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. TAKE NOTICE THAT THIS PROSPECTUS IS INTENDED TO BE READ AND UNDERSTOOD BY ALL NEW SUBSCRIBERS OF THE LAUNDRYBAR MUDARABAH INVESTMENT SCHEME.

CITY COIN TECHNOLOGY BERHAD
(Incorporated in Malaysia)
Company No. 201501011755 (1137090-D)

PROSPECTUS

ISSUED PURSUANT UNDER SECTION 28 OF THE INTEREST SCHEMES ACT 2016

LAUNDRYBAR MUDARABAH 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.

REGISTRATION OF THE PROSPECTUS OR PRODUCT DISCLOSURE STATEMENT BY THE REGISTRAR OF COMPANIES DOES NOT IMPLY THAT THE INTEREST SCHEMES ACT 2016 OR ANY OTHER LEGAL OR REGULATORY REQUIREMENTS HAVE BEEN COMPLIED WITH.

THIS PROSPECTUS IS DATED 5 JULY 2024 AND EXPIRES ON 4 JANUARY 2025

Company No. 201501011755 (1137090-D)

CONTENTS

DEFINITIONS

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

Aggregate Net Profit	Means the sum of the Net Profit or any part thereof for the relevant Term in respect of each Interest Unit.
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Auditor	Means a person approved as such by the Minister under Section 263 of the Companies Act whose approval has not been revoked as defined in the Companies Act.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 an Islamic Account 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 this Agreement.
City Coin Laundry 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 this Agreement within a Prospectus Period specified in the Fourth Schedule of this 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 and, more specifically LaundryBar Outlets that are a part of this Scheme.
Expected Interim Net Yield	Means the interim payment or attribution of the Net Profit in respect of each Interest Unit in each calendar year during the Term. The interim payment shall be determined by the Management Company based on the Net Profit in each calendar year the computation of which shall be based on the Interest Unit Value commencing on the 1st day of January and ending on the 31st day of December to be received by each Interest Unit Holder and payable by the Management Company to each Interest Unit Holder under the respective Management Agreement within fourteen (14) days from the 31st day of January of the next following calendar year save and except that the Expected Interim Net Yield shall be a pro-rated amount during the period between the Commencement Date and the first 31st day of December date following the Commencement Date and, the Expected Interim Net Yield shall be a pro-rated amount during the period between the 1st day of January date of the final anniversary of the Term and the Maturity Date. For the avoidance of doubt, this interim payment is the indicative average value which is expected to be at eight percent (8%) of the Interest Unit Value which is subject to any adjustment or reconciliation at the Maturity Date based on the Final Profit Sharing Computation.
Final Profit Share	Means the net entitlement or obligation of each Interest Unit and its registered Interest Unit Holder to its pro-rated share of the value of the FPSC and this net entitlement or obligation shall be the sum of such pro-rated value after deducting the value of the Expected Interim Net Yield received by or attributable to such Interest Unit during the Term.
Final Profit Sharing Computation or **FPSC**	Means the calculation of the Aggregate Net Profit for the Term in respect of an Interest Unit as at its Maturity Date based on the Enterprise under this Scheme during the Term as managed by the Management Company such calculation being based on the ratio of 30:70 that is to say 30% being the share of the Net Profit to be paid amongst the Interest Units (Rabbul Mal) and 70% being the share of the Net Profit to be paid to the Management Company (Mudarib) save and except that the entitlement or obligation of each Interest Unit and its registered Interest Unit Holder to its pro-rated value of the FPSC shall be the sum of such pro-rated value after deducting the value of the Expected Interim Net Yield received by or attributable to such Interest Unit during the Term.

Gazette	Means the official *Gazette* 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 being the date of the Certificate of Authorisation dated 22 November 2019 issued by the Registrar of Companies.
Interest Unit Holder	Means the person(s) who has subscribed to the Interest Units and entered into this 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 Expected Interim 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 in Annexure "A" attached to the Deed.
Management Company	Means **City Coin Technology Berhad** (Company No. 1137090-D) as the Management Company for the Scheme.
Maturity Date	Means the expiry date of this Agreement as set out in Item 6 of the First Schedule of this Agreement.
Minister	Means the Minister charged with the responsibility for companies as defined in the Companies Act.

Mudarabah	Means a contract between a capital provider (Rabbul Mal) and entrepreneur (Mudarib) whereby the Rabbul Mal provides the capital to be managed by the Mudarib and such the profit generated from the capital is shared between the Rabbul Mal and the Mudarib in accordance with the mutually agreed Profit-Sharing Ratio and if the business is a loss, such loss will be borne solely by the provider of the capital that is the Rabbul Mal.
Mudarib	Means the Management Company as the entrepreneur of LaundryBar Mudarabah Investment Scheme which is a Mudarabah venture.
Net Profit	Means the surplus profit of the Enterprise in respect of each Interest Unit under this Scheme based on the following calculation- If, A = Sales Turnover of the Enterprise in each calendar year starting from the Commencement Date of an Interest Unit, B = Operating expenses of the Enterprise together with apportionment of tax, depreciation and related accounting matters within the same calendar year, and C = Net Profit, Then, (A) – (B) = (C), which is the Net Profit.
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 in the Fourth Schedule of this Agreement within which the Commencement Date of this Agreement shall be specified.
Prospectus Period Start Date	Means the date on which each Prospectus Period comes into effect as set out in the second column of the Fourth Schedule of this Agreement.
Rabbul Mal	Means any persons being an investor of the LaundryBar Mudarabah Investment Scheme who provides the capital of the Scheme that is the Interest Unit Holder.
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 Mudarabah Investment Scheme** being the approved investment scheme under this Agreement.
Scheme Expiry Date	Means the date of expiry of the Scheme being the 20th anniversary date from the Initial Launch Date.
Scheme Period	Means the time period of 20 years commencing on the Initial Launch Date and expiring on the Scheme Expiry Date.
Shariah	Means Islamic Law comprising the whole body of rulings pertaining to human conducts derived from the primary and secondary sources of the Shariah. The primary sources are the Quran, the Sunnah, Ijma and Qiyas while the secondary ones are those established sources such as Maslahah, Istihsan, Istishab, 'Uruf and Sadd Zara'ie.
Shariah Adviser	Means the person or persons appointed pursuant to this Deed and who are duly qualified to provide advice to the relevant parties in respect of the Scheme's compliance with the requirements of the Shariah. Means the person or persons appointed pursuant to this Deed and who are duly qualified to provide advise to the relevant parties in respect of the Scheme's compliance with the requirements of the Shariah.
Takaful Scheme	Means a Shariah-compliant 'insurance' scheme approved by the relevant authority in Malaysia.
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 Islamic bank account to be established and managed by the Trustee in respect of the Interest Value received under this Scheme.
Trust Deed	Means 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 therein.
Trustee	Means **UBB Amanah Berhad** (Company No. 168400-P) and shall include the trustee for the time being of this Agreement, whether original, additional or substituted.

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Salient Features of the LaundryBar Mudarabah Investment Scheme

Name of Interest Scheme	:	LaundryBar Mudarabah 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/-
Expected Interim 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 the Final Profit Share to the registered Interest Unit Holder.

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Company No. 201501011755 (1137090-D)

1. INTRODUCTION

1.1 Background

The Management Company is a part of the City Coin Laundry Group ("the Group") which are authorized 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 that operates under the "LaundryBar", "Laundry Lab" and "IPSO" trademark signage, 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 Southeast 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 sterilizing 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 Mudarabah 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 Enterprise. 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 Expected Interim 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; and

(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.

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1.5 Number of Interest Units Subscribed

Total Number of Interest Units Available for Subscription	Number of Interest Unit Subscribed or Sold As At The Date of Statement	Movement since the Previous Prospectus	Balance of Interest Unit Available For Subscription
10,500	508	32	9,992

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
Tan Chee King	63, Jalan Delima 5, Kawasan 1 42700 Banting Selangor Darul Ehsan	Director
Foo Seak Kuan	No. 1761, West Fence Street Jinjang Utara 52000 Kuala Lumpur	Director
Wong Chee Hong	No.46, Jalan Inang 1/9 Bandar Mahkota Cheras Seksyen 9, Batu 9, 43200 Cheras 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-
Tan Chee King	-same as above-	-same as above-
Foo Sek Kuan	-same as above-	-same as above-
Wong Chee Hong	-same as above-	-same as above-

Shareholders

Name	Number of shares	Percentage (%)
City Coin Holdings Sdn Bhd	2,400,000	48%
Ang Beng Teck	1,175,000	23.5%
Chua Wuan Yeen	1,175,000	23.5%
Choo Chin Thye	250,000	5%

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
198801001043 (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

SY Lee & Co
Chartered Accountants (AF 1317)
No.29-1, Jalan 46A/26
Taman Sri Rampai,
53300 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.

Shariah Adviser

Masyref Advisory Sdn Bhd
(1339966-H)
BO1-A-09-1 Menara 2, KL Eco City
No. 3 Jalan Bangsar, Kuala Lumpur
59200
Email: *info@masryef.com*

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, 50 years old, 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, 49 years old, 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.

Tan Chee King – Sales Director

Tan Chee King, 38 years old, is the Business Director of City Coin Laundry Group. He was appointed as Sales Executive in December 2016. He was promoted in March 2017 as Sales Manager and subsequently promoted to Chief Business Officer on May 2023. He is involved in day-to-day sales operations including sales and marketing for local franchise business operations and, exploring new master franchises. He also manages the sales operations team and is responsible to ensure the sales target achievement plan to be implemented properly.

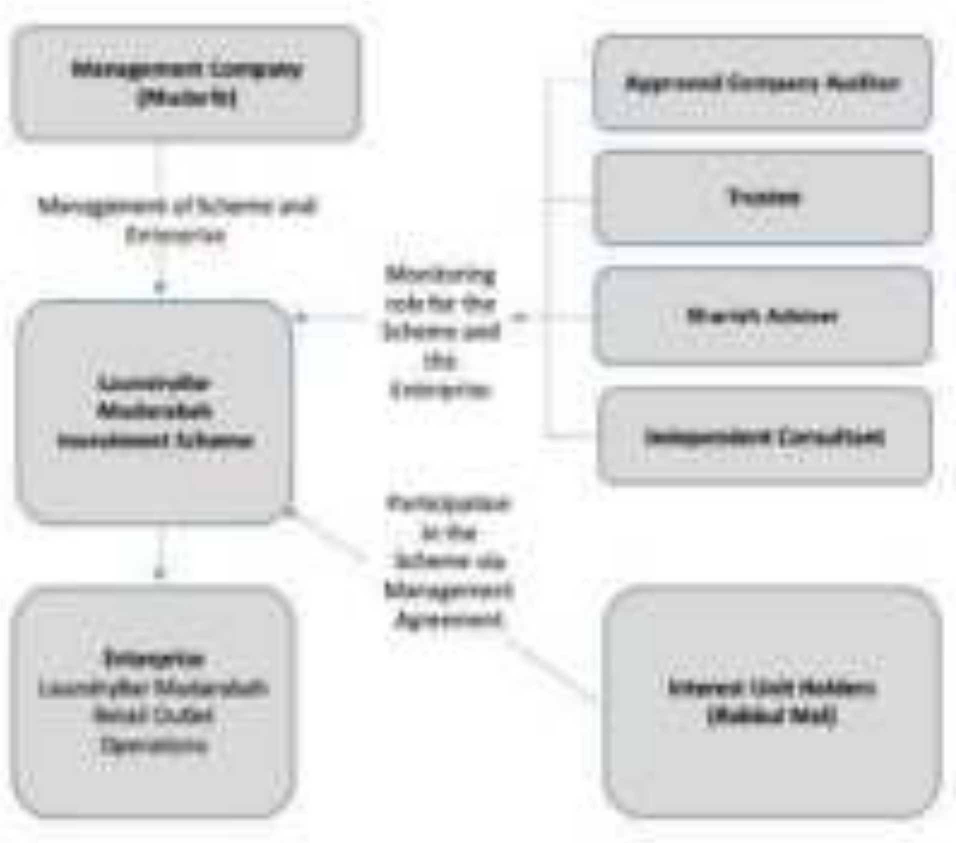
Foo Seak Kuan (Jacky) – Technical Director

Foo Seak Kuan (Jacky, 33 years old, is the Technical Director of the City Coin Laundry Group. He was appointed as Technical Manager in 2016. He is involved in day-to-day technical operations which includes sales and maintenance of various commercial laundry equipment (such as commercial laundry, traditional laundry and on-premises laundry). He has more than 13 years of experience in the commercial laundry equipment segment.

Wong Chee Hong – Finance Director

Wong Chee Hong, 32 years old, is the Finance Director of the City Coin Laundry Group. He was appointed as Group Accountant in April 2023 and subsequently re-designated as Group Finance Manager in July 2023. He is involved in day-to-day financial operations which included treasury, budgeting, tax and forecasting for the Company. He is a fellowship member of the Association of Chartered Certified Accountants.

3.2 **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 Expected Interim Net Yield at 8% of the Interest Value and the redemption of the Interest Value at the Maturity Date.

Payment of the Expected Interim Net Yield to Interest Unit Holders is dependent from revenue from the sales of the Enterprise and as subject to the following terms and conditions:

(a) the Management Company is not obligated to make such payment up to the Expected Interim Net Yield if the revenue from the sales of the Enterprise is not sufficient to pay the Expected Interim Net Yield at 8% of the Interest Value;

(b) notwithstanding the above, the Management Company may distribute an amount equivalent to the Expected Interim Net Yield to the Interest Unit Holders provided such payment should treated as advance payment by the Management Company to the Interest Unit Holders;

For the avoidance of doubt, under LaundryBar Mudarabah Interest Scheme, the Management Company as Mudarib is under no obligation to pay any profit to the Interest Unit Holders as Rabbul Mal if the Scheme does not generate profit for distribution.

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 (3^{rd}) 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 Expected Interim 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 Expected Interim Net Yield received**

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

5. <u>**NUMBER OF INTEREST UNITS AND RESERVED INTEREST UNITS**</u>

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.

