

AS A POTENTIAL SUBSCRIBER YOU ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THIS PROSPECTUS AND THE TRUST DEED (AVAILABLE ON REQUEST) PERTAINING TO THIS INTEREST SCHEME BEFORE SUBSCRIBING TO ANY INTEREST UNIT(S) PROMOTED BY CITY COIN TECHNOLOGY BERHAD.

CITY COIN TECHNOLOGY BERHAD

(Incorporated in Malaysia)

(Company No. 1137090-D)

PROSPECTUS

ISSUED PURSUANT UNDER SECTION 28 OF THE INTEREST SCHEMES ACT 2016

LAUNDRYBAR INVESTMENT SCHEME

**OFFER FOR SUBSCRIPTION OF
INTEREST UNITS**

EACH SUBSCRIBER OF AN INTEREST UNIT IS GIVEN A “COOLING-OFF PERIOD” OF TEN (10) WORKING DAYS (FROM THE DAY THE APPLICATION FOR THE SUBSCRIPTION OF AN INTEREST UNIT IS LODGED WITH THE COMPANY) TO WITHDRAW THE APPLICATION WITHOUT ANY DEDUCTION OR PENALTY.

A COPY OF THIS PROSPECTUS HAS BEEN LODGED WITH AND REGISTERED BY THE REGISTRAR OF COMPANIES, MALAYSIA WHO TAKES NO RESPONSIBILITY FOR ITS CONTENTS.

THIS PROSPECTUS IS DATED 26th NOVEMBER 2019 AND EXPIRES ON 25th MAY 2020

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DEFINITIONS

In this Prospectus, except where the context requires otherwise, the following words and expressions shall have the following meanings-

Applicant	Means such person who has submitted the prescribed Application Form to the Management Company to become an Interest Unit Holder by the subscription of Interest Units.
Application Form	Means the prescribed application form prepared by the Management Company to be filled in by an Applicant to become Interest Unit Holders by the subscription of specified numbers of Interest Units.
Approved Company Auditor	Means a person approved as such by the Minister under Section 263 of the Companies Act whose approval has not been revoked as defined in the Companies Act.
Business Day	Means a day (other than Saturday, Sunday or public holiday in Kuala Lumpur) on which banks are open for business in Kuala Lumpur.
Business Office	Means the business office of the Management Company at No. 13, Jalan Perindustrian Desa Aman 1B, Industri Desa Aman, 52200 Kepong, Kuala Lumpur.
Capital Reserve Fund	Means a reserve fund to be established and managed by the Trustee in respect of the obligations of the Management Company in respect of the Scheme and the contribution to the reserve fund shall be based on the rate of contribution by the Management Company as provided in the Trust Deed.
City Coin Laundry Group or the Group	Means a collective reference to corporate affiliation and business relationship between the Management Company, City Coin Laundry Sdn Bhd (Company Number 910338-D), CC Laundry Solution Sdn Bhd (Company Number 1161279-H) and City Coin Chem Sdn Bhd (Company Number 1155441-K).
Commencement Date	Means the date of commencement of the respective Management Agreement within a Prospectus Period specified in the Management Agreement being the date on which the Interest Value is fully paid by each Interest Unit Holder to the Management Company and, the Management Company's record of this date shall be regarded as the final and conclusive record of the Commencement Date.
Companies Act	Means the Malaysian Companies Act 2016 (Act 777) and Companies Regulations 2017.
Cooling-Off Period	Means a period of ten (10) Business Days after the date on which the Applicant lodges the Application Form with the Management Company during which period the Applicant may withdraw or rescind the Application without any deduction or penalty.

Court	Means the High Court of Malaya or a judge thereof.
Enterprise	Means the business activity that involves the establishment, management and operation by the Management Company of a retail network of self-service laundry outlets under the Scheme which may also be referred individually and collectively as “ LaundryBar Outlet ” or “ LaundryBar Outlets ” as the case may be.
Gazette	Means the official <i>Gazette</i> of the Federation of Malaysia and, includes supplements thereto as defined in Section 66 of the Interpretation Acts 1948 and 1967 (Act 388).
Independent Consultant	Means the professional adviser, firm or company having the requisite experience and expertise in the proper management and operation of the Enterprise.
Initial Launch Date	Means the date of the first Prospectus in respect of the Scheme herein.
Interest Unit Holder	Means a person who has subscribed to the Interest Units and entered into a Management Agreement with the Management Company and the plural expression shall be “ Interest Unit Holders ”.
Interest Schemes Act	Means the Interest Schemes Act 2016 (Act 778) and the Interest Schemes Regulations 2017.
Interest Unit or Interest Units	Means any of the 10,500 Interest Units representing 70% of the Total Interest Units created under the Scheme herein in respect of which any Interest Unit Holder who pays the Interest Value to obtain a contractual right which entitles the Interest Unit Holder to receive an annual Net Yield and a redemption of the Interest Value at the Maturity Date or earlier termination of the Scheme.
Interest Value	Means the redeemable consideration payable by each Interest Unit Holder to subscribe for one (1) Interest Unit or multiples thereof as specified in Section 3 of the First Schedule thereto at the times and in the manner stated in the Second Schedule thereto.
Management Agreement	Means the agreement entered into or, to be entered into, between the Interest Unit Holder and the Management Company as set out as Annexure “A” and attached to the Trust Deed.
Management Company	Means City Coin Technology Berhad (Company No. 1137090-D) the Management Company for the Scheme.
Maturity Date	Means one of the dates set out for illustrative purposes in the Second Schedule of the Trust Deed being the date upon which a specific Management Agreement shall expire as specified in the Fifth Schedule of such Management Agreement.

Minister	Means the Minister charged with the responsibility for companies as defined in the Companies Act.
Net Yield	Means the annual financial payment to be made by the Management Company to each Interest Unit in each calendar year based on eight percent (8%) of the Interest Value commencing on the 1 st day of January and ending on the 31 st day of December to be received by each registered Interest Unit Holder and payable by the Management Company Interest Unit Holder under the respective Management Agreement within fourteen (14) days from the 31 st day of January of the next following calendar year save and except that the Net Yield shall be a pro-rated amount during the period between the Commencement Date and the first 31 st day of December date following the Commencement Date and, the Net Yield shall be a pro-rated amount during the period between the 1 st day of January date of the final anniversary of the Term and the Maturity Date or such date upon which the Scheme is terminated.
Prospectus	Means the statement issued from time to time in respect of the Scheme created herein pursuant to the Interest Schemes Act the first of which being issued on the Initial Launch Date.
Prospectus Period	Means the relevant validity period set out for illustrative purposes in the First Schedule of the Trust Deed within which the Commencement Date of a Management Agreement shall be specified as provided in the Fourth Schedule of such Management Agreement.
Prospectus Period Start Date	Means the date on which each Prospectus Period comes into effect as set out in the second column of the First Schedule of the Trust Deed and more particularly specified in each Management Agreement.
Register of Interest Units	Means the register of Interest Units established and maintained by the Management Company entering and updating the same from time to time those registered as existing Interest Unit Holders of the Scheme.
Registrar of Companies	Means the Registrar of Companies as designated under subsection 20A(1) of the Companies Commission of Malaysia Act 2001 (Act 614).
Reserved Interest Units	Means the 4,500 Interest Units that are held by the Management Company not for public subscription and may be released for public subscription only upon the approval of the Registrar of Companies.
RM or Ringgit Malaysia	Means the lawful currency of Malaysia.
Scheme	Means the LaundryBar Investment Scheme being the approved investment scheme under the Trust Deed.
Scheme Expiry Date	Means the date of expiry of the Scheme being the 20 th anniversary date from the Initial Launch Date.

Company No.1137090-D

Scheme Period	Means the time period of 20 years commencing on the Initial Launch Date and expiring on the Scheme Expiry Date.
Term	Means the validity period of 9 years in respect of each Management Agreement and the Interest Units subscribed for by an Interest Unit Holder which shall commence on the Commencement Date and shall expire on the Maturity Date as specified in each Management Agreement.
Total Interest Units	Means the 15,000 Interest Units created under the Scheme herein.
Total Interest Value	Means the sum of RM75,000,000.00 derived from 15,000 Interest Units created under the Scheme herein.
Transfer Fee	Means a sum of RM100.00 payable to the Management Company in relation to any application for transfer/assignment of the Interest Units.
Transfer Form	Means the form to record the intention of any Interest Unit Holder to sell, transfer or to assign any Interest Units as set out in the Third Schedule to the Management Agreement.
Transferee	Means the third party to whom any Interest Units is sold or transferred by any Interest Unit Holder.
Trust Account	Means the bank account to be established and managed by the Trustee in respect of the Interest Value received under this Scheme.
Trust Deed or Deed	Means the Trust Deed entered into between the Management Company of the first part, the Trustee of the second part and the Interest Unit Holders of the final part and shall include any amendments, modifications or changes made thereto from time to time and shall include the attachments, schedules and annexures herein.
Trustee	Means UBB Amanah Berhad (Company No. 168400-P) and shall include the trustee for the time being of the Trust Deed, whether original, additional or substituted.

Salient Features of the LaundryBar Investment Scheme

Name of Interest Scheme	: LaundryBar Investment Scheme
Total Interest Units approved	: 15,000 Interest Unit
Interest Units for public subscription	: 10,500 Interest Units
Reserved Interest Units	: 4,500 Interest Units
Interest Value price per Interest Unit	: RM5,000/-
Total Interest Value approved	: RM75,000,000/-
Target Interest Value fund size	: RM52,500,000/-
Net Yield payable annually	: 8% of Interest Value
Scheme Period	: 20 years
Duration of each Interest Unit in each Term	: 9 years
Maturity Date	: The date upon which an Interest Unit expires and Interest Value is fully refunded to the registered Interest Unit Holder.

1. **INTRODUCTION**

1.1 **Background**

The Management Company is a part of the City Coin Laundry Group which are authorised distributors in Malaysia for the Alliance Laundry System (ALS) which is the world's No.1 in manufacturer of commercial washing machines and dryers. In addition to company-owned LaundryBar Outlets the Group also provides opportunities for entrepreneurs through a franchise model where guidance and training is provided to maximise returns on investment through operating self-service laundromats.

Coin Operated Laundry Business In Malaysia

LaundryBar's unique value proposition lies within its role as an exclusive distributor for ALS IPSO brand washing machines in Malaysia, which incidentally, is the only American-grade washing machine that provides 7-year warranties across South East Asia. ALS provides the world finest laundry products and services, and is renowned for their uncompromising levels of quality, reliability and performance.



The Group's business model includes a 24-hours care line to respond promptly to complaints of any equipment breakdown. The Group has warehousing facilities to ensure equipment and spare parts are readily available and sufficiently stocked to avoid losses during downtime due to inevitable machine breakdown. Under the Group's franchise model franchisees are able to set up their new business within 3 months of their appointment.

Proven Performance and Reliability

The Group's LaundryBar operations is ISO Certified on self-service laundry and maintenance. The Group is approved as a franchisor and regulated by the Ministry of Domestic Trade and Consumer Affairs (Kementerian Perdagangan Dalam Negeri dan Hal Ehwal Pengguna or KPDNHEP).

The Group has successfully established 350 outlets across Malaysia within the past 3 years, with zero failure rates in addition to achieving on average, 30% return on investment per year. Many franchisees have achieved breakeven on their franchise business returns within just 18 months of operation.

Innovative Research & Development team

The Group's LaundryBar operations is a pioneer within the Malaysian laundry industry to provide built-in antiseptic and sterilising chemical dispensers into its washing machines. The Group is also among the first in Malaysia to provide free in-house formulated laundry chemicals (detergent, softener, and sanitizer) to our laundry users.

Over the years, the Group's highly innovative team of engineers have also successfully brought about many positive changes in the industry to enable the use of its washing machines to be more user-friendly. Some of the enhancements and new features include the Card Kiosk System, Chemical Vending Machine, Smart Card and Remote Return Coin System.

The Card Kiosk System was introduced to provide maximum customer convenience and a hassle-free experience of having to change and prepare coins to operate the washing machine. The Chemical Vending Machine makes it easy and convenient for customers to purchase the Group's self-formulated LOVAS brand laundry chemicals whenever they are at any LaundryBar outlet to wash their laundry.



The Group's Smart Card system can also be used as a marketing tool, aside from solely a sales performance monitor.

The Remote Return Coin System, incorporated with technological advancements, is aimed to refund tokens to unsatisfied customer within 10 seconds. These value-added systems were specifically created to boost customer satisfaction and loyalty.

Highly trained and customer-focused technical team

The Group is sensitive to and, understands the struggle and frustration of experiencing technical issues. To address this, it has a zero-downtime solution for all customers and franchisees. Customers can reach out to LaundryBar's 24-hour helpline should they encounter any issues while using LaundryBar's self-service laundry services. LaundryBar also has a group of highly trained (by ALS USA) and customer-focused technical team that aims to provide support and prompt repairs of malfunctioned washing machines within 24 working hours. The Group also has service centres in Central and Southern parts of the west coast of Peninsular Malaysia and, in Sabah and Sarawak to support franchisees.

Targeted Marketing

With the change and evolution of modern technologies, LaundryBar utilizes social media and Search Engine Marketing (SEM) to increase the LaundryBar's brand visibility online and engage potential customers. Along with digital marketing, other marketing campaigns that are employed include Intelligent SMS Marketing, distribution of laundry bags and billboard advertising on highways. On top of that, the City Coin Laundry Group also actively participates in trade exhibitions, both locally and internationally to increase brand awareness and attract potential investors.

1.2 Prospectus

The Management Company intends to establish, manage and operate the **LaundryBar Investment Scheme** based on the Enterprise whereby the Management Company agrees to offer redeemable Interest Units in respect of which the Interest Unit Holder pays the Interest Value and, in consideration of which the Interest Unit Holder obtains contractual rights provided in the Management Agreement and, is entitled to receive such number of Interest Units as the Interest Unit Holder shall have subscribed to.

The Scheme will involve the offer to the public of Interest Units in respect of the Operations. The Interest Units are established pursuant to the Interest Schemes Act which provides for the creation of Interest Units in respect of the Enterprise.

Each Interest Unit shall have an Interest Value of RM5,000.00 at the Initial Launch Date and all subsequent Interest Units shall be at such subscription price as shall be stipulated by the Management Company from time to time based on market forces.

The Management Company will establish the Total Interest Units under the Scheme of which the Interest Units are intended for public subscription to the public and the remaining Reserved Interest Units are designated as Reserved Interest Units not for public subscription and may be released for public subscription only upon the approval of the Registrar of Companies.

