2024</b> |                               |  |                                 |
| <i>Deferred Tax Assets</i>          |                               |  |                                 |
| Property, plant and equipment       | (18,470)                      | (26,561)                                 | (45,031)                        |
| Provisions                          | 2,146,110                     | 557,757                                  | 2,703,867                       |
|                                     | <u>2,127,640</u>              | <u>531,196</u>                           | <u>2,658,836</u>                |

**7. INVENTORIES**

|   | <b>Audited<br/>31 December<br/>2022<br/>RM</b> | <b>Audited<br/>31 December<br/>2023<br/>RM</b> | <b>Audited<br/>31 December<br/>2024<br/>RM</b> |
|---|--|--|--|
| Equipment and accessories                       | <u>10,839,769</u>                              | <u>21,608,167</u>                              | <u>20,797,656</u>                              |
| Recognised in profit or loss:-                  |  |  |  |
| Inventories recognised as cost of sales         | 77,435,187                                     | 108,397,688                                    | 125,672,746                                    |
| Amount written down to net realisable value     | 139,000  | -  | 68,763   |
| Reversal of inventories previously written down | -  | (284,000)                                      | -  |

During the financial year ended 31 December 2022, the reversal of write-down was in respect of inventories sold above their carrying amounts.

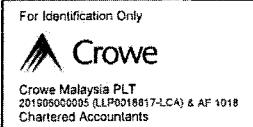
**13. ACCOUNTANTS' REPORT (CONT'D)****LAC MED BERHAD****NOTES TO THE COMBINED FINANCIAL STATEMENTS****8. TRADE RECEIVABLES**

|                                    | <b>Audited<br/>31 December<br/>2022<br/>RM</b> | <b>Audited<br/>31 December<br/>2023<br/>RM</b> | <b>Audited<br/>31 December<br/>2024<br/>RM</b> |
|------------------------------------|--|--|--|
| Trade receivables                  | 53,405,395                                     | 67,602,609                                     | 37,207,386                                     |
| Allowance for impairment losses    | (3,290,061)                                    | (1,183,099)                                    | (1,501,823)                                    |
|                                    | <u>50,115,334</u>                              | <u>66,419,510</u>                              | <u>35,705,563</u>                              |
| Allowance for impairment losses:-  |  |  |  |
| At 1 January                       | (1,875,693)                                    | (3,290,061)                                    | (1,183,099)                                    |
| Addition during the financial year | (1,421,385)                                    | -  | (384,713)                                      |
| Reversal during the financial year | 7,017  | 2,106,962                                      | 65,989   |
| At 31 December                     | <u>(3,290,061)</u>                             | <u>(1,183,099)</u>                             | <u>(1,501,823)</u>                             |

The Group's normal trade credit terms range from 30 to 60 (31 December 2023 - 30 to 60 and 31 December 2022 - 30 to 60) days.

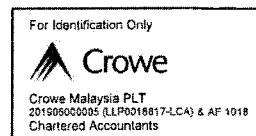
Included in the Group's trade receivables are retention sums which are expected to be recovered as below:-

|                  | <b>Audited<br/>31 December<br/>2022<br/>RM</b> | <b>Audited<br/>31 December<br/>2023<br/>RM</b> | <b>Audited<br/>31 December<br/>2024<br/>RM</b> |
|------------------|--|--|--|
| Within 1 year    | -  | -  | 172,500  |
| More than 1 year | -  | 172,500  | 172,500  |
|                  | <u>-</u>                                       | <u>172,500</u>                                 | <u>345,000</u>                                 |

**13. ACCOUNTANTS' REPORT (CONT'D)****LAC MED BERHAD****NOTES TO THE COMBINED FINANCIAL STATEMENTS****9. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS**

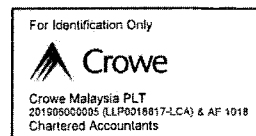
|                       | <b>Audited<br/>31 December<br/>2022<br/>RM</b> | <b>Audited<br/>31 December<br/>2023<br/>RM</b> | <b>Audited<br/>31 December<br/>2024<br/>RM</b> |
|-----------------------|--|--|--|
| Other receivables     | 286,841  | 381,767  | 282,324  |
| Deposits              | 946,413  | 2,940,849                                      | 5,448,795                                      |
| Deposits to suppliers | 5,608,674                                      | 2,875,089                                      | 12,213,668                                     |
| Prepayments           | 82,819   | 129,538  | 423,114  |
|                       | <b>6,924,747</b>                               | <b>6,327,243</b>                               | <b>18,367,901</b>                              |

The deposits to suppliers are unsecured, interest-free and will be offset against future purchases from the suppliers.

**13. ACCOUNTANTS' REPORT (CONT'D)****LAC MED BERHAD****NOTES TO THE COMBINED FINANCIAL STATEMENTS****10. CONTRACT ASSETS/(LIABILITIES)**

|   | <b>Audited<br/>31 December<br/>2022<br/>RM</b> | <b>Audited<br/>31 December<br/>2023<br/>RM</b> | <b>Audited<br/>31 December<br/>2024<br/>RM</b> |
|---|--|--|--|
| <b>Contract Assets</b>  |  |  |  |
| Contract assets relating to services provided on contracts      | 976,622  | 2,445,937                                      | 3,169,533                                      |
| Allowance for impairment losses                                 | (134,921)                                      | (134,921)                                      | (134,921)                                      |
|   | <u>841,701</u>                                 | <u>2,311,016</u>                               | <u>3,034,612</u>                               |
| Allowance for impairment losses:-                               |  |  |  |
| At 1 January  | -  | (134,921)                                      | (134,921)                                      |
| Addition during the financial year                              | (134,921)                                      | -  | -  |
| At 31 December  | <u>(134,921)</u>                               | <u>(134,921)</u>                               | <u>(134,921)</u>                               |
| <b>Contract Liabilities</b>                                     |  |  |  |
| Contract liabilities relating to services provided on contracts | <u>(12,215,367)</u>                            | <u>(16,355,267)</u>                            | <u>(13,962,907)</u>                            |

- (a) The contract assets primarily relate to the Group's right to consideration for work completed but not yet billed as at the reporting date. The amount will be transferred to trade receivables when the Group issues billing in the manner as established in the contracts with customers.
- (b) The contract liabilities primarily relate to progress billings made and deposits received from customers for services provided on contracts for which performance obligations have not been satisfied. The amount will be recognised as revenue when the performance obligations are satisfied.

**13. ACCOUNTANTS' REPORT (CONT'D)****LAC MED BERHAD****NOTES TO THE COMBINED FINANCIAL STATEMENTS****10. CONTRACT ASSETS/(LIABILITIES) (CONT'D)**

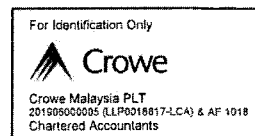
- (c) The changes to contract assets and contract liabilities balances during the financial year are summarised below:-

|   | <b>Audited<br/>31 December<br/>2022<br/>RM</b> | <b>Audited<br/>31 December<br/>2023<br/>RM</b> | <b>Audited<br/>31 December<br/>2024<br/>RM</b> |
|---|--|--|--|
| At 1 January  | (3,530,213)                                    | (11,373,666)                                   | (14,044,251)                                   |
| Performance obligations performed   | 54,794,967                                     | 55,586,993                                     | 86,177,645                                     |
| Transfer to trade receivables<br>/amounts billed for unfulfilled<br>performance obligations | (62,503,499)                                   | (58,257,578)                                   | (83,061,689)                                   |
| Allowance for impairment losses   | (134,921)                                      | -  | -  |
| At 31 December  | <u>(11,373,666)</u>                            | <u>(14,044,251)</u>                            | <u>(10,928,295)</u>                            |
| Represented by:-  |  |  |  |
| Contract assets   | 841,701  | 2,311,016                                      | 3,034,612                                      |
| Contract liabilities  | <u>(12,215,367)</u>                            | <u>(16,355,267)</u>                            | <u>(13,962,907)</u>                            |
|   | <u>(11,373,666)</u>                            | <u>(14,044,251)</u>                            | <u>(10,928,295)</u>                            |

- (d) The transaction price allocated to unsatisfied and/or partially unsatisfied performance obligations as at the reporting date are as below:-

|                       | <b>Audited<br/>31 December<br/>2022<br/>RM</b> | <b>Audited<br/>31 December<br/>2023<br/>RM</b> | <b>Audited<br/>31 December<br/>2024<br/>RM</b> |
|-----------------------|--|--|--|
| Within 1 year         | 2,564,422                                      | 20,660,897                                     | 33,526,595                                     |
| Between 1 and 3 years | 7,382,081                                      | 25,495,272                                     | 683,000  |
|                       | <u>9,946,503</u>                               | <u>46,156,169</u>                              | <u>34,209,595</u>                              |

The amounts disclosed above do not have variable consideration.

**13. ACCOUNTANTS' REPORT (CONT'D)****LAC MED BERHAD****NOTES TO THE COMBINED FINANCIAL STATEMENTS****11. AMOUNT OWING BY DIRECTORS**

|                    | Audited<br>31 December<br>2022<br>RM | Audited<br>31 December<br>2023<br>RM | Audited<br>31 December<br>2024<br>RM |
|--------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| <u>Current</u>     |                                      |                                      |                                      |
| Non-trade balances | 49,378                               | -                                    | 139,500                              |

(a) As of 31 December 2022, the non-trade balance represents an unsecured, interest-free advance to a director. The amount is repayable on demand and was settled in cash.

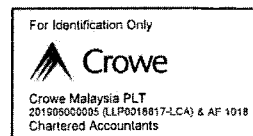
(b) As of 31 December 2024, the non-trade balance represents an amount owing by a director to PT Fairmed for the subscription of a five percent equity interest in PT Fairmed. The amount is repayable on demand and is to be settled in cash.

**12. AMOUNTS OWING BY/(TO) RELATED PARTIES**

|  | Audited<br>31 December<br>2022<br>RM | Audited<br>31 December<br>2023<br>RM | Audited<br>31 December<br>2024<br>RM |
|--|--------------------------------------|--------------------------------------|--------------------------------------|
| <b>Amount owing by related parties</b> |                                      |                                      |                                      |
| <u>Current</u>                         |                                      |                                      |                                      |
| Non-trade balances                     | 4,710                                | -                                    | -                                    |
| <b>Amount owing to related parties</b> |                                      |                                      |                                      |
| <u>Current</u>                         |                                      |                                      |                                      |
| Trade balances                         | (21,620)                             | (1,000,909)                          | (3,240)                              |

The non-trade balances represent unsecured interest-free advances which are repayable on demand. The amount owing is to be settled in cash.

The normal trade credit term granted is 30 (31 December 2023 - 30 and 31 December 2022 - 30) days.

**13. ACCOUNTANTS' REPORT (CONT'D)****LAC MED BERHAD****NOTES TO THE COMBINED FINANCIAL STATEMENTS****13. FIXED DEPOSITS WITH LICENSED BANKS**

- (a) The fixed deposits with licensed banks of the Group at the end of the reporting period bore effective interest rates ranging from 2.35% to 4.10% (31 December 2023 - 1.60% to 3.05% and 31 December 2022 - 1.60% to 2.80%) per annum. The maturity period of the fixed deposits ranging from 15 to 365 (31 December 2023 - 365 and 31 December 2022 - 365) days for the Group.
- (b) The fixed deposits with licensed banks of the Group at the end of the reporting period was an amount of RM7,805,347 (31 December 2023 - RM9,003,483 and 31 December 2022 - RM8,420,605) which has been pledged to licensed banks as security for banking facilities granted to the Group as disclosed in Note 18 to the financial statements.