Covid-19 Pandemic

The recent COVID-19 pandemic has led to the implementation of national lockdown policies in many countries, including Malaysia. In Malaysia, the Movement Control Order ("**MCO**"), which was implemented in March, entailed the closure of all Government and private premises except those involved in essential services (water, electricity, energy, telecommunications, postal, transportation, irrigation, oil, gas, fuel, lubricants, broadcasting, finance, banking, health, pharmacy, fire, prison, port, airport, safety, defence, cleaning, retail and food supply). The subsequent transition to Conditional MCO in May and Recovery MCO in June provided some relief to corporations as they were allowed to operate, though at a limited capacity. Although Conditional MCO and Enhanced MCO are implemented in October in several states and territories including Kuala Lumpur, Selangor, Putrajaya, Penang and Sabah due to a resurgence in number of new COVID-19 cases, the corporations are still allowed to operate at a limited capacity and are subject to travel restrictions in the relevant areas.

The Management Company has taken all necessary measures to mitigate the effect of the MCO and the customer base of the LaundryBar Outlets have proven to be loyal and resilient even during these challenging period.

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 Ten Percent (10%) of the Interest Value paid by the Interest Unit Holder and the balance Ninety Percent (90%) shall be refunded.

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.

8A. **SHARIAH ADVISER**

A Shariah Adviser shall be appointed by the Management Company and the Shariah Adviser shall conduct a semi-annual review and inspection of the Scheme's operations which encompasses a review of the Scheme for compliance with the Shariah and, the Shariah Adviser will prepare a semi-annual written report certifying whether the Scheme have been managed and administer in accordance with the Shariah principles, a copy of which will be submitted to the Management Company, Trustee, Interest Unit Holders and the Registrar of Companies.

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 according to Shariah rules and principles;

(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 cause 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. <u>TRUSTEE FOR THE SCHEME</u>

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 an Islamic 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 profit 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 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 Islamic 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 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**

Each Management Agreement shall expire by fixed term on the Maturity Date specified in such Management Agreement.

Upon the expiry of each Management Agreement, the following matters shall apply-

(i) The Management Company shall calculate the Final Profit Share in respect of the specific Management Agreement for the Term applicable and attributable to the expiring Management Agreement based on the ratio of 30:70 that is to say 30% being the attributable share of the Aggregate Net Profit to be paid to the Interest Unit Holder and 70% being the share of the Aggregate Net Profit to be paid to the Management Company;

(ii) For the avoidance of doubt and as defined in the Final Profit Sharing Computation, the entitlement of each Interest Unit and its registered Interest Unit Holder to its pro-rated value of the FPSC shall be the sum of such pro-rated value after deducting the value of the Expected Interim Net Yield paid on the basis of advanced payment attributable to such Interest Unit during the Term-

(aa) The advanced payments that are paid during the distribution of Expected Interim Net Yield may be recalculated for FPSC. The Management Company shall have the right to claim back the advanced payment paid in the event that the FPSC revealed that the Management Company has made excess payment to the Interest Unit Holders; and

(bb) Nonetheless, the Management Company may consider distributing the advanced payments paid as gift to the Interest Unit Holders after the Final Profit Share has been calculated.

(iii) If there is a shortfall due in respect of any Interest Unit, the Management Company is entitled to claim the value of such shortfall from the Interest Unit Holder registered as the owner of such Interest Unit at the Maturity Date. The Management Company may waive its right to make any such claim and may grant full amount of the Interest Value to the Interest Unit Holder at its sole discretion provided such payment should be treated as gift by the Management Company to the Interest Unit Holders;

(iv) In the event that the Interest Value at the Maturity Date or during early termination is higher than the Interest Value held by the Interest Unit Holder, the Interest Unit Holder undertakes to surrender such excess amount to the Management Company as incentive.

(v) In order to receive the payments arising under this Clause, to the Interest Unit Holder for such expiring Management Agreement shall be obliged to return the Management Agreement and any certificate issued in respect thereof to the Management Company for cancellation and for redemption of the Interest Unit; and

(vi) For the avoidance of doubt, information in the Register of Interest Units showing the Maturity Date for any Interest Unit shall be conclusive evidence of the expiry of such Interest Unit and termination of the Management Agreement regardless of whether the Management Agreement and any certificate is returned by the Interest Unit Holder to the Management Agreement.

(f) **Investment by Trustee**

All sums deposited in the Capital Reserve Fund may be invested by the Trustee in Shariah compliant term deposits and any profit 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) **Takaful Scheme**

The Trustee shall ensure that all relevant Enterprise operations assets are covered under an approved Takaful Scheme 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 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 in accordance with the procedures set out in the Trust Deed.

(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.

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.

10. **ACCOUNTANT'S REPORT**

SY LEE & CO

Date: 23 MAY 2024

The Board of directors
CITY COIN TECHNOLOGY BERHAD
No.13, Jalan Perindustrian Desa Aman 1B,
Industri Desa Aman,
52200 Kepong, Kuala Lumpur

Dear Sirs,

CITY COIN TECHNOLOGY BERHAD ACCOUNTANT'S REPORT

1. INTRODUCTION

This Accountants' Report ("Report") has been prepared for the inclusion in the Prospectus to be issued under Section 28 of Interest Scheme Act 2016 in connection with the Company's invitation to the public to subscribe for Laundryber Mudarabah Investment Scheme ("the Scheme") promoted by CITY COIN TECHNOLOGY BERHAD ("the Management Company").

Unless otherwise defined in this Report, words and expressions defined in the Prospectus have the same meaning when used herein.

2. SCOPE OF WORK

The Report covers areas specifically set out in the following sections. The scope of our work conducted in the preparation of this Report does not constitute an audit and the information contained in this Report has not been independently verified by us and hence we do not render any such audit opinion.

This Report sets out the information provided to us by the management of the Management Company and the financial information extracted from the audited financial statements of the Management Company for the five financial years / periods ended 28 FEBRUARY 2019, 29 FEBRUARY 2020, 28 FEBRUARY 2021, 28 FEBRUARY 2022 and 28 FEBRUARY 2023.

We have obtained written confirmation from the Management Company for the factual accuracy, attribution of opinion and the material completeness of representations given, both written and oral.

3. GENERAL INFORMATION

3.1 Incorporation

The Management Company was incorporated in Malaysia on 25 MARCH 2015 as a private limited liability company under the name of CITY COIN TECHNOLOGY SDN BHD. On 23 APRIL 2019, the Management Company was converted to a public limited company and assumed its current name, CITY COIN TECHNOLOGY BERHAD.

The Management Company is not listed on any stock exchange.

3.2 Principal activities

The Management Company is principally engaged in laundry equipment traders, provision of laundry services and operates as a management company of laundrybar investment scheme. The subsidiary company, CITY COIN TECHNOLOGY (SOUTH) SDN BHD is principally engaged in provision of 24 hours self service laundry. During the year, the subsidiary company had ceased its business operations.

There have been no significant changes in the nature of these principal activities during the financial year, except for the above.

4. SHARE CAPITAL

The issued and paid-up share capital of the Management Company as at 28 FEBRUARY 2023 was RM5,000,000 comprising 5,000,000 units of ordinary shares.

The movement in the issued and paid-up ordinary share capital of the Management Company from the date of incorporation up to 28 FEBRUARY 2023 are as follows:

Date of allotment	No. of ordinary share of RM 1 each allotted	Consideration	Total cumulative issued and fully paid-up share capital RM
25.3.2015	3	Cash	3
23.5.2018	499,997	Cash	500,000
10.1.2019	1,500,000	Cash	2,000,000
28.1.2019	3,000,000	Cash	5,000,000

5. DIVIDEND

No dividend was declared by the Management Company since the date of incorporation.

6. AUDITORS, FINANCIAL STATEMENTS AND FINANCIAL ACCOUNTING DATES

The financial statements of the Management Company for the financial years / periods ended 28 FEBRUARY 2019 under review were audited by James & Co. Chartered Accountants (AF0584) and for the financial year 29 FEBRUARY 2020, 28 FEBRUARY 2021, 28 FEBRUARY 2022 and 28 FEBRUARY 2023 under review was audited by SY Lim & Co. Chartered Accountants (AF 1317). The audited financial statements for the relevant financial years were not subject to any audit qualification and did not contain any adverse comment made under Section 174(3) of the Companies Act, 1965 and Section 266(3) of the Companies Act, 2016 respectively in Malaysia.

During the financial period 28 FEBRUARY 2019, the Company has changed its financial year end from 30 JUNE to 28 FEBRUARY.

No audited financial statements are prepared in respect of any period subsequent to 28 FEBRUARY 2023 up to the date of this report.

7. LAUNDRYBAR MUDARABAH INVESTMENT SCHEME ("THE SCHEME")

On 22 NOVEMBER 2019 ("Initial Launch Date"), the Management Company had established and implemented an interest scheme known as "Laundrybar Investment Scheme" ("the Scheme"). Subsequently on 15 JULY 2022, the Management Company signed the First Supplemental Trust Deed to make amendments to the Scheme by inclusion of Mudarabah features. The Scheme name has been changed from "Laundrybar Investment Scheme" to "Laundrybar Mudarabah Investment Scheme".

The Scheme is involving offer for sale to the public units of interest in the Laundrybar investment interest scheme. The interest scheme is based on enterprise involving the establishment, management and operation of a retail network of self-service laundry outlets.

The Scheme involves the creation of units of interests in the Scheme (ISUs) by the Management Company which are offered to the public.

A total of 15,000 units of interest scheme ("ISU") are created under the Scheme, of which 10,500 ISU, representing 70% of the total ISU created will be offered to the public subject to the terms and conditions set out in the Laundrybar Mudarabah Investment Scheme Management Agreement, and the remaining 4,500 ISU will be held by the Management Company as Reserved Interest units not for public subscription and may be released for subscription only upon approval of the Registrar of Companies.

7. LAUNDRYBAR MUDARABAH INVESTMENT SCHEME ("THE SCHEME") (CONT'D)

On Initial Launch Date, the purchase price of the ISU offered for sale is RM1,000 only per ISU. The Management Company shall have the right to increase the selling price in accordance with the market forces.

An investor of the scheme shall receive the Expected Interim Net Yield (lined as "advance payment") in each calendar year during the Term and the Final Profit Share at the Maturity Date or earlier termination of the Scheme. The interim payment is the indicative average value which is expected to be the eight percent (8%) of the interest unit value which is subject to any adjustment or reconciliation at the Maturity Date based on the Final Profit Sharing Computation ("FPSC"). The Management Company is not obliged to make such payment up to the Expected Interim Net Yield if the revenue from the sales of the Enterprise is not sufficient to pay the Expected Interim Net Yield at 8% of the Interest Value.

The followings refers to the number of ISU sold as at 10 MAY 2024.

	Total Number	Number subscribed or sold	Balance of interest unit
Public subscription	10,500	(508)	9,992
Reserved interest units	4,500	-	4,500
	15,000	(508)	14,492

The rights and liabilities of the Interest Unit Holder are spelt out in the Prospectus.

8. OBLIGATION TO REPURCHASE

The Minister has granted a three (3) years exemption to the Company from the requirement of Section 47 of the Interest Schemes Act which relates to the obligation of the 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 is under the obligation to repurchase Interest Unit at the request from any Interest Unit Holder as disclosed in Paragraph 4.2 of the Prospectus.

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.

9. MATURITY DATE ARRANGEMENTS FOR EACH MANAGEMENT AGREEMENT

Each Management Agreement shall expire by fixed term on the Maturity Date specified in such Management Agreement. Upon the expiry of each Management Agreement, the following matters shall apply:-

9.1 The Management Company shall calculate the Final Profit Share in respect of the specific Management Agreement for the Term applicable and attributable to the expiring Management Agreement based on the ratio of 30:70 that is to say 30% being the attributable share of the Aggregate Net Profit to be paid to the Interest Unit Holder and 70% being the share of the Aggregate Net Profit to be paid to the Management Company;

9.2 For the avoidance of doubt and as defined in the Final Profit Sharing Computation, the entitlement of each Interest Unit and its registered Interest Unit Holder to its pro-rated value of the FPSC shall be the sum of such pro-rated value after deducting the value of the Expected Interim Net Yield paid on the basis of advanced payment attributable to such Interest Unit during the Term:-

9.2.1 The advanced payments that are paid during the distribution of Expected Interim Net Yield may be recalculated for FPSC. The Management Company shall have the right to claim back the advanced payment paid in the event that the FPSC revealed that the Management Company has made excess payment to the Interest Unit Holders; and

9.2.2 Nonetheless, the Management Company may consider distributing the advanced payments paid as gift to the Interest Unit Holders after the Final Profit Share has been calculated.

9.3 If there is a shortfall due in respect of any Interest Unit, the Management Company is entitled to claim the value of such shortfall from the Interest Unit Holder registered as the owner of such Interest Unit at the Maturity Date. The Management Company may waive its right to make any such claim and may grant full amount of the Interest Value to the Interest Unit Holder at its sole discretion provided such payment should be treated as gift by the Management Company to the Interest Unit Holders;

9.4 In the event that the Interest Value at the Maturity Date or during early termination is higher than the Interest Value held by the Interest Unit Holder, the Interest Unit Holder undertakes to surrender such excess amount to the Management Company as incentive.

9.5 In order to receive the payments arising under this Clause, to the Interest Unit Holder for such expiring Management Agreement shall be obliged to return the Management Agreement and any certificate issued in respect thereof to the Management Company for cancellation and for redemption of the Interest Unit; and

9. MATURITY DATE ARRANGEMENTS FOR EACH MANAGEMENT AGREEMENT (CONT'D)

9.6 For the avoidance of doubt, information in the Register of Interest Units showing the Maturity Date for any Interest Unit shall be conclusive evidence of the expiry of such Interest Unit and termination of the Management Agreement regardless of whether the Management Agreement and any certificate is returned by the Interest Unit Holder to the Management Agreement.

10. TENURE OF THE SCHEME AND VALIDITY PERIOD OF MANAGEMENT AGREEMENT

10.1 The tenure of the Scheme is 20 years commencing on Initial Launch Date and expiring on the 20th year from the Initial Launch Date ("Scheme Expiry Date").

10.2 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.

11. OTHER SCHEMES

The Management Company has not entered into any other undertaking, schemes or investment contracts involving the issue of interest to the public from the date of incorporation to the date of this Report, other than as disclosed in this Report.

12. THE TRUSTEE

URB AMANAH BERHAD has been appointed as the Trustee to the Investors in respect of the Scheme to ensure the latter's compliance with such guideline and requirements of the relevant authorities which may be issued from time to time and within the provision of the Trust Deed dated 1 NOVEMBER 2019 and the First Supplemental Trust Deed dated 18 JULY 2022.