An Applicant who subscribes to any Interest Units shall be designated as an Interest Unit Holder and shall receive the Net Yield in each calendar year during the Term and the redemption of the Interest Value at the Maturity Date or earlier termination of the Scheme as provided in this Deed.

The Scheme will be operated by the Management Company whereby only Applicants who are invited or permitted or approved by the Management Company shall be allowed to participate in the Scheme upon such terms and conditions as the Management Company shall stipulate, with prior consent from the Trustee, in the Management Agreement annexed hereto as Annexure "A" to be entered into between the Management Company and each Applicant. The Management Company will be the operator and issuer of the Interest Units. The Management Company is not liable to be removed by the Trustee or the Interest Unit Holders.

It is hereby expressly stipulated that the Management Agreement shall not confer on any Interest Unit Holder any proprietary right, title, interest, estate or share over the assets whether movable or immovable of the Enterprise or the Management Company but will only confer upon the Interest Unit Holder the right to participate in the Scheme in the manner provided in this Deed and the Management Agreement. Accordingly, no property will be vested in the Trustee nor the Interest

Unit Holder.

This Prospectus has been lodged with the Registrar of Companies who takes no responsibility for its contents and is obtainable at the Business Office of the Management Company during office hours.

The Management Company hereby declares-

- (i) that no Interest Unit shall be transferred pursuant to this Prospectus later than six (6) months after the date of this Prospectus, unless otherwise approved by the Registrar of Companies;
- (ii) that Interest Unit Certificate evidencing each Interest Unit shall be issued to any Applicant who subscribes for an Interest Unit pursuant to this Prospectus not later than two (2) months after the date of the full payment of the Interest Value by the Interest Unit Holder.

The Trustee or representatives of the Trustee shall ensure that the Register of Interest Units is properly maintained and to this end the Trustee is empowered and required to ensure compliance by the Management Company in issuing the Interest Unit Certificates to the Interest Unit Holder as aforesaid.

1.3 History of the Management Company

The Management Company is a subsidiary within the City Coin Laundry Group and, its original focus was on technology research and development. It has a professional R&D team that incorporates technological advancements into self-service laundromats. The Management Company has helped the City Coin Laundry Group to become a pioneer in the Malaysian laundry industry to incorporate built-in antiseptic and sterilising chemical dispensers into washing machines to provide maximum hygiene assurance. With the Scheme, the Management Company will spearhead the City Coin Laundry Group's establishment of company-owned and operated LaundryBar Outlets. This will augment the City Coin Laundry Group's continued expansion of its network of franchisees.

1.4 Appointment of Marketing Agent

The Management Company may with the prior consent of the Registrar of Companies appoint a marketing agent to promote and/or offer for public subscription the Interest Units and/or provide management services upon such terms and conditions as shall be agreed upon between the Management Company and the marketing agent.

1.5 Number of Interest Units Subscribed

Nil as at the date of this first Prospectus.

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2. **CORPORATE INFORMATION**

2.1 **Corporate Information of the Management Company**

Directors

Name	Residential Address	Occupation
Ang Beng Teck	19, Jalan PJU 10/11D Saujana Damansara 47800 Petaling Jaya Selangor Darul Ehsan	Director
Chua Wuan Yeen	19, Jalan PJU 10/11D Saujana Damansara 47800 Petaling Jaya Selangor Darul Ehsan	Director

Secretary

Name	Residential Address	Occupation
Chew Choy Choy	23, Jalan Wangsa 1/4 Taman Wangsa Permai 51200 Kuala Lumpur	Company Secretary

Management

Name	Residential Address	Occupation
Ang Beng Teck	-same as above-	-same as above-
Chua Wuan Yeen	-same as above-	-same as above-

Shareholders

Name	Number of shares	Percentage (%)
City Coin Laundry Sdn Bhd	4,500,000	90%
Ang Beng Teck	250,000	5%
Chua Wuan Yeen	250,000	5%

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Registered Office

No. 3-15D, Jalan Desa 2/2
Desa Aman Puri
Kuala Lumpur

Chief Executive Officer

Ang Beng Teck (Paul)
No. 13, Jalan Perindustrian Desa Aman
1B, Industri Desa Aman, 52200
Kepong, Kuala Lumpur
Tel: +603 62799010
Email: paul@laundrybar.com.my

Trustees

UBB Amanah Berhad (168400-P)
B-G-9, Galeria Hartamas, No, 21, Jalan
26/70a, Desa Sri Hartamas, 50480 Kuala
Lumpur, Federal Territory of Kuala
Lumpur
Email: *info@ubbamanah.com*

Auditor

James & Co (AF0984)
No.10B, 2nd Floor, Jalan Pangkor
Off Jalan Tun Razak
50400 Kuala Lumpur

Solicitors

CTChoo&Co
Advocates & Solicitors
B-5-6, Tower B
Plaza Pantai
Jalan Pantai Baharu
59100 Kuala Lumpur
Email: *ctchoo@ctchoo.com*

Independent Consultant

SEA NQA PLT (LLP0017988-LGN)
A-3-9, 8, Avenue Business Centre
Jalan 8/1, 46050 Petaling Jaya
Selangor
Email: *dalec_ng@yahoo.com*

The Register of Interest Units will be kept at-

No. 13, Jalan Perindustrian Desa Aman 1B
Industri Desa Aman
52200 Kepong, Kuala Lumpur

Accessible during Office Hours

Mon-Fri 9.00 a.m. to 5.00 p.m.

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3. **CORPORATE PROFILE**

3.1 **Corporate Profile of the Management Company**

Directors and Senior Management

Ang Beng Teck (Paul) – Managing Director and Chief Executive Officer

Paul Ang is the co-founder of the City Coin Laundry Group. He is the Managing Director and Chief Executive Officer of the Group. He has professional training in accounting and taxation. Paul was appointed as council member of the Malaysian Franchise Association (MFA) in July 2018.

He and fellow Director, Sandra Chua, created the LaundryBar brand which now represents City Coin Laundry Group's principal corporate brand. He, then, vigorously promoted the LaundryBar franchise to SME entrepreneurs. Today, there are more than 400 LaundryBar stores in Malaysia, Brunei, Turkey, and Thailand. Paul has also led the City Coin Laundry Group to receive numerous accolades including the SME 100 Awards 2016, Nan Yang Golden Eagle Award 2017, and Sin Chew Award 2017 for its fast-growing, environmentally-friendly, and sustainable business model.

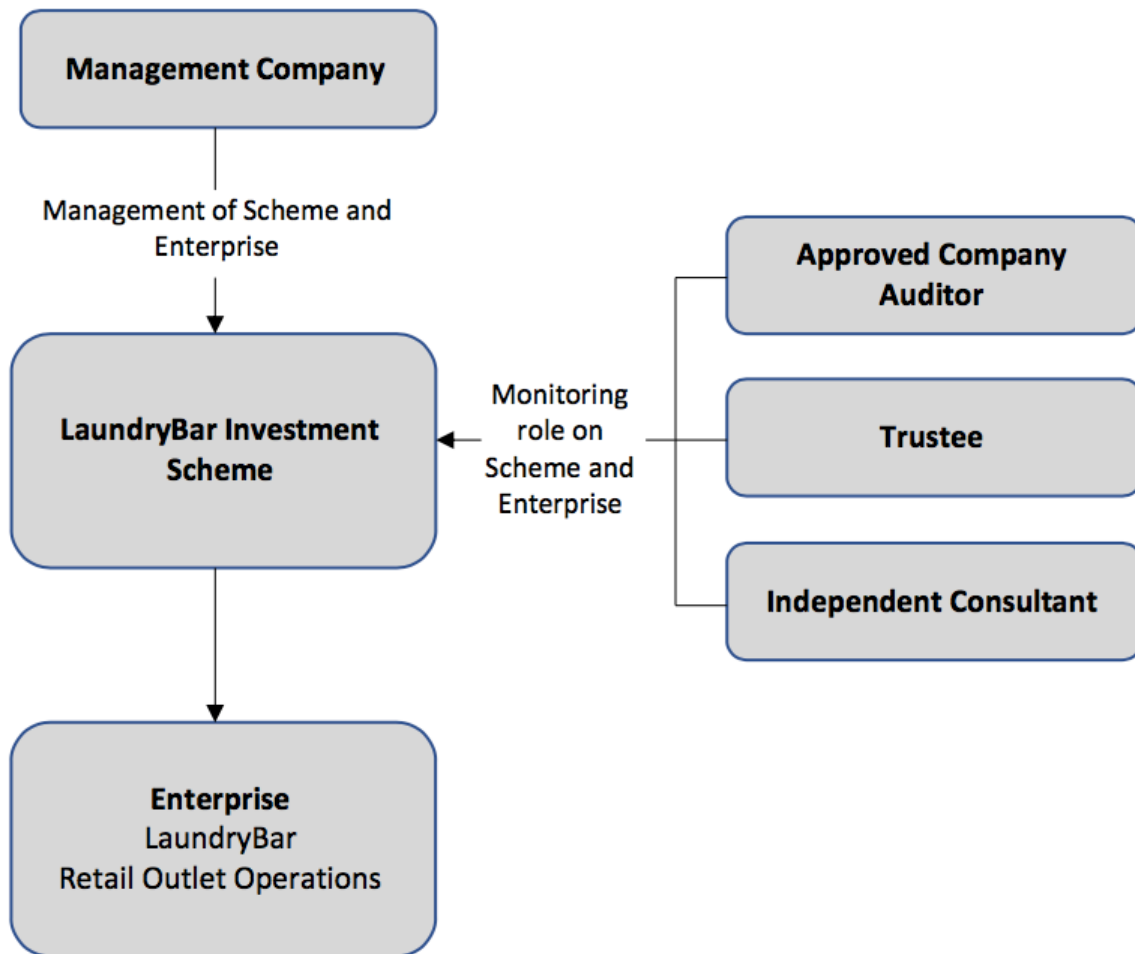
Chua Wuan Yeen (Sandra) – Executive Director

Sandra Chua is the Executive Director and co-founder of the City Coin Laundry Group. Previously, Sandra was involved in the swiftlet farming and bird nest business where she supplied high quality bird's nest to businessmen from Hong Kong, China, Thailand and Indonesia. Sandra also provide technology and fast stay technique made for swiftlet farming. She was also a Maxis authorised dealer in the east coast region of Malaysia.

Sandra is a member of the Council of ASEAN Retail Chains & Franchise Federation (ARFF), She is also a winner of SME Women Entrepreneur Award 2016 and the Star Outstanding Business Award (SOBA) Female Entrepreneur of the year 2017.

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3.2 Corporate and Scheme Structure



4. MAIN FEATURES OF THE SCHEME

4.1 The Offer

The public is invited to participate in the Scheme which is involved in the Enterprise operations by subscribing to Interest Units and entering into the Management Agreement with the Management Company where Interest Unit Holders shall receive an annual Net Yield at 8% of the Interest Value and the redemption of the Interest Value at the Maturity Date.

The terms and conditions governing the Scheme and the Interest Units are as stated in this Prospectus, the Trust Deed, the Management Agreement.

4.2 Arrangements for buy back of Interest Units

The Minister has granted a three (3) years exemption to the Management Company from the requirement of Section 47 of the Interest Schemes Act which relates to the obligation of

the Management Company to repurchase any Interest Unit at the request of the Interest Unit Holders.

The period of exemption shall commence on the Initial Launch Date and shall expire on the third (3rd) anniversary date from the Initial Launch Date.

After the expiry of the period of exemption the Management Company shall, at the request of an Interest Unit Holder, buyback any Interest Unit from the Interest Unit Holder at Eighty Percent (80%) of the Interest Value based on the costs incurred in respect of marketing expenses, sales commission and administration charges.

Any Interest Unit bought back by the Management Company may be re-offered for public subscription by the Management Company at a value to be determined by the Management Company based on market forces.

For administrative efficiency and effectiveness, any and all Interest Units to be bought back to the Management Company shall be processed only during the calendar months of March, June, September and December.

In each calendar year commencing from the Initial Launch Date, the Management Company's obligation to accept the buyback of any Interest shall be as follows-

Year	1	2	3	4	5	6	7	8	9	Total (%)
Buy back limit in Percentage of the value of the total number of Interest Units already subscribed (%)	0	0	0	10	10	15	15	20	30	100

4.3 Transfer or Assignment and Transmission of Interest Units

The Interest Units are freely transferable or assignable subject to the terms of the Management Agreement and subject to the transferor giving a copy of the current Prospectus as at the date of such transfer or assignment is furnished to the subsequent subscriber. Non-compliance with this provision may render the Interest Unit Holder's offering to assign or transfer his Interest Units to be in contravention of the section 28(3)(b) of the Interest Schemes Act.

Requests for transfer must be in writing in the prescribed Transfer Form as set out in the

Management Agreement or such other form as the Management Company may from time to time prescribe, stating the particulars of the Transferee and the consideration paid or payable by the Transferee for the transfer. The Transfer Form will be provided by the Management Company upon request. Upon the approval of the Management Company, the Transfer Fee is payable to the Management Company.

The Management Company shall provide to an Interest Unit Holder who intends to sell, assign or transfer his Interest Units with a copy of its current Prospectus within fourteen (14) days of such written request by the Interest Unit Holder at a fee of RM20.00 only.

The Management Company may decline to register any transfer of any Interest Unit unless the Interest Unit Holder complies with the terms and conditions as set out in the Management Agreement.

4.4 Right to request for Prospectus and Certificate of good standing

Any Interest Unit Holder who wishes to assign/transfer his Interest Units is entitled to procure the following from the Management Company within fourteen (14) days from the date on which a written request is made by the Interest Unit Holder-

- (a) a copy of the current prospectus which shall be provided by the Management Company to the Interest Unit Holder who so decides to transfer his Interest Unit on payment of a fee of RM20.00 to the Management Company. The Interest Unit Holder is required to furnish to the Transferee of the Interest Unit with a copy of the current prospectus failing which such Interest Unit Holder will be committing an offence under section 28(3)(b) of the Interest Schemes Act;
- (b) a certificate certifying among other things-
 - (i) whether there are any legal proceedings in existence or contemplated in respect of the Management Company as far as the Management Company is aware; and
 - (ii) whether the assets in the Enterprise operations are sufficiently covered by insurance.

A copy of such certificate will be furnished within fourteen (14) days of the date on which the written request is made and the Management Company shall be entitled to impose a fee of RM5.00 only.