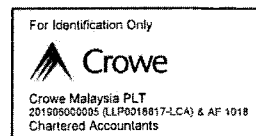
**14. SHARE CAPITAL**

|                                 | <b>Audited<br/>31 December<br/>2022</b> | <b>Audited<br/>31 December<br/>2023</b> | <b>Audited<br/>31 December<br/>2024</b> |
|---------------------------------|---|---|---|
|                                 |   | Number of shares                        |   |
| <b>Issued and Fully Paid-Up</b> |   |   |   |
| Ordinary Shares                 |   |   |   |
| At 1 January                    | 2,000,000                               | 2,000,000                               | 2,000,000                               |
| Issuance of new shares for cash | -                                       | -                                       | 20                                      |
| At 31 December                  | <u>2,000,000</u>                        | <u>2,000,000</u>                        | <u>2,000,020</u>                        |
|                                 | <b>Audited<br/>31 December<br/>2022</b> | <b>Audited<br/>31 December<br/>2023</b> | <b>Audited<br/>31 December<br/>2024</b> |
|                                 | RM                                      | RM                                      | RM                                      |
| <b>Issued and Fully Paid-Up</b> |   |   |   |
| Ordinary Shares                 |   |   |   |
| At 1 January                    | 2,000,000                               | 2,000,000                               | 2,000,000                               |
| Issuance of new shares for cash | -                                       | -                                       | 10                                      |
| At 31 December                  | <u>2,000,000</u>                        | <u>2,000,000</u>                        | <u>2,000,010</u>                        |

The holders of ordinary shares are entitled to receive dividends as and when declared by the Companies and are entitled to one vote per ordinary share at meetings of the Companies. The ordinary shares have no par value.

For the purpose of this report, the total number of shares as at 31 December 2022, 31 December 2023 and 31 December 2024 represent the total aggregate number of issued and fully paid-up shares of all combined entities within the Group.

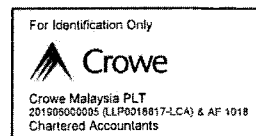


**13. ACCOUNTANTS' REPORT (CONT'D)****LAC MED BERHAD****NOTES TO THE COMBINED FINANCIAL STATEMENTS****15. FOREIGN EXCHANGE TRANSLATION RESERVE**

The foreign exchange translation reserve arose from the translation of the financial statements of a foreign subsidiary whose functional currency is different from the Group's presentation currency.

**16. LEASE LIABILITIES**

|   | <b>Audited<br/>31 December<br/>2022<br/>RM</b> | <b>Audited<br/>31 December<br/>2023<br/>RM</b> | <b>Audited<br/>31 December<br/>2024<br/>RM</b> |
|---|--|--|--|
| At 1 January                                  | 62,361   | 42,108   | 133,677  |
| Addition                                      | -  | 163,825  | -  |
| Interest expense recognised in profit or loss | 3,398  | 5,918  | 7,553  |
| Changes due to lease modification             | 35,149   | (7,894)  | -  |
| Repayment of principal                        | (55,402)                                       | (64,362)                                       | (80,447)                                       |
| Repayment of interest expense                 | (3,398)  | (5,918)  | (7,553)  |
| At 31 December                                | <u>42,108</u>                                  | <u>133,677</u>                                 | <u>53,230</u>                                  |
| Analysed by:-                                 |  |  |  |
| Current liabilities                           | 42,108   | 80,447   | 53,230   |
| Non-current liabilities                       | -  | 53,230   | -  |
|   | <u>42,108</u>                                  | <u>133,677</u>                                 | <u>53,230</u>                                  |

**13. ACCOUNTANTS' REPORT (CONT'D)****LAC MED BERHAD****NOTES TO THE COMBINED FINANCIAL STATEMENTS****17. HIRE PURCHASE PAYABLES (SECURED)**

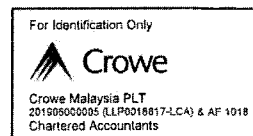
|  | <b>Audited<br/>31 December<br/>2022<br/>RM</b> | <b>Audited<br/>31 December<br/>2023<br/>RM</b> | <b>Audited<br/>31 December<br/>2024<br/>RM</b> |
|--|--|--|--|
| Minimum hire purchase payments:-               |  |  |  |
| - not later than 1 year                        | 86,484   | 78,193   | 62,328   |
| - later than 1 year and not later than 5 years | 244,065  | 166,208  | 103,880  |
|  | <u>330,549</u>                                 | <u>244,401</u>                                 | <u>166,208</u>                                 |
| Less: Future finance charges                   | (29,555)                                       | (17,453)                                       | (9,129)  |
|  | <u>300,994</u>                                 | <u>226,948</u>                                 | <u>157,079</u>                                 |
| Analysed by:-                                  |  |  |  |
| Current liabilities                            | 74,237   | 69,869   | 56,830   |
| Non-current liabilities                        | 226,757  | 157,079  | 100,249  |
|  | <u>300,994</u>                                 | <u>226,948</u>                                 | <u>157,079</u>                                 |

The hire purchase payables are secured by the motor vehicle as disclosed in Note 4 to the financial statements.

The effective interest rate of the hire purchase payables of the Group as at the end of the reporting year was ranging between 3.35% to 4.30% (31 December 2023 - 3.35% to 4.30% and 31 December 2022 - 3.35% to 4.30%).

**18. BORROWINGS**

|                    | <b>Audited<br/>31 December<br/>2022<br/>RM</b> | <b>Audited<br/>31 December<br/>2023<br/>RM</b> | <b>Audited<br/>31 December<br/>2024<br/>RM</b> |
|--------------------|--|--|--|
| <b>Non-current</b> |  |  |  |
| <u>Secured</u>     |  |  |  |
| Term loans         | <u>2,880,984</u>                               | <u>2,063,751</u>                               | <u>1,296,769</u>                               |

**13. ACCOUNTANTS' REPORT (CONT'D)****LAC MED BERHAD****NOTES TO THE COMBINED FINANCIAL STATEMENTS****18. BORROWINGS (CONT'D)**

|                      | <b>Audited</b><br><b>31 December</b><br><b>2022</b><br>RM | <b>Audited</b><br><b>31 December</b><br><b>2023</b><br>RM | <b>Audited</b><br><b>31 December</b><br><b>2024</b><br>RM |
|----------------------|---|---|---|
| <b>Current</b>       |   |   |   |
| <u>Secured</u>       |   |   |   |
| Term loans           | 772,684   | 815,149   | 771,035   |
| Bankers' acceptances | 9,133,976   | 2,114,658   | -   |
| Invoice financing    | 1,566,000   | -   | -   |
| Letter of credit     | 17,798,150  | 18,211,686  | 18,145,481  |
| Promissory note      | 2,747,360   | 1,410,498   | -   |
| Trade financing      | -   | 695,515   | -   |
|                      | <u>32,018,170</u>   | <u>23,247,506</u>   | <u>18,916,516</u>   |

(a) The borrowings of the Group are secured by the following:-

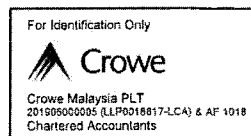
- (i) Fixed deposits of the Group;
- (ii) Joint and several guarantee by directors and a shareholder of the Group;
- (iii) Guarantee by Credit Guarantee Corporation Malaysia Berhad;
- (iv) Guarantee by Syarikat Jaminan Pembiayaan Perniagaan Berhad ("SJPP"); and
- (v) Assignment of Contract Proceeds and Power of Attorney to be executed.

In connection with certain borrowings, the Group has to comply with the following significant covenants:-

- (i) Gearing ratio of not more than 2.25 times;
- (ii) Dividend paid less than 50% of profit after taxation;
- (iii) Channeling percentage of more than 40% of total revenue; and
- (iv) Maintain positive net worth.

(b) The interest rate profile of the borrowings of the Group are summarised below:-

|                      | <i>Interest Rate</i> | <b>Audited</b><br><b>31 December</b><br><b>2022</b><br>% | <i>Effective Interest Rate</i><br><b>Audited</b><br><b>31 December</b><br><b>2023</b><br>% | <b>Audited</b><br><b>31 December</b><br><b>2024</b><br>% |
|----------------------|----------------------|--|--|--|
| Term loans           | Fixed                | 3.50 - 6.00  | 3.50 - 6.00  | 3.50 - 6.00  |
| Term loans           | Floating             | 5.67   | 5.92   | 5.92   |
| Bankers' acceptances | Floating             | 3.11 - 4.88  | 3.62 - 5.20  | 4.70 - 5.05  |
| Invoice financing    | Floating             | 6.51 - 7.01  | 7.51 - 7.76  | -  |
| Promissory note      | Floating             | 6.67 - 7.42  | 7.67 - 7.92  | -  |
| Trade financing      | Floating             | -  | 6.88 - 7.02  | -  |

**13. ACCOUNTANTS' REPORT (CONT'D)****LAC MED BERHAD****NOTES TO THE COMBINED FINANCIAL STATEMENTS****19. TRADE PAYABLES**

The normal trade credit terms granted to the Group range from 30 to 90 (31 December 2023 - 30 to 90 and 31 December 2022 - 30 to 90) days.

**20. OTHER PAYABLES AND ACCRUALS**

|                              | <b>Audited<br/>31 December<br/>2022<br/>RM</b> | <b>Audited<br/>31 December<br/>2023<br/>RM</b> | <b>Audited<br/>31 December<br/>2024<br/>RM</b> |
|------------------------------|--|--|--|
| Other payables               | 931,095  | 573,092  | 1,797,975                                      |
| Accruals                     | 1,424,915                                      | 4,155,691                                      | 3,621,115                                      |
| Provision for warranties (a) | 3,048,646                                      | 7,624,105                                      | 9,560,605                                      |
|                              | <b>5,404,656</b>                               | <b>12,352,888</b>                              | <b>14,979,695</b>                              |

(a) Provision for warranties

|  | <b>Audited<br/>31 December<br/>2022<br/>RM</b> | <b>Audited<br/>31 December<br/>2023<br/>RM</b> | <b>Audited<br/>31 December<br/>2024<br/>RM</b> |
|--|--|--|--|
| At 1 January                                 | 1,557,050                                      | 3,048,646                                      | 7,624,105                                      |
| Provision made during the financial year     | 4,297,750                                      | 7,054,458                                      | 7,079,176                                      |
| Provision used during the financial year     | (1,520,190)                                    | (1,774,303)                                    | (3,850,936)                                    |
| Provision reversed during the financial year | (1,285,964)                                    | (704,696)                                      | (1,291,740)                                    |
| At 31 December                               | <b>3,048,646</b>                               | <b>7,624,105</b>                               | <b>9,560,605</b>                               |

The provision for warranties relates to equipment and accessories sold in the past 3 (31 December 2023 - 3 and 31 December 2022 - 3) years. The provision is based on estimates made from historical warranty data of the products sold.