13. SUMMARISED STATEMENTS OF COMPREHENSIVE INCOME

The audited financial results of the Management Company for the five financial years / periods are set out below:

Group	Note	1.3.2022 to 28.2.2023 RM	1.3.2021 to 28.2.2022 RM	1.3.2020 to 28.2.2021 RM	1.3.2019 to 29.2.2020 RM	1.7.2018 to 28.2.2019 RM Restated
Revenue	13.1	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Cost of sales	13.2	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Gross profit		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Other operating income	13.3	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Administrative expenses		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Profit / (Loss) from operations		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Finance costs	13.4	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Profit / (Loss) before taxation		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Taxation	13.5	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Profit / (Loss) after taxation for the year / period, representing total comprehensive income / (loss) for the year / period		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Profit / (Loss) per share (RM)	13.6	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Weighted average number of shares of RM1 each		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Company

Company	Note	1.3.2022 to 28.2.2023 RM	1.3.2021 to 28.2.2022 RM	1.3.2020 to 28.2.2021 RM	1.3.2019 to 29.2.2020 RM	1.7.2018 to 28.2.2019 RM Restated
Revenue	13.1	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Cost of sales	13.2	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Gross profit		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Other operating income	13.3	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Administrative expenses		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Profit / (Loss) from operations		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Finance costs	13.4	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Profit / (Loss) before taxation		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Taxation	13.5	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Profit / (Loss) after taxation for the year / period, representing total comprehensive income / (loss) for the year / period		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Profit / (Loss) per share (RM)	13.6	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Weighted average number of shares of RM1 each		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

13. SUMMARISED STATEMENTS OF COMPREHENSIVE INCOME (CONT'D)

13.1 REVENUE

Group / Company
Revenue was generated from provision of laundry services, hiring income, consultant income and management income.

13.2 COST OF SALES

Group / Company
Cost of sales consist of cleaning fee, detergent, gas, token, maintenance fee, management fee, rental, telecommunication, transaction fee, wages and water and electricity.

13.3 OTHER OPERATING INCOME

Group / Company
Other operating income consist of commission income, finance lease interest income, gain on derecognition of lease liabilities, gain on disposal of plant and equipment, gain on sublease, interest income, rental income, rent concessions, subsidy income and sundry income.

13.4 FINANCE COSTS

Group / Company
Finance costs consist of hire purchase and lease liabilities interest, interest scheme interest expenses, overdue interest and term loan interest.

13.5 TAXATION

Group / Company
The Group and the Company has no taxable income for the financial years / periods ended 28 FEBRUARY 2019. For the financial years ended 29 FEBRUARY 2020, 28 FEBRUARY 2021, 28 FEBRUARY 2022 and 28 FEBRUARY 2023, taxable income arose from profit received during the financial year.

13.6 PROFIT / (LOSS) PER SHARE

Group / Company
The net profit / (loss) per share is calculated based on profit / (loss) after taxation and the weighted average number of shares issued during the financial years / periods.

11. SUMMARISED STATEMENTS OF FINANCIAL POSITION

The audited financial position of the Management Company for the five financial years / periods are set out below:

Group	As at 28.2.2023 RM	As at 28.2.2022 RM	As at 28.2.2021 RM	As at 29.2.2020 RM	As at 28.2.2019 RM Restated
Assets					
Non-current assets					
Property, plant and equipment	11,129,328	12,325,824	10,989,730	11,326,368	8,542,130
Right-of-use assets	55,983,279	33,560,557	24,224,857	18,500,011	8,528,530
Investment property	1,158,619	1,180,474	1,202,830	1,224,385	-
Intangible assets	1,979,599	1,268,591	1,135,933	921,867	333,212
Other investment	-	-	-	-	10,000
Finance lease receivables	3,242,800	919,577	116,068	-	-
	74,424,847	49,254,327	37,647,838	32,178,969	17,944,003
Current assets					
Inventories	379,825	202,380	293,630	296,396	127,820
Trade receivables	38,079	9,102	1,614	47,209	16,698
Other receivables	3,320,367	2,228,665	1,607,365	2,010,727	1,277,890
Finance lease receivables	991,463	132,465	41,074	-	-
Current tax assets	-	105,238	36,830	67,585	42,333
Cash and cash equivalents	1,812,237	710,090	775,828	544,729	63,528
	5,887,485	3,303,134	2,656,738	2,953,106	1,530,003
Total assets	80,312,307	51,859,481	40,304,576	35,130,068	19,397,003
Equity and liabilities					
Equity					
Share capital	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Retained profits / (Accumulated losses)	174,434	(2,648,915)	(2,568,802)	(610,800)	(1,211,696)
Equity attributable to owners of the Company	5,174,434	2,351,088	2,431,198	4,389,180	3,788,304
Non-controlling interest	-	78,330	96,250	329,529	150,000
	5,174,434	2,429,418	2,527,448	4,718,709	3,938,320
Non-current liabilities					
Bank borrowings	1,396,386	946,480	990,435	953,016	927,808
Hire purchase and lease liabilities	52,000,646	28,177,870	20,245,909	14,764,120	8,069,821
Fund of interest Scheme Units (FIU)	1,705,000	1,369,000	925,000	335,000	-
Deferred tax liabilities	400,000	-	-	-	-
	55,412,031	31,293,356	21,861,347	16,052,136	8,997,629

11. SUMMARISED STATEMENTS OF FINANCIAL POSITION (CONT'D)

Group	As at 28.2.2023 RM	As at 28.2.2022 RM	As at 28.2.2021 RM	As at 29.2.2020 RM	As at 28.2.2019 RM Restated
Current liabilities					
Trade payables	210,444	780,620	76,206	14,776	43,384
Other payables	11,671,367	8,800,110	850,190	155,009	1,258,151
Amount owing to directors	263,986	3,000,054	117,889	102,718	164,718
Amount owing to former holding company	-	-	10,512,200	10,609,508	2,435,748
Bank borrowings	88,802	26,415	50,855	33,790	47,448
Hire purchase and lease liabilities	6,881,830	5,487,325	4,300,880	3,897,752	2,173,906
Fund of Interest Scheme Units (FIS)	25,752	95,576	58,217	4,708	-
Current tax liabilities	100,776	-	-	-	-
	19,046,842	19,010,908	15,915,532	14,868,554	6,130,347
Total liabilities	75,157,875	40,224,942	37,776,809	30,920,296	15,158,003
Total equity and liabilities	80,332,307	51,893,461	40,308,576	35,139,058	19,037,223

14. SUMMARISED STATEMENTS OF FINANCIAL POSITION (CONT'D)

Company	As at 28.2.2023 RM	As at 28.2.2022 RM	As at 28.2.2021 RM	As at 29.2.2020 RM	As at 28.2.2019 RM Restated
Assets					
Non-current assets					
Property, plant and equipment	16,108,215	13,666,847	10,050,560	10,084,280	8,307,876
Right-of-use assets	53,503,275	32,034,587	18,908,870	16,586,009	8,235,567
Investment property	1,158,513	1,180,476	1,202,420	1,224,365	-
Intangible assets	1,328,000	1,288,605	1,125,697	970,008	215,504
Investment in subsidiary company	433,509	290,803	290,859	200,858	190,853
Other investment	-	-	-	-	50,003
Finance lease receivables	5,240,909	919,577	147,008	76,884	119,651
	74,985,137	49,154,808	37,284,086	32,881,265	17,420,257
Current assets					
Inventories	370,020	200,860	290,830	286,861	127,520
Trade receivables	36,609	8,152	1,834	47,259	16,992
Other receivables	3,151,767	2,207,863	1,895,276	2,903,447	1,254,362
Finance lease receivables	351,403	161,849	85,270	40,597	58,835
Amount owing by subsidiary company	-	-	15,341	77,938	2,208
Current tax assets	-	109,259	30,828	67,886	43,709
Cash and cash equivalents	1,811,395	721,444	723,863	537,880	82,176
	5,726,244	3,408,297	2,714,851	3,503,075	1,585,478
Total assets	80,521,481	51,861,103	40,208,837	36,114,275	19,007,863
Equity and liabilities					
Equity					
Share capital	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Retained profits / (Accumulated losses)	447,434	(2,462,887)	(2,493,971)	(784,812)	(1,898,430)
	5,447,434	2,537,113	2,506,029	4,215,188	3,101,570
Non-current liabilities					
Bank borrowings	1,356,385	540,465	890,433	959,078	327,835
Hire purchase and lease liabilities	52,050,048	23,177,673	20,240,903	14,760,120	8,066,821
Fund of Interest Scheme Units 2013	1,795,000	1,980,000	685,000	326,000	-
Deferred tax liabilities	600,000	-	-	-	-
	55,810,031	31,215,338	21,801,347	16,872,136	8,037,556

14. SUMMARISED STATEMENTS OF FINANCIAL POSITION (CONT'D)

Company	As at 28.2.2023 RM	As at 28.2.2022 RM	As at 28.2.2021 RM	As at 28.2.2020 RM	As at 28.2.2019 RM Restated
Current liabilities					
Trade payables	106,176	892,087	5,008	4,260	13,289
Other payables	11,825,486	6,113,032	867,426	144,413	1,224,581
Amount owing to directors	353,986	5,060,018	117,098	152,718	104,718
Amount owing to subsidiary company	129,666	11,009	-	-	-
Amount owing to former holding company	-	-	10,312,202	10,655,398	3,430,140
Bank borrowings	89,807	38,413	36,255	33,788	67,458
Hire purchase and lease liabilities	8,361,209	5,607,325	4,300,465	3,857,752	2,175,006
Fund of Interest Scheme Units (3DU)	25,782	45,370	10,517	4,709	-
Current tax liabilities	130,773	-	-	-	-
	13,051,985	17,910,054	15,328,560	14,546,941	8,258,837
Total liabilities	75,173,037	48,123,068	37,708,969	30,489,077	15,896,253
Total equity and liabilities	88,621,401	51,851,323	48,288,831	38,114,275	18,907,083

15. STATEMENTS OF ASSETS AND LIABILITIES AS AT 28 FEBRUARY 2023

The following is the statements of assets and liabilities of CITY COIN TECHNOLOGY BERHAD based on the audited financial statements as at 28 FEBRUARY 2023 and should be read in conjunction with the notes thereto:

	Note	Group RM	Company RM
Assets			
Non-current assets			
Plant and equipment	17.4	15,120,330	15,350,270
Right-of-use assets	17.5	63,383,279	63,383,279
Investment property	17.6	1,158,519	1,158,519
Intangible assets	17.7	1,539,588	1,520,580
Investment in subsidiary company	17.8	-	427,781
Finance lease receivables	17.9	3,242,309	3,242,989
		74,434,641	74,893,197
Current assets			
Inventories	17.10	376,620	376,620
Trade receivables	17.11	36,979	36,979
Other receivables	17.12	3,320,067	3,151,797
Finance lease receivables	17.9	351,403	351,403
Current tax assets		-	-
Cash and cash equivalents	17.13	1,812,837	1,811,395
		5,897,906	5,728,244
Total assets		80,332,307	80,621,401
Equity and liabilities			
Equity			
Share capital	17.14	5,000,000	5,000,000
Retained profits		174,434	447,464
Equity attributable to owners of the Company		5,174,434	5,447,464
Non-controlling interest		-	-
		5,174,434	5,447,464
Non-current liabilities			
Bank borrowings	17.15	1,300,306	1,300,306
Hire purchase and lease liabilities	17.16	62,990,848	62,090,046
Fund of Interest Scheme Units (IRU)	17.17	1,705,000	1,705,000
Deferred tax liabilities	17.18	400,000	400,000
		65,612,031	65,512,831

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15. STATEMENTS OF ASSETS AND LIABILITIES AS AT 28 FEBRUARY 2023 (CONT'D)

	Note	Group RM	Company RM
Current liabilities			
Trade payables	17.19	210,441	159,120
Other payables	17.20	11,877,307	11,820,200
Amount owing to directors	17.21	353,980	353,980
Amount owing to subsidiary company	17.8	-	128,808
Bank borrowings	17.15	86,707	86,707
Hire purchase and lease liabilities	17.16	8,081,030	8,081,030
Fund of Interest Scheme Units (ESU)	17.17	25,742	25,742
Current tax liabilities		190,770	190,770
		19,640,842	19,661,068
Total liabilities		75,107,873	75,173,507
Total equity and liabilities		80,532,307	86,621,401

18. STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED 28 FEBRUARY 2023

	Note	Group RM	Company RM
Cash flows from operating activities			
Profit before taxation		3,337,781	3,071,349
Adjustments for:			
Amortisation of intangible assets		706,402	695,437
Deposit forfeited		12,000	12,000
Depreciation of investment property		21,928	21,936
Depreciation of plant and equipment		2,542,911	2,103,883
Depreciation of right-of-use assets		6,409,516	6,374,555
Finance lease interest income		(143,231)	(143,820)
Gain on derecognition of lease liabilities		(108,735)	(108,729)
Gain on disposal of plant and equipment		(53,582)	(3,000)
Gain on sublease		(86,023)	(89,075)
Hire purchase and lease liabilities interest		2,085,833	2,065,833
Interest income		(2,616)	(2,516)
Interest scheme interest expenses		110,678	110,678
Plant and equipment written off		107,780	49,334
Term loan interest		48,679	48,679
Operating profit before working capital changes		16,212,095	15,182,763
Decrease / (Increase) in working capital			
Inventories		(125,640)	(125,640)
Trade receivables		(37,877)	(37,817)
Other receivables		(1,122,864)	(806,129)
Amount owing to subsidiary company		-	117,800
Trade payables		(581,181)	(588,837)
Other payables		5,634,748	5,629,329
Amount owing to directors		(4,721,868)	(4,721,868)
		(983,922)	(701,626)
Net cash generated from operations		14,228,133	14,481,737
Interest received		2,116	2,010
Tax paid		(106,000)	(100,000)
Net cash from operating activities		14,125,949	14,370,753
Cash flows from investing activities			
Finance lease interest received		143,231	143,820
Finance lease rental received		254,286	286,179
Proceeds from disposal of plant and equipment		171,800	9,200
Purchase of right-of-use assets		(72,080)	(74,289)
Purchase of plant and equipment		(5,161,220)	(5,259,220)
Purchase of intangible assets		(405,000)	(400,000)
Addition: subscription in shares in subsidiary		(131,731)	(131,731)
Deposits placed with licensed banks with maturity over 3 months		(30,241)	(30,541)
Net cash used in investing activities		(5,277,272)	(5,000,250)

16. STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED 28 FEBRUARY 2023 (CONT'D)

	Note	Group RM	Company RM
Cash flows from financing activities			
Proceeds from issuance of Interest Scheme Units		611,000	615,000
Payment of interest to Interest Scheme holders		(108,264)	(109,294)
Drawdown of term loan		500,000	500,000
Payment of term loan interest		(48,670)	(48,670)
Repayment of term loan		(38,837)	(38,837)
Repayment of hire purchase and lease liabilities		(6,766,795)	(6,702,755)
Payment of interest expense on hire purchase and lease liabilities		(1,080,083)	(2,080,083)
Net cash used in financing activities		(7,815,275)	(7,815,273)
Net increase in cash and cash equivalents		1,008,100	1,059,716
Opening balance of cash and cash equivalents		743,600	721,464
Closing balance of cash and cash equivalents	17.13	1,751,796	1,781,184

17. NOTES TO THE STATEMENTS OF ASSETS AND LIABILITIES

17.1 GENERAL INFORMATION

17.1.1 Corporate information

The Company, CITY COIN TECHNOLOGY BERHAD is a private limited liability company, incorporated and domiciled in Malaysia. The registered office of the Company is located at No 5-15D, Jalan Desa 3/2, Desa Aman Puri, 52100 Kuala Lumpur.