4.5 Right in contract only

The rights held by any Interest Unit Holder in the form of any Interest Unit are in the nature of a contractual and rest in contract only and shall not create in or confer any tenancy or any estate or interest in or over the Management Company, the Enterprise or the Scheme or any part thereof. Save and except for the payment of the Net Yield in each calendar year during the Term and the redemption of the Interest Value at the Maturity Date as provided in the Interest Unit Holder's Management Agreement there shall be no distribution of any additional income, dividends, bonuses, shares, any other form of profit or gains to the Interest Unit Holders nor any right to participate in any-

- (a) profits, assets or realisation of any financial or business undertaking forming part of the Scheme;
- (b) common enterprise in relation to which Interest Unit Holders are led to expect profits and rent from the efforts of the promoter of any enterprise or third party; or
- (c) investment contract.

4.6 **Income tax payable on Net Yield received**

The Interest Unit Holder will be subjected to the relevant income tax on any Net Yield received annually.

5. **NUMBER OF INTEREST UNITS AND RESERVED INTEREST UNITS**

5.1 **Number of Interest Units**

The Management Company covenants that the maximum number of Interest Units that will be issued by the Management Company shall not exceed the Total Interest Units of 15,000. At the Initial Launch Date the Management Company shall offer for public subscription 10,500 Interest Units.

The Management Company intends to offer the Interest Units at the Initial Launch Date of the Scheme for public subscription at the initial subscription price of RM5,000-00. After the Initial Launch Date, the Interest Value will be determined by the Management Company from time to time based on market forces.

5.2 **Reserved Interest Units**

The Management Company is required to hold the remaining 4,500 Interest Units as Reserved Interest Units which shall not be available for public subscription and may be released for public subscription only upon the approval of the Registrar of Companies.

6. **RISK FACTORS**

Before subscribing for any Interest Unit, you should pay particular attention to the fact that the Scheme, and to a large extent, the Scheme's activities, are subject to legal, regulatory and business environment in Malaysia. The Enterprise operations business is subject to a number of factors, many of which are outside the Management Company's control. Prior to making the decision to subscribe for any Interest Unit, you should carefully consider along with the other matters in this Prospectus, the risk considerations set out below. The risks set out below are not an exhaustive list of the challenges that we currently face or that may develop in the future. Additional risks, whether known or unknown, may in the future have a material adverse effect on the Management Company or the Scheme.

Supply and cost of utilities

Changes in utility rates for electricity, natural gas, water and sewerage affect the Enterprise because LaundryBar Outlets rely on electricity, natural gas, water and sewerage to conduct operations. To address this, the Management Company has contingency plans on water and electricity supply. Where there is a change of utility price the most direct management response method is to increase the rate of washing and drying as this is an overall effect to the self-service laundry industry. It is noted that for the laundry dryer function gas consumption is the highest compared to other utilities.

Parts and maintenance costs

Repairs are an ongoing matter for the Enterprise. Even new machines wear down with constant use. The Management Company has contingency plans to address this by way of-

- **Parts inventory management.** As an authorised distributor from Alliance Laundry Systems the Management Company will always monitor and top up on regular service parts and also critical parts to avoid shortages and machine downtime.
- **Well-trained technicians for repairs and maintenance.** Increase of manpower especially technical force to service all LaundryBar Outlets in various regions. Northern, Southern, East and Central the standard index calculation is for every 25 outlets there will be 1 technical support staff; and
- **Geospatial distribution of parts storage at locations throughout Malaysia.** Parts distribution will be allocated to various service centres throughout whole Malaysia especially regular service parts

Rental costs

In localities that are popular, the challenge of increase in rental rates for premises may occur from time to time. To address the exposure to high rental the Management Company has contingency plans for relocation of affected LaundryBar Outlets to new locations within the same neighbourhood. Usually, tenancies of premises will be locked in on a 3 years with option to renew for another 3 year. The rental rate will be fixed for the first 3 years. The only risk is where a landlord dispose of the premises to a third party without notifying the Management Company. Most of landlords are reluctant to insert a first right of refusal provision in the tenancy agreement.

Security

There is always a challenge with security at LaundryBar Outlets that are open on a 24-hours cycle. Security risks include-

- Equipment abuse, vandalism and threats to patrons. To mitigate this risk every LaundryBar Outlet is armed with alarm systems which have significantly addressed the risk. The premises are well-lit and equipped with good resolution CCTV cameras at strategic spots in each outlet. The CCTVs are monitored. All incidents are promptly reported to the law enforcement agencies.

- Theft of cash from token dispenser machines onsite. To address this challenge the Management Company limits the cash onsite by a procedure to remove surplus cash from the token machines on a regular basis daily. Use of Visa Paywave cashless systems has also mitigated the risk.

All outlets have adequate insurance coverage against usual risks to business premises.

7. **PROCEDURE FOR APPLICATION FOR INTEREST UNITS**

An Applicant is required to fill in the Application Form attached with this Prospectus and become an Interest Unit Holder with the issuance of the number of Interest Units applied for after execution of the Management Agreement. The Applicant will have to pay the cash sum for the Interest Value upon submission of the Application Form.

The Management Company reserves the right to refuse any application without assigning any reason therefore. A rejection notice will be given to unsuccessful applicants together with a refund of any monies paid free of interest.

Any Applicant may by giving notice in writing duly served on the Management Company within the Cooling-Off Period rescind the Management Agreement and receive a full refund of all amounts paid to the Management Company pursuant to the Management Agreement. Upon the expiry of the Cooling-Off Period, failure on the part of the Applicant (who becomes an Interest Unit Holder upon execution of the Management Agreement) to comply with the terms and conditions of the Management Agreement (including the payment of any outstanding monies due and payable by the Interest Unit Holder) may result, at the Management Company's absolute discretion, in the termination of the Management Agreement and the forfeiture of all monies paid by the Interest Unit Holder.

8. **INDEPENDENT CONSULTANT**

An Independent Consultant shall be appointed by the Management Company and the Independent Consultant shall conduct a semi-annual review and inspection of the Scheme's operations which encompasses a review of the quality of work carried out at the Scheme and, the Independent Consultant will prepare a semi-annual written report a copy of which will be submitted to the Management Company, Trustee and the Registrar of Companies and, also be incorporated into the next published Prospectus.

9. **CHIEF EXECUTIVE OFFICER**

The Management Company shall appoint a Chief Executive Officer subject to the prior consent of the Registrar of Companies.

The Chief Executive Officer shall handle the operations and responsibilities of the Management Company upon such terms as shall be agreed upon between the Management Company and the Chief Executive Officer.

The Chief Executive Officer shall be responsible to look into and resolve any complaints relating to the Scheme and its operations.

10. **COVENANTS AND DUTIES OF THE MANAGEMENT COMPANY**

10.1 The Management Company has represented to the Trustee as follows-

- (a) that it is a public limited company incorporated in Malaysia with an issued and paid-up share capital of RM5,000,000.00 and is empowered to carry on the business of operating the Scheme and offering Interest Units to members of the public in respect of the Scheme;
- (b) that some of its officers involved in the development, management and operation of the Scheme have had prior experience and expertise in managing companies or related businesses; and
- (c) that it is majority owned by local shareholders.

10.2 The Management Company has covenanted with the Trustee that so long as any Interest Unit is issued by it and such Interest Unit remains valid and binding on it, it shall-

- (a) use its best endeavours to carry on and conduct its business in a proper and efficient manner and to ensure any contract, arrangement, undertaking or enterprise to which the trust deed or contractual agreement relates is carried on and conducted in a proper and efficient manner;
- (b) not sell any Interest Units to which the Trust Deed relates otherwise than at an Interest Value calculated in accordance with the Trust Deed;
- (c) ensure that no moneys available for investment under the Trust Deed will be invested in or lent to the Management Company, the Trustee or any company other than which is allowed under the Interest Schemes Act;
- (d) give such particulars as are sufficient to disclose the nature of the contract, arrangement, undertaking or enterprise, and the nature of the Interest Units to which the Trust Deed relates; and
- (e) ensure that the Trust Deed creates a trust or declaration of trust, including precise information as to the circumstances in which the money, marketable securities, investments and other property subject to the trust are or will be vested in the Trustee, and the obligations towards the Interest Unit Holders in regard to the property.

10.3 The Management Company further covenants to the Trustee as follows-

- (a) it shall insure and/or caused to be insured all relevant Enterprise assets from loss or damage by fire or other relevant perils up to their respective full insurable value and to pay all premiums necessary for that purpose;

- (b) save and except in the ordinary course of business of the Enterprise, it shall not encumber any Enterprise assets in any way except with the prior written consent of the Trustee;
- (c) all Enterprise premises has obtained the approval and consent from the relevant local authorities;
- (d) it shall comply with all relevant written laws, notices, directions, orders, requirements or demands of any government, statutory bodies or other authority affecting the Scheme or the Enterprise;
- (e) it will not alter or vary its nature of business of the Scheme without the prior written consent of the Registrar of Companies;
- (f) it shall ensure that-
 - (i) the advertisements shall not contain any statement or information that may mislead the public or create a misleading impression about this Scheme; and
 - (ii) fulfill any promises and benefits that are stated in the advertisement, including benefits that are not listed in the Trust Deed or any Prospectus;
- (g) it shall obtain approval from the Trustee before the advertisement can be published and disseminated to the public;
- (h) it shall submit to the Registrar of Companies a certificate before publishing or disseminating the advertisement. The certificate shall be signed by at least 2 directors of the Management Company;
- (i) it shall ensure that the advertisement shall contain a statement which carries the following meaning-

“Application must be attached to a printed copy of the prospectus.”
- (j) it shall assign a reference number to each advertisement. The advertisement shall be stated in each published advertisement;
- (k) it shall ensure that the statements in the advertisements are consistent with the disclosures contained in the Prospectus and shall not include additional facilities or amenities that are not stated in the Prospectus or change the substantive nature of the Scheme; and
- (l) it shall ensure that where any advertisement is disseminated by means of broadcasting, television or cinematograph, the advertisement should contain the address where a copy of the Prospectus can be requested by the public. The prospectus shall be supplied to the public within seven 7 days from the date of such request.

10.4 The Management Company is not liable to be removed by the Trustee or the Trustee’s

representative or by the Interest Unit Holders.

- 10.5 An Approved Company Auditor shall be appointed by the Trustee in relation to the funds in the Trust Account to be established under the Trust Deed. The Trustee may also from time to time remove or replace the Approved Company Auditor and appoint another or others in its place and the Approved Company Auditor may also resign by giving three (3) months' prior written notice to the Trustee.
- 10.6 The Management Company further covenants as from a day to be fixed by the Minister by notice published in the Gazette that it will not exercise the right to vote in respect of any shares relating to the Interest Units to which this Deed relates held by the Management Company or the Trustee if any as the case may be at any election for directors of a corporation where shares are so held, without the consent of the majority of the holders of Interest Units to which this Deed relates present in person and voting given at a meeting of those holders summoned in the manner provided in this Deed for the purpose of authorising the exercise of the right at the next election.

11. **TRUSTEE FOR THE SCHEME**

As required by the Interest Schemes Act, the invitation to the Applicants in this Prospectus requires a Trust Deed. A copy of the Trust Deed will be made available to Interest Unit Holders for their perusal at the Management Company's premises during office hours. The Trustee is a trust company registered under the Trust Companies Act, 1949.

The parties to the Trust Deed are-

- (i) City Coin Technology Berhad;
- (ii) UBB Amanah Berhad; and
- (iii) Interest Unit Holders.

The main purpose of the Trust Deed is to protect the interests and rights of all Interest Unit Holders. The Trust Deed also sets out duties and responsibilities of the Trustee.

11.1 **Duties of Trustee**

Under the terms of the Trust Deed, specific provisions are provided for the following duties of the Trustee-

(a) **Due Diligence**

The Trustee shall exercise due diligence and vigilance in carrying out its functions and duties and in monitoring the rights and interests of the Interest Unit Holders to which the Trust Deed relates.

(b) **Trust Account**

The Trustee shall establish a bank account and interest-bearing Trust Account in the name of the Trustee for the Management Company for the purpose of depositing and holding on trust all Interest Value received by the Management Company from the Interest Unit

Holders. Upon the expiry of the Cooling-off Period, the Trustee shall, subject to such funds as shall be retained for the Capital Reserve Fund, release to the Management Company all and any Interest Value received by it from the Management Company and deposited into the Trust Account together with any interest accrued thereon upon the following conditions being fulfilled-

- (i) Expiry of the Cooling-Off Period and confirmation by the Management Company of its acceptance of the application by the Applicant within seven (7) days from the date of expiry of the Cooling-Off Period; and
- (ii) Receiving a a letter of intent issued by the Management Company, whether in electronic form via email or in printed form containing a confirmation of the designated and specific LaundryBar Outlet that the Interest Value shall be applied to.

Any Interest Value deposited into the Trust Account by the Management Company prior to the expiry of the Cooling-Off Period shall be held in trust by the Trustee for the Applicant until the expiry of the Cooling-Off Period and in the event that any application is withdrawn by an Applicant during the Cooling-Off Period, the Trustee shall release such Interest Value, free of interest, to the Applicant.

(c) **Capital Reserve Fund**

The Trustee shall cause to be established another trust account in the name of the Trustee for the Management Company with a reputable bank approved by the Management Company for purposes of setting up a Capital Reserve Fund by the Management Company in respect of the Enterprise operations and the Scheme.

Upon the anniversary of each Prospectus Period Start Date, the Management Company is obliged to contribute to the Capital Reserve Fund from the annual revenue received by the Management Company from the Enterprise operations and the amount of such annual contribution shall be calculated based on the following table where the monetary value of the annual contribution is shown as a percentage of the Interest Value received by the Scheme from the Interest Unit Holders-

Year	Annual contribution to Capital Reserve Fund by the Management Company as a percentage of each Interest Value received by the Scheme in respect of each Interest Unit
1	0%
2	5%

3	5%
4	5%
5	10%
6	10%
7	15%
8	20%
9	30%
Total	100%

(d) Partial utilisation of Capital Reserve Fund

At the written request of the Management Company from time to time for specific amounts supported by a written request showing the proposed utilisation of the moneys for the Enterprise operations under the Scheme, the Trustee may withdraw from the Capital Reserve Fund and transfer to the Management Company such amounts requested free of any interest imposition save and except that the amount requested shall not exceed at any time 70% of the total value of the Capital Reserve Fund.