## 13. ACCOUNTANTS' REPORT (CONT'D)

LAC MED BERHAD

## NOTES TO THE COMBINED FINANCIAL STATEMENTS

For Identification Only



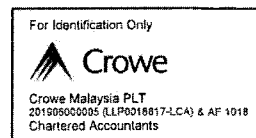
Crowe Malaysia PLT  
201806000005 (LLP0318817-LCA) & AF 1018  
Chartered Accountants

## 21. REVENUE

|  | < ----- Audited ----- >                        |             |             |
|--|--|-------------|-------------|
|  | < ---- Financial Year Ended 31 December ---- > |             |             |
|  | 2022   | 2023        | 2024        |
|  | RM   | RM          | RM          |
| <b>Revenue from Contracts with Customers</b> |  |             |             |
| <u>Recognised over time</u>                  |  |             |             |
| Supply and integration of medical equipment  | 54,990,183                                     | 60,833,427  | 86,493,258  |
| Supply of related products and services      | 1,761,257                                      | 2,179,350   | 2,340,613   |
|  | 56,751,440                                     | 63,012,777  | 88,833,871  |
| <u>Recognised at a point in time</u>         |  |             |             |
| Supply of medical equipment                  | 44,817,210                                     | 78,664,894  | 81,535,029  |
| Supply of related products and services      | 5,075,618                                      | 8,669,156   | 12,846,635  |
|  | 49,892,828                                     | 87,334,050  | 94,381,664  |
|  | 106,644,268                                    | 150,346,827 | 183,215,535 |

- (a) The information about the performance obligations in contracts with customers is summarised below:-

| <u>Nature of Goods or Services</u>          | <u>Timing and Method of Revenue Recognition</u>           | <u>Significant Payment Terms</u>                      | <u>Variable Considerations</u>                             | <u>Warranty and Obligation for Returns or Refunds</u>        |
|---|---|---|--|--|
| Supply and integration of medical equipment | When services are rendered using the cost incurred method | Credit period of 30 to 60 days from the invoice date. | A late penalty charge at 0.03% to 0.25%, calculated daily. | Assurance warranties of 1 to 5 years are given to customers. |
| Supply of related products and services     | On a straight-line method over the period of service      | Credit period of 30 to 60 days from the invoice date. | Not applicable.  | Not applicable.  |
| Supply of related products and services     | When the goods and services are accepted by customers     | Credit period of 30 to 60 days from the invoice date. | Not applicable.  | Not applicable.  |
| Supply of medical equipment                 | When the goods are delivered and accepted by customers    | Credit period of 30 to 60 days from the invoice date. | Not applicable.  | Assurance warranties of 1 to 5 years are given to customers. |

**13. ACCOUNTANTS' REPORT (CONT'D)****LAC MED BERHAD****NOTES TO THE COMBINED FINANCIAL STATEMENTS****21. REVENUE (CONT'D)**

(b) The information of the income from other sources is summarised below:-

Interest Income

Interest income is recognised on an accrual basis using the effective interest method.

**22. NET IMPAIRMENT LOSSES/(REVERSAL OF IMPAIRMENT LOSSES) ON FINANCIAL ASSETS AND CONTRACT ASSETS**

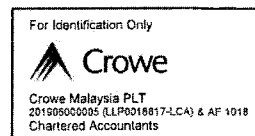
|                                | < ----- Audited ----- >                      |                    |                |
|--------------------------------|--|--------------------|----------------|
|                                | < --- Financial Year Ended 31 December --- > |                    |                |
|                                | 2022   | 2023               | 2024           |
|                                | RM   | RM                 | RM             |
| Impairment losses:             |  |                    |                |
| - trade receivables            | 1,421,385                                    | -                  | 384,713        |
| - contract assets              | 134,921                                      | -                  | -              |
| Reversal of impairment losses: |  |                    |                |
| - trade receivables            | (7,017)                                      | (2,106,962)        | (65,989)       |
|                                | <u>1,549,289</u>                             | <u>(2,106,962)</u> | <u>318,724</u> |

**13. ACCOUNTANTS' REPORT (CONT'D)****LAC MED BERHAD****NOTES TO THE COMBINED FINANCIAL STATEMENTS**

For Identification Only


 Crowe Malaysia PLT  
 201506000005 (LLP0016817-LCA) & AF 1018  
 Chartered Accountants
**23. PROFIT BEFORE TAXATION**

|  | <b>&lt; ----- Audited ----- &gt;</b>                        |             |             |
|--|---|-------------|-------------|
|  | <b>&lt; ---- Financial Year Ended 31 December ---- &gt;</b> |             |             |
|  | <b>2022</b>   | <b>2023</b> | <b>2024</b> |
|  | <b>RM</b>   | <b>RM</b>   | <b>RM</b>   |
| Profit before taxation is arrived at after charging/(crediting):-                            |   |             |             |
| Auditors' remuneration:  |   |             |             |
| - audit fees   | 44,000  | 67,000      | 83,000      |
| Directors' non-fee emoluments:   |   |             |             |
| - salaries, bonuses and other benefits   | 615,469   | 631,568     | 647,134     |
| - defined contribution benefits  | 67,152  | 69,038      | 72,101      |
| <b>Material Expenses/(Income)</b>  |   |             |             |
| Depreciation:  |   |             |             |
| - property, plant and equipment  | 124,144   | 220,378     | 305,551     |
| - right-of-use assets  | 55,702  | 67,739      | 81,913      |
| Interest expense on lease liabilities  | 3,398   | 5,918       | 7,553       |
| Interest expense on financial liabilities that are not at fair value through profit or loss: |   |             |             |
| - bankers' acceptances   | 298,698   | 237,016     | 17,033      |
| - invoice financing  | -   | 15,566      | -           |
| - letter of credit   | 197,982   | 288,923     | 257,318     |
| - trade financing  | -   | 26,629      | 13,308      |
| - promissory note  | 139,034   | 261,436     | 4,432       |
| - hire purchase payables   | 7,242   | 12,102      | 8,614       |
| - term loans   | 186,104   | 165,446     | 130,376     |
| Impairment losses:   |   |             |             |
| - trade receivables  | 1,421,385   | -           | 384,713     |
| - contract assets  | 134,921   | -           | -           |
| Inventories written down   | 139,000   | -           | 68,763      |
| Property, plant and equipment written off  | -   | 780         | 13,650      |
| Provision of warranties  | 4,297,750   | 7,054,458   | 7,079,176   |
| Realised loss on foreign exchange  | 14,011  | -           | -           |
| Staff costs:   |   |             |             |
| - short-term employee benefits   | 5,839,531   | 8,670,637   | 10,969,164  |
| - defined contribution benefits  | 674,653   | 1,158,777   | 1,229,481   |
| - others   | 481,280   | 732,550     | 872,386     |
| Gain on modification of leases   | -   | (405)       | -           |
| Reversal of impairment losses on trade receivables   | (7,017)   | (2,106,962) | (65,989)    |
| Reversal of inventories previously written down  | -   | (284,000)   | -           |
| Reversal of provision for warranties   | (1,285,964)   | (704,696)   | (1,291,740) |
| Realised gain on foreign exchange  | -   | (135,250)   | (82,841)    |
| Interest income on financial assets measured at amortised cost                               | (209,262)   | (176,448)   | (500,680)   |

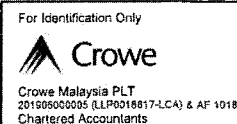
**13. ACCOUNTANTS' REPORT (CONT'D)****LAC MED BERHAD****NOTES TO THE COMBINED FINANCIAL STATEMENTS****24. INCOME TAX EXPENSE****Income Tax Expenses Recognised in Profit or Loss**

|  | <b>&lt; ----- Audited ----- &gt;</b>                      |                  |                  |
|--|---|------------------|------------------|
|  | <b>&lt; --- Financial Year Ended 31 December --- &gt;</b> |                  |                  |
|  | <b>2022</b>   | <b>2023</b>      | <b>2024</b>      |
|  | <b>RM</b>   | <b>RM</b>        | <b>RM</b>        |
| Current tax expense                                  | 4,538,593   | 5,657,257        | 7,165,000        |
| Under/(Over)provision in the previous financial year | 336,996   | (202,928)        | 13,030           |
|  | <u>4,875,589</u>  | <u>5,454,329</u> | <u>7,178,030</u> |
| Deferred tax:  |   |                  |                  |
| - origination and reversal of temporary differences  | (757,925)   | (501,528)        | (531,196)        |
| - overprovision in the previous financial year       | (3,100)   | -                | -                |
|  | <u>(761,025)</u>  | <u>(501,528)</u> | <u>(531,196)</u> |
| Total income tax expense                             | <u>4,114,564</u>  | <u>4,952,801</u> | <u>6,646,834</u> |

A reconciliation of income tax expense applicable to the profit before taxation at the statutory tax rate to income tax expense at the effective tax rate of the Group is as follows:-

|   | <b>&lt; ----- Audited ----- &gt;</b>                      |                  |                  |
|---|---|------------------|------------------|
|   | <b>&lt; --- Financial Year Ended 31 December --- &gt;</b> |                  |                  |
|   | <b>2022</b>   | <b>2023</b>      | <b>2024</b>      |
|   | <b>RM</b>   | <b>RM</b>        | <b>RM</b>        |
| Profit before taxation  | 17,179,340  | 25,696,585       | 27,042,646       |
| Tax at the statutory tax rate of 24%  | 4,123,042   | 6,167,180        | 6,490,235        |
| Tax effects in respect of:-   |   |                  |                  |
| Non-deductible expenses   | 415,551   | 207,348          | 674,765          |
| Non-taxable income  | -   | (717,271)        | -                |
| Deferred tax assets recognised in respect of deductible temporary differences | (757,925)   | (501,528)        | (531,196)        |
| Under/(Over) provision of current tax in the previous financial year          | 336,996   | (202,928)        | 13,030           |
| Overprovision of deferred tax in the previous financial year                  | (3,100)   | -                | -                |
|   | <u>4,114,564</u>  | <u>4,952,801</u> | <u>6,646,834</u> |



**13. ACCOUNTANTS' REPORT (CONT'D)****LAC MED BERHAD****NOTES TO THE COMBINED FINANCIAL STATEMENTS****25. EARNINGS PER SHARE**

|  | <b>&lt; ----- Audited ----- &gt;</b>                      |             |             |
|--|---|-------------|-------------|
|  | <b>&lt; --- Financial Year Ended 31 December --- &gt;</b> |             |             |
|  | <b>2022</b>   | <b>2023</b> | <b>2024</b> |
| Profit after taxation attributable to owners of the Company (RM) | 13,064,776  | 20,743,784  | 20,398,707  |
| Weighted average number of ordinary shares in issue              | 2,000,000   | 2,000,000   | 2,000,002   |
| Basic earnings per share (sen)                                   | 653   | 1,037       | 1,020       |

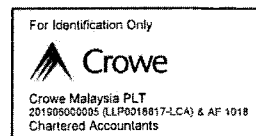
The Group has not issued any potential dilutive ordinary shares and hence, the diluted earnings per share is equal to the basic earnings per share.