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

The Company is principally engaged in laundry equipment traders, provision of laundry services and operates as a management company of laundrybar investment scheme.

The subsidiary company is principally engaged in provision of 24 hours self-service laundry. At the end of the financial year, the subsidiary company has ceased its business operations. The information on the name, place of incorporation, principal activities, and percentage of issued share capital held by the holding company in each subsidiary is as disclosed in Note 17.8 to the financial statements.

There have been no significant changes in the nature of these principal activities during the financial year.

17.1.2 Laundrybar Investment Scheme

The Company launched a Laundrybar investment scheme, namely 'Laundrybar Investment Scheme' ('the Scheme') on 26 NOVEMBER 2019. The tenure of the Scheme is 20 years commencing from 26 NOVEMBER 2019 and expiring 20 years from the date of Scheme.

A total of 15,000 units of interest scheme ('ISU') are created under the Scheme, of which 10,500 ISU, representing 70% of the total ISU created will be offered to the public subject to the terms and covenants set out in the Deed and the Laundrybar Investment Scheme Agreement, and the remaining 4,500 ISU will be held by the Company.

An investor of the scheme shall be entitled to fixed interest return and net yield. The annual financial payment to be made by the Company to each Interest Unit in each calendar year based on eight percent (8%) of the Interest Value commencing on the 1st day of January and ending on the 31st day of December to be received by each registered Interest Unit Holder and payable by the Company Interest Unit Holder under the respective Management Agreement within fourteen (14) days from the 31st 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 31st day of December date following the commencement date and, the net yield shall be a pro-rated amount during the period between the 1st day of January date of the final anniversary of the term and the maturity date or such date upon which the Scheme is terminated.

17 NOTES TO THE STATEMENTS OF ASSETS AND LIABILITIES (CONT'D)

17.1 GENERAL INFORMATION

17.1.2 Laundrybar Investment Scheme (Cont'd)

The Minister has granted a three (3) years exemption to the Company from the requirement of Section 47 of the Interest Schemes Act which relates to the obligation of the 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 is under the obligation to repurchase Interest Unit at the request from any Interest Unit Holder as disclosed in Paragraph 4.2 of the Prospectus.

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

The current purchase price of the ISU offered for sale is RM5,000 only per ISU.

The followings refers to the number of ISU sold as at 28 FEBRUARY 2023:

	Total Number	Number offered to public	Balance of Interest unit
Public subscription	10,500	(341)	10,159
Reserved Interest units	4,500	-	4,500
	15,000	(341)	14,659

17.2 BASIS OF PREPARATION

17.2.1 Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

The accounting policies adopted are consistent with those of the previous financial year except as follows:

On 1 MARCH 2022, the Group and the Company adopted the following new and revised MFRSs mandatory for annual financial year beginning on or after the dates stated below:

Company No. 201501011755 (1137090-D)

17. NOTES TO THE STATEMENTS OF ASSETS AND LIABILITIES (CONT'D)

17.2 BASIS OF PREPARATION (CONT'D)

17.2.1 Statement of compliance (Cont'd)

MFRS and amendments to MFRS	Effective for annual periods beginning on or after
Amendments to MFRS 116: Property, plant and equipment – Proceeds before Intended Use	1 JANUARY 2022
Amendments to MFRS 137: Provisions, Contingent Liabilities and Contingent Assets– Onerous Contracts – Costs of Fulfilling a Contract	1 JANUARY 2022
Amendments to MFRSs: Annual Improvements to MFRSs 2018 - 2020– Amendments to MFRS 1, MFRS 9, MFRS 16, MFRS 141	1 JANUARY 2022

The initial application of the above new and revised MFRSs did not have any significant impact on the financial performance or position of the Group and of the Company.

The following new and revised MFRSs issued by Malaysian Accounting Standards Board ("MASB") not yet effective, have not been early adopted by the Group and the Company.

MFRS and amendments to MFRS	**Effective for annual periods beginning on or after**
Amendments to MFRS 101: Presentation of Financial Statements – Disclosure of Accounting Policies	1 JANUARY 2023
Amendments to MFRS 108: Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates	1 JANUARY 2023
Amendments to MFRS 112: Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 JANUARY 2023
Amendments to MFRS 16: Leases – Lease Liability in a Sale and Leaseback	1 JANUARY 2024
Amendments to MFRS 101: Presentation of Financial Statements – Classification of Liabilities as Current or Non-current	1 JANUARY 2024
Amendments to MFRS 107 Statement of Cash Flows and MFRS 7 Financial Instruments: Disclosures – Supplier Finance Arrangements	1 JANUARY 2024

The directors are in the process of assessing the full impact of the above standards, amendments to published standards and interpretations on the financial statements of the Group and of the Company in the year of initial application.

17. NOTES TO THE STATEMENTS OF ASSETS AND LIABILITIES (CONT'D)

17.2 BASIS OF PREPARATION (CONT'D)

17.2.2 Basis of measurement

The financial statements of the Group and of the Company have also been prepared using historical cost basis, unless otherwise stated in the significant accounting policies set out in Note 3.

17.2.3 Functional and presentation currency

The financial statements are presented in Ringgit Malaysia (RM), which is the Group's and the Company's functional currency.

17.2.4 Use of estimates and judgements

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 reported period. Judgements and assumptions are applied in the measurement, and hence, the actual results may not coincide with the reported amounts. The areas involving significant judgements and estimation uncertainties are disclosed in Note 17.3.20.

17.3 SIGNIFICANT ACCOUNTING POLICIES

17.3.1 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the reporting date. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to the transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. Acquisition costs incurred are expensed and included in administrative expenses.

For each business combination, the Group elects whether it measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Adjustments to those fair values relating to previously held interests are treated as a revaluation and recognised in consolidated profit or loss.

17. NOTES TO THE STATEMENTS OF ASSETS AND LIABILITIES (CONT'D)

17.3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

17.3.1 Basis of consolidation (Cont'd)

Any excess of the cost of business combination over the Group's share in the net fair value of the acquired subsidiary's identifiable assets, liabilities and contingent liabilities is recorded as goodwill on the statement of financial position. The accounting policy for goodwill is set out in the financial statements. Any excess of the Group's share in the net fair value of the acquired subsidiary's identifiable assets, liabilities and contingent liabilities over the cost of business combination is recognised as income in profit or loss on the date of acquisition.

Subsidiary companies are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

17.3.2 Non-controlling interest

Non-controlling interest is the equity in a subsidiary company not attributable, directly or indirectly, to the Group. On an acquisition-by-acquisition basis, the Group measures any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. At the end of reporting period, non-controlling interest consists of amount calculated on the date of combinations and its share of changes in the subsidiary company's equity since the date of combination.

All earnings and losses of the subsidiary company are attributed to the parent and the non-controlling interest, even if the attribution of losses to the non-controlling interest results in a debit balance in the shareholders' equity. Profit or loss attribution to non-controlling interests for prior years is not restated.

Gain or loss on disposal to non-controlling interests is recognised directly in equity.

17.3.3 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

17. NOTES TO THE STATEMENTS OF ASSETS AND LIABILITIES (CONT'D)

17.3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

17.3.2 Property, plant and equipment (Cont'd)

Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. When significant parts of the property, plant and equipment are required to be replaced in intervals, the Group recognises such parts as individual assets with specific useful lives and depreciation, respectively.

Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit and loss as incurred.

Leasehold land are amortised over the remaining lease period. Depreciation of other property, plant and equipment are provided on a straight line basis to write off the cost of each plant and equipment to their residual value over their estimated useful life, at the following annual rates:-

Buildings	2%
Outlet equipment	10%
Laundry equipment	10%
Renovation	10%
Office equipment	10%
Motor vehicle	20%

The carrying values of the property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual values, useful life and depreciation method are reviewed at each financial year end, and adjusted prospectively, if appropriate.

Any revaluation surplus is recognised in other comprehensive income and accumulated in equity under the asset revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss, in which case the increase is recognised in profit or loss. A revaluation deficit is recognised in profit or loss, except to the extent that it offsets an existing surplus on the same asset carried in the asset revaluation reserve.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the re-valued amount of the asset. The revaluation surplus included in the asset revaluation reserve in respect of an asset is transferred directly to retained earnings on retirement or disposal of the asset.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on de-recognition of the assets is included in the profit or loss in the year the asset is derecognised.

17. NOTES TO THE STATEMENTS OF ASSETS AND LIABILITIES (CONT'D)

17.3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

17.3.4 Investment properties

Investment properties consist of investments in land and buildings and are held for the purpose of accretion in value and to earn rental. Such properties are not intended for sale in the normal course of business.

Investment properties are treated as long term investments and stated at cost less any accumulated depreciation and any accumulated impairment losses.

Depreciation rates are disclosed in Note 17.3.3.

17.3.5 Investment in subsidiary companies

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies, generally accompanying a shareholding giving rise to more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group.

Investment in subsidiary companies is stated at cost less accumulated impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount.

Inter-company transactions, balances, income and expenses on transactions between group companies are eliminated. Profits or losses resulting from inter-company transactions that are recognised in assets are also eliminated. Where necessary, accounting policies for subsidiaries have been changed to ensure consistency with the policies adopted by the Group.

In the Company's separate financial statements, investments in subsidiary companies are accounted for at cost less impairment losses.

17.3.6 Intangible assets – Brand name, system, software and license

Brand name, system, software and license are recognised as intangible assets if it is probable that the future economic benefits that are attributable to such assets will flow to the Group and the costs of such assets can be measured reliably.

17. NOTES TO THE STATEMENTS OF ASSETS AND LIABILITIES (CONT'D)

17.3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

17.3.6 Intangible assets – Brand name, system, software and license (Cont'd)

Intangible assets acquired separately are measured initially at cost. Following initial acquisition, intangible assets are measured at cost less any accumulated amortisation and accumulated impairment losses. These costs are amortised to the profit or loss using the straight line method over 5 to 10 years.

Intangible assets with finite useful lives are amortised over their estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the profit or loss in the expense category consistent with the function of the intangible asset.

Gain or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

17.3.7 Inventories

Inventories are stated at the lower of cost or net realisable value.

Cost is determined by using first in, first out method. Cost includes the actual cost of products and incidentals incurred in bringing the inventories into store.

Net realisable value is the estimate of the selling price in the ordinary course of business, less the selling expenses.

17.3.8 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units (CGU)).

17. NOTES TO THE STATEMENTS OF ASSETS AND LIABILITIES (CONT'D)

17.3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

17.3.8 Impairment of non-financial assets (Cont'd)

In assessing value in use, the estimated future cash flows expected to be generated by the assets are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risk specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

Impairment losses are recognised in profit or loss except for assets that are previously re-valued where the revaluation was taken to other comprehensive income. In this case the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount.

The increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at re-valued amount, in which case the reversal is treated as a revaluation increase. Impairment loss on goodwill is not reversed in a subsequent period.

17.3.9 Financial assets

Financial assets are recognised in the statement of financial position when the Group and the Company has become a party to the contractual provisions of the instrument.

The classification depends on the business model which they are held and the contractual cash flow characteristics. The Group and the Company determines the classification of their financial assets at initial recognition and are not reclassified subsequent to their initial recognition unless the Group and the Company changes its business model for managing financial assets.

17. NOTES TO THE STATEMENTS OF ASSETS AND LIABILITIES (CONT'D)

17.3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

17.3.9 Financial assets (Cont'd)

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs. A trade receivable without a significant financing component is initially measured at the transaction price.

The Group and the Company classified its financial assets in the following categories: at amortised cost, fair value through other comprehensive income, and fair value through profit or loss. The Group and the Company does not hold any financial assets at fair value through profit or loss, and fair value through other comprehensive income.

Financial assets measured at amortised cost

Amortised cost category comprises financial assets that are held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The financial assets are not designated as fair value through profit or loss. Subsequent to initial recognition, these financial assets are measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Foreign exchange gains and losses and impairment are recognised in profit or loss.

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or transferred, or control of the asset is not retained or substantially all of the risks and rewards of ownership of the financial asset are transferred to another party. On derecognition of a financial asset, the difference between the carrying amount of the financial asset and the sum of consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

Regular way purchases or sales are purchases or sales of financial assets that required delivery of assets within the time frame generally established by regulation or convention in the marketplace concerned. All regular way purchases and sales of financial assets are recognised or derecognised on the trade date or settlement date.

17. NOTES TO THE STATEMENTS OF ASSETS AND LIABILITIES (CONT'D)

17.3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

17.3.10 Contract assets and contract liabilities

A contract asset is recognised when the Group and the Company's right to consideration is conditional on something other than the passage of time. A contract asset is subject to impairment in accordance to MFRS 9.

A contract liability is stated at cost and represents the obligation of the Group and the Company to transfer goods to a customer for which consideration has been received from the customers.