The amount utilised shall reviewed by the Trustee from time to time during the Scheme Period in a meeting with the Management Company where the Trustee and the Management Company may by mutual agreement make the following determination-

- (i) renew the utilisation of the amount or any part thereof by the Management Company for a further calendar year; or
- (ii) notify the Management Company that the entire amount utilised or any part thereof is required to be returned to the Capital Reserve Fund within 6 months from the date of the notification or such date as shall be mutually agreed between the Trustee and the Management Company.

(e) Maturity Date arrangements for each Management Agreement

Within 7 days from any Maturity Date in respect of any specific Management Agreement, the

Management Company shall notify the Trustee in writing that the specific Management Agreement involving the Interest Value for such numbers of Interest Units subscribed for under the Management Agreement has expired after reaching full maturity and a refund of such Interest Value is required to be made to the Interest Unit Holder.

Within 14 days of receiving such notification the Trustee shall make immediate arrangements to issue a sum equivalent to the Interest Value from the Capital Reserve Fund and remit the sum to the Management Company.

Upon receiving the remittance of the Interest Value from the Trustee, the Management Company shall remit the Interest Value to the Interest Unit Holder or his designated bank account within 7 days.

Upon the completion of the remittance of the Interest Value by the Management Company to the Interest Unit Holder-

- (i) the Management Agreement and the Interest Units in respect of the Management Agreement shall be deemed to have been fully performed, completed and thereafter neither the Management Company nor the Trustee shall have any further obligations to the Interest Unit Holder; and
- (ii) the particulars of the Interest Unit Holder shall be removed from the Register of Interest Units.

(f) **Investment by Trustee**

All sums deposited in the Capital Reserve Fund may be invested by the Trustee in suitably liquid and secure investments or any other investments authorised by law and approved by the Management Company as well as any interest earned thereon shall be accumulated to the principal until release thereof to the Management Company in accordance with the Trust Deed.

(g) **Accounts to be Audited**

The Trustee shall keep or cause to be kept proper books of account in relation to the funds in the Trust Account and of all disbursement thereof and, ensure that a statement of the accounts with the report of the Approved Company Auditor thereon is available for inspection by Interest Unit Holders at the Management Company's Business Office within 2 months of the end of the financial year.

(h) **Register of Interest Units**

The Trustee shall ensure that the Register of Interest Units is properly maintained and kept up to date by the Management Company, and also made available for inspection by the Trustee and Interest Units at the place of business of the Management Company free of charge during the working hours of the Management Company.

(i) **Maximum Number of Interest Units Available for public subscription**

The Trustee shall ensure that the maximum number of Interest Units sold does not exceed 10,500.

(j) **Insurance**

The Trustee shall ensure that all relevant Enterprise operations assets are insured under an approved insurer from loss or damage by fire up to their respective full insurable value.

(k) **Consent to Public Subscriptions and Advertising**

The Management Company shall notify the Registrar of Companies before publishing or causing to be published, any advertisement circular or other document containing any statement with respect to the subscription price of Interest Units or containing any invitation to subscribe to any Interest Units.

(l) **Winding up or termination of the Scheme**

The Scheme herein shall continue to subsist for so long as there shall be a valid Management Agreement, Interest Unit and its related Interest Unit Certificate in existence or for such other time as shall be agreed between the Trustee and the Management Company.

(i) Winding up at the direction of Interest Unit Holders

The Interest Unit Holders may call for a meeting to consider and vote on a resolution to direct the Management Company to wind up the Scheme. The resolution shall be approved by at least 75% of the Interest Unit Holders of the Scheme.

(ii) Winding up in the event of accomplishment or non-accomplishment of the purpose of the Scheme

If the Management Company considers that the purpose of the Scheme has been accomplished or cannot be accomplished the Management Company shall send to the Interest Unit Holders of the Scheme, the Registrar of Companies and the Trustee a notice in writing-

- (aa) explaining the proposal to wind up the Scheme, including explaining how the Scheme's purpose has been accomplished or why that purpose cannot be accomplished;
- (bb) informing the Interest Unit Holders of their right to call a meeting of Interest Unit Holders to consider the proposed winding up of the Scheme and to vote on the proposal to wind up the Scheme; and
- (cc) informing the Interest Unit Holders that the Management Company is permitted to wind up the Scheme unless a meeting is called to consider the proposed

winding up of the Scheme within 28 days from the date of the notice.

The Management Company may wind up the Scheme if no meeting is called within 28 days above to consider the proposed winding up and the Registrar of Companies is satisfied of that fact after receiving certification from the Trustee.

(m) Remuneration of the Trustee

The Management Company shall pay the Trustee by way of remuneration for its services hereunder such sum as shall be agreed upon between the Trustee and the Management Company commencing from the date of the Trust Deed and throughout the period the Trustee shall remain as Trustee of the Trust Deed.

All out of pocket expenses to be incurred by the Trustee for the performance of its duties under the Trust Deed shall be reimbursed by the Management Company to the Trustee as and when the same is incurred.

(n) Statement of Accounts

The Trustee shall ensure that a statement of the accounts with the report of the Approved Company Auditor thereon is available for inspection by Interest Unit Holders at the Management Company's Business Office within 2 months of the end of the financial year.

(o) Meetings with Independent Consultant

The Trustee shall hold meetings with the Independent Consultant to obtain the necessary feedback on the operations of the Property and Building and procure and obtain reports from the Independent Consultant to ensure that the Enterprise operations is managed and operated efficiently.

(p) Visits to the Enterprise operations

The Trustee shall make visits to inspect Enterprise operations and seek remedial action if matter is unsatisfactory.

(q) Investigation of complaints by Interest Unit Holders

The Trustee shall investigate any reasonable complaints made by any Interest Unit Holders to the Trustee.

(r) Reporting on non-compliance

The Trustee shall report to the Registrar of Companies any non-compliance of Trust Deed by Management Company

11.2 Powers and Liabilities of Trustee

In addition to all powers privileges and indemnities given by law to trustees and by these presents

to the Trustee and by way of supplement thereto it is hereby expressly declared as follows-

- (a) the Trustee may in relation to the enforcement of the provisions contained in the Trust Deed act upon the opinion or advice of any lawyer or any information furnished in writing by any Interest Unit Holder;
- (b) any such advice, opinion or information may be sent by letter, telex, telegram, cablegram, facsimile transmission or radiogram and the Trustee shall not be liable for acting on any advice opinion or information purported to be conveyed by any such letter, facsimile transmission or email although the same may contain errors or is not authentic;
- (c) the Trustee shall not be responsible for any loss incurred through any act, neglect, mistake or default of the Management Company or of any agent of the Management Company and shall not be under any liability on account of anything done or suffered by the Trustee in good faith in accordance with or in pursuance of any request or advise of the Management Company. When pursuant to any provision of the Trust Deed any certificate, notice, instruction or other communication is to be given by the Management Company to the Trustee, the Trustee may accept as sufficient evidence thereof a document signed or purporting to be signed on behalf of the Management Company by any person or person whose signature(s) the Trustee is for the time being authorised by the Management Company to accept;
- (d) the Trustee shall not be responsible for any misconduct, mistake, oversight, error of judgment, or want of prudence, on the part of any attorney, banker, lawyer, agent or other person appointed by him or be bound to supervise the actions of any such appointee unless the same is caused by the wilful default or neglect of the Trustee;
- (e) the Trustee shall as regard all the powers authorities and discretions vested in him hereunder have absolute and unfettered discretion as to the exercise thereof whether in relation to the manner or as to the mode of time for the exercise thereof and in the absence of fraud or negligence he shall be in no way responsible for any loss, costs, damages or liabilities that may result from the exercise or non-exercise thereof;
- (f) the Trustee shall not be under any obligation to appear in, prosecute or defend any action or suit in respect of the provisions hereof or any part thereof which in the Trustee's opinion would or might involve the Trustee in expense or liability, unless the Management Company shall so reasonably request in writing and shall so often as required by the Trustee furnish the Trustee an indemnity satisfactory to the Trustee against any such expense or liability; and
- (g) the Trustee shall have full power to determine all questions and doubts arising relating to any of the provisions in the Trust Deed and every such determination whether made upon a question actually raised or implied in the acts or proceedings of the Trustee or the Management Company shall be conclusive and shall bind the Management Company and any and all Interest Unit Holders;

PROVIDED ALWAYS that the foregoing provisions shall not be construed in any way so as to exempt the Trustee against liability for breach of trust arising out of the wilful negligence, dishonesty or fraud of the Trustee.

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The Management Company and the Trustee covenant with each other and each of the Interest Unit Holders that they will comply with such guidelines and requirements of the relevant authorities which may be issued/imposed from time to time, unless variations are allowed or exemptions granted, and within the provisions of the Trust Deed.

12. **ACCOUNTANT'S REPORT**

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JAMES & CO.
 CHARTERED ACCOUNTANTS (M)
 FIRM NO: AF 0964

Date: **14 NOV 2019**

The Board of Directors
CITY COIN TECHNOLOGY BERHAD
 (Formerly known City Coin Technology Sdn. Bhd.)
 No 13, Jalan Perindustrian Desa Aman 1B,
 Industri Desa Aman,
 52200 Kepong Kuala Lumpur.

Gentlemen:

1. INTRODUCTION

This report has been prepared for the inclusion in the prospectus to be dated **26 NOV 2019** issued under Section 28 Interest Schemes Act, 2016, in connection with the Company's invitation to the public to subscribe for Laundry Bar Investment Scheme promoted by City Coin Technology Berhad ("Management Company").

2. GENERAL INFORMATION

The Management Company was incorporated in Malaysia on 25 March, 2015 as a private limited company under the name City Coin Technology Berhad and it was converted into a Public Limited Company on 23 April 2019.

City Coin Technology Berhad is principally operating self-service coin operated laundry and shall operate and manage the Laundry Bar Investment Scheme.

The paid-up share capital of the Company at the date of incorporation was RM 400,000 divided into 400,000 ordinary shares of RM 1 each and was increased to RM 500,000 divided into 500,000 ordinary shares of RM 1 each on 23 May 2018. On 15 January 2019 the ordinary shares were increased from 500,000 to 2,000,000 ordinary shares of RM 1 each and subsequently on 28 January 2019 the paid-up shares capital was increased another 3,000,000 ordinary shares of RM 1 each. Presently, the paid-up share capital is RM5,000,000 divided into 5,000,000 ordinary shares of RM1 each.

The movement in the Company's issued and paid-up share capital, consisting of ordinary shares of RM1 each, since its incorporation are as follows:

Date of allotment	No. of ordinary share of RM1 each	Consideration	Total cumulative issued and fully paid-up capital
25.03.2015	3	Cash	3
23.05.2018	499,997	Cash	500,000
15.01.2019	1,500,000	Cash	2,000,000
28.01.2019	3,000,000	Cash	5,000,000

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3. INFORMATION ON THE MANAGEMENT COMPANY

3.1 City Coin Technology Sdn. Bhd. is the Management Company intended to establish, manage and operate the City Coin Laundry Bar Scheme based on equipment sharing.

3.2 At the date of this report, there are 15,000 Laundry Bar Scheme Interests under the Scheme of which 10,500 Laundry Bar Scheme Interests are intended for sale to the public and the remaining 4,500 Laundry Bar Scheme Interests are designated as Reserved (moratorium).

The rights and liabilities of the Laundry Bar Scheme Interests are spelt out in the Prospectus.

3.3 At the date of this report, the subscription fees payable for each Laundry Bar Scheme Interests is RM5,000.

3.4 Since the date of incorporation, the Company has not undertaken any scheme or business arrangement similar to the scheme relating to management and operation of the Company.

4. AUDITED FINANCIAL STATEMENTS

We have acted as the statutory auditors of the Company for the financial year ended 30 June 2018.

STATEMENT OF FINANCIAL POSITION
AS AT 30TH JUNE, 2018

	Note	2018 RM	2017 RM	2016 RM
NON-CURRENT ASSETS				
Property, plant & equipment	6	3,727,350	1,328,413	0
Intangible assets	7	107,333	0	0
Investment in subsidiary company	8	55	0	0
Other investment	9	10,000	0	0
		<u>3,844,738</u>	<u>1,328,413</u>	<u>0</u>
CURRENT ASSETS				
Inventories	10	71,110	0	0
Trade and other receivables	11	494,647	144,233	0
Amount due by subsidiary company	12	309,250	0	0
Tax prepayment		34,826	0	0
Cash and cash equivalents	13	141,448	55,005	2,966
Total current assets		<u>1,051,281</u>	<u>199,238</u>	<u>2,966</u>
TOTAL ASSETS		<u>4,896,019</u>	<u>1,527,651</u>	<u>2,966</u>
EQUITY				
Share capital	14	500,000	3	3
Accumulated loss		(443,157)	(87,433)	(34,000)
Total equity		<u>56,843</u>	<u>(87,430)</u>	<u>(33,997)</u>
NON-CURRENT LIABILITIES				
Bank borrowing - hire purchase creditors	15	440,812	0	0
		<u>440,812</u>	<u>0</u>	<u>0</u>
CURRENT LIABILITIES				
Trade and other payables	16	4,076,776	1,615,081	36,963
Bank borrowing - hire purchase creditors	15	321,588	0	0
Total current liabilities		<u>4,398,364</u>	<u>1,615,081</u>	<u>36,963</u>
TOTAL LIABILITIES		<u>4,839,176</u>	<u>1,615,081</u>	<u>36,963</u>
TOTAL EQUITY AND LIABILITIES		<u>4,896,019</u>	<u>1,527,651</u>	<u>2,966</u>

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**STATEMENT OF INCOME AND RETAINED PROFITS
FOR THE FINANCIAL YEAR ENDED 30TH JUNE, 2018**

	Note	2018 RM	2017 RM	2016 RM
Revenue	17	2,288,041	1,005,660	0
Cost of sales		<u>(820,682)</u>	<u>(598,246)</u>	<u>0</u>
Gross profit		1,467,359	407,414	0
Administrative expenses		(1,163,641)	(141,355)	(34,000)
Depreciation of property, plant and equipment		(441,571)	(224,387)	0
Staff costs		<u>(193,789)</u>	<u>(95,105)</u>	<u>0</u>
Loss from operations		(331,642)	(53,433)	(34,000)
Finance cost		<u>(24,082)</u>	<u>0</u>	<u>0</u>
Loss before taxation	18	(355,724)	(53,433)	(34,000)
Tax expense	19	<u>0</u>	<u>0</u>	<u>0</u>
Loss after tax for the year		(355,724)	(53,433)	(34,000)
Accumulated loss brought forward		<u>(87,433)</u>	<u>(34,000)</u>	<u>0</u>
Accumulated loss carried forward		<u><u>(443,157)</u></u>	<u><u>(87,433)</u></u>	<u><u>(34,000)</u></u>

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NOTED TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The Company CITY COIN TECHNOLOGY SDN. BHD., is a private Company incorporated and domiciled in Malaysia.