**26. DIVIDENDS**

Detail of dividends for each financial year are as follows:

(a) In respect of the financial year ended 31 December 2022:

| <b>Company</b>               | <b>Dividend per ordinary share</b> | <b>Audited</b>          |
|------------------------------|------------------------------------|-------------------------|
|                              | <b>RM</b>                          | <b>31 December 2022</b> |
|                              |                                    | <b>RM</b>               |
| CVS Medical Sdn Bhd          | 1.50                               | 1,500,000               |
| LAC Medical Supplies Sdn Bhd | 2.50                               | 2,500,000               |
|                              |                                    | <b>4,000,000</b>        |

**13. ACCOUNTANTS' REPORT (CONT'D)****LAC MED BERHAD****NOTES TO THE COMBINED FINANCIAL STATEMENTS****26. DIVIDENDS (CONT'D)**

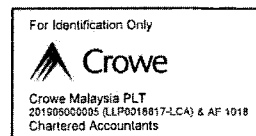
Detail of dividends for each financial year are as follows: (Cont'd)

(b) In respect of the financial year ended 31 December 2023:

| <b>Company</b>               | <b>Dividend per ordinary share</b><br>RM | <b>Audited</b><br><b>31 December 2023</b><br>RM |
|------------------------------|--|---|
| CVS Medical Sdn Bhd          | 3.00                                     | 3,000,000                                       |
| LAC Medical Supplies Sdn Bhd | 3.00                                     | 3,000,000                                       |
|                              |  | <b>6,000,000</b>                                |

(c) In respect of the financial year ended 31 December 2024:

| <b>Company</b>               | <b>Dividend per ordinary share</b><br>RM | <b>Audited</b><br><b>31 December 2024</b><br>RM |
|------------------------------|--|---|
| CVS Medical Sdn Bhd          | 9.50                                     | 9,500,000                                       |
| LAC Medical Supplies Sdn Bhd | 3.00                                     | 3,000,000                                       |
|                              |  | <b>12,500,000</b>                               |

**13. ACCOUNTANTS' REPORT (CONT'D)****LAC MED BERHAD****NOTES TO THE COMBINED FINANCIAL STATEMENTS****27. CASH FLOW INFORMATION**

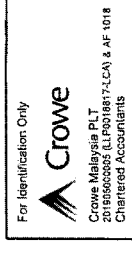
- (a) The cash disbursed for the purchase of property, plant and equipment and the addition of right-of-use assets are as follows:-

|   | <b>Audited<br/>31 December<br/>2022<br/>RM</b> | <b>Audited<br/>31 December<br/>2023<br/>RM</b> | <b>Audited<br/>31 December<br/>2024<br/>RM</b> |
|---|--|--|--|
| <b>Property, plant and equipment</b>              |  |  |  |
| Cost of property, plant and equipment purchased   | 506,878  | 894,318  | 501,153  |
| Less: Acquired through hire purchase arrangements | (280,000)                                      | -  | -  |
|   | <u>226,878</u>                                 | <u>894,318</u>                                 | <u>501,153</u>                                 |
| <b>Right-of-use assets</b>                        |  |  |  |
| Cost of right-of-use assets acquired              | -  | 163,825  | -  |
| Less: Additions of new lease liabilities          | -  | (163,825)                                      | -  |
|   | <u>-</u>                                       | <u>-</u>                                       | <u>-</u>                                       |

13. ACCOUNTANTS' REPORT (CONT'D)

LAC MED BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS



27. CASH FLOW INFORMATION (CONT'D)

(b) The reconciliations of liabilities arising from financing activities are as follows:-

**Audited**  
**31 December 2022**

At 1 January

Changes in Financing Cash Flows

Proceeds from drawdown  
Repayment of principal  
Repayment of interests

Other Changes

Addition of hire purchase payables  
Modifications of leases  
Interest expense recognised in profit or loss

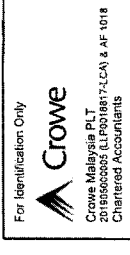
At 31 December

| Term Loans<br>RM | Bankers' Acceptances<br>RM | Invoice Financing<br>RM | Letter of Credit<br>RM | Promissory Note<br>RM | Lease Liabilities<br>RM | Hire Purchase Payables<br>RM | Total<br>RM  |
|------------------|----------------------------|-------------------------|------------------------|-----------------------|-------------------------|------------------------------|--------------|
| 4,397,830        | 2,825,000                  | -                       | 14,548,076             | -                     | 62,361                  | 72,696                       | 21,905,963   |
| -                | 27,801,929                 | 1,566,000               | 21,590,930             | 7,532,357             | -                       | -                            | 58,491,216   |
| (744,162)        | (21,492,953)               | -                       | (18,340,856)           | (4,784,997)           | (55,402)                | (51,702)                     | (45,470,072) |
| (186,104)        | (298,698)                  | -                       | (197,982)              | (139,034)             | (3,398)                 | (7,242)                      | (832,458)    |
| (930,266)        | 6,010,278                  | 1,566,000               | 3,052,092              | 2,608,326             | (58,800)                | (58,944)                     | 12,188,686   |
| -                | -                          | -                       | -                      | -                     | -                       | 280,000                      | 280,000      |
| -                | -                          | -                       | -                      | -                     | 35,149                  | -                            | 35,149       |
| 186,104          | 298,698                    | -                       | 197,982                | 139,034               | 3,398                   | 7,242                        | 832,458      |
| 186,104          | 298,698                    | -                       | 197,982                | 139,034               | 38,547                  | 287,242                      | 1,147,607    |
| 3,653,668        | 9,133,976                  | 1,566,000               | 17,798,150             | 2,747,360             | 42,108                  | 300,994                      | 35,242,256   |

13. ACCOUNTANTS' REPORT (CONT'D)

LAC MED BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS



27. CASH FLOW INFORMATION (CONT'D)

(b) The reconciliations of liabilities arising from financing activities are as follows:- (Cont'd)

**Audited  
31 December 2023**

At 1 January 3,653,668 9,133,976 1,566,000 17,798,150 - 2,747,360 42,108 300,994 35,242,256

Changes in Financing Cash

Flows

Proceeds from drawdown  
Repayment of principal  
Repayment of interests

|           |              |             |              |             |              |          |          |              |            |
|-----------|--------------|-------------|--------------|-------------|--------------|----------|----------|--------------|------------|
| -         | 15,811,929   | -           | 26,842,231   | 3,255,228   | 12,476,250   | -        | -        | -            | 58,385,638 |
| (774,768) | (22,831,247) | (1,566,000) | (26,428,695) | (2,559,713) | (13,813,112) | (64,362) | (74,046) | (68,111,943) |            |
| (165,446) | (237,016)    | (15,566)    | (288,923)    | (26,629)    | (261,436)    | (5,918)  | (12,102) | (1,013,036)  |            |
| (940,214) | (7,256,334)  | (1,581,566) | 124,613      | 668,886     | (1,598,298)  | (70,280) | (86,148) | (10,739,341) |            |

Other Changes

Acquisition of new leases  
Modifications of leases  
Interest expense  
recognised in profit or loss

|         |         |        |         |        |         |         |        |           |  |
|---------|---------|--------|---------|--------|---------|---------|--------|-----------|--|
| -       | -       | -      | -       | -      | -       | 163,825 | -      | 163,825   |  |
| -       | -       | -      | -       | -      | -       | (7,894) | -      | (7,894)   |  |
| 165,446 | 237,016 | 15,566 | 288,923 | 26,629 | 261,436 | 5,918   | 12,102 | 1,013,036 |  |

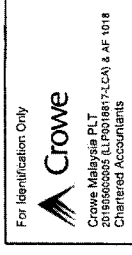
At 31 December

|           |           |        |            |         |           |         |         |            |  |
|-----------|-----------|--------|------------|---------|-----------|---------|---------|------------|--|
| 165,446   | 237,016   | 15,566 | 288,923    | 26,629  | 261,436   | 161,849 | 12,102  | 1,168,967  |  |
| 2,878,900 | 2,114,658 | -      | 18,211,686 | 695,515 | 1,410,498 | 133,677 | 226,948 | 25,671,882 |  |

13. ACCOUNTANTS' REPORT (CONT'D)

LAC MED BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS



27. CASH FLOW INFORMATION (CONT'D)

(b) The reconciliations of liabilities arising from financing activities are as follows:- (Cont'd)

**Audited**  
**31 December 2024**

At 1 January 2,878,900 2,114,658 18,211,686 695,515 1,410,498 133,677 226,948 25,671,882

Changes in Financing Cash Flows

Proceeds from drawdown  
Repayment of principal  
Repayment of interests

|           |             |              |           |             |          |          |              |
|-----------|-------------|--------------|-----------|-------------|----------|----------|--------------|
| -         | 7,387,000   | 49,763,638   | -         | -           | -        | -        | 57,150,638   |
| (811,096) | (9,501,658) | (49,829,843) | (695,515) | (1,410,498) | (80,447) | (69,869) | (62,398,926) |
| (130,376) | (17,033)    | (257,318)    | (13,308)  | (4,432)     | (7,553)  | (8,614)  | (438,634)    |
| (941,472) | (2,131,691) | (323,523)    | (708,823) | (1,414,930) | (88,000) | (78,483) | (5,686,922)  |

Other Changes

Interest expense recognised in  
profit or loss

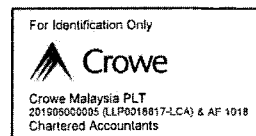
|           |        |            |        |       |        |         |            |
|-----------|--------|------------|--------|-------|--------|---------|------------|
| 130,376   | 17,033 | 257,318    | 13,308 | 4,432 | 7,553  | 8,614   | 438,634    |
| 130,376   | 17,033 | 257,318    | 13,308 | 4,432 | 7,553  | 8,614   | 438,634    |
| 2,067,804 | -      | 18,145,481 | -      | -     | 53,230 | 157,079 | 20,423,594 |

At 31 December

**13. ACCOUNTANTS' REPORT (CONT'D)****LAC MED BERHAD****NOTES TO THE COMBINED FINANCIAL STATEMENTS****27. CASH FLOW INFORMATION (CONT'D)**

(c) The cash and cash equivalents comprise the following:-

|  | <b>Audited<br/>31 December<br/>2022<br/>RM</b> | <b>Audited<br/>31 December<br/>2023<br/>RM</b> | <b>Audited<br/>31 December<br/>2024<br/>RM</b> |
|--|--|--|--|
| Fixed deposits with licensed banks   | 8,420,605                                      | 9,003,483                                      | 30,097,211                                     |
| Cash and bank balances   | 23,828,032                                     | 30,453,853                                     | 15,843,630                                     |
|  | <u>32,248,637</u>                              | <u>39,457,336</u>                              | <u>45,940,841</u>                              |
| Less: Fixed deposits place with licensed banks with tenure of more than 3 months | -  | -  | (10,000,000)                                   |
| Fixed deposits pledged with licensed banks                                       | (8,420,605)                                    | (9,003,483)                                    | (7,805,347)                                    |
|  | <u>23,828,032</u>                              | <u>30,453,853</u>                              | <u>28,135,494</u>                              |

**13. ACCOUNTANTS' REPORT (CONT'D)****LAC MED BERHAD****NOTES TO THE COMBINED FINANCIAL STATEMENTS****28. KEY MANAGEMENT PERSONNEL COMPENSATION**

The key management personnel of the Group include executive directors and non-executive directors of the Group and certain members of senior management of the Group.