17.3.11 Cash and cash equivalents

Cash and cash equivalents consists of cash in hand and bank balances, deposits, bank overdraft, and other short term highly liquid investments that are readily convertible to cash and are subject to insignificant risk of changes in value. For the purpose of the cash flow statements, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

17.3.12 Impairment of financial assets

The Group and the Company recognise loss allowances for expected credit losses on financial assets measured at amortised cost. The Group and the Company measured expected credit losses in a way that reflects a probability-weighted, time value of money and reasonable and supportable information.

The Group and the Company measure loss allowance for a financial asset at an amount equal to the lifetime expected credit loss, except for those financial assets which credit risk had not increase significantly since initial recognition, which are measured at an amount equal to 12-months expected credit losses. Loss allowance for trade receivables are always measured at an amount equal to lifetime expected credit loss.

To determine whether the credit risk of a financial asset has increased significantly since initial recognition when estimating expected credit losses, the Group and the Company consider all reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group and the Company's historical experience and informed credit assessment and including forward-looking information, where available.

17. NOTES TO THE STATEMENTS OF ASSETS AND LIABILITIES (CONT'D)

17.3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

17.3.12 Impairment of financial assets (Cont'd)

The maximum period to consider when measuring expected credit losses is the maximum contractual period over which the Group and the Company is exposed to credit risk. The Group and the Company recognise the impairment gain or loss in profit or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised in accordance with MFRS 9.

The carrying amount of the financial asset measured at amortised cost is reduced through the use of an allowance account and the impairment loss is recognised in profit or loss. The gross carrying amount of a financial asset is written off (either partially or full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group and the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group and the Company's procedures for recovery amounts due.

17.3.13 Financial liabilities

Financial liabilities, within the scope of MFRS 9, are recognised in the statement of financial position when, and only when, the Group and the Company becomes a party to the contractual provisions of the financial instrument.

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or amortised cost. The Group's and the Company's financial liabilities include trade and other payables, and borrowings are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires. When existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as derecognition of the original liability and the recognition of a new liability at fair value and the resulting gains or losses are recognised in profit or loss.

17. NOTES TO THE STATEMENTS OF ASSETS AND LIABILITIES (CONT'D)

17.3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

17.3.14 Leases

17.3.14.1 As a lessee

The Group and the Company recognise a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or site on which it is located, less any lease incentives received.

At inception or on reassessment of a contract that contains a lease component, the Group and the Company allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices. However, for the leases of properties in which the Company is a lessee, it has elected not to separate non-lease components and will instead account for the lease and non-lease components as a single lease component.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of the right-of-use assets are determined on the same basis as those of property, plant and equipment as follows:

Laundry equipment	Over the lease term
Machineries	Over the lease term
Retail outlet	Over the lease term
Motor vehicle	Over the lease term

In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurement of the lease liability.

The lease liability is initially measured at the present value of future lease payments at the commencement date, discounted using the interest rate implicit in the lease if that rate is readily available or the Group's and the Company's incremental borrowing rates. Lease payments included in the measurement of the lease liability include fixed payments, any variable lease payments, amount expected to be payable under a residual value guarantee, and exercise price under an extension option that the Group and the Company are reasonably certain to exercise.

17. NOTES TO THE STATEMENTS OF ASSETS AND LIABILITIES (CONT'D)

17.3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

17.3.14 Leases (Cont'd)

17.3.14.1 As a lessee (Cont'd)

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

For short-term leases and leases of low-value assets, instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as a reduction of rental expense over the lease term on a straight-line basis.

<u>Sale and leaseback transactions</u>

A sale and leaseback transaction is one where an entity (seller-lessee) transfers an asset to another entity (buyer-lessor) for consideration and then leases the asset back. The transfer is tested under MFRS 15 at the date of the transaction whether a performance obligation is satisfied for the transfer to be accounted for as a sale. If the transfer qualifies as a sale, the underlying asset is derecognised and a right-of-use asset with a corresponding liability is recognised equal to the retained interest in the asset. Any gain or loss is recognised immediately in profit or loss for the interest in the asset transferred to the lessor. If the transaction does not qualify as sale under MFRS 15, the transfer proceeds is accounted for as a financial liability in accordance with MFRS 9.

Gains and losses arising from sale and leaseback transactions whereby the lease is an operating lease are recognised immediately in profit or loss based on the fair value of the asset transferred. Where the sale price is below the fair value, the difference is accounted for as a prepayment of lease payments. Where the sale price is above fair value, the excess over fair value is accounted for as additional financing provided by the buyer-lessor to the seller-lessee.

17. NOTES TO THE STATEMENTS OF ASSETS AND LIABILITIES (CONT'D)

17.3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

17.3.14 Leases (Cont'd)

17.3.14.2 As a lessor

As a lessor, the Group and the Company determines at lease inception whether each lease is a finance lease or an operating lease. To classify each lease, the Group and the Company makes an overall assessment of whether the lease transfers substantially all the risks and rewards incidental to ownership of the underlying asset to the lessee. As part of this assessment, the Group and the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

Finance lease

The Group and the Company classifies a lease as a finance lease if the lease transfers substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee.

The Group and the Company derecognises the underlying asset and recognises a receivable at an amount equal to the net investment in a finance lease. Net investment in a finance lease is measured at an amount equal to the sum of the present value of lease payments from lessee and the unguaranteed residual value of the underlying asset. Initial direct costs are also included in the initial measurement of the net investment. The net investments is subject to MFRS 9 impairment (refer to Note 17.3.12 on impairment of financial assets). In addition, the Group and the Company reviews regularly the estimated unguaranteed residual value.

Lease income is recognised over the term of the lease using the net investment method to reflect a constant periodic rate of return. The Company reviews the lease income allocation if there is a reduction in the estimated unguaranteed residual value.

17. NOTES TO THE STATEMENTS OF ASSETS AND LIABILITIES (CONT'D)

17.3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

17.3.14 Leases (Cont'd)

17.3.14.2 As a lessor (Cont'd)

Operating lease

The Group and the Company classifies a lease as an operating lease if the lease does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee.

The Group and the Company recognises lease payments received under operating lease as lease income on a straight-line basis over the lease term.

Sublease classification

When the Group and the Company is an intermediate lessor, it assesses the lease classification of a sublease with reference to the right-of-use assets arising from the head lease, not with reference to the underlying asset. If a head lease is short-term lease to which the Group and the Company applies the exemption described above, then it classifies the sublease as an operating lease.

17.3.15 Provision for liabilities

Provision are recognised when the Group and the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provision are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risk specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

17.3.16 Interest – bearing borrowings

Interest-bearing bank loans and overdrafts are recorded at the amount of proceeds received, net of transaction costs.

17. NOTES TO THE STATEMENTS OF ASSETS AND LIABILITIES (CONT'D)

17.3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

17.3.16 Interest – bearing borrowings (Cont'd)

Borrowings costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take substantial year of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. The amount of borrowing costs eligible for capitalisation is determined by applying a capitalisation rate which is the weighted average of the borrowings costs applicable to the Group's and the Company's borrowings that are outstanding during the year, other than borrowings made specifically for the purpose of obtaining another qualifying asset. For borrowings made specifically for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalisation is the actual borrowing costs incurred on that borrowing during the year less any investment of that borrowing.

All other borrowing costs are recognised in profit or loss in the year they are incurred.

17.3.17 Share capital

Ordinary shares are equity instruments and classified as equity. Distributions to holders of ordinary shares are debited directly to equity and dividends declared on or before the end of the reporting period are recognised as liabilities. Costs directly attributable to equity transactions are accounted for as a deduction, net of tax, from equity.

17.3.18 Fund of ISUs

Funds of ISUs received from the ISU holders under the Laundrybar Investment Scheme are financial instruments with an embedded derivative and are designated as financial liabilities at fair value through profit or loss upon initial recognition and are measured initially at fair value and subsequently at fair value, with any resultant gains or losses recognised in profit or loss. Transaction costs are immediately recognised in profit or loss on initial recognition.

Such Funds of ISU is derecognised when the obligation under the liability is extinguished. When and existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchanged or modification is treated as derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

17 NOTES TO THE STATEMENTS OF ASSETS AND LIABILITIES (CONT'D)

17.3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

17.3.18 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or liability occurs either in the principal market or, in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group and the Company.

For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in the highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group and the Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group and Company determined whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at each reporting date.

For the purpose of fair value disclosures, the Group and the Company had determined classes of assets and liabilities on the basis of the nature, characteristics

17. NOTES TO THE STATEMENTS OF ASSETS AND LIABILITIES (CONT'D)

17.3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

17.3.20 Revenue and other income recognition

17.3.20.1 Rendering of services

Revenue is measured based on the consideration specified in a contract with a customer in exchange for transferring services to a customer, excluding amounts collected on behalf of third parties. The Group and the Company recognises revenue when (or as) it transfers service to customer. An asset is transferred when (or as) the customer obtains control of the asset.

The Group and the Company provides service at a point in time unless one of the following overtime criteria is met:

(a) the customer simultaneously receives and consumes the benefits provided as the Group and the Company performs;

(b) the Group's and the Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or

(c) the Group's and the Company's performance does not create an asset with an alternative use and the Group and the Company has an enforceable right to payment for performance completed to date.

17.3.20.2 Interest income

Interest income is recognised as it accrues using the effective interest method in profit or loss.

17.3.20.3 Rental income

Rental income from investment property is recognised on the straight-line basis over the term of the relevant tenancy agreement. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.

17 NOTES TO THE STATEMENTS OF ASSETS AND LIABILITIES (CONT'D)

17.3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

17.3.21 Employee benefits

17.3.21.1 Short term benefits

Wages, salaries, bonuses paid annual leave, paid sick leave, social security contributions and non-monetary benefits are recognised as an expense in the year in which the associated services are rendered by employees of the Group and of the Company. Short term accumulating compensated absences such as annual leave are recognised as an expense when the employees rendered services that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised as an expense when the absences occur.

17.3.21.2 Defined contribution plans

As required by law, Companies in Malaysia make contributions to the state pension scheme, the Employees Provident Fund ("EPF"). Such contributions are recognised as an expense in the profit or loss as incurred.

17.3.22 Finance costs

Finance costs comprising interest expense on borrowings, Laundrybar Investment Scheme interest expenses, net yield sharing costs and other borrowing costs arising in connection with the borrowing of funds.

17.3.23 Income tax

17.3.23.1 Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

17. NOTES TO THE STATEMENTS OF ASSETS AND LIABILITIES (CONT'D)

17.3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

17.3.23 Income tax (Cont'd)

17.3.23.2 Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax liabilities are recognised for all temporary differences, except:-

- where the deferred tax liabilities arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised except:-

- where the deferred tax asset relating to the deductible temporary differences arise from the initial recognition of an asset and liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable profit or loss; and

- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

17 NOTES TO THE STATEMENTS OF ASSETS AND LIABILITIES (CONT'D)

17.3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

17.3.23 Income tax (Cont'd)

17.3.23.2 Deferred tax

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

17.3.24 Contingent liabilities and contingent assets

A contingent liability is:-

17.3.24.1 A possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group and of the Company; or

17.3.24.2 A present obligation that arises from past events but is not recognised because:

(a) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

(b) the amount of the obligation cannot be measured with sufficient reliability.

17. NOTES TO THE STATEMENTS OF ASSETS AND LIABILITIES (CONT'D)

17.3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

17.3.24 Contingent liabilities and contingent assets (Cont'd)

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group and of the Company.

A contingent liabilities and assets are not recognised on the statement of financial position of the Group and of the Company, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

17.3.25 Accounting estimation and judgements

Estimates and judgements are continually evaluated by the directors and management and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and judgements that affect the application of the Group's and of the Company's accounting policies and disclosures, and have a significant risk of causing a material adjustment to the carrying amounts of assets, liabilities, income and expenses are discussed below:

17.3.25.1 Income taxes

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

17.3.25.2 Impairment of non-financial assets

When the recoverable amount of an asset is determined based on the estimate of the value-in-use of the cash-generating unit to which the asset is allocated, the management is required to make an estimate of the expected future cash flows from the cash-generating unit and also to apply a suitable discount rate in order to determine the present value of those cash flows.

17. NOTES TO THE STATEMENTS OF ASSETS AND LIABILITIES (CONT'D)

17.3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

17.3.25 Accounting estimation and judgements (Cont'd)

17.3.25.3 Fair value estimation for certain financial assets and liabilities

The Group and the Company carries certain financial assets and liabilities at fair value, which requires extensive use of accounting estimates and judgement. While significant components of fair value measurement were determined using verifiable objective evidence, the amount of changes in fair value would differ if the Group and the Company uses different valuation methodologies. Any changes in fair value of these assets and liabilities would affect profit and equity.

17.3.25.4 Depreciation of investment properties, plant and equipment

The cost of an item of investment properties, 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 investment properties, 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 investment properties, plant and equipment.

17.3.25.5 Amortisation of intangible assets

The cost of intangibles are amortised on straight line basis over their useful lives. Management estimates the useful lives of the intangible assets as stated in Note 3.6. These are common life expectancies applied in the industries. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these intangibles, therefore future amortisation charges could be revised.

17.3.25.6 Extension options for leases

When the Group and the Company has the option to extend a lease, management uses its judgement to determine whether or not option would be reasonably certain to be exercised. Management considers all facts and circumstances including their past practice and any cost that will be incurred to change the asset if an option to extend is not taken, in determining the lease term.

17. NOTES TO THE STATEMENTS OF ASSETS AND LIABILITIES (CONT'D)

17.3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

17.3.25 Accounting estimation and judgements (Cont'd)

17.3.25.7 Impairment of financial assets

The Group and the Company uses an allowance matrix to measure Expected Credit Losses (ECL) of trade receivables. Loss rates are calculated using "roll rate" method based on probability of a receivables progressing through successive stages of delinquency to 12 months past due and supportable forward-looking information. If the expectation is different from the estimation, such difference will impact the carrying value of trade receivables. The carrying amounts of trade receivables as at the reporting date are disclosed in Note 17.11 to the financial statements.

17.3.25.8 Fair value of ISU Funds

The Company carries its ISU funds at fair value, with changes in fair values being recognised in profit or loss. In accordance with the terms and conditions of the Scheme, the Company is obligated to pay an annual fixed interest return of 6% from year 1 to year 9 as per Management Agreement and is required to refund to the ISU holders the Interest Value upon the maturity date.

The fair value of the ISU funds has been determined by the Directors using discounted cash flows analysis of the underlying Scheme obligations, based on significant assumptions as disclosed in Note 17.17 to the Report. Where actual results differ from original projections, the differences may impact the carrying amount of the ISU funds.