The Company principally operating a doobby shop. There have been no significant changes in the nature of these activities during the financial year. The number of employees in the Company as at 30th June, 2018 is 6 (2017:6)

The registered office of the Company is located at No 3-15D, Jalan Desa 2/2, Desa Aman Puri, 52100 Kuala Lumpur.

The principal place of business of the Company is located at No 13, Jalan Perindustrian Desa Aman 1B, Industri Desa Aman, 52200 Kepong Kuala Lumpur.

The financial statements of the Group and the Company are presented in Ringgit Malaysia (RM).

2. COMPLIANCE WITH FINANCIAL REPORTING STANDARDS AND THE COMPANIES ACT.

The financial statements have been prepared in compliance with the Malaysian Private Entities Reporting Standard (MPERS) issued by the Malaysian Accounting Standards Board (MASB) and the provisions of the Malaysia Companies Act 2016.

3. BASIS OF PREPARATION

The financial statements of the Company have been prepared using cost and fair value basis.

Management has used estimates and assumptions in measuring the reported amounts of assets and liabilities at the end of the reporting period and the reported amounts of revenues and expenses during the reporting period. Judgements and assumptions are applied in the measurement and hence, the actual results may not coincide with the reported amounts. The areas involving estimation uncertainties are disclosed in Note 5.

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 Subsidiaries and basis of consolidation

The Group recognises a subsidiary based on the criterion of control. A subsidiary is an entity over which the Group has power on govern the financial and operating policy decisions of the investee so as to obtain benefits from its activities. In circumstances when the voting rights are not more than half or when voting rights are not the dominant determinant of control, the Group uses judgements to assess

4. SIGNIFICANT ACCOUNTING POLICIES – CONT'D**4.1 Subsidiaries and basis of consolidation**

whether it has de factor control, control by other arrangements, or by holding substantive potential voting rights.

The consolidated financial statements are prepared using uniform accounting policies for like transaction, other event and conditions is similar circumstances.

All intra-group balances and transactions are eliminated on full on consolidation. Unrealised profit or losses arising from intra-group transactions are also eliminated in full on consolidation, except when an unrealised loss in an impairment loss.

When the Group ceases to control a subsidiary, the difference between the proceeds from the disposal of the subsidiary and its carrying amount at the date that control is lost is recognised in profit or loss in the statement of comprehensive income as a gain or loss on disposal of the subsidiary. If the Group retains an equity interest in the former subsidiary, it is accounted for as a financial asset. The carrying amount of the investment retained at the date that the entity ceases to be a subsidiary is regarded as the cost on initial measurement of the financial asset.

4.2 Property, plant and equipment.

All property, plant and equipment are initially measured at cost. For a purchased asset, cost comprises purchase price plus all directly attributable costs incurred in bringing the asset to its present location and condition for management's intended use.

All property, plant and equipment are subsequently measured at cost less accumulated depreciation and accumulated impairment losses.

All property, plant and equipment are depreciated by allocating the depreciable amount of a significant component or of an item over the remaining useful life.

The annual depreciation rates used are as follows:

	<u>Rate (%)</u>
Office equipment	10
Laundry equipment	20
Renovation	10

At the end of each reporting period, the residual values, useful and depreciation methods for the property, plant and equipment are reviewed for reasonableness. Any change in estimate of an item is adjusted prospectively over its remaining useful life, commencing in the current period.

Upon the disposal of an item of plant and equipment, the difference between the net disposal proceeds and the net carrying amount is recognised in the income statement and the unutilised portion of the revaluation surplus on that item is taken directly to retained profits.

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4. SIGNIFICANT ACCOUNTING POLICIES – CONT'D**4.3 Identifiable intangible assets**

The Company does not recognized internally generated intangible assets.

Acquired identifiable intangible assets are recognized as an assets and initially measured at cost, which is the fair value of consideration paid. Subsequently, the identifiable assets are measured at cost less accumulated amortization and accumulated impairment losses.

The amortization method used and the estimated useful live of the intangible assets is as follows:

	Method	Useful life
Brand	Straight line	10 years

4.4 Investment in subsidiary company

A subsidiary company is a company in which the Company owns, directly or indirectly, more than 50% of the equity share capital and has control over its financial and operating policies so as to obtain benefits from its activities.

Investment in subsidiary companies are stated at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amount is recognised in the income statement.

4.5 Impairment of Non-Financial Assets

An impairment loss arises when the carrying amount of a Company's asset exceeds its recoverable amount.

At the end of each reporting date, the Company assesses whether there is any indication that a stand-alone asset or a cash-generating unit may be impaired by using external and internal sources of information. If any such indication exists, the Company estimates the recoverable amount of the asset or cash-generating unit.

If an individual asset generates independent cash inflows, it is tested for impairment as a stand-alone asset. If an asset does not generated independent cash inflows, it is tested for impairment together with other assets in a cash-generating unit, at the lowest level in which independent cash inflows are generated and monitored for internal management purposes.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and the value in use. The Company determines the fair value less costs to sell of an asset or a cash-generating unit in a hierarchy based on: (i) price in a binding sale agreement; (ii) market price traded in an active market; and (iii) estimate of market price using the best available information. The value in used is estimated by discounting the net cash inflows (by an appropriate discount rate) of the asset or unit, using reasonable and supportable management's budgets and forecasts of five years and extrapolation of cash inflows for periods beyond the five-year forecast or budget.

For an asset measured on a cost-based model, any impairment loss is recognised in profit or loss.

For the cash-generating unit, any impairment loss is allocated to the assets of the unit pro rate based on the relative carrying amounts of the assets.

4. SIGNIFICANT ACCOUNTING POLICIES – CONT'D**4.5 Impairment of Non-Financial Assets – cont'd**

The Company reassesses the recoverable amount of an impaired asset or a cash-generating unit if there is any indication that an impairment loss recognised previously may have reversed. Any reversal of impairment loss for an asset carried at a cost-based model is recognised in profit or loss, subject to the limit that the revised carrying amount does not exceed the amount that would have been determined had no impairment loss been recognised previously.

4.6 Share Capital and Distribution**(a) Share Capital**

Ordinary share and non-redeemable preference share issued that carry no put option and no mandatory contractual obligation: (i) to deliver cash or another financial asset; or (ii) to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the Company, are classified as equity instruments.

When ordinary shares and other equity instruments are issued in private placement or in a rights issue to existing shareholders, they are recorded at the issue price. For ordinary shares and other equity instruments issued in exchange for non-monetary assets, they are measured by reference to the fair values of the assets received.

When ordinary share and other equity instruments are issued as consideration transferred in a business combination or as settlement of an existing financial liability, they are measured at their fair value at the date of the exchange transaction.

Transaction costs of an equity transaction are accounted for as a deduction for a deduction from equity, net of any related income tax effect.

(b) Distributions

Distributions to holders of an equity instrument are recognised as equity transactions and are debited directly in equity net of any related income tax effect.

4.7 Financial Instruments**(a) Initial Recognition and Measurement**

The Company recognises a financial asset or a financial liability (including derivative instruments) in the statement of financial position when, and only when, it becomes a party to the contractual provisions of the instrument.

On initial recognition, all financial assets and financial liabilities are measured at fair value, which is generally the transaction price, plus transaction costs if the financial asset or financial liability is not measured at fair value through profit or loss. For instruments measured at fair value through profit or loss, transaction costs are expensed to profit or loss when incurred.

4. SIGNIFICANT ACCOUNTING POLICIES – CONT'D**(b) Derecognition of Financial Instruments**

A financial asset is derecognised when, and only when, the contractual rights to receive the cash flows from the financial asset expire, or when the Company transfers the contractual rights to receive cash flows of the financial asset, including circumstances when the Company acts only as a collecting agent of the transferee, and retains no significant risks and rewards of ownership of the financial asset or no continuing involvement in the control of the financial asset transferred.

A financial liability is derecognised when, and only when, it is legally extinguished, which is either when the obligation specified in the contract is discharged or cancelled or expires. A substantial modification of the terms of an existing financial liability is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. For this purpose, the Company considers a modification as substantial if the present value of the revised cash flows of the modified terms discounted at the original effective interest rate differs by 10% or more when compared with the carrying amount of the original liability.

(c) Subsequent Measurement of Financial Assets

For the purpose of subsequent measurement, the Company classifies financial assets into two categories, namely: (i) financial assets at fair value through profit or loss, and (ii) financial assets at amortised cost.

After initial recognition, investments in preference shares and ordinary shares are measured at their fair value by reference to the active market prices, if observable, or otherwise by valuation technique, without any deduction for transaction costs it may incur on sale or other disposal.

Investment in debt instruments, whether quoted or unquoted, are subsequently measured at amortised cost using the effective interest method. Investments in unquoted equity instruments and whose fair value cannot be reliably measured are measured at cost.

Other than financial assets measured at fair value through profit and loss, all other financial assets are subject to review for impairment in accordance with Note 4.7(g)

(d) Subsequent Measurement of Financial liabilities

After initial recognition, all financial liabilities are measured at amortised cost using the effective interest method.

(e) Fair Value Measurement of Financial Instrument

After initial recognition, all financial liabilities are measured at amortised cost using the effective interest method.

(f) Recognition of Gains and losses

Fair value changes of financial assets and financial liabilities classified as at fair value through profit and loss are recognised in profit or loss when they arise.

For financial assets and financial liabilities carried at amortised cost, a gain or loss is recognised in profit or loss only when the financial asset or financial liability is derecognised or impaired, and through the amortisation process of the instrument.

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4. SIGNIFICANT ACCOUNTING POLICIES – CONT'D**(g) Impairment Uncollectibility of Financial Assets**

At the end of each reporting period, the Company examines whether there is any objective evidence that a financial asset or a group of financial assets is impaired. Evidences of trigger loss events include: (i) significant difficulty of the issuer or obligor; (ii) a breach of contract, such as a default or delinquency in interest or principal payments; (iii) granting exceptional concession to a customer; (iv) it is probable that a customer will enter bankruptcy or other financial reorganisation; (v) the disappearance of an active market for that financial asset because of financial difficulties; or (vi) any observable market data indicating that there may be a measurable decrease in the estimated future cash flows from a group of financial assets.

For a non-current loan and receivable carried at amortised cost, the revised estimated cash flows are discounted at the original effective interest rate. Any impairment loss is recognised in profit or loss and a corresponding amount is recorded in a loss allowance account. Any subsequent reversal of impairment loss of the financial asset is reversed in profit or loss with a corresponding adjustment to the loss allowance account, subject to the limit that the reversal should not result in the revised carrying amount of the financial asset exceeding the amount that would have been determined had no impairment loss been recognised previously.

For short-term trade and other receivables, where the effect of discounting is immaterial, impairment loss is tested for each individually significant receivable wherever there is any indication of impairment. Individually significant receivables for which no impairment loss is recognised are grouped together with all other receivables by classes based on credit risk characteristics and aged according to their past due periods. A collective allowance is estimated for a class group based on the Company's experience of loss ratio in each class, taking into consideration current market conditions.

For an unquoted equity investment measured at cost less impairment, the impairment is the difference between the asset's carrying amount and the best estimate (which will necessarily be an approximation) of the amount (which might be zero) that the Company expects to receive for the asset if it were sold at the reporting date. The Company may estimate the recoverable amount using an adjusted net asset value approach.

4.8 Finance and Operating Leases

The Company recognizes a lease whenever there is an agreement, whether explicitly stated as a lease or otherwise, whereby the lessor conveys to the lessee in return for a payment or series of payments the right to use an asset for an agreed period of time. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. Title may or may not eventually be transferred. All other leases that do not meet this criterion are classified as operating leases.

Lessee Accounting

The Company capitalizes the underlying leased asset and the related lease liability in a finance lease. The amount recognised at the commencement date is the fair value of the underlying leased asset or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease.

4. SIGNIFICANT ACCOUNTING POLICIES – CONT'D

Lessee Accounting

The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease, if this practicable to determine; if not, the lessee's incremental borrowing rate is used. Any initial direct costs of the lease are added to the amount recognised as asset.

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent rents are charged as expenses in the periods in which they are incurred.

Capitalised leased assets are classified by nature and accounted for in accordance with the applicable Standards in MPERS. If there is no reasonable certainty that the lessee will obtain ownership by the end the lease term, the asset is depreciated over the shorter of the lease term and its useful life.

Operating Leases

The Company does not capitalize the underlying leased asset or recognize a lease liability in an operating lease. Instead, lease payments under an operating lease are recognised as an expense on the straight-line basis over the lease term unless another systematic basis is more representative of the time pattern of the user's benefit.

Leases of land and buildings

For a lease that includes land and buildings elements, the Company assesses the classification of each elements as a finance lease or an operating lease separately in accordance with the indicators in Section 20 Leases of MPERS. The minimum lease payments (including any lump-sum upfront payments) are allocated between the land and the buildings elements in proportion to the relative fair values of the leasehold interests in the land element and building element of the lease at the inception of the lease. If substantially all of the risks and rewards incidental to ownership have been transferred to a lessee, the leasehold land and buildings are treated as a finance lease and capitalized as an item of property, plant and equipment.

Short-term leases of land and buildings are treated as operating leases and the underlying leased assets are not capitalized. Any upfront lease payments are classified as a prepaid lease payment, and intangible asset in the nature of right-of-use asset

4.9 Tax Assets and Tax Liabilities

A current tax for current and prior periods, to the extent unpaid, is recognised as a current tax liability. If the amount already paid in respect of current and prior periods exceeds the amount due to for those periods, the excess is recognised as a current tax asset. A current tax liability (asset) is measured at the amount the Company expects to pay (recover) using tax rates and laws that have been enacted or substantially enacted by the reporting date.

A deferred tax liability is recognised for all taxable temporary difference, except to the extent that the deferred tax liability arises from: (a) the initial recognition of goodwill; or (b) the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit (or tax loss). The exceptions for initial

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4. SIGNIFICANT ACCOUNTING POLICIES – CONT'D**4.9 Tax Assets and Tax Liabilities – cont'd**

recognition differences include items of property, plant and equipment that do not qualify for capital allowances and acquired intangible assets that are not deductible for tax purposes.