The key management personnel compensation during the financial year are as follows:-

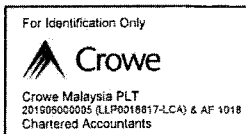
**(a) Directors**

|  | < ----- Audited ----- >                      |                |                |
|--|--|----------------|----------------|
|  | < --- Financial Year Ended 31 December --- > |                |                |
|  | 2022   | 2023           | 2024           |
|  | RM   | RM             | RM             |
| <b>Directors of the Group</b>          |  |                |                |
| Short-term employee benefits:          |  |                |                |
| - salaries, bonuses and other benefits | 615,469                                      | 631,568        | 647,134        |
| - defined contribution benefits        | 67,152                                       | 69,038         | 72,101         |
| Total directors' remuneration          | <u>682,621</u>                               | <u>700,606</u> | <u>719,235</u> |

**(b) Other Key Management Personnel**

|   | < ----- Audited ----- >                      |                |                  |
|---|--|----------------|------------------|
|   | < --- Financial Year Ended 31 December --- > |                |                  |
|   | 2022   | 2023           | 2024             |
|   | RM   | RM             | RM               |
| Short-term employee benefits:                         |  |                |                  |
| - salaries, bonuses and other benefits                | 599,586                                      | 647,841        | 1,164,638        |
| - defined contribution benefits                       | 68,838                                       | 74,632         | 135,985          |
| Total compensation for other key management personnel | <u>668,424</u>                               | <u>722,473</u> | <u>1,300,623</u> |



**13. ACCOUNTANTS' REPORT (CONT'D)****LAC MED BERHAD****NOTES TO THE COMBINED FINANCIAL STATEMENTS****29. RELATED PARTY DISCLOSURES****(a) Identities of Related Parties**

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 party are subject to common control.

In addition to the information detailed elsewhere in the financial statements, the Group has related party relationships with its directors, corporate shareholder, related parties and entities within the same group of companies.

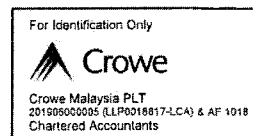
**(b) Significant Related Party Transactions and Balances**

In addition to the related party transactions information disclosed in the combined financial statements, the Group also carried out the following significant transactions with the related parties during the financial year:-

|                             | < ----- Audited ----- ><br>< --- Financial Year Ended 31 December --- > |             |            |
|-----------------------------|---|-------------|------------|
|                             | 2022<br>RM  | 2023<br>RM  | 2024<br>RM |
| <u>Related parties</u>      |   |             |            |
| - Sales                     | -   | 531,000     | 47,000     |
| - Purchases                 | (1,156,752)   | (1,910,304) | (807,268)  |
| - Administrative charges    | (44,636)  | (60,846)    | -          |
| - Backend operation support | (120,000)   | (73,000)    | -          |
| - Deposits paid             | -   | -           | (13,200)   |
| - Payment on behalf by      | (10,500)  | -           | (981)      |
| - Payment on behalf for     | 80,930  | 57,960      | 44,736     |
| - Rental expenses           | (24,000)  | (81,500)    | (165,750)  |
| - Rental income             | 12,000  | -           | -          |
| <u>Directors</u>            |   |             |            |
| Repayment from directors    | 730,500   | 49,378      | -          |

The significant outstanding balances of the related parties together with their terms and conditions are disclosed in the respective notes to the combined financial statements.

The related party transactions described above were entered into in the normal course of business carried out based on negotiated terms and conditions and are mutually agreed with respective parties.

**13. ACCOUNTANTS' REPORT (CONT'D)****LAC MED BERHAD****NOTES TO THE COMBINED FINANCIAL STATEMENTS****30. OPERATING SEGMENTS**

Operating segments are prepared in a manner consistent with the internal reporting provided to the Board of Directors as its chief operating decision maker in order to allocate resources to segments and to assess their performance on a quarterly basis.

**30.1 BUSINESS SEGMENT AND GEOGRAPHICAL INFORMATION**

Business segment information has not been prepared as the Group's business is principally engaged in the business of supply and integration of medical services, and related products and services.

The Group operates predominantly in one business segment in Malaysia. Accordingly, the information by business and geographical segments is not presented.

**30.2 MAJOR CUSTOMERS**

The following are major customers with revenue equal to or more than 10% of the Group's total revenue.

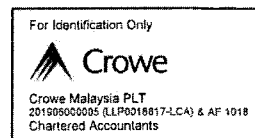
|              | < ----- Audited ----- >                      |            |            |
|--------------|--|------------|------------|
|              | < --- Financial Year Ended 31 December --- > |            |            |
|              | 2022   | 2023       | 2024       |
|              | RM   | RM         | RM         |
| Customer # 1 | 12,036,280                                   | 15,088,262 | 34,572,505 |
| Customer # 2 | 16,956,849                                   | -          | 22,677,189 |
| Customer # 3 | 15,182,309                                   | -          | -          |
| Customer # 4 | 14,478,537                                   | -          | -          |

**31. CAPITAL COMMITMENTS**

The Group had no significant capital commitments as at 31 December 2022, 31 December 2023 and 31 December 2024.

**32. CONTINGENT LIABILITIES**

The Group had no contingent liabilities as at 31 December 2022, 31 December 2023 and 31 December 2024.

**13. ACCOUNTANTS' REPORT (CONT'D)****LAC MED BERHAD****NOTES TO THE COMBINED FINANCIAL STATEMENTS****33. FINANCIAL INSTRUMENTS**

The activities of the Group are exposed to a variety of market risk (including foreign currency risk, interest rate risk and equity price risk), credit risk and liquidity risk. The overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group.

**33.1 FINANCIAL RISK MANAGEMENT POLICIES**

The policies in respect of the major areas of treasury activity are as follows:-

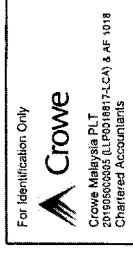
**(a) Market Risk****(i) Foreign Currency Risk**

The Group is exposed to foreign currency risk on transactions and balances that are denominated in currencies other than the functional currency of entities within the Group. The currencies giving rise to this risk are primarily Currency of European Union ("EUR"), Indonesian Rupiah ("IDR") and United States Dollar ("USD"). Foreign currency risk is monitored closely on an ongoing basis to ensure that the net exposure is at an acceptable level.

13. ACCOUNTANTS' REPORT (CONT'D)

LAC MED BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS



33. FINANCIAL INSTRUMENTS (CONT'D)

33.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

The exposure to foreign currency risk (a currency which is other than the functional currency of the entities within the Group) based on the carrying amounts of the financial instruments at the end of the reporting period is summarised below:-

*Foreign Currency Exposure*

**Audited  
31 December 2022**

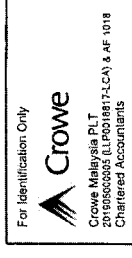
Financial Assets

|                                    |   |       |            |            |
|------------------------------------|---|-------|------------|------------|
| Trade receivables                  | - | -     | 50,115,334 | 50,115,334 |
| Other receivables                  | - | -     | 286,841    | 286,841    |
| Amount owing by directors          | - | -     | 49,378     | 49,378     |
| Amount owing by related parties    | - | -     | 4,710      | 4,710      |
| Fixed deposits with licensed banks | - | -     | 8,420,605  | 8,420,605  |
| Cash and bank balances             | - | 4,580 | 23,823,452 | 23,828,032 |
|                                    | - | 4,580 | 82,700,320 | 82,704,900 |

13. ACCOUNTANTS' REPORT (CONT'D)

LAC MED BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS



33. FINANCIAL INSTRUMENTS (CONT'D)

33.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

Foreign Currency Exposure (Cont'd)

Audited  
31 December 2022 (Cont'd)

Financial Liabilities

Trade payables  
Other payables and accruals  
Amount owing to related parties  
Hire purchase payables  
Borrowings  
Dividend payable

|  | EUR<br>RM | USD<br>RM   | Ringgit Malaysia<br>RM | Total<br>RM  |
|--|-----------|-------------|------------------------|--------------|
|  | 300,293   | 3,778,770   | 15,177,732             | 19,256,795   |
|  | -         | -           | 2,356,010              | 2,356,010    |
|  | -         | -           | 21,620                 | 21,620       |
|  | -         | -           | 300,994                | 300,994      |
|  | -         | -           | 34,899,154             | 34,899,154   |
|  | -         | -           | 4,000,000              | 4,000,000    |
|  | 300,293   | 3,778,770   | 56,755,510             | 60,834,573   |
|  | (300,293) | (3,774,190) | 25,944,810             | 21,870,327   |
|  | -         | -           | (25,944,810)           | (25,944,810) |
|  | (300,293) | (3,774,190) | -                      | (4,074,483)  |

Net financial (liabilities)/assets

Less: Net financial liabilities denominated in the respective  
entities' functional currencies

Currency Exposure

13. ACCOUNTANTS' REPORT (CONT'D)

LAC MED BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS



33. FINANCIAL INSTRUMENTS (CONT'D)

33.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

*Foreign Currency Exposure (Cont'd)*

**Audited  
31 December 2023**

Financial Assets

|                                    |   |        |  |  |             |             |
|------------------------------------|---|--------|--|--|-------------|-------------|
| Trade receivables                  | - |        |  |  | 66,419,510  |             |
| Other receivables                  | - |        |  |  | 381,767     |             |
| Fixed deposits with licensed banks | - |        |  |  | 9,003,483   |             |
| Cash and bank balances             | - | 65,230 |  |  | 30,388,623  |             |
|                                    | - | 65,230 |  |  | 106,193,383 | 106,258,613 |

Financial Liabilities

|                                 |        |           |  |  |            |            |
|---------------------------------|--------|-----------|--|--|------------|------------|
| Trade payables                  | 40,298 | 1,196,674 |  |  | 35,293,406 | 36,530,378 |
| Other payables and accruals     | -      | -         |  |  | 4,728,783  | 4,728,783  |
| Amount owing to related parties | -      | -         |  |  | 1,000,909  | 1,000,909  |
| Hire purchase payables          | -      | -         |  |  | 226,948    | 226,948    |
| Borrowings                      | -      | -         |  |  | 25,311,257 | 25,311,257 |
| Dividend payable                | -      | -         |  |  | 6,000,000  | 6,000,000  |

|  |        |           |  |  |            |            |
|--|--------|-----------|--|--|------------|------------|
|  | 40,298 | 1,196,674 |  |  | 72,561,303 | 73,798,275 |
|--|--------|-----------|--|--|------------|------------|

13. ACCOUNTANTS' REPORT (CONT'D)

LAC MED BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS



33. FINANCIAL INSTRUMENTS (CONT'D)

33.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

*Foreign Currency Exposure (Cont'd)*

**Audited  
31 December 2023 (Cont'd)**

Net financial (liabilities)/assets

Less: Net financial liabilities denominated in the respective entities' functional currencies

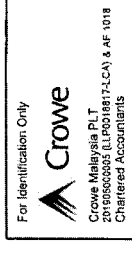
Currency Exposure

| EUR<br>RM | USD<br>RM   | Ringgit Malaysia<br>RM | Total<br>RM  |
|-----------|-------------|------------------------|--------------|
| (40,298)  | (1,131,444) | 33,632,080             | 32,460,338   |
| -         | -           | (33,632,080)           | (33,632,080) |
| (40,298)  | (1,131,444) | -                      | (1,171,742)  |

13. ACCOUNTANTS' REPORT (CONT'D)

LAC MED BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS



33. FINANCIAL INSTRUMENTS (CONT'D)

33.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

Foreign Currency Exposure (Cont'd)