17. NOTES TO THE STATEMENTS OF ASSETS AND LIABILITIES (CONT'D)

17.4 PLANT AND EQUIPMENT

Group	Outlet equipment RM	Laundry equipment RM	Renovation RM	Motor vehicle RM	Office equipment RM	Total RM
Cost or valuation)	←		At cost		→	
As at 1 MARCH 2022	390,564	11,941,750	5,405,531	40,400	5,888	17,685,300
Additions	168,029	3,400,871	1,546,520	47,700	-	5,161,220
Disposals	(1,600)	(360,180)	(191,330)	(4,800)	-	(547,580)
Reclassification	4,200	(306,320)	174,000	-	-	(28,000)
As at 28 FEBRUARY 2023	555,193	14,736,301	6,934,821	88,300	8,888	22,375,233

Accumulated depreciation and impairment loss:

	Outlet equipment RM	Laundry equipment RM	Renovation RM	Motor vehicle RM	Office equipment RM	Total RM
As at 1 MARCH 2022	92,843	4,078,869	1,180,530	12,193	554	5,364,078
Depreciation charge for the year	45,738	1,415,088	880,856	16,348	966	2,142,311
Disposals	(820)	(143,841)	(88,131)	(2,800)	-	(232,592)
Reclassification	1,280	(146,562)	124,700	-	-	(18,600)
As at 28 FEBRUARY 2023	136,941	5,202,344	1,888,155	26,338	1,520	7,254,898

Net carrying amount:						
As at 1 MARCH 2022	297,721	7,763,081	4,225,001	28,207	8,304	12,322,094
As at 28 FEBRUARY 2023	425,252	9,583,917	5,046,566	61,962	8,338	15,120,335

17. NOTES TO THE STATEMENTS OF ASSETS AND LIABILITIES (CONT'D)

17.a PLANT AND EQUIPMENT (CONT'D)

Company	Outlet equipment RM	Laundry equipment RM	Renovation RM	Motor vehicle RM	Office equipment RM	Total RM
	←		At cost		→	
Cost or valuation:						
As at 1 MARCH 2022	368,964	11,446,780	5,294,201	45,400	6,658	17,161,983
Additions	186,029	3,498,671	1,546,620	47,700	-	5,259,320
Disposals	-	-	(90,000)	(4,800)	-	(94,800)
Reclassification	4,200	(206,020)	174,000	-	-	(28,000)
As at 28 FEBRUARY 2023	559,193	14,739,431	6,924,821	88,300	6,658	22,318,403
Accumulated depreciation and impairment loss:						
As at 1 MARCH 2022	92,043	3,882,031	1,134,415	13,190	654	5,121,338
Depreciation charge for the year	45,638	1,383,108	687,508	16,948	666	2,133,883
Disposals	-	-	(31,666)	(3,800)	-	(35,466)
Reclassification	1,260	(145,060)	134,700	-	-	(18,600)
As at 28 FEBRUARY 2023	138,941	5,120,079	1,924,957	26,338	1,320	7,172,133
Net carrying amount:						
As at 1 MARCH 2022	296,921	7,564,729	4,159,786	33,207	6,004	12,060,647
As at 28 FEBRUARY 2023	420,252	9,619,352	5,048,866	61,962	5,338	15,186,270

Company No. 201601011755 (1197080-D)

17. NOTES TO THE STATEMENTS OF ASSETS AND LIABILITIES (CONT'D)

17.5 RIGHT-OF-USE ASSETS

Group	Laundry equipment RM	Machineries RM	Retail outlet RM	Motor vehicle RM	Total RM
Cost:					
As at 1 MARCH 2022	1,460,200	9,120,988	34,566,778	85,388	45,213,358
Additions	1,191,000	1,078,062	18,478,884	-	20,747,718
Adjustment due to lease modification	-	-	7,781,271	-	7,781,271
Derecognition	-	(1,425,097)	(888,827)	-	(2,313,921)
As at 28 FEBRUARY 2023	2,651,200	8,773,953	59,934,884	85,388	71,425,425
Accumulated depreciation and impairment loss:					
As at 1 MARCH 2022	23,463	3,072,846	10,638,048	17,437	13,952,768
Depreciation charge for the year	197,635	889,223	8,330,813	15,078	9,400,548
Impairment loss for the year	-	-	-	-	-
Reversal of impairment loss	-	-	-	-	-
Derecognition	-	(487,710)	(642,486)	-	(1,011,201)
As at 28 FEBRUARY 2023	221,098	3,474,359	18,316,174	32,515	19,042,146
Net carrying amounts:					
As at 1 MARCH 2022	1,436,737	7,046,146	24,097,730	47,951	32,980,581
As at 28 FEBRUARY 2023	2,430,102	5,299,594	44,818,710	54,873	52,383,279

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17. NOTES TO THE STATEMENTS OF ASSETS AND LIABILITIES (CONT'D)

17.5 RIGHT-OF-USE ASSETS (CONT'D)

Company	Laundry equipment RM	Machineries RM	Retail outlet RM	Motor vehicle RM	Total RM
Cost:					
As at 1 MARCH 2022	1,470,200	9,120,996	34,329,571	65,388	44,276,134
Additions	1,101,000	1,075,061	18,470,554	-	20,341,718
Adjustment due to lease modification	-	-	7,781,271	-	7,781,271
Derecognition	-	(1,422,094)	(651,622)	-	(2,073,716)
As at 28 FEBRUARY 2023	2,571,200	8,773,963	59,934,884	65,388	71,405,425
Accumulated depreciation and impairment loss:					
As at 1 MARCH 2022	33,463	2,072,848	10,327,838	17,437	12,441,587
Depreciation charge for the year	107,635	869,223	5,296,619	15,078	6,374,384
Impairment loss for the year	-	-	-	-	-
Reversal of impairment loss	-	-	-	-	-
Derecognition	-	(467,713)	(308,283)	-	(773,996)
As at 28 FEBRUARY 2023	141,098	2,474,358	15,316,174	32,515	18,042,165
Net carrying amounts:					
As at 1 MARCH 2022	1,436,737	7,048,148	24,001,733	47,951	32,534,597
As at 28 FEBRUARY 2023	2,430,102	6,299,604	44,618,710	32,873	53,363,278

17. NOTES TO THE STATEMENTS OF ASSETS AND LIABILITIES (CONT'D)

17.5 RIGHT-OF-USE ASSETS (CONT'D)

17.5.1 Cash payments made to purchase right-of-use assets are as follows:

	Group / Company RM
Total additions	20,741,716
Additions through:	
- Lease liabilities	(19,550,716)
- Hire purchase	(1,115,976)
	75,068

17.5.2 Leases as lessor

The Group and Company lease out its retail outlet under non-cancellable operating leases. The lessees are required to pay absolute fixed lease payments during the lease period. Total future minimum lease receivables under non-cancellable operating leases contracted for at the reporting date but not recognised as receivables, are as follows:

	Group / Company RM
Within 1 year	84,000
In the second year	41,000
	125,000

17. NOTES TO THE STATEMENTS OF ASSETS AND LIABILITIES (CONT'D)

17.6 INVESTMENT PROPERTY

Group / Company	Leasehold land RM	Leasehold building RM	Total RM
Cost			
As at 1 MARCH 2022	375,000	875,303	1,250,303
Additions	-	-	-
Disposals	-	-	-
As at 28 FEBRUARY 2023	375,000	875,303	1,250,303
Accumulated depreciation and impairment loss:			
As at 1 MARCH 2022	14,939	55,417	69,526
Depreciation charge for the year	4,433	17,500	21,933
Disposals	-	-	-
As at 28 FEBRUARY 2023	18,304	72,917	91,461
Net carrying amount:			
As at 1 MARCH 2022	360,061	819,383	1,180,471
As at 28 FEBRUARY 2023	356,436	802,383	1,158,519

17.6.1 The leasehold land and buildings with a carrying amount of RM1,158,519 are pledged as security to financial institution for banking facilities granted to the Group and the Company.

17.6.2 The Company leases out its properties under non-cancellable operating lease arrangements. These leases run typically for a period of 2-3 years, with the option to renew. Subsequent renewals are negotiated with the lessee and renewal periods is 1 year. None of the leases include contingents rentals.

17.6.3 The following are recognised in profit or loss:

	Group / Company RM
Rental income	49,500
Direct operating expenses	(8,041)

17. NOTES TO THE STATEMENTS OF ASSETS AND LIABILITIES (CONT'D)

17.6 INVESTMENT PROPERTY (CONT'D)

17.6.4 The future undiscounted lease payments receivable after the reporting date are as follows:

	Group / Company RM
Within 1 year	57,300
In the second year	[illegible]
In the third year	4,500
	[illegible]

17.7 INTANGIBLE ASSETS

Group	Software and licence RM	System RM	Brand name RM	Total RM
As at 1 MARCH 2022	[illegible]	8,000	[illegible]	[illegible]
Additions	-	-	448,000	448,000
Disposals	-	-	[illegible]	[illegible]
Reclassification	-	-	[illegible]	[illegible]
As at 28 FEBRUARY 2023	[illegible]	8,000	[illegible]	[illegible]
Accumulated amortisation and impairment loss:				
As at 1 MARCH 2022	548	800	[illegible]	[illegible]
Amortisation charge for the year	2,181	800	[illegible]	[illegible]
Disposals	-	-	[illegible]	[illegible]
Reclassification	-	-	[illegible]	[illegible]
As at 28 FEBRUARY 2023	2,729	1,600	[illegible]	[illegible]
Net carrying amounts:				
As at 1 MARCH 2022	[illegible]	7,200	[illegible]	[illegible]
As at 28 FEBRUARY 2023	[illegible]	6,400	[illegible]	[illegible]

Company	Software and licence RM	System RM	Brand name RM	Total RM
As at 1 MARCH 2022	[illegible]	8,000	[illegible]	[illegible]
Additions	-	-	[illegible]	[illegible]
Disposals	-	-	-	-
Reclassification	-	-	[illegible]	[illegible]
As at 28 FEBRUARY 2023	[illegible]	8,000	[illegible]	[illegible]
Accumulated amortisation and impairment loss:				
As at 1 MARCH 2022	548	800	[illegible]	[illegible]
Amortisation charge for the year	2,181	800	[illegible]	[illegible]
Disposals	-	-	-	-
Reclassification	-	-	[illegible]	[illegible]
As at 28 FEBRUARY 2023	2,729	1,600	[illegible]	[illegible]
Net carrying amounts:				
As at 1 MARCH 2022	[illegible]	7,200	[illegible]	[illegible]
As at 28 FEBRUARY 2023	[illegible]	6,400	[illegible]	[illegible]

17. NOTES TO THE STATEMENTS OF ASSETS AND LIABILITIES (CONT'D)

17.8 INVESTMENT IN SUBSIDIARY COMPANY

17.8.1 Investment in subsidiary company:

	Company RM
Unquoted shares, at cost	423,581
Less: Accumulated impairment loss	
As at 1 MARCH	-
Impairment loss for the year	-
Disposal of subsidiary company	-
As at 28 FEBRUARY	-
	423,581

17.8.2 The subsidiary companies and shareholdings therein are as follows:

Name of company	Country of Incorporation	Equity Interest (%)	Principal activities
City Coin Technology (South) Sdn Bhd *	Malaysia	100%	Ceased business operations

* Audited by SY LEE & CO.

17.8.3 Acquisition of non-controlling interest

On 17 OCTOBER 2022, the company had acquired an additional 210,000 ordinary shares of CITY COIN TECHNOLOGY (SOUTH) SDN BHD [CCTSSB] [Company No.: 201701008256 (1222450-A)], a company incorporated in Malaysia, for a cash consideration of RM131,034. Consequently, CCTSSB became a wholly owned subsidiary of the Company.

The different between consideration and the carrying amount of the additional interest acquired was reflected in equity.

17.8.4 The amount owing to subsidiary company represents unsecured, non-interest bearing and is repayable upon demand.

17.9 FINANCE LEASE RECEIVABLES

	Group RM	Company RM
Current	351,463	351,463
Non-current	3,242,909	3,242,909
	3,594,372	3,594,372

17. NOTES TO THE STATEMENTS OF ASSETS AND LIABILITIES (CONT'D)

17.9 FINANCE LEASE RECEIVABLES (CONT'D)

The Company has entered into lease arrangement as a lessor that are considered to be finance leases. The Company leases retail outlets and as they transfer substantially all of the risks and rewards of ownership of the assets they are classified as finance leases.

The future undiscounted lease payments receivable after the reporting date are as follows:

	Group RM	Company RM
Within 1 year	523,200	523,200
In the second year	523,200	523,200
In the third year	528,200	528,200
In the fourth year	482,800	482,800
In the fifth year	462,100	462,100
After fifth year	2,035,100	2,035,100
Total undiscounted lease receivables	4,554,600	4,554,600
Unearned interest income	(960,228)	(960,228)
Net investment in lease	3,594,372	3,594,372

17.10 INVENTORIES

	Group / Company RM
Measured at lower of cost and net realisable value:	
Consumables	376,620
Inventories recognised as cost of sales	1,461,161

17.11 TRADE RECEIVABLES

	Group / Company RM
Amount owing by directors' related company	36,978
Less: Allowance for impairment	-
Trade receivables, net	36,978

17.11.1 Amount owing by directors' related company

The amount owing by directors' related company is trade in nature. The Group's and the Company's normal trade credit term range is 30 days. Other credit terms are assessed and approved on a case-by-case basis. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

17. NOTES TO THE STATEMENTS OF ASSETS AND LIABILITIES (CONT'D)

17.11 TRADE RECEIVABLES (CONT'D)

The ageing of trade receivables at the reporting date is:

	Group / Company RM
Neither past due nor impaired	38,979
Past due but not impaired	
1 – 30 days past due not impaired	-
31 – 120 days past due not impaired	-
More than 121 days past due not impaired	-
	-
Past due and impaired	-
	38,979

Trade receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group and the Company. The credit period is generally for a period from 30 days. Other credit terms are assessed and approved on a case-by-case basis.

17.12 OTHER RECEIVABLES

	Group RM	Company RM
Other debtors	275,886	109,106
Deposits	1,953,801	1,957,881
Prepayments	1,084,885	1,084,800
	3,330,567	3,151,787

12.1 Other debtors

Other debtors are non-interest bearing. Other debtors are normally collected on an average term of 30 days.