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized, unless the deferred tax asset arises from the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affect neither accounting profit nor taxable profit (or tax loss). The exceptions for the initial recognition differences include non-taxable government grants received and reinvestment allowances and investment tax allowances on qualifying property, plant and equipment.

A deferred tax asset is recognised for the carry-forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilized. Unused tax credits do not include unabsorbed reinvestment allowances and unabsorbed investment tax allowances because the Company treats these as part of initial recognition differences.

Deferred taxes are measured using tax rates (and tax laws) that have been enacted or substantially enacted by the end of the reporting period. The measurement of deferred taxes reflect the tax consequences that would follow

from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets or liabilities. For an investment property measured at fair value, the Company does not have a business model to hold the property solely for rental income, and hence, the deferred tax liability on the fair value gain is measured based on the presumption that the property is recovered through sale at the end of the reporting period.

At the end of each reporting period, the carrying amount of a deferred tax asset is reviewed, and is reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of a part or all of that deferred tax asset to be utilised. Any such reduction will be reversed to the extent that it become probable that sufficient taxable profit will be available.

A current or deferred tax is recognised as income or expense in profit or loss for the period. For items recognised directly in equity, the related tax effect is also recognised directly in equity.

4.10 Employee Benefits

The Company recognizes a liability when an employee has provided service in exchange for employee benefits to be paid in the future and an expense when the Company consumes the economic benefits arising from service provided by an employee in exchange for employee benefits.

4. SIGNIFICANT ACCOUNTING POLICIES – CONT'D**(a) Short-Term Employee Benefits**

Wages and salaries are accrued and paid on a monthly basis and are recognised as an expense, unless they relate to cost of producing inventories or other assets.

Paid absences (annual leave, maternity leave, paternity leave, sick leave, etc.) are accrued in each period if they are accumulating paid absences that can be carried forward, or in the case of non-accumulating paid absences, recognised as and when the absences occur.

(b) Post-Employment Benefits – Defined Contribution Plans

The Company makes statutory contributions to approved provident funds and the contributions made are charged to profit or loss in the period to which they relate. When the contributions made are charged to profit or loss in the period to which they relate. When the contributions have been paid, the Company has no further payment obligations.

4.11 Provisions

The Company recognised a liability as a provision if the outflows required to settle the liability are uncertain in timing or amount.

A provision for warranty costs, restoration costs, restructuring costs, onerous contracts or lawsuits claims is recognised when the Company has a present legal or constructive obligation as a result of a past event, and of which the outflows of resources on settlement are probable and a reliable estimate of the amount can be made. No provision is recognised if these conditions are not met.

Any reimbursement attributable to a recognised provision from a counter-party (such as an insurer) is not off-set against the provision but recognised separately as an asset when, and only when, the reimbursement is virtually certain.

A provision is measured at the best estimate of the expenditure required to settle the present obligation at the end of the reporting period. For a warranty provision, a probability-weighted expected outcome of the resources required to settle the obligation is applied, taking into account the Company's experiences of similar transactions and supplemented with current facts and circumstances. For a restoration provision, where a single obligation is being measured, the Company uses the individual most likely outcome as the best estimate of the liability by reference to current prices that contractors would charge to undertake such obligations, and taking into account likely future events that may affect the amount required to settle an obligation. For an onerous contract, a provision is measured based on the amount by which costs to fulfil the contract exceed the benefits.

For a lawsuit provision, a probability-weighted expected outcome is applied in the measurement, taking into account past court judgements made in similar cases and advices of legal experts.

A provision is measured at the present value of the expenditures expected to be required to settle the obligation using a discount rate that reflects the time value of money and the risk that the actual outcome might differ from the estimate made. The unwinding of the discount is recognised as an interest expense.

4. SIGNIFICANT ACCOUNTING POLICIES – CONT'D**4.12 Borrowing Costs**

Borrowing costs of the Company include interest on loans, finance lease liabilities and interest expense of other debt instruments calculated using the effective interest method. All borrowing costs are recognised as an expense when incurred.

4.13 Revenue Recognition and Measurement

The Company measures revenue from a sale of goods or a service transaction at the fair value of the consideration received or receivable, which is usually the invoice price, net of any trade discounts and volume rebates given to a customer in a sale or service transaction.

Revenue from a sale of goods is recognised when: (a) the Company has transferred to the buyer the significant risks and rewards of ownership of the goods; (b) the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold; (c) the amount of the revenue can be measured reliably; (d) it is probable that the economic benefits associated with the transaction will flow to the Company; and (e) the costs incurred or to be incurred in respect of the transaction can be measured reliably.

For rendering of a construction service or for a real estate service contract with a customer that is performed over time, when the outcome of the contract can be estimated reliably, revenue is recognised over time by reference to the stage of

completion of the contract at the end of the reporting period. The method used to measure the stage of completion is the proportion that costs incurred to date bear to the estimated total costs of the contract. When the outcome of a service contract cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Other income items of the Company are recognised using the following bases:

- (a) Interest income from a debt instrument is recognised using the effective interest method;
- (b) Rental income from investment property is recognised on the straight-line basis over the term of the relevant tenancy agreement; and
- (c) Dividend from an equity investment is recognised when the Company's right, as a shareholder of the investee, is established, which is the date the dividend is appropriately authorised.

5. CRITICAL JUDGEMENTS AND ESTIMATION UNCERTAINTY**5.1 Judgments and Assumptions Applied**

In the selection of accounting policies for the Company, the areas that require significant judgments and assumptions are in: (a) the classification of finance and operating leases and (b) the classification of a property as an investment property or a property, plant and equipment.

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5. CRITICAL JUDGEMENTS AND ESTIMATION UNCERTAINTY – CONT'D**(a) Classification of Finance and Operating Leases**

The Company classifies a lease as a finance lease or an operating lease base on the criterion of the extent to which significant risks and rewards incidental to ownership of the underlying asset lie. As a lessee, the Company recognizes a lease as a finance lease if it is exposed to significant risks and rewards incidental to ownership of the underlying asset. In applying judgements, the Company considers whether there is significant economic incentive to exercise a purchase option and any optional renewal periods. A lease is classified as a finance lease if the lease terms is for at least 75% the economic life of the underlying asset, the present value of lease payments is at least 90% of the fair value of the underlying asset, or the identified asset in the lease is a specialized asset which can only be used substantially by the lessee. All other leases that do not result in a significant transfer of risks and rewards are classified as operating leases.

The Company classifies a lease of land as a finance lease if the fair value of the leasehold land is 90% or more of the fair value of an equivalent freehold land or if the lease period, determined at the inception of the lease, is 50 years or more. Lease of land that do not meet any of these criteria are classified as operating leases.

(b) Classification of Investment Property

Certain property comprises of a portion that is held to earn rental income or capital appreciation, or for both, whilst the remaining portion is held for use in the production or supply of goods and services or for administrative purposes. If the portion held for rental and/or capital appreciation could be sold separately (or leased out separately as a finance lease), the Company accounts for that portion as an investment property.

If the portion held for rental and/or capital appreciation could not be sold or leased out separately, it is classified as an investment property only if and insignificant portion of the property is held for use in the production or supply of goods and services or for administrative purposes. Management uses its judgement to determine whether any ancillary services are of such significance that a property does not qualify as an investment property.

5.2 Estimation Uncertainty

The measurement of some assets and liabilities requires management to use estimates based on various observable inputs and other assumptions. The areas or items that are subject to significant estimation uncertainties of the Company are in measuring: (a) provision; (b) value-in-use of non-financial assets in impairment testing; (c) loss allowances of financial assets; (d) depreciation of property, plant and equipment; and (e) revenue and expenses in construction contracts.

(a) Measurement of a Provision

The Company uses a "best estimate" as the basis for measuring a provision. Management evaluates the estimates based on the Company's historical experiences and other inputs or assumptions, current developments and future events that are reasonably possible under the particular circumstances. In the case when a provision relates to large population of customers (such as a warranty provision), a probability-weighted estimate of the outflows required to

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5. CRITICAL JUDGEMENTS AND ESTIMATION UNCERTAINTY – CONT'D**5.2 Estimation Uncertainty – Cont'd**

settle the obligation is used. In the case of a single estimate (such as a provision for environmental restoration costs), a referenced contractor's price is used as the best estimate. If an obligation is to be settled over time, the expected outflows are discounted at a rate that takes into account the time value of money and the risk that the actual outcome might differ from the estimates made. The actual outcome may differ from the estimate made and this may have a significant effect on the Company's financial position and results.

(b) Determining the Value-in-Use

In determining the value-in-use of a stand-alone asset or a cash-generating unit, management uses reasonable and supportable inputs about sales, costs of sales and other expenses based upon past experiences, current events and reasonably possible future developments. Cash flows are projected based on those inputs and discounted at an appropriate discount rate (s). The actual outcome or event may not coincide with the inputs or assumptions and the discount rate applied in the measurement, and this may have a significant effect on the Company's financial position and results.

(c) Impairment or Write-Down of Slow-Moving and Obsolete Inventories

The Company writes down its slow-moving and obsolete inventories based on assessment of their fair value less costs to sell. Inventories are written down when events and circumstances indicate that the carrying amount may not be recoverable. Management uses its judgement to analyse past sales trend and current economic trends to evaluate the adequacy of the impairment loss for slow-moving and obsolete inventories. The actual impairment loss can only be confirmed in any subsequent sales of those inventories and this may differ from the estimates made earlier. This may affect the Company's financial position and results.

(d) Loss Allowances of Financial Assets

The Company recognises impairment losses for loans and receivables using the incurred loss model. Individually significant loans and receivables are tested for impairment separately by estimating the cash flow expected to be recoverable. All other loans and receivables are categorised into credit risk classes and tested for impairment collectively, using the Company's past experiences of loss statistics, ageing of past due amounts and current economic trends. The actual eventual losses may be different from the allowances made and these may affect the Company's financial position and results.

(e) Depreciation of Property, Plant and Equipment

The cost of an item of property, plant and equipment is depreciated on the straight-line method or another systematic method that reflects the consumption of the economic benefits of the asset over its useful life. Estimates are applied in the selection of the depreciation method, the useful lives and the residual values. The actual consumption of the economic benefits of the property, plant and equipment may differ from the estimates applied and this may lead to a gain or loss on an eventual disposal of an item of property, plant and equipment.

5. CRITICAL JUDGEMENTS AND ESTIMATION UNCERTAINTY – CONT'D

5.2 Estimation Uncertainty – Cont'd

(f) Measurement of Revenue and Expenses in Construction Contract

The Company applies the percentage of completion method to account for all of its construction contracts with customers. This method required reliable estimation of future outcomes that invariably must rely on estimates of stage of completion, future revenues, future costs, and collectability of progress billings. Internal budgets and forecasts are used in these estimates. The actual outcome will only be known when a contract is completed, and this actual outcome may not coincide with the estimates made.

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6. PROPERTY, PLANT AND EQUIPMENT**2018****COST**

	Balance at 01.07.2017 RM	Additions RM	Disposal RM	Balance at 30.06.2018 RM
Office equipment	6,800	0	0	6,800
Laundry equipment	1,546,000	1,270,508	0	2,816,508
Renovation	0	320,000	0	320,000
Leasehold building	0	1,250,000	0	1,250,000
	<u>1,552,800</u>	<u>2,840,508</u>	<u>0</u>	<u>4,393,308</u>

ACCUMULATED DEPRECIATION

	Balance at 01.07.2017 RM	Charge for the year RM	Adjustment RM	Balance at 30.06.2018 RM
Office equipment	623	680	0	1,303
Laundry equipment	223,764	427,559	0	651,323
Renovation	0	13,332	0	13,332
Leasehold building	0	0	0	0
	<u>224,387</u>	<u>441,571</u>	<u>0</u>	<u>665,958</u>

NET BOOK VALUE

	Balance at 30.06.2018 RM
Office equipment	5,497
Laundry equipment	2,165,185
Renovation	306,668
Leasehold building	1,250,000
	<u><u>3,727,350</u></u>

6. PROPERTY, PLANT AND EQUIPMENT - CONTINUED

2017

COST

	Balance at 01.07.2016 RM	Additions RM	Disposal RM	Balance at 30.06.2017 RM
Office equipment	0	6,800	0	6,800
Laundry equipment	0	1,546,000	0	1,546,000
	0	1,552,800	0	1,552,800

ACCUMULATED DEPRECIATION

	Balance at 01.07.2016 RM	Charge for the year RM	Adjustment RM	Balance at 30.06.2017 RM
Office equipment	0	623	0	623
Laundry equipment	0	223,764	0	223,764
	0	224,387	0	224,387

NET BOOK VALUE

	Balance at 30.06.2017 RM
Office equipment	6,177
Laundry equipment	1,322,236
	<u>1,328,413</u>

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7. INTANGIBLE ASSETS

2018

COST

	Balance at 01.07.2017 RM	Additions RM	Disposal RM	Balance at 30.06.2018 RM
Brand	0	112,000	0	112,000
	<u>0</u>	<u>112,000</u>	<u>0</u>	<u>112,000</u>

ACCUMULATED DEPRECIATION

	Balance at 01.07.2017 RM	Charge for the year RM	Adjustment RM	Balance at 30.06.2018 RM
Brand	0	4,667	0	4,667
	<u>0</u>	<u>4,667</u>	<u>0</u>	<u>4,667</u>

NET BOOK VALUE

	Balance at 30.06.2018 RM
Brand	107,333
	<u>107,333</u>

8. Investment In Subsidiary

	2018	2017	2016
	RM	RM	RM
Unquoted shares, at cost	55	0	0
	<u>55</u>	<u>0</u>	<u>0</u>

The subsidiary company as follows:

<u>Name of Company</u>	<u>Principal Activity</u>	<u>Country of Incorporation</u>	<u>Equity Holding</u>
City Coin Wajeeha Sdn. Bhd.	24 hours self-service laundry	Malaysia	55%

The financial statement not audited by Messrs. James & Co.

9. Other Investment

	2018	2017	2016
	RM	RM	RM
Unquoted shares, at cost	10,000	0	0
	<u>10,000</u>	<u>0</u>	<u>0</u>

10. Inventories

	2018	2017	2016
	RM	RM	RM
Finish goods	71,110	0	0
	<u>71,110</u>	<u>0</u>	<u>0</u>

11. Trade and Other Receivables

	2018	2017	2016
	RM	RM	RM
Trade receivables	5,823	0	0
Other receivables	488,824	144,233	0
	<u>494,647</u>	<u>144,233</u>	<u>0</u>

12. Amount Due By Subsidiary Company

This amount is unsecured, interest free with no fixed term of repayment.