Audited  
31 December 2024

Financial Assets

|                                    |   |        |         |         |            |            |
|------------------------------------|---|--------|---------|---------|------------|------------|
| Trade receivables                  | - | -      | -       | -       | 35,705,563 | 35,705,563 |
| Other receivables                  | - | -      | -       | -       | 282,324    | 282,324    |
| Amount owing by directors          | - | -      | -       | 139,500 | -          | 139,500    |
| Fixed deposits with licensed banks | - | -      | -       | -       | 30,097,211 | 30,097,211 |
| Cash and bank balances             | - | 88,610 | -       | -       | 15,755,020 | 15,843,630 |
|                                    | - | 88,610 | 139,500 | -       | 81,840,118 | 82,068,228 |

Financial Liabilities

|                                 |        |           |        |   |            |            |
|---------------------------------|--------|-----------|--------|---|------------|------------|
| Trade payables                  | 12,036 | 1,939,044 | -      | - | 26,793,057 | 28,744,137 |
| Other payables and accruals     | -      | -         | 10,336 | - | 5,408,754  | 5,419,090  |
| Amount owing to related parties | -      | -         | -      | - | 3,240      | 3,240      |
| Hire purchase payables          | -      | -         | -      | - | 157,079    | 157,079    |
| Borrowings                      | -      | -         | -      | - | 20,213,285 | 20,213,285 |

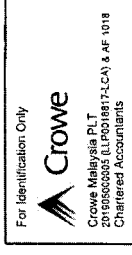
|                                    |          |             |         |   |            |            |
|------------------------------------|----------|-------------|---------|---|------------|------------|
|                                    | 12,036   | 1,939,044   | 10,336  | - | 52,575,415 | 54,536,831 |
| Net financial (liabilities)/assets | (12,036) | (1,850,434) | 129,164 | - | 29,264,703 | 27,531,397 |



13. ACCOUNTANTS' REPORT (CONT'D)

LAC MED BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS



33. FINANCIAL INSTRUMENTS (CONT'D)

33.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

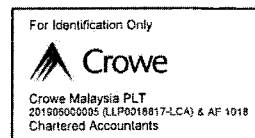
Foreign Currency Exposure (Cont'd)

Audited  
31 December 2024 (Cont'd)

Less: Net financial liabilities  
denominated in the respective  
entities' functional currencies

Currency Exposure

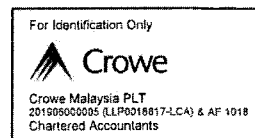
| EUR<br>RM | USD<br>RM   | IDR<br>RM | Ringgit Malaysia<br>RM | Total<br>RM  |
|-----------|-------------|-----------|------------------------|--------------|
| -         | -           | (129,164) | (29,264,703)           | (29,393,867) |
| (12,036)  | (1,850,434) | -         | -                      | (1,862,470)  |

**13. ACCOUNTANTS' REPORT (CONT'D)****LAC MED BERHAD****NOTES TO THE COMBINED FINANCIAL STATEMENTS****33. FINANCIAL INSTRUMENTS (CONT'D)****33.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)****(a) Market Risk (Cont'd)****(i) Foreign Currency Risk (Cont'd)***Foreign Currency Risk Sensitivity Analysis*

The following table details the sensitivity analysis to a reasonably possible change in the foreign currencies at the end of the reporting period, with all other variables held constant:-

|   | < ----- Audited ----- >                      |          |          |
|---|--|----------|----------|
|   | < --- Financial Year Ended 31 December --- > |          |          |
|   | 2022   | 2023     | 2024     |
|   | RM   | RM       | RM       |
| <b>Effects on Profit After Taxation</b> |  |          |          |
| EUR/RM - strengthened by 5%             | (11,411)                                     | (1,531)  | (457)    |
| - weakened by 5%                        | 11,411                                       | 1,531    | 457      |
| USD/RM - strengthened by 5%             | (143,419)                                    | (42,995) | (70,316) |
| - weakened by 5%                        | 143,419                                      | 42,995   | 70,316   |

There is no impact on the Group's equity

**13. ACCOUNTANTS' REPORT (CONT'D)****LAC MED BERHAD****NOTES TO THE COMBINED FINANCIAL STATEMENTS****33. FINANCIAL INSTRUMENTS (CONT'D)****33.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)****(a) Market Risk (Cont'd)****(ii) Interest Rate Risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The exposure to interest rate risk arises mainly from long-term borrowings with variable rates. The Group adopt a policy of obtaining the most favourable interest rates available and by maintaining a balanced portfolio mix of fixed and floating rate borrowings.

The fixed rate debt instruments of the Group are not subject to interest rate risk since neither carrying amounts nor the future cash flows will fluctuate because of a change in market interest rates.

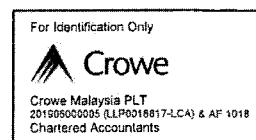
The exposure to interest rate risk based on the carrying amounts of the financial instruments at the end of the reporting period is disclosed in Note 18 to the financial statements.

*Interest Rate Risk Sensitivity Analysis*

Any reasonably possible change in the interest rates of floating rate borrowings at the end of the reporting period does not have a material impact on the profit after taxation and equity of the Group and hence, no sensitivity analysis is presented.

**(iii) Equity Price Risk**

The Group does not have any quoted investments and hence, is not exposed to equity price risk.

**13. ACCOUNTANTS' REPORT (CONT'D)****LAC MED BERHAD****NOTES TO THE COMBINED FINANCIAL STATEMENTS****33. FINANCIAL INSTRUMENTS (CONT'D)****33.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)****(b) Credit Risk**

The exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade and other receivables. The Group manage their exposures to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets (including quoted debt investments, cash and bank balances and derivatives), the Group minimise credit risk by dealing exclusively with high credit rating counterparties.

**(i) Credit Risk Concentration Profile**

The Group does not have any significant credit risk related to any individual customer or counterparty.

**(ii) Maximum Exposure to Credit Risk**

At the end of the reporting period, the maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the combined statement of financial position of the Group after deducting any allowance for impairment losses (where applicable).

**(iii) Assessment of Impairment Losses**

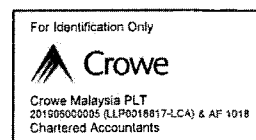
The Group has an informal credit policy in place and the exposure to credit risk is monitored on an on-going basis through periodic review of the ageing of the trade receivables. The Group closely monitors the trade receivables' financial strength to reduce the risk of loss.

At each reporting date, the Group assesses whether any of the financial assets at amortised cost and contract assets are credit impaired.

The gross carrying amounts of financial assets are written off against the associated impairment, if any, when there is no reasonable expectation of recovery despite the fact that they are still subject to enforcement activities.

A financial asset is credit impaired when any of following events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred:

- Significant financial difficulty of the receivable;
- A breach of contract, such as a default or past due event;
- Restructuring of a debt in relation to the receivable's financial difficulty;
- It is becoming probable that the receivable will enter bankruptcy or other financial reorganisation.

**13. ACCOUNTANTS' REPORT (CONT'D)****LAC MED BERHAD****NOTES TO THE COMBINED FINANCIAL STATEMENTS****33. FINANCIAL INSTRUMENTS (CONT'D)****33.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)****(b) Credit Risk (Cont'd)****(iii) Assessment of Impairment Losses (Cont'd)****Trade Receivables and Contract Assets**

The Group consider a receivable to be in default when the receivable is unlikely to repay its debt to the Group in full or is more than 90 days past due unless the Group have reasonable and supportable information to demonstrate that a more a lagging default criterion is more appropriate.

The Group applies the simplified approach to measure expected credit losses using a lifetime expected credit loss allowance for all trade receivables and contract assets.

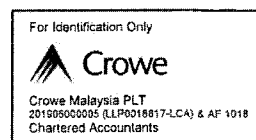
*Inputs, Assumptions and Techniques used for Estimating Impairment Losses*

To measure the expected credit losses, trade receivables (including related parties) and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. Therefore, the Group concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

The Group measures the expected credit losses of certain major customers, trade receivables that are credit impaired and trade receivables with a high risk of default on individual basis.

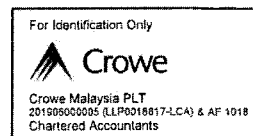
The expected loss rates are based on the payment profiles of sales over 12 months (2023 - 12 months, 2022 - 12 months) before the reporting date and the corresponding historical credit losses experienced within this period. The historical loss rates were not adjusted to reflect forward-looking information on macroeconomic factors affecting the ability of the trade receivables to settle their debts as the Group has not identified any forward-looking assumptions which correlate to the historical loss rates.

There are no significant changes in the estimation techniques and assumptions as compared to the previous financial year.

**13. ACCOUNTANTS' REPORT (CONT'D)****LAC MED BERHAD****NOTES TO THE COMBINED FINANCIAL STATEMENTS****33. FINANCIAL INSTRUMENTS (CONT'D)****33.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)****(b) Credit Risk (Cont'd)****(iii) Assessment of Impairment Losses (Cont'd)**Trade Receivables and Contract Assets (Cont'd)*Allowance for Impairment Losses*

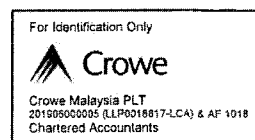
The information about the credit exposure and loss allowances recognised for trade receivables and contract assets are as follows:-

|                                     | Gross<br>Amount<br>RM | Lifetime<br>Individual<br>Allowance<br>RM | Lifetime<br>Collective<br>Allowance<br>RM | Carrying<br>Amount<br>RM |
|-------------------------------------|-----------------------|---|---|--------------------------|
| <b>Audited<br/>31 December 2022</b> |                       |   |   |                          |
| Current (not past due)              | 46,432,460            | -   | (959,811)                                 | 45,472,649               |
| 1 to 30 days past due               | 1,865,942             | -   | (74,175)                                  | 1,791,767                |
| 31 to 60 days past due              | 1,793,479             | -   | (27,064)                                  | 1,766,415                |
| 61 to 90 days past due              | 447,325               | -   | (23,708)                                  | 423,617                  |
| 91 to 120 days past due             | 63,316                | -   | (13,091)                                  | 50,225                   |
| More than 120 days                  | 2,047,662             | -   | (1,437,001)                               | 610,661                  |
| Credit impaired                     | 755,211               | (755,211)                                 | -   | -                        |
| Trade Receivables                   | 53,405,395            | (755,211)                                 | (2,534,850)                               | 50,115,334               |
| Contract Assets                     | 976,622               | -   | (134,921)                                 | 841,701                  |
|                                     | <b>54,382,017</b>     | <b>(755,211)</b>                          | <b>(2,669,771)</b>                        | <b>50,957,035</b>        |