12.2 Amount owing by directors' related companies

The amount owing by directors' related companies is non-trade in nature. The Group and the Company normally settled on an average term of 30 days.

17 NOTES TO THE STATEMENTS OF ASSETS AND LIABILITIES (CONT'D)

17.13 CASH AND CASH EQUIVALENTS

	Group RM	Company RM
Cash in hand	138,458	138,458
Cash at banks	1,643,338	1,642,696
Short term deposits with licensed banks	30,241	30,241
	1,812,037	1,811,395
Deposits placed with licensed banks with maturity over 3 months	(30,241)	(30,241)
	1,781,796	1,781,154

17.14 SHARE CAPITAL

	Number of shares	Amount RM
Ordinary shares		
Issued and fully paid		
As at 1 MARCH	5,000,000	5,000,000
As at 28 FEBRUARY	5,000,000	5,000,000

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regard to the Company residual assets.

17.15 BANK BORROWINGS

	Group / Company RM
Long term borrowings:	
Secured	
- Term loan	1,443,242
Total borrowings	
Less: current portion of long term borrowings	
- Term loan	(96,857)
	1,346,385
Short term borrowings	
Secured	
- Term loan	96,857
	96,857
Maturity of borrowings	
Repayable within twelve months	96,857
Repayable after twelve months	1,346,385
	1,443,242

17. NOTES TO THE STATEMENTS OF ASSETS AND LIABILITIES (CONT'D)

17.15 BANK BORROWINGS (CONT'D)

Banking facilities are secured on the following:-
(a) A facility agreement;
(b) Subsidiary instrument, where security is taken over property without individual title;
(c) Guarantee in favour of the bank by CGC / SJPP 70% of the approved limit of the facility;
(d) Corporate guarantee by City Coin Laundry Sdn Bhd and City Coin Holdings Sdn Bhd; and
(e) Jointly and severally guaranteed by certain directors.

Term loans are charged at rate of 2.25% per annum below the respective bank's base lending rate and 1.5% per annum above the respective bank's base financing rate.

17.16 HIRE PURCHASE AND LEASE LIABILITIES

	Group / Company RM
Secured	
Current	
Hire purchase with financial institution	769,747
Lease liabilities	6,211,883
	6,981,630
Non-current	
Hire purchase with financial institution	1,028,775
Lease liabilities	51,021,871
	52,050,646
Total hire purchase and lease liabilities	59,032,276

These obligations are secured by a charge over the leased assets (Note 17.5). The average discount rate implicit in the hire purchase and lease liabilities is approximately 6.15% - 7.81% and 5.60% - 10.00% per annum.

17.16.1 Lease commitments

The Group and the Company has finance leases for all right-of-use assets

17. NOTES TO THE STATEMENTS OF ASSETS AND LIABILITIES (CONT'D)

17.16 HIRE PURCHASE AND LEASE LIABILITIES (CONT'D)

17.16.1 Lease commitments (Cont'd)

Future minimum lease payments under finance leases together with the present value of the minimum lease payments are as follows:

	Group / Company RM
Minimum lease payments:	
- Not later than 1 year	10,138,588
- Later than 1 year but not later than 5 years	33,637,087
- Later than 5 years	32,168,177
Total minimum lease payment	75,943,852
Less: Amounts representing finance charges	(16,911,576)
Present value of minimum lease payments	59,032,276
Present value of payments:	
- Not later than 1 year	6,981,630
- Later than 1 year but not later than 5 years	24,887,920
- Later than 5 years	27,162,726
Present value of minimum lease payments	59,032,276
Less: Amount due within 12 months	(6,981,630)
Amount due after 12 months	52,050,646

17.16.2 Total cash outflows for leases

	Group / Company RM
Included in net cash from financing activities:	
Payment of lease liabilities	5,765,958
Interest paid in relation to lease liabilities	2,965,933
	8,731,891

17.17 FUND OF INTEREST SCHEME UNITS (FISU)

	Group / Company RM
Fund of interest scheme units (FISU)	
Current	25,763
Non current	1,705,000
	1,730,763

17. NOTES TO THE STATEMENTS OF ASSETS AND LIABILITIES (CONT'D)

17.17 FUND OF INTEREST SCHEME UNITS (ISU)

Interest Scheme Units (ISU Fund) is an unit of the 'Laundrybar Investment Scheme' ('the scheme') offered for sales to the public as referred to in Note 17.1.2 to the financial statements.

ISU Fund represents the amount received from investors under the Scheme for which the Company is obligated to pay an annual fixed interest return of 8% from year 1 to year 8. In addition, the Company has certain obligations to meet repurchase requests from the investors and upon expiry of the Scheme to redeem the ISU from the investors.

The fair value of the ISU Fund is determined using the discounted cash flows method, and is derived from the present value of the future cash flows resulting from the obligations under the Scheme, computed based on the projections prepared by the management. The key assumptions used in the determination of the fair value is based on annual fixed interest payment of 8% for year 1 to year 8.

During the year, the Company had declared and paid an 8% interest and 0.5% bonus to the Interest Unit Holder for calendar year 2022.

17.18 DEFERRED TAX LIABILITIES

	Group / Company RM
At the beginning of the year	-
Transfer to the profit or loss	400,000
At the end of the year	400,000
Taxable temporary differences of:	
- Plant and equipment	803,110
- Finance lease asset	882,040
Deductible temporary differences of:	
- Right of use asset	(1,285,150)
Net deferred tax liabilities	400,000

17.19 TRADE PAYABLES

	Group RM	Company RM
Third parties	108,120	108,120
Amount owing to directors' related company	111,324	-
	219,444	108,120

17. NOTES TO THE STATEMENTS OF ASSETS AND LIABILITIES (CONT'D)

17.19 TRADE PAYABLES

17.19.1 Third parties

These amounts are non-interest bearing. The Group's and the Company's normal credit terms range 30 to 60 days.

17.19.2 Amount owing to directors' related company

The amount owing to directors' related company is trade in nature. The Group's and the Company's normal credit terms range 30 to 60 days.

17.20 OTHER PAYABLES

	Group RM	Company RM
Other creditors	1,139,227	1,139,239
Amount owing to directors' related companies	10,161,053	10,161,053
Amount owing to corporate shareholders	128,840	128,840
Deposits payable	148,400	148,400
Accruals	299,831	298,331
	11,877,367	11,875,865

17.20.1 Other creditors

Other creditors are non interest bearing. Non-trade creditors are normally settled on an average term of 30 days.

17.20.2 Amount owing to directors' related companies

The amount owing to directors' related companies is non-trade in nature. The Group and the Company normally settled on an average term of 30 days.

17.20.3 Amount owing to corporate shareholders

The corporate shareholders is CITY COIN HOLDINGS SDN BHD (Company No. 201801017864 (1279880-P)), company incorporated in Malaysia. The amount owing to corporate shareholders is non-trade in nature. The Group and the Company normally settled on an average term of 30 days.

17.21 AMOUNT OWING TO DIRECTORS

This represents unsecured, non-interest bearing and is repayable upon demand.

17. NOTES TO THE STATEMENTS OF ASSETS AND LIABILITIES (CONT'D)

17.22 RELATED PARTIES

17.22.1 Identity of related parties

For the purposes of these financial statements, parties are considered to be related to the Group and the Company if the Group and the Company has the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the Company and the party are subject to common control. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group and the Company either directly or indirectly. Key management personnel include all the Directors of the Group and the Company, and certain members of senior management of the Group and the Company.

The Group and the Company has related party relationship with its former holding company, subsidiary company, directors' related companies and key management personnel.

17.22.2 Significant related party transactions

	Group RM	Company RM
With subsidiary company		
Purchase of plant and equipment	-	98,000
Management fee**	-	(9,000)
Finance lease interest income**	-	(991)
Entities control by key management		
Directors		
Purchases**	[illegible]	[illegible]
Purchase of plant and equipment**	[illegible]	[illegible]
Acquisition of intangible asset**	520,000	520,000
Rental income**	(245,900)	(245,900)
Lease interest income**	(98,262)	(98,262)
Insurance income**	(1,808)	(1,808)
Gain on lease derecognition**	(141,413)	(141,413)
Maintenance fee**	6,366	-
Management fee**	[illegible]	[illegible]
Travel**	[illegible]	[illegible]
Repair and maintenance**	660,000	660,000
Hire purchase and lease liabilities interest**	741,788	741,788
Other administration expenses**	[illegible]	[illegible]

17. NOTES TO THE STATEMENTS OF ASSETS AND LIABILITIES (CONT'D)

17.22 RELATED PARTIES (CONT'D)

17.22.2 Significant related party transactions (Cont'd)

	Group / Company RM
With companies related to directors:-	
Advances to its directors' related companies	43,327
Repayment from its directors' related companies	(43,327)
Advances from its directors' related companies	36,324,887
Repayment to its directors' related companies	(31,462,366)
With directors of the Company	
Advances from directors of the Company	605,637
Repayment to directors of the Company	(5,365,605)

* The directors are of the opinion that all the transactions above have been entered into the normal course of business and have been established on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties.

17.22.3 Compensation of key management personnel

	Group / Company RM
With directors	
Short-term employee benefits	548,267

17.23 FINANCIAL RISK MANAGEMENT

The Group's and the Company's financial risk management is to ensure that adequate financial resources are available for the development of the Group's and the Company's operations whilst managing its financial risks, including credit risk, liquidity and cash flow risk and interest rate risk.

Matters pertaining to risk management strategies and execution require the decision and approval of the Board of Directors.

The following sections provide details regarding the Group's and the Company's exposure to the above mentioned financial risks and the objectives, policies and processes for the management of these risks.

17. NOTES TO THE STATEMENTS OF ASSETS AND LIABILITIES (CONT'D)

17.23 FINANCIAL RISK MANAGEMENT

17.23.1 Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations, thereby resulting in financial loss to the Group and the Company. For trade receivables, the Group and the Company manages its credit risk through the credit approvals, credit limits and monitoring procedures. Where appropriate, the Group and the Company obtains advance payments from customers of lower credit standing.

For other financial assets, the Group and the Company adopts the policy of dealing with high credit quality counterparties.

As at the reporting date, the Group and the Company has no significant concentration of credit risk.

The maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the statement of financial position which comprise mainly trade and other receivables and cash and bank deposits.

Trade receivables

The Group and the Company uses an allowance matrix to measure Expected Credit Losses (ECL) of trade receivables. Loss rate are calculated using "roll rate" method based on probability of a receivables progressing through successive stages of delinquency to 11 months past due.

Loss rate are based on actual credit losses experience over the past three years. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle their debts.

Trade receivables are write off when there is no reasonable expectation of recovery.

No expected credit loss is recognised from trade receivables as it is negligible.

Other receivables

Impairment of other receivables is recognised based on general approach with MFRS 9 using the forward looking expected credit loss model. The methodology used to determine the amount of impairment is based on whether has been a significant increase in credit risk since initial recognition of financial assets.

17. NOTES TO THE STATEMENTS OF ASSETS AND LIABILITIES (CONT'D)

17.23 FINANCIAL RISK MANAGEMENT

17.23.1 Credit risk (Cont'd)

For those in which the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those in which the credit risk has increased significantly, lifetime expected credit losses along with gross interest income are recognised.

The Group and the Company determines the probability of default for amount due from related companies and related parties individually using internal information. No loss allowance has been recognised for amount due from related parties as the Group and the Company consider them low credit risks.

Credit risks on other receivables are mainly arising from deposits paid for office buildings, hostel and fixtures rented. These deposits will be received at the end of each lease terms. The Group and the Company manages the credit risk together with the leasing arrangement.

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

As at the end of the reporting period, the Group and the Company did not recognised any allowance for impairment losses.

<u>Cash and bank balances</u>

Cash and bank balances have low credit risk as they are placed with reputable financial institutions with strong credit rating and has no history of default. Consequently, the Directors are of the opinion that loss allowance is insignificant.

17.23.2 Liquidity and cash flow risk

The Group and the Company practice prudent liquidity risk management to minimise the mismatch of financial assets and liabilities and to maintain sufficient credit facilities to meet its working capital requirement.

In addition, the Group's and the Company's objective is to maintain a balance of funding and flexibility through the use of credit facilities, short and long term borrowings and a flexible cost effective borrowing structure. Short-term flexibility is achieved through credit facilities and short-term borrowings. This is to ensure that at the minimum, all projected net borrowing needs are covered by committed facilities. Also, the objective for debt maturity is to ensure that the amount of debt maturing in any one year is not beyond the Group's and the Company's means to repay and refinance.

17. NOTES TO THE STATEMENTS OF ASSETS AND LIABILITIES (CONT'D)

17.23 FINANCIAL RISK MANAGEMENT

17.23.2 Liquidity and cash flow risk

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and the Company's liabilities at the reporting date based on contractual undiscounted repayment obligations.

17. NOTES TO THE STATEMENTS OF ASSETS AND LIABILITIES (CONT'D)

17.23 FINANCIAL RISK MANAGEMENT (CONT'D)

17.23.2 Liquidity and cash flow risk (Cont'd)

Group	On demand or within 1 year RM	1 to 5 years RM	Over 5 years RM	Total RM
Trade payables	218,444	-	-	218,444
Other payables	11,877,367	-	-	11,877,367
Amount owing to directors	353,988	-	-	353,988
Hire purchase and lease liabilities	10,138,888	33,637,287	32,168,177	75,942,952
Bank borrowings	157,146	868,584	1,093,491	2,119,221
Fund of Interest Scheme Units (ISU)	162,249	546,750	2,029,276	2,738,275
Total undiscounted financial liabilities	22,918,380	34,852,421	35,480,944	93,250,245

Company	On demand or within 1 year RM	1 to 3 years RM	Over 5 years RM	Total RM
Trade payables	108,120	-	-	108,120
Other payables	11,875,860	-	-	11,875,860
Amount owing to directors	353,988	-	-	353,988
Amount owing to subsidiary company	128,856	-	-	128,856
Hire purchase and lease liabilities	10,138,888	33,637,087	32,166,177	75,942,152
Bank borrowings	157,146	868,584	1,093,491	2,119,221
Fund of Interest Scheme Units (ISU)	162,249	546,750	2,029,276	2,738,275
Total undiscounted financial liabilities	22,934,944	34,852,421	35,460,944	93,248,309

17. NOTES TO THE STATEMENTS OF ASSETS AND LIABILITIES (CONT'D)

17.23 FINANCIAL RISK MANAGEMENT (CONT'D)

17.23.3 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the in market interest rates. Interest rate exposure arises from the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates. The Group's and the Company's income and operating cash flows are not substantially dependent of changes in market interest rates. Interest rate exposure arises from the Group's and the Company's borrowings and deposits. The Group's and the Company's interest bearing deposits are subject to interest based on fixed rates while borrowings is subject to interest based on floating rates.