13. Cash and Cash Equivalents

The Company's cash management policy is to use cash and bank balances, money market instruments, bank overdrafts and short-term trade financings to manage cash flows to ensure sufficient liquidity to meet the Company's obligations. The components of cash and equivalents consists of:

	2018	2017	2016
	<u>RM</u>	<u>RM</u>	<u>RM</u>
Cash and bank balances	<u>141,448</u>	<u>55,005</u>	<u>2,966</u>

14. Share Capital

	Number of shares					
	2018 Units	2017 Units	2016 Units	2018 RM	2017 RM	2016 RM
Issued and fully paid						
Balance at 1 July	3	3	0	3	3	0
Allotment during the year	<u>499,997</u>	<u>0</u>	<u>3</u>	<u>499,997</u>	<u>0</u>	<u>3</u>
Balance at 30 June	<u>500,000</u>	<u>3</u>	<u>3</u>	<u>500,000</u>	<u>3</u>	<u>3</u>

Persuant to the Companies Act 2016, effective from 31 January 2017, the concept of authorised share capital and par value has been abolished. The ordinary shares of the Company were issued with a par value of RM1 each in accordance with the Companies Act 1965.

The holders of ordinary shares are entitled to received dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

15. Bank Borrowing - Hire purchase creditors

	2018	2017	2016
	<u>RM</u>	<u>RM</u>	<u>RM</u>
Non-current borrowings:			
Balance at 1 July	0	0	0
Additions	866,000	0	0
Transfer to current borrowings	<u>(425,188)</u>	<u>0</u>	<u>0</u>
Balance at 30 June - (a)	<u>440,812</u>	<u>0</u>	<u>0</u>
Current borrowings:			
Balance at 1 July	0	0	0
Repayment of term loan instalments	(103,600)	0	0
Transfer from non-current borrowings	<u>425,188</u>	<u>0</u>	<u>0</u>
Balance at 30 June - (b)	<u>321,588</u>	<u>0</u>	<u>0</u>
Total bank borrowings (a) + (b)	<u>762,400</u>	<u>0</u>	<u>0</u>

16. Trade and Other Payables

	2018	2017	2016
	<u>RM</u>	<u>RM</u>	<u>RM</u>
Trade payables	0	1,490	0
Non-trade payables and accruals	3,999,536	1,543,750	36,963
Advances from directors	77,240	69,841	0
	<u>4,076,776</u>	<u>1,615,081</u>	<u>36,963</u>

All short-term payables, are measured at undiscounted amounts because the effect of discounting is immaterial. Advances from directors is interest free without any fixed terms of repayment.

17. Revenue

	2018	2017	2016
	<u>RM</u>	<u>RM</u>	<u>RM</u>
Revenue	<u>2,288,041</u>	<u>1,005,660</u>	<u>0</u>
Cost of service	<u>820,682</u>	<u>598,246</u>	<u>0</u>
Gross profit	<u>1,467,359</u>	<u>407,414</u>	<u>0</u>

18. Loss from operations

Loss from operations before tax has been arrived at:	2018	2017	2016
	<u>RM</u>	<u>RM</u>	<u>RM</u>
After charging:			
Amortisation of intangible assets	4,667	4,667	0
Auditors' remuneration	7,600	7,600	1,000
Depreciation of property, plant and equipment	441,571	441,571	0
Directors' other remuneration	0	0	0
Interest on hire purchase	24,082	0	0
Preliminary expenses written off	0	0	1,856
Rental expenses	6,600	6,600	10,340
Rental of machineries	703,930	703,930	0
Rental of outlet	120,000	120,000	0
Research and development expenditure written off	0	0	18,323
Staff costs	<u>193,789</u>	<u>193,789</u>	<u>0</u>

COMPANY NO.: 1137090 - D

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JAMES & CO.
FIRM NO: AF 0984

19. Taxation Expense

	2018	2017
	<u>RM</u>	<u>RM</u>
Current income tax expense:		
Taxes payable in Malaysia	0	0
Total tax expense for the year	<u>0</u>	<u>0</u>

The significant differences between the tax expense and accounting profit multiplied by the statutory tax rate are due to the tax effects arising from the following items:

	2018	2017
	<u>RM</u>	<u>RM</u>
Loss before tax	<u>(355,724)</u>	<u>(53,433)</u>
Tax at the statutory income tax rate of 18%	(64,030)	(9,618)
Tax effects of expenses disallowed for tax purpose:		
Other expenses disallowed for tax purpose	64,030	9,618
Effective tax expense	<u>0</u>	<u>0</u>

20. Related Party Disclosures

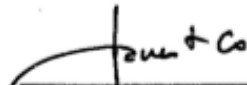
20.1 Control Relationship

The controlling shareholders of the Company are Chua Wuan Yeen and Ang Beng Teck.

20.2 Related Party Transaction

	Amount of Transaction RM	Balance outstanding at year end RM	Terms of settlement
Year ended 30th June 2018:			
Loans from controlling shareholders	<u>7,399</u>	<u>77,240</u>	Unsecured, interest-free, cash-term & payable by end of 2018
Year ended 30th June 2017:			
Loans from controlling shareholders	<u>69,841</u>	<u>69,841</u>	Unsecured, interest-free, cash-term & payable by end of 2018

Yours truly,



JAMES & CO.
Firm No. AF 0984
Chartered Accountants (M)

13. **INDEPENDENT CONSULTANT'S REPORT**

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SEA NQA PLT (Company no. LLP0019788-LGN)
8, Avenue Business Centre, A-3-9, Jalan 8/1, 46050 Petaling Jaya, Selangor, Malaysi



Management System Certification Audit Summary Report

Organization	City Technology Berhad
Address	13, Jalan Perindustrian Desa Aman 1B,, Industri Desa Aman, 52200 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur, Malaysia
Standard	Owned Policy, Procedure and Work Flow for the Scope defined as below.
Representative	Mr.
Lead Auditor	Mick Ng
Audit Date	10-11/6/2019
Scope	Operating Self Service Laundry Bar
Audit Objective	<ul style="list-style-type: none"> - To assess the Quality Management System (QMS) on the Operation Process as per above defined scope - To determine the system effectiveness in carry out activities as per Scope defined
Audit Method	Observe, Interview and Record Checking
Limitation	Random Sampling Audit (2-3 sample records taken) to verify the implementation and effectiveness of the System
Summary	The audit team concludes that the organization has established and maintained its quality management system in line with the requirements of the standard and demonstrated the ability of the system to systematically achieve agreed requirements for products or services within the scope & standard.

Audit Summary

Overall Quality Management System Effectiveness

1. The company has established ISO9001:2015 Quality Management System to ensure the operation carried out meeting International Quality Management System, comply with related local statutory, regulatory and customer's requirement.
2. Risk from each process being assessed (latest Risk Assessment review date: 1/4/2019) and managed include identifying suitable area, laundry bar setting up and daily laundry bar operation.
3. Company's Vision(Rev0 , Effective Date: 2/1/2019), Mission (Rev0 , Effective Date: 2/1/2019) and Quality Policy (Rev0 , Effective Date: 2/1/2019) established to show the commitment on operation excellent, total customer satisfaction, on time customer complaint respond, compliance to statutory, regulatory as well as continual improvement.
4. Quality Objectives / Key Performance of 2019 (Rev0 , Effective Date: 2/1/2019) established for each department and process includes Daily Operation Process (Cleaning, Maintenance and Collection), Customer Complaint and Feedback Handling Process, Legal Compliance Process and so on.
5. Management Action Plan / Program being established (dated 2/1/2019) moving towards the achievement of Quality Objectives and Key Performance Indicator.
6. Top Management strongly committed in quality product (laundry) and service (customer complaint and feedback).

Work Order No.M/2019/06/01	Confidential	SEANQA-Audit-04, Rev:0	1
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Operation 1 – Area Investment Selection and Confirmation

1. Procedure / Work Flow / SOP established (Rev: 0, Effective Date: 1/6/2018) to address clearly steps and its important criteria in selecting area of setting up new laundry bar. It includes criteria of confirmation such as availability of selected LOT, population, market potential, local regulation, logistic support from Principal (City Coin Laundry Sdn Bhd) and its return of investment. Activities being carried out by Business Development Unit, lead directly by Managing Director.
2. Sampling assessed 3 new outlets (Damansara Damai, Saujana Utama & Dataran Villa Putra), evidences sighted the selection and confirmation being carried out as per above procedure.

Operation 2 – Local Authority Compliance

1. Procedure / Work Flow / SOP established (Rev: 0, Effective Date: 1/6/2018) to address clearly steps and its important criteria in determining local authority requirement such as Business Licensing, Developer and LOT initial Requirement suitability in carrying out Laundry Bar Business Activities. Such joint assessment activities being carried out by Compliance Officer with Principal – CityCoin Laundry Sdn Bhd’s Project Manager. The ultimate objectives to ensure the selected LOT has no implication in applying local authority license and compliance to Developer / LOT initial Requirement in running Laundry Bar Business.
2. The Assessment Report will be presented to Managing Director for final approval.
3. Sampling assessed 3 new outlets (Damansara Damai, Saujana Utama & Dataran Villa Putra), evidences sighted the Local Authority Compliance being carried out as per above procedure.

Operation 3 – LOT confirmation with LOT’s Owner

1. Procedure / Work Flow / SOP established (Rev: 0, Effective Date: 1/6/2018) to address clearly steps and its important criteria in communication and confirmation of renting / buying with the LOT Owner. It include clear communication, consensus obtained, agreement between both parties of such Laundry Bar Business of determined Business Duration. The Assessment Report will be presented to Managing Director for final approval.
2. Sampling assessed 3 new outlets (Damansara Damai, Saujana Utama & Dataran Villa Putra), evidences sighted the Local Authority Compliance being carried out as per above procedure.

Operation 4 – Facilities Setup

1. Procedure / Work Flow / SOP established (Rev: 0, Effective Date: 1/06/2018) to address clearly steps and its important criteria in communication and confirmation with Principal on new outlet setting up. This include a proper handover of new outlet detail such as location, LOT size, constraint, resource availability (such as internet, gas, power and water supply), local authority / Developer and LOT initial Requirement. Handover carried out through official meeting, documented in New Laundry Bar Setup Confirmation Appointment Record signed by both parties City Coin Technology Berhad and City Coin Laundry Sdn Bhd, witnessed by independent Party. The Confirmation Meeting and works are supported by initial contract signed between both parties that include work scope from City Coin Laundry Sdn Bhd such as LOT renovation, commission and testing, warranty, maintenance works, after sales services, chemical supply, part supply and relocation requirement (if applicable).

Work Order No.M/2019/06/01	Confidential	SEANQA-Audit-04, Rev:0	2
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SEA NQA PLT (Company no. LLP0019788-LGN)
8, Avenue Business Centre, A-3-9, Jalan 8/1, 46050 Petaling Jaya, Selangor, Malaysi



2. Sampling assessed 3 new outlets (Damansara Damai, Saujana Utama & Dataran Villa Putra), evidences sighted with Meeting Minutes and New Laundry Bar Setup Confirmation Appointment Record.

Operation 5 – Facilities Acceptance

1. Procedure / Work Flow / SOP established (Rev: 0, Effective Date: 1/6/2018) to address clearly steps and its important criteria in accepting complete facilities from Principal – City Coin Laundry Sdn Bhd. Based on initial Contract Signed, Principal is required to carry out commissioning and testing to ensure the outlet is fully functioning prior handover to City Coin Technology. Quality Plan and its Outlet Quality Handover Checklist established (Rev: 0, Effective Date: 1/6/2018) to ensure the Outlet and its facilities are complete and fully operation prior acceptance. Quality Plan and its Outlet Quality Handover Checklist were communicated and acknowledged by Principal – City Coin Laundry Sdn Bhd to ensure only one standard of acceptance applied by both parties.
2. The Handover and Quality Checking activities are carried out by Compliance Officer jointly with Principal – City Coin Laundry Sdn Bhd’s Project Manager.
3. Non Conformance will be recorded in the Outlet Quality Handover Checklist and Principal is required to take immediate action to rectify the non-conformity. All rectified works will be assessed by the same parties as above to ensure the outlet is fully comply with the Quality Requirement as specified in the Quality Plan.
4. Sampling assessed 3 new outlets (Damansara Damai, Saujana Utama & Dataran Villa Putra), evidences sighted with Meeting Minutes and New Laundry Bar Setup Confirmation Appointment Record.

Operation 6 – Outlet Daily Operation Control

1. Procedure / Work Flow / SOP established (Rev: 0, Effective Date: 1/6/2018) to address clearly steps and its important criteria in controlling daily Outlet operation activities which include cleaning, collection, chemical refilling, gas refilling, machinery condition checking, ‘At The Spot Customer Satisfaction / Feedback’ and overall condition checking (wall, ceiling, flooring and lighting condition).
2. Outlet Daily Operation Quality Guidelines established (Rev: 0, Effective Date: 1/6/2018) for Outlet Operation Personnel to ensure the Outlet Condition meet minimum quality requirement. Any non conformance / not meeting expectation will be recorded in the Daily Visit Log Book and immediate Purchase Request (gas purchase, chemical purchase, break down report) will be communicated to Principal or Suppliers. Follow up in place to ensure the Requisition being carried out and closed. Quarterly review meeting will be carried out with Principal and Suppliers of their performance and continual improvement.
3. Sampling assessed 3 new outlets (Damansara Damai, Saujana Utama & Dataran Villa Putra), evidences of 3 daily operation activities follow up record and 2 monthly meeting sighted.



Operation 7 – Customer Complaint Handling

1. Procedure / Work Flow / SOP established (Rev: 0, Effective Date: 1/6/2018) to address clearly steps in handling customer’s complaint include payment, faulty machinery, cleaning, sabotage, overall Outlet Condition. Customer Services Team Officer is responsible to handle customer complaint and coordinating with other Departmental / Process Owners to immediate rectify the complaint, root cause (s) investigation and corrective action to prevent from recurrence. Customer Services Team Officer will follow up each case and will summarise for monthly management meeting. All customer complaint is target to be respond within 3 working days, rectification work to be completed within 1 working day.
2. Sampling assessed 3 new outlets (Damansara Damai, Saujana Utama & Dataran Villa Putra), evidences of 3 daily operation activities follow up record and 2 monthly meeting sighted.