**13. ACCOUNTANTS' REPORT (CONT'D)****LAC MED BERHAD****NOTES TO THE COMBINED FINANCIAL STATEMENTS****33. FINANCIAL INSTRUMENTS (CONT'D)****33.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)****(b) Credit Risk (Cont'd)****(iii) Assessment of Impairment Losses (Cont'd)**Trade Receivables and Contract Assets (Cont'd)*Allowance for Impairment Losses (Cont'd)*

|                         | Gross<br>Amount<br>RM | Lifetime<br>Individual<br>Allowance<br>RM | Lifetime<br>Collective<br>Allowance<br>RM | Carrying<br>Amount<br>RM |
|-------------------------|-----------------------|---|---|--------------------------|
| <b>Audited</b>          |                       |   |   |                          |
| <b>31 December 2023</b> |                       |   |   |                          |
| Current (not past due)  | 39,180,785            | -   | (121,186)                                 | 39,059,599               |
| 1 to 30 days past due   | 17,365,482            | -   | (99,576)                                  | 17,265,906               |
| 31 to 60 days past due  | 1,592,550             | -   | (29,033)                                  | 1,563,517                |
| 61 to 90 days past due  | 1,449,377             | -   | (32,789)                                  | 1,416,588                |
| 91 to 120 days past due | 399,950               | -   | (37,019)                                  | 362,931                  |
| More than 120 days      | 6,941,639             | -   | (190,670)                                 | 6,750,969                |
| Credit impaired         | 672,826               | (672,826)                                 | -   | -                        |
| Trade Receivables       | 67,602,609            | (672,826)                                 | (510,273)                                 | 66,419,510               |
| Contract Assets         | 2,445,937             | -   | (134,921)                                 | 2,311,016                |
|                         | 70,048,546            | (672,826)                                 | (645,194)                                 | 68,730,526               |

|                         | Gross<br>Amount<br>RM | Lifetime<br>Individual<br>Allowance<br>RM | Lifetime<br>Collective<br>Allowance<br>RM | Carrying<br>Amount<br>RM |
|-------------------------|-----------------------|---|---|--------------------------|
| <b>Audited</b>          |                       |   |   |                          |
| <b>31 December 2024</b> |                       |   |   |                          |
| Current (not past due)  | 22,077,957            | -   | (166,560)                                 | 21,911,397               |
| 1 to 30 days past due   | 4,391,796             | -   | (56,684)                                  | 4,335,112                |
| 31 to 60 days past due  | 3,827,595             | -   | (81,318)                                  | 3,746,277                |
| 61 to 90 days past due  | 2,493,580             | -   | (64,636)                                  | 2,428,944                |
| 91 to 120 days past due | 306,668               | -   | (13,811)                                  | 292,857                  |
| More than 120 days      | 3,502,953             | -   | (511,977)                                 | 2,990,976                |
| Credit impaired         | 606,837               | (606,837)                                 | -   | -                        |
| Trade Receivables       | 37,207,386            | (606,837)                                 | (894,986)                                 | 35,705,563               |
| Contract Assets         | 3,169,533             | -   | (134,921)                                 | 3,034,612                |
|                         | 40,376,919            | (606,837)                                 | (1,029,907)                               | 38,740,175               |

**13. ACCOUNTANTS' REPORT (CONT'D)****LAC MED BERHAD****NOTES TO THE COMBINED FINANCIAL STATEMENTS****33. FINANCIAL INSTRUMENTS (CONT'D)****33.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)****(b) Credit Risk (Cont'd)****(iii) Assessment of Impairment Losses (Cont'd)**Trade Receivables and Contract Assets (Cont'd)Allowance for Impairment Losses (Cont'd)

The movement in the loss allowances in respect of trade receivables and contract assets is disclosed in Note 8 and Note 10 to the combined financial statements.

Trade receivables and contract assets that are individually determined to be impaired relate to debtors who are in significant financial difficulties and have defaulted on payments. These debtors are not secured by any collateral or credit enhancements. Trade receivables and contract assets that are collectively determined to be impaired relate to expected credit losses measured based on the Group's observed default rates.

Other Receivables and Amount Owing by Related Parties

The Group applies the 3-stage general approach to measuring expected credit losses for its other receivables and amount owing by a related parties.

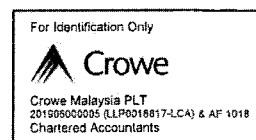
Inputs, Assumptions and Techniques used for Estimating Impairment Losses

Under this approach, the Group assesses whether there is a significant increase in credit risk for receivables by comparing the risk of default as at the reporting date with the risk of default as at the date of initial recognition. The Group considers there has been a significant increase in credit risk when there are changes in contractual terms or delay in payment. Regardless of the assessment, a significant increase in credit risk is presumed if a receivable is more than 30 days past due in making a contractual payment.

The Group uses 3 categories to reflect their credit risk and how the loss allowance is determined for each category:-

| Category         | Definition of category   | Loss Allowance                   |
|------------------|--|----------------------------------|
| Performing:      | Receivables have a low risk of default and a strong capacity to meet contractual cash flows  | 12-months expected credit losses |
| Underperforming: | Receivables for which there is a significant increase in credit risk                         | Lifetime expected credit losses  |
| Not performing:  | There is evidence indicating the receivable is credit impaired or more than 90 days past due | Lifetime expected credit losses  |



**13. ACCOUNTANTS' REPORT (CONT'D)****LAC MED BERHAD****NOTES TO THE COMBINED FINANCIAL STATEMENTS****33. FINANCIAL INSTRUMENTS (CONT'D)****33.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)****(b) Credit Risk (Cont'd)****(iii) Assessment of Impairment Losses (Cont'd)**Other Receivables and Amount Owing by Related Parties (Cont'd)*Inputs, Assumptions and Techniques used for Estimating Impairment Losses (Cont'd)*

The Group measures the expected credit losses of receivables having significant balances, receivables that are credit impaired and receivables with a high risk of default on individual basis. Other receivables are grouped based on shared credit risk characteristics and assessed on collective basis.

Loss allowance is measured on either 12-month expected credit losses or lifetime expected credit losses, by considering the likelihood that the receivable would not be able to repay during the contractual period (probability of default, PD), the percentage of contractual cash flows that will not be collected if default happens (loss given default, LGD) and the outstanding amount that is exposed to default risk (exposure at default, EAD).

In deriving the PD and LGD, the Group considers the receivable's past payment status and its financial condition as at the reporting date. The PD is adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the receivable to settle its debts using the linear regressive analysis. The Group have identified the unemployment rate and Gross Domestic Product as the key macroeconomic factors of the forward-looking information.

There are no significant changes in the estimation techniques and assumptions as compared to the previous financial year.

*Allowance for Impairment Losses*

Based on the assessment performed, the identified impairment loss was immaterial and hence, it is not provided for.

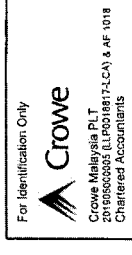
Fixed Deposits with Licensed Banks, Cash and Bank Balances

The Group considers the licensed banks have low credit risks. In addition, some of the bank balances are insured by Government agencies. Therefore, the Group is of the view that the loss allowance is immaterial and hence, it is not provided for.

13. ACCOUNTANTS' REPORT (CONT'D)

LAC MED BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS



33. FINANCIAL INSTRUMENTS (CONT'D)

33.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk

Liquidity risk arises mainly from general funding and business activities. The Group practises prudent risk management by maintaining sufficient cash balances and the availability of funding through certain committed credit facilities.

*Maturity Analysis*

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):-

**Audited  
31 December 2022**

Non-derivative Financial Liabilities

|                                 |              |            |            |                  |                |              |
|---------------------------------|--------------|------------|------------|------------------|----------------|--------------|
| Trade payables                  | -            | 19,256,795 | 19,256,795 | Within<br>1 Year | 1 - 5<br>Years | Over 5 years |
| Other payables and accruals     | -            | 2,356,010  | 2,356,010  | RM               | RM             | RM           |
| Amount owing to related parties | -            | 21,620     | 21,620     | 21,620           | -              | -            |
| Hire purchase payables          | 3.35 to 4.30 | 300,994    | 330,559    | 86,145           | 244,414        | -            |
| Lease liabilities               | 6.42 to 6.92 | 42,108     | 43,280     | 43,280           | -              | -            |
| Borrowings                      | 3.11 to 7.42 | 34,899,154 | 35,541,657 | 32,185,700       | 2,576,531      | 779,426      |
| Dividend payable                | -            | 4,000,000  | 4,000,000  | 4,000,000        | -              | -            |
|                                 |              | 60,876,681 | 61,549,921 | 57,949,550       | 2,820,945      | 779,426      |

13. ACCOUNTANTS' REPORT (CONT'D)

LAC MED BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS



33. FINANCIAL INSTRUMENTS (CONT'D)

33.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (Cont'd)

*Maturity Analysis (Cont'd)*

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period) (Cont'd):-

**Audited  
31 December 2023**

Non-derivative Financial Liabilities

|                                 |              |            |            |            |           |         |
|---------------------------------|--------------|------------|------------|------------|-----------|---------|
| Trade payables                  | -            | 36,530,378 | 36,530,378 | 36,530,378 | -         | -       |
| Other payables and accruals     | -            | 4,728,783  | 4,728,783  | 4,728,783  | -         | -       |
| Amount owing to related parties | -            | 1,000,909  | 1,000,909  | 1,000,909  | -         | -       |
| Hire purchase payables          | 3.35 to 4.30 | 226,948    | 244,414    | 78,206     | 166,208   | -       |
| Lease liabilities               | 7.67         | 133,677    | 142,600    | 88,000     | 54,600    | -       |
| Borrowings                      | 3.50 to 7.92 | 25,311,257 | 25,786,991 | 23,357,126 | 1,900,258 | 529,607 |
| Dividend payable                | -            | 6,000,000  | 6,000,000  | 6,000,000  | -         | -       |
|                                 |              | 73,931,952 | 74,434,075 | 71,783,402 | 2,121,066 | 529,607 |

13. ACCOUNTANTS' REPORT (CONT'D)

LAC MED BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS



33. FINANCIAL INSTRUMENTS (CONT'D)  
33.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (Cont'd)

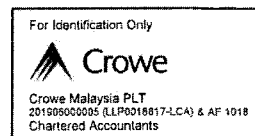
Maturity Analysis (Cont'd)

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period) (Cont'd):-

Audited  
31 December 2024

Non-derivative Financial Liabilities

|                                 | Contractual<br>Interest Rate<br>% | Carrying<br>Amount<br>RM | Contractual<br>Undiscounted<br>Cash Flows<br>RM | Within<br>1 Year<br>RM | 1 - 5<br>Years<br>RM | Over 5 years<br>RM |
|---------------------------------|-----------------------------------|--------------------------|---|------------------------|----------------------|--------------------|
| Trade payables                  | -                                 | 28,744,137               | 28,744,137                                      | 28,744,137             | -                    | -                  |
| Other payables and accruals     | -                                 | 5,419,090                | 5,419,090                                       | 5,419,090              | -                    | -                  |
| Amount owing to related parties | -                                 | 3,240                    | 3,240   | 3,240                  | -                    | -                  |
| Hire purchase payables          | 3.35 to 4.30                      | 157,079                  | 166,208   | 166,208                | -                    | -                  |
| Lease liabilities               | 7.67                              | 53,230                   | 54,600  | 54,600                 | -                    | -                  |
| Borrowings                      | 3.50 to 6.00                      | 20,213,285               | 20,551,472                                      | 19,012,237             | 1,281,998            | 257,237            |
|                                 |                                   | 54,590,061               | 54,938,747                                      | 53,399,512             | 1,281,998            | 257,237            |

**13. ACCOUNTANTS' REPORT (CONT'D)****LAC MED BERHAD****NOTES TO THE COMBINED FINANCIAL STATEMENTS****33. FINANCIAL INSTRUMENTS (CONT'D)****33.2 CAPITAL RISK MANAGEMENT**

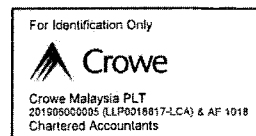
The Group manages its capital to ensure that entities within the Group will be able to maintain an optimal capital structure so as to support its businesses and maximise shareholders value. To achieve this objective, the Group may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

The Group manages its capital based on debt-to-equity ratio that complies with debt covenants and regulatory, if any. The debt-to-equity ratio is calculated as net debt divided by total equity. The Group includes within net debt, loans and borrowings from financial institutions less cash and cash equivalents. The debt-to-equity ratio of the Group at the end of the reporting period was as follows:-

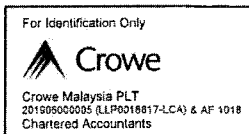
|                                 | <b>Audited<br/>31 December<br/>2022<br/>RM</b> | <b>Audited<br/>31 December<br/>2023<br/>RM</b> | <b>Audited<br/>31 December<br/>2024<br/>RM</b> |
|---------------------------------|--|--|--|
| Lease liabilities               | 42,108   | 133,677  | 53,230   |
| Hire purchase payables          | 300,994  | 226,948  | 157,079  |
| Borrowings                      | 34,899,154                                     | 25,311,257                                     | 20,213,285                                     |
|                                 | <u>35,242,256</u>                              | <u>25,671,882</u>                              | <u>20,423,594</u>                              |
| Less: Cash and cash equivalents | (23,828,032)                                   | (30,453,853)                                   | (28,135,494)                                   |
| Net debt/(net cash)             | <u>11,414,224</u>                              | <u>(4,781,971)</u>                             | <u>(7,711,900)</u>                             |
| Total equity                    | <u>25,123,208</u>                              | <u>39,866,992</u>                              | <u>47,898,454</u>                              |
| Debt-to-equity ratio            | <u>0.45</u>                                    | <u>*</u>                                       | <u>*</u>                                       |

\* Not applicable as the Group's cash and cash equivalents exceed its borrowings.