The Group and the Company manages the net exposure to interest rate risks by maintaining sufficient lines of credit to obtain acceptable lending costs and by monitoring the exposure to such risks on an ongoing basis. As at 28 FEBRUARY 2023, the Group and the Company has not entered in to any hedging instruments arrangement as the cost of such instruments outweighs the potential risk of interest rate fluctuation.

The interest rate profile of the Group and the Company's significant interest-bearing financial instruments, based on carrying amounts as the end of the reporting year was:-

	Group / Company RM
Fixed rate instruments	
Financial liabilities	
- Hire purchase	1,788,022
Floating rate instruments	
Financial liabilities	
- Bank borrowings	1,443,242

Sensitivity analysis for interest rate risk

17.23.3.1 Sensitivity analysis for fixed rate instruments

As the fixed rate financial assets and liabilities are not account for at fair value through profit or loss and therefore a change in interest rates at the end of the reporting year would not affect the profit or loss.

17 NOTES TO THE STATEMENTS OF ASSETS AND LIABILITIES (CONT'D)

17.23 FINANCIAL RISK MANAGEMENT (CONT'D)

17.23.3 Interest rate risk (Cont'd)

17.23.3.2 Sensitivity analysis for floating rate instruments

At the end of the financial year, if interest rate increase / (decrease) by 1% with all other variables held constant, the Group's and the Company's profit net of tax will be lower / higher by approximately RM18,432. The assumed movement in interest rates for interest rate sensitivity analysis is based on the current observable market environment.

17.23.4 Fair values of financial assets and financial liabilities

The carrying amounts of financial assets and financial liabilities are reasonable approximation their fair values, are detailed in the following table:-

	Group RM	Company RM
Financial assets:		
- Trade receivables	30,979	38,979
- Other receivables	2,135,887	2,096,067
- Finance lease receivables	3,394,372	3,594,372
- Cash and bank balances	1,813,027	1,811,306
	7,879,075	7,559,723
Financial liabilities:		
- Trade payables	216,644	108,120
- Other payables	11,877,367	11,875,880
- Amount owing to directors	353,000	255,000
- Amount owing to subsidiary company	-	128,899
- Bank borrowings	1,443,242	1,443,242
- Hire purchase and lease liabilities	59,032,378	59,032,378
- Fund of Interest Scheme (IS)	1,730,782	1,730,782
	74,657,687	74,573,161

17.24 CAPITAL MANAGEMENT

The Management's objective is to ensure that the Group and the Company remain as going concern as well as to maintain optimal return to shareholders and benefits for other stakeholders. Management also aims to manage capital structures that ensure the lowest cost of capital to the Group and the Company. The Group's and the Company's capital structure is monitored on a going concern basis by the directors and is periodically review by the Board. The Group and the Company has no externally imposed capital requirements. No changes were made in the objectives, policies or processes since the previous financial year.

17. NOTES TO THE STATEMENTS OF ASSETS AND LIABILITIES (CONT'D)

17.24 CAPITAL MANAGEMENT (CONT'D)

The Group and the Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. Net debt comprise of net current liabilities and long term liabilities less cash and cash equivalents. Capital comprise of total equity and net debts.

The gearing ratio of the Group and the Company is as follows:-

	Group RM	Company RM
Trade payables	235,464	308,120
Other payables	11,877,567	11,875,860
Amount owing to directors	353,986	353,986
Amount owing to subsidiary company	-	128,680
Bank borrowings	1,443,242	1,443,242
Hire purchase and lease liabilities	58,032,270	60,032,270
Fund of [illegible] Scheme Units (FSU)	1,730,782	1,730,782
	74,657,887	74,873,151
Less: Cash and cash equivalents	(1,812,837)	(1,811,395)
Net debt (A)	72,845,050	72,861,756
Total equity	5,174,434	5,447,464
Capital and net debt (B)	78,019,484	78,309,220
Debt to equity ratio (A) / (B)	0.934	0.930

17.25 SIGNIFICANT EVENTS

1) On 17 OCTOBER 2022, the company had acquired an additional 210,000 ordinary shares of CITY COIN TECHNOLOGY (SOUTH) SDN BHD [CCTSSB] [Company No.: 201701008289 (1222450-A)], a company incorporated in Malaysia, for a cash consideration of RM131,734. Consequently, CCTSSB became a wholly owned subsidiary of the Company.

17. NOTES TO THE STATEMENTS OF ASSETS AND LIABILITIES (CONT'D)

17.20 EVENTS AFTER THE END OF THE REPORTING PERIOD

On 24 MARCH 2023, the Company has acquired 100% shareholding of CITY COIN TECHNOLOGY (NORTH) SDN BHD (Formerly known as CITY COIN CAPITAL SDN BHD) [CCTNSB] (Company No.: 201901016516 (1325644-X)) for a cash consideration of RM1,000. Consequently, CCTNSB became the subsidiary of the Company.

SY LEE & CO
Firm Number : AF 1317
Chartered Accountants

LEE SWEE YONG
Approval Number : 02111/11/2024 J
Chartered Accountant

KUALA LUMPUR
Date: 23 MAY 2024

13. INDEPENDENT CONSULTANT'S REPORT

SEA NQA PLT (Company no. LLP0019788-LGN)
B-5-8 Plaza Mont Kiara, Mont Kiara, 50480 Kuala Lumpur

Management System Certification Audit Summary Report

Organization	City Coin 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	Ms. Sandra
Lead Auditor	Mick Ng
Audit Date	10/06/2024
Scope	Operating Self Service Laundry Bar
Audit Objective	- 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 and Opportunity from each process being assessed (latest Risk Assessment review date: 16/05/2024) and managed include identifying risk of opening new outlets, finding suitable areas, current resources, laundry bar setting up, daily laundry bar operation and etc. Strength, Weakness, Opportunity and Threat (SWOT) study sighted with raise of diesel price, raise of electricity charges, increased of material cost and maintenance parts, new high inflation rate, possible drop of interest rate, Interest Parties' Needs and Expectation Study sighted with no changed since last audit.
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) no changed since last audit to show the commitment on operation excellent, total customer satisfaction, on time customer complaint respond, compliance to statutory, regulatory as well as continual improvement.

SEA NQA PLT (Company no. [illegible])
[illegible] Plaza Mont Kiara, Mont Kiara, 50480 Kuala Lumpur

4. New Quality Objectives / Key Performance of 2023 (Rev0) , Effective Date: [illegible] sighted that includes customer complaint handling and effectiveness of operating existing and new outlets/
5. Management Action Plan / Program being established for 2024 and being monitored monthly to ensure the achievement of Quality Objectives and Key Performance Indicator.
6. Top Management strongly committed in quality product (laundry) and service (customer complaint and feedback).
7. Other quality objective e.g. 1) To reduce 10% number of complaint per outlet, 2) 0 delay in project completion (outlet setup / renovation), 3) 0 accident 4) 0 summon from local authority being established, maintained and sighted during audit. There is no new Objective added.
8. Analysis and determine the further action for Quality Objective such as 'Complaint reply within 3 working days' carried out and sighted.
9. Document in proper control. E.g. Document Masterlist being maintained and Document Change being issued when there is revision needed to the current documentation. Master Copy for all the 1st set Procedure, Control Copy to the subsequent set of document for sharing purposes being carried out and sighted during audit.
10. Quality Plan to check the quality of each outlet prior opening being established and sighted during audit that include the quality checkpoint and criteria.

Operation 1 – Area Investment Selection and Confirmation

1. Procedure / Work Flow / SOP established (Rev. 1/2/2020) and maintained 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 (TAMAN SRI MUDA, MUTIARA RAWANG, SETIA BALAKONG), 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. 1/2/2020) and maintained 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 join 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 (TAMAN SRI MUDA, MUTIARA RAWANG, SETIA BALAKONG), evidences of Business License sighted ([illegible]) the Local Authority Compliance being carried out as per above procedure.

Work Order No. [illegible]	Confidential	[illegible]	[illegible]

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Operation 3 – LOT confirmation with LOT's Owner

1. Procedure / Work Flow / SOP established (Rev. 1/1/2020) to address clearly steps and its important criteria in communication and confirmation of renting / buying with the LOT Owner. It includes 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 (TAMAN SRI MUDA, MUTIARA RAWANG, SETIA BALAKONG), evidences sighted the Local Authority Compliance being carried out as per above procedure. Shop Rental validity period till 20/02/2025, 31/12/2024 and 31/08/2025. Corporate Outlet Checklist for Drafting Tenancy Agreement for both outlets sighted.

Operation 4 – Facilities Setup

1. Procedure / Work Flow / SOP established (Rev. 1/01/2020) 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.

Operation 5 – Facilities Acceptance

1. Procedure / Work Flow / SOP established (Rev. 1/1/2020) and maintained 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.
2. Outlet Quality Handover Checklist established (Rev. 1/1/2020) to ensure the Outlet and its facilities are complete and fully operation prior acceptance. 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.
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 (TAMAN SRI MUDA, MUTIARA RAWANG, SETIA BALAKONG), evidences sighted with Meeting Minutes and New Laundry Bar Setup Confirmation Appointment Record. Reno Outlet Checklist (Machine Installation) for all (11/01/2024, 17/01/2024 and 23/01/2024), Reno Outlet Checklist (Store) for all (27/12/2023, 08/11/2023 and 13/12/2023), Corporate Outlet Pre opening checklist sighted for both (18/01/2024, 19/01/2024 and 08/2/2024) signed.

SEA HQA PLT (Company no. [illegible])
B-5-8 Plaza Mont Kiara, Mont Kiara, 50480 Kuala Lumpur

Operation 6 – Outlet Daily Operation Control

1. Procedure / Work Flow / SOP established (Rev. 1/2/2020) 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. 1/2/2020) 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 (TAMAN SRI MUDA, MUTIARA RAWANG, SETIA BALAKONG), Corporate Outlet Quarterly Checklist sighted.
4. Sanitizing being carried out to reduce the risk.

Operation 7 – Customer Complaint Handling

1. Procedure / Work Flow / SOP established 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 be summarized 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 (TAMAN SRI MUDA, MUTIARA RAWANG, SETIA BALAKONG), total number of complaints compiled for month Jan to June 2024 was 8.

Operation 8 – Outlet Collection Control

1. Procedure / Work Flow / SOP established (Rev 0) 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 (TAMAN SRI MUDA, MUTIARA RAWANG, SETIA BALAKONG), evidences of 2 months (March and April) 2024) sighted.

Other Administration Processes

1. Procedure / Work Flow / SOP for other Administration Process such as Training, established (Rev. 1/1/2022) to address clearly steps such as Recruitment, Training, Appraisal, Purchasing, Supplier Management, QMS Documentation and Record Control activities. The

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[illegible] Plaza Mont Kiara, Mont Kiara, 50480 Kuala Lumpur

Works carried out by respective Department such as Administration Department and QMS Department.

Conclusion

1. Company is expanding the Human Resources size to ensure good services provided to the end user.
2. Management sighted with good commitment to lead the team to ensure Procedures are followed all times.
3. Good Communication sighted among the team members to ensure effective and efficient information flow.
4. Company is maintaining well the implementation of ISO9001:2015 Quality Management System.
5. The Outlet Operation Process being implemented and maintained effectively follow the planned Procedure / Work Flow / SOP since the last audit.
6. Risk of New Covid 19 being added and considered before opening and after opening, include daily operation control.
7. 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.
8. Human Resources in managing the Outlet Operation are well organized through a proper organizational chart setup, recruitment and training process.
9. Operation Processes from Outlet selection to Daily Operation Control well managed through proper quality plan and criteria.
10. 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 Mok Ng

End Report

13A. SHARIAH ADVISER'S REPORT

Date: 30th April 2024

City Coin Technology Berhad
No. 13, Jalan Perindustrian Desa Aman 1B,
Industri Desa Aman,
52200 Kepong, Kuala Lumpur.

Dear Sir /Madam,

SHARIAH ADVISER'S CONFIRMATION FOR CITY COIN LAUNDRYBAR MUDARABAH INVESTMENT SCHEME ("THE SCHEME")

We, Masryef Advisory Sdn Bhd are the Shariah Adviser ("Shariah Adviser") for City Coin Technology Berhad ("City Coin Management Company").

With reference to the Shariah Pronouncement and approval we have granted to the Scheme in June 2022, we hereby confirm that to the best of our knowledge, and after having made all reasonable enquiries, the Scheme has been operated and managed in accordance with Shariah principles and complied with the applicable guidelines, rulings or decisions issued by us on Shariah matters.

The Scheme shall continue to operate its business to the letter and spirit of Shariah guidelines under the purview of Masryef. Masryef shall exclude responsibilities and liabilities should there be any additional, including new regulatory updates concerning City Coin's business which require us to review any part of this letter and the Shariah structure, unless otherwise duly discussed with Masryef.

For and on behalf of **MASRYEF ADVISORY SDN BHD**

Khairil Anuar Mohd Noor
Principal

Masryef Advisory Sdn Bhd (1339906-H)
B01-A-09-1 Menara 2, KL Eco City,
No 3 Jalan Bangsar,
59200 Kuala Lumpur
Website: www.masryef.com

14. FURTHER STATUTORY AND OTHER GENERAL INFORMATION

In accordance with the provisions of the Companies Act, 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 <u>Requisition of meeting by Interest Unit Holders</u>

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 that 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 <u>Notice of meeting of Interest Unit Holders</u>

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 the Trust Deed.

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 the Trust Deed.

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 **Scheme Expiry Date**

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

(c) The letters of consent.

-The rest of this page is intentionally left blank-

11. 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 Yeoh
Director

Tan Chee King
Director

Foo Siak Kuan
Director

Wong Chee Hong
Director

Date: 18 JUN 2024

Lodged by: **CTChen & Co**
Advocates & Solicitors
Unit B-5-6, Tower B, Plaza Pantai
Jalan Pantai Baharu
Bangsar 59200
Kuala Lump.