Operation 8 –Outlet Collection Control

1. Procedure / Work Flow / SOP established (Rev: 0, Effective Date: 1/6/2018) to address clearly steps in outlet collection and processing. It includes collection, reporting, confirmation, recording, banking in and book keeping process. Finance Department is responsible to carry out such activities and guided by Malaysia Accounting Standard, account was audited yearly.
2. Sampling assessed 3 new outlets (Damansara Damai, Saujana Utama & Dataran Villa Putra), evidences of 3 months (Jan, March and May 2019) sighted.

Other Administration Processes

1. Procedure / Work Flow / SOP for other Administration Process such as Human Resource and Training, Purchasing and Documentation and Record Control established (Rev: 0, Effective Date: 1/6/2018) to address clearly steps such as Recruitment, Training, Appraisal, Purchasing, Supplier Management, QMS Documentation and Record Control activities. The Works carried out by respective Department such as Administration Department and QMS Department.
2. Evidences of compliance to the Procedure / Work Flow / SOP for recruitment, training, purchasing since June 2019 sighted. Masterlist of Document consists of Quality Manual, Procedure / Work Flow / SOP, Forms, Label sighted. Masterlist of Record indicated clearly the retention period, disposing and location being followed.

Conclusion

1. The Outlet Operation Process being implemented effectively follow the planned Procedure / Work Flow / SOP.
2. PLAN–DO–CHECK–ACT (PDCA) concept being applied when establishing the QMS to ensure the Outlet selection, setting up and operating followed a standard procedure benchmarking against International Quality Standard; ISO9001:2015.
3. Human Resources in managing the Outlet Operation are well organized through a proper organizational chart setup, recruitment and training process.

SEA NQA PLT (Company no. LLP0019788-LGN)
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4. Operation Processes from Outlet selection to Daily Operation Control well managed through proper quality plan and criteria.
5. Management Commitment and Support sighted with full participation in Process Risk Study, Management as well as frequent performance and customer's satisfaction monitoring.

Prepared by Mick Ng

A handwritten signature in black ink, appearing to read 'Mick Ng', is placed to the right of the text 'Prepared by Mick Ng'.

End Report

14. **FURTHER STATUTORY AND OTHER GENERAL INFORMATION**

In accordance with the provisions of the Companies Act 1965, the following information is included in this Prospectus and forms part of this Prospectus.

14.1 **Retirement, Removal and Replacement of the Trustee**

The provisions of the Trust Deed governing the retirement, removal and replacement of the Trustee are set out below-

- (a) The Trustee may resign by giving 3 months' written notice or such shorter period in accordance with the provisions of this Deed, as the case may be.
- (b) The Management Company may remove the Trustee by giving 3 months' written notice to the Trustee and the Interest Unit Holders.
- (c) The notice shall be invalid if the removal is objected by at least 50% of Interest Unit Holders.
- (d) The Interest Unit Holders may remove the Trustee by giving 3 months' notice to the Trustee and the Management Company after the decision was made through a resolution of a meeting of Interest Unit Holders and agreed by not less than 10% of the Interest Unit Holders present in person or by proxy.
- (e) On the resignation or removal of the Trustee, the Management Company shall appoint a new trustee by way of a supplemental trust deed.
- (f) A resignation or removal of the Trustee shall not take effect unless a new trustee is appointed.
- (g) The Trustee shall, on the resignation or removal, within 14 days from the date of appointment of a new trustee, vest the trust accounts to the new trustees and deliver all books, documents, records and other property relating to the Scheme to the new trustee.
- (h) The costs and incidental expenses incurred shall be borne by the Management Company.
- (i) Upon the execution of the supplemental trust deed, the new trustee shall exercise all powers, duties and obligations in respect of the Scheme.

14.2 **Appointment, Retirement and Replacement of Auditors**

An Approved Company Auditor shall be appointed by the Trustee in relation to the funds in the Trust Account to be established under the Trust Deed. The Trustee may also from time to time remove or replace the Approved Company Auditor and appoint another or others in its place and the Approved Company Auditor may also resign by giving three (3) months' prior written notice to the Trustee.

14.3 **Meeting of Interest Unit Holders**

The provisions of the Trust Deed relating to meeting of Interest Unit Holders are set out generally below-

A meeting of the Interest Unit Holders may be convened by the Trustee or the Management Company for the purpose of-

- 14.3.1 removal of the Trustee as provided in this Deed;
- 14.3.2 amendments to this Deed; and/or
- 14.3.3 voluntarily winding up and terminating the Scheme in favour of any alternative corporate proposals made by the Management Company that is reasonable and acceptable to the Interest Unit Holders including the exchange of Interest Units for a specified number and value of ordinary shares or preference shares of the Management Company, a related company as defined in section 7 of the Companies Act or, any company proposed by the Management Company including any proposed initial public offering of such ordinary shares or preference shares at any relevant regulated securities exchange within a specified time period.

14.3.4 Requisition of meeting by Interest Unit Holders

The Interest Unit Holders of the Scheme may require the directors of the Management Company to call for a meeting of Interest Unit Holders.

The directors of the Management Company shall call for the meeting of Interest Unit Holders if the Management Company received an application from not less than 50 in number or 10% of the Interest Unit Holders, whichever is lesser.

A meeting summoned shall be-

- (a) held at a time and place specified in the notice and advertisement, being a time not later than 2 months after the giving of the notice;
- (b) chaired by-
 - (i) a person who is appointed by the Interest Unit Holders to which this Deed relates who are present at the meeting; or
 - (ii) where no appointment is made under sub-clause (i) above, a nominee of the Trustee; and
- (c) conducted in accordance with this Deed or, if there is no such provision in this Deed, as directed by the chairman of the meeting.

14.3.5 Notice of meeting of Interest Unit Holders

A meeting of Interest Unit Holders shall be called by a notice of at least 21 days.

A notice of meeting of this Scheme shall be sent to-

- (a) every Interest Unit Holder;

- (b) Trustee; and
- (c) Approved Company Auditor.

14.3.6 Manner in which notice is given

Notice of a meeting of Interest Unit Holders shall be in writing and shall be given to the Interest Unit Holders either-

- (a) in hard copy;
- (b) in electronic form;
- (c) partly in hard copy and partly in electronic form; or
- (d) by means of a website.

A notice-

- (a) given in hard copy shall be sent to any Interest Unit Holder either personally or by post to the address supplied by the Interest Unit Holder to the Management Company for such purpose; or
- (b) given in electronic form shall be transmitted to the electronic address provided by the Interest Unit Holder to the Management Company for such purpose or by publishing on a website.

14.3.7 Notification of publication of notice of meeting on a website

Notice of a meeting of Interest Unit Holders shall not be validly given by the Management Company by means of a website unless a notification to that effect is given in accordance with this Clause 16.5.

The Management Company shall notify the Interest Unit Holders of the publication of the notice on the website and such notification shall be in writing and shall be given in hard copy or electronic form stating-

- (a) that it concerns a meeting of Interest Unit Holders; and
- (b) the place, date and time of the meeting.

The Management Company shall ensure that the notice is made available on the website throughout the period beginning from the date of notification until the conclusion of the meeting.

14.3.8 Meetings of Interest Unit Holders at 2 or more venues

The Management Company may convene a meeting of Interest Unit Holders at more than one venue using any technology or method that enables the Interest Unit Holders to participate and exercise their rights to speak and vote at the meeting.

The main venue of the meeting shall be in Malaysia and the chairperson shall be present at the main venue of the meeting.

14.3.9 Quorum at meetings

The quorum for a meeting shall be a total number of 10 Interest Unit Holders registered in the Register of Interest Units on the date of the meeting present in person or by proxy.

For the purpose of constituting a quorum-

- (a) one or more representatives appointed by a corporation shall be counted as one Interest Unit Holder; or
- (b) one or more proxies appointed by a person shall be counted as one Interest Unit Holder.

No business shall be transacted at any meeting of Interest Unit Holders unless a quorum is present at the time when the meeting proceeds to business.

If within half an hour from the time appointed for the meeting, a quorum is not present, the meeting-

- (a) if convened upon the requisition of Interest Unit Holders, shall be dissolved; or
- (b) in any other case, shall stand adjourned to the same day in the next week at the same time and place, or to such other day and at such other time and place as the directors may determine.

14.3.10 Chairperson of meetings of Interest Unit Holders

Save and except for requisitioned meetings, the Chief Executive Officer of the Management Company shall be the chairperson at every meeting of Interest Unit Holders.

If the Chief Executive Officer is not present within 15 minutes after the time appointed for the holding of the meeting or is unwilling to act, the Interest Unit Holders present shall elect one of the Interest Unit Holders present to be chairperson of the meeting.

14.3.11 Declaration by chairperson on a show of hands

At a meeting of Interest Unit Holders, a resolution put to the vote of the meeting shall be decided on a show of hands unless before or on the declaration of the result of the show

of hands, a poll is demanded-

- (a) by the chairman;
- (b) by at least 3 Interest Unit Holders present in person or by proxy; or
- (c) by any Interest Unit Holder present in person or by proxy and representing not less than 10% of the total voting rights of all Interest Unit Holders having the right to vote at the meeting.

On a vote on a resolution at a meeting on a show of hands, a declaration by the chairperson that the resolution has been passed unanimously or with a particular majority or is lost, and an entry to that effect in the minutes of the proceedings shall be conclusive evidence of that fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.

An entry in respect of such a declaration in the minutes of the meeting recorded in accordance with section 343 of the Companies Act is conclusive evidence of that fact. This part shall not apply if a poll is demanded in respect of the resolution, and the demand is not subsequently withdrawn.

14.3.12 Right to demand a poll

In a meeting of Interest Unit Holders, a poll may be demanded by the categories of persons specified in paragraph 14.3.11.

14.3.13 Voting on a poll

On a poll taken at a meeting, an Interest Unit Holder entitled to more than one vote need not, if he votes, use all his votes or cast all the votes he uses in the same way.

If a poll is demanded, it shall be taken immediately or after such interval or adjournment as the chairman directs, and the result of the poll shall be the resolution of the meeting at which the poll is demanded.

14.3.14 Representation of corporations at meetings of Interest Unit Holders

If a corporation is an Interest Unit Holder, the corporation may by resolution of its board of directors authorise a person to act as its representative at any meeting of Interest Unit Holders.

The corporation shall be entitled to authorise only one person to be its representative at the meeting and the person shall be entitled to exercise the same powers on behalf of the corporation as the corporation could exercise if it was an individual Interest Unit Holder.

A certificate of authorisation by the corporation shall be prima facie evidence of the appointment or the revocation of the appointment, as the case may be, of a representative.

14.3.15 Appointment of proxies

An Interest Unit Holder is entitled to appoint another person as his proxy to exercise all or any of his rights to attend, participate, speak and vote at a meeting of Interest Unit Holders.

The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power of authority shall be deposited at the Business Office of the Management Company or such venue as shall be specified in the notice of meeting not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid.

14.3.16 Notice of meeting to contain statement of rights to appoint proxies

In every notice calling a meeting of Interest Unit Holders, there shall appear prominently, a statement informing the Interest Unit Holder of his rights.

14.3.17 Proxy as a chairperson of a meeting

A proxy may be elected to be the chairperson of a meeting of Interest Unit Holders.

14.3.18 Termination of a person's authority to act as a proxy

Unless the Management Company receives a notice of termination before the commencement of a meeting of Interest Unit Holders or an adjourned meeting, the termination of the authority of the person to act as proxy does not affect-

- (a) the constitution of the quorum of the meeting;
- (b) if applicable, the validity of anything he did as chairperson of a meeting;
- (c) the validity of a poll demanded by him at a meeting; or
- (d) the validity of the vote exercised by him at a meeting.

14.3.19 Approval or non-approval of resolutions tabled at meetings

All and any resolutions tabled before any meeting of Interest Unit Holders shall be approved by a simple majority of votes of Interest Unit Holders present in person or by proxy whether cast by a show of hands or by poll, as the case may be, save and except for the following matters where the resolution is required to be approved by at least 75% of the Interest Unit Holders-

- (a) a resolution initiated by the Interest Unit Holders to wind up the Scheme in a meeting called by Interest Unit Holders;
- (b) a resolution that exempts the Trustee from or indemnifying the Trustee against liability for breach of trust where the Trustee failed to show the degree of care and diligence required of a trustee.

A resolution shall not be approved if a majority of votes, whether by a show of hands or by poll, as the case may be, is not obtained in support of such resolution.

14.4 Expiry of Scheme

On the Scheme Expiry Date being the end of the Scheme Period the Trust Deed and Scheme shall terminate absolutely subject always to the Trust Deed which provides that the Trust Deed shall continue to subsist for so long as there shall be a valid Management Agreement in existence or for such other time as shall be agreed between the Trustee and the Management Company.

14.5 Other Schemes

The Management Company is not managing or operating any other interest scheme.

14.6 Validity Period of Prospectus

This Prospectus shall be valid for 6 months from the said date whereby no Interest Units will be subscribed if this Prospectus is later than 6 months after the date of this Prospectus unless the Prospectus has been updated and a current Prospectus is lodged with and registered by the Registrar of Companies.

14.7 Consents

- (a) The consents of the Solicitors, Auditors and Trustee to the inclusion in this Prospectus of their names in the manner and form in which such names appear have been given before the issue of this Prospectus and have not subsequently been withdrawn.
- (b) The consent of the Auditors to the inclusion of this Prospectus of the Accountants' Report relating to the profit and loss accounts and balance sheets in the manner and form in which they are contained in this Prospectus has been given and has not subsequently been withdrawn.

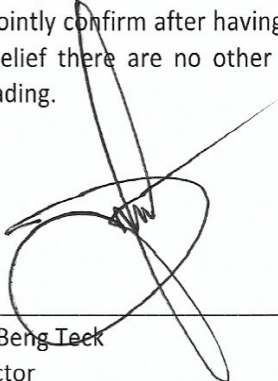
14.8 Documents for inspection

Copies of the following documents may be inspected at the registered office of the Management Company during office hours for a period of 6 months from the date of this Prospectus-


- (a) Constitution of the Management Company;
- (b) Accountant's Report; and
- (b) The letters of consent.

14.9 DIRECTORS' RESPONSIBILITY STATEMENT

This Prospectus has been seen and approved by the Directors of the Management Company and they jointly confirm after having made all reasonable inquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.



Ang Beng Teck
Director



Chua Wuan Yeen
Director

Date: **14 NOV 2019**

Lodged by: **CT Choo & Co**
Advocates & Solicitors
Unit B-5-6, Tower B, Plaza Pantai
Jalan Pantai Baharu
Bangsar 59200, Kuala Lumpur

Lodged in the Office of the Registrar of Companies, Kuala Lumpur.