There was no change in the Group's approach to capital management during the financial years ended 31 December 2024, 31 December 2023 and 31 December 2022.

**13. ACCOUNTANTS' REPORT (CONT'D)****LAC MED BERHAD****NOTES TO THE COMBINED FINANCIAL STATEMENTS****33. FINANCIAL INSTRUMENTS (CONT'D)****33.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS**

|                                    | <b>Audited<br/>31 December<br/>2022</b> | <b>Audited<br/>31 December<br/>2023</b> | <b>Audited<br/>31 December<br/>2024</b> |
|------------------------------------|---|---|---|
|                                    | RM                                      | RM                                      | RM                                      |
| <b>Financial Assets</b>            |   |   |   |
| <u>Amortised Cost</u>              |   |   |   |
| Trade receivables                  | 50,115,334                              | 66,419,510                              | 35,705,563                              |
| Other receivables                  | 286,841                                 | 381,767                                 | 282,324                                 |
| Amount owing by directors          | 49,378                                  | -                                       | 139,500                                 |
| Amount owing by related parties    | 4,710                                   | -                                       | -                                       |
| Fixed deposits with licensed banks | 8,420,605                               | 9,003,483                               | 30,097,211                              |
| Cash and bank balances             | 23,828,032                              | 30,453,853                              | 15,843,630                              |
|                                    | <u>82,704,900</u>                       | <u>106,258,613</u>                      | <u>82,068,228</u>                       |
| <b>Financial Liabilities</b>       |   |   |   |
| <u>Amortised Cost</u>              |   |   |   |
| Trade payables                     | 19,256,795                              | 36,530,378                              | 28,744,137                              |
| Other payables and accruals        | 2,356,010                               | 4,728,783                               | 5,419,090                               |
| Amount owing to related parties    | 21,620                                  | 1,000,909                               | 3,240                                   |
| Hire purchase payables             | 300,994                                 | 226,948                                 | 157,079                                 |
| Borrowings                         | 34,899,154                              | 25,311,257                              | 20,213,285                              |
| Dividend payable                   | 4,000,000                               | 6,000,000                               | -                                       |
|                                    | <u>60,834,573</u>                       | <u>73,798,275</u>                       | <u>54,536,831</u>                       |

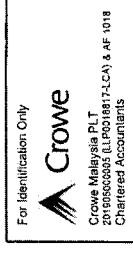
**13. ACCOUNTANTS' REPORT (CONT'D)****LAC MED BERHAD****NOTES TO THE COMBINED FINANCIAL STATEMENTS****33. FINANCIAL INSTRUMENTS (CONT'D)****33.4 NET (LOSSES) OR GAINS ARISING FROM FINANCIAL INSTRUMENTS**

|  | <b>Audited<br/>31 December<br/>2022<br/>RM</b> | <b>Audited<br/>31 December<br/>2023<br/>RM</b> | <b>Audited<br/>31 December<br/>2024<br/>RM</b> |
|--|--|--|--|
| <b>Financial Assets</b>                            |  |  |  |
| <u>Amortised Cost</u>                              |  |  |  |
| Net (losses)/gains<br>recognised in profit or loss | <u>(1,205,106)</u>                             | <u>2,283,410</u>                               | <u>181,956</u>                                 |
| <b>Financial Liabilities</b>                       |  |  |  |
| <u>Amortised Cost</u>                              |  |  |  |
| Net losses recognised in<br>profit or loss         | <u>(829,060)</u>                               | <u>(1,007,118)</u>                             | <u>(431,081)</u>                               |

13. ACCOUNTANTS' REPORT (CONT'D)

LAC MED BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS



33. FINANCIAL INSTRUMENTS (CONT'D)

33.5 FAIR VALUE INFORMATION

The fair values of the financial assets and financial liabilities of the Group which are maturing within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments or repayable on demand terms.

The following table sets out the fair value profile of financial instruments that are carried at fair value and those not carried at fair value at the end of the reporting year:-

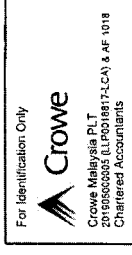
|                              | Fair Value of Financial Instruments Carried at Fair Value |         |         | Fair Value of Financial Instruments not Carried at Fair Value |           |         | Total Fair Value | Carrying Amount |
|------------------------------|---|---------|---------|---|-----------|---------|------------------|-----------------|
|                              | Level 1   | Level 2 | Level 3 | Level 1   | Level 2   | Level 3 |                  |                 |
|                              | RM  | RM      | RM      | RM  | RM        | RM      | RM               | RM              |
| <b>Audited</b>               |   |         |         |   |           |         |                  |                 |
| <b>31 December 2022</b>      |   |         |         |   |           |         |                  |                 |
| <u>Financial Liabilities</u> |   |         |         |   |           |         |                  |                 |
| Hire purchases payables      | -   | -       | -       | -   | 300,994   | -       | 300,994          | 300,994         |
| Term loans                   | -   | -       | -       | -   | 3,653,668 | -       | 3,653,668        | 3,653,668       |
| <b>Audited</b>               |   |         |         |   |           |         |                  |                 |
| <b>31 December 2023</b>      |   |         |         |   |           |         |                  |                 |
| <u>Financial Liabilities</u> |   |         |         |   |           |         |                  |                 |
| Hire purchases payables      | -   | -       | -       | -   | 226,948   | -       | 226,948          | 226,948         |
| Term loans                   | -   | -       | -       | -   | 2,878,900 | -       | 2,878,900        | 2,878,900       |



13. ACCOUNTANTS' REPORT (CONT'D)

LAC MED BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS



33. FINANCIAL INSTRUMENTS (CONT'D)

33.5 FAIR VALUE INFORMATION (CONT'D)

The following table sets out the fair value profile of financial instruments that are carried at fair value and those not carried at fair value at the end of the reporting year (Cont'd):-

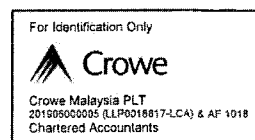
|                              | Fair Value of Financial Instruments Carried at Fair Value |         |         | Fair Value of Financial Instruments not Carried at Fair Value |           |         | Total Fair Value | Carrying Amount |
|------------------------------|---|---------|---------|---|-----------|---------|------------------|-----------------|
|                              | Level 1   | Level 2 | Level 3 | Level 1   | Level 2   | Level 3 |                  |                 |
|                              | RM  | RM      | RM      | RM  | RM        | RM      | RM               | RM              |
| <b>Audited</b>               |   |         |         |   |           |         |                  |                 |
| <b>31 December 2024</b>      |   |         |         |   |           |         |                  |                 |
| <u>Financial Liabilities</u> |   |         |         |   |           |         |                  |                 |
| Hire purchase payables       | -   | -       | -       | -   | 157,079   | -       | 157,079          | 157,079         |
| Term loans                   | -   | -       | -       | -   | 2,067,804 | -       | 2,067,804        | 2,067,804       |

**Fair Value of Financial Instruments Not Carried at Fair Value**

The fair values, which are for disclosure purposes, have been determined using the following basis:-

- (i) The fair value of hire purchase payables that carry fixed interest rates are determined by discounting the relevant future contractual cash flows using current market interest rates for similar instruments at the end of the reporting period.
- (ii) The fair value of the Group's term loans that carry floating interest rate approximated their carrying amount as it is repriced to market interest rate on or near the reporting date.

There were no transfers between level 1 and level 2 during the financial year.

**13. ACCOUNTANTS' REPORT (CONT'D)****LAC MED BERHAD****NOTES TO THE COMBINED FINANCIAL STATEMENTS****34. SIGNIFICANT EVENT DURING THE FINANCIAL YEAR**

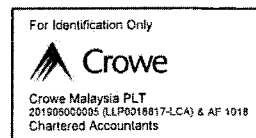
On 4 December 2024, PT Fairmed Imaging Nusajaya ("PT Fairmed") was incorporated with an issued share capital of RM2,790,000 (Indonesian Rupiah 10.0 billion). LAC Med Berhad subscribed 9,500 shares in PT Fairmed for a total consideration of RM2,650,500, representing 95% equity shares in PT Fairmed.

**35. SIGNIFICANT EVENT OCCURRING AFTER THE REPORTING PERIOD**

LAC Med Berhad has entered into a Share Sale Agreement on 9 April 2025 to acquire the equity interest in the following companies:

- (a) Acquisition of the entire equity interest in LAC Medical Supplies Sdn Bhd for a total purchase consideration of RM34,383,117, to be satisfied via the issuance of 229,220,780 new shares at an issue price of RM0.15 per share;
- (b) Acquisition of the entire equity interest in CVS Medical Sdn Bhd for a total purchase consideration of RM13,455,930, to be satisfied via the issuance of 89,706,200 new shares at an issue price of RM0.15 per share; and
- (c) Acquisition of the entire equity interest in GoCloud Solutions Sdn Bhd for a total purchase consideration of RM1,031,310, to be satisfied via the issuance of 6,875,400 new shares at an issue price of RM0.15 per share.

The acquisitions of the above companies were completed on [.] 2025.

**13. ACCOUNTANTS' REPORT (CONT'D)****LAC MED BERHAD****STATEMENT BY DIRECTORS**

We, Liew Yoon Poh and Liew Yoon Kit, being two of the directors of LAC Med Berhad, state that, in the opinion of the directors, the combined financial statements set out on pages 4 to 81 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and Prospectus Guidelines issued by the Securities Commission Malaysia so as to give a true and fair view of the combined financial position of the Group as at 31 December 2022, 31 December 2023 and 31 December 2024 and of its combined financial performance and cash flows for the financial years ended 31 December 2022, 31 December 2023 and 31 December 2024.

Signed in accordance with a resolution of the directors dated **26 MAY 2025**

 A handwritten signature in black ink, appearing to read 'Liew Yoon Poh'.
 

Liew Yoon Poh

 A handwritten signature in black ink, appearing to read 'Liew Yoon Kit'.
 

Liew Yoon Kit