The lower growth of revenue in FYE 2023 compared to FYE 2022 was contributed by the following factors:

(i) strong revenue growth in FYE 2022 due to:

(a) the progressive relaxation of restrictions imposed by the Government to curb COVID-19 had led to pent-up demand by consumers resulting in revenge spending for consumer products and the gradual return of tourists into Malaysia which boost retail industry;

(b) low revenue base in FYE 2021 whereby the revenue for FYE 2021 declined by 5.15% in tandem with softened retail market during the COVID-19 outbreak; and

(c) a low revenue base in FYE 2021 coupled with a strong rebound of revenue in FYE 2022 resulted in our Group recording 33.12% revenue growth in FYE 2022;

(ii) slower revenue growth in FYE 2023 due to softened consumer spending amidst inflationary pressure in Malaysia; and

(iii) a high revenue base for FYE 2022 coupled with a slower revenue growth in FYE 2023 had contributed to lower revenue growth of 11.53% in FYE 2023 (as compared with 33.12% in FYE 2022).

The higher A&P expenses may not translate into immediate increase in revenue in the short term, as sales performance depends on various factors such as economic condition, competition, and fashion trends. Nevertheless, our Group could benefit from the increased brand awareness over time which may lead to future revenue growth.

(c) FYE 2024 compared to FYE 2023

Our Group's revenue decreased by RM8.68 million or 7.65% from RM113.53 million in FYE 2023 to RM104.85 million in FYE 2024, mainly due to lower revenue from our boutique and departmental store channels by RM10.76 million or 10.55%. The reduction in revenue in FYE 2024 was mainly attributed to the following:

(i) inflationary pressure and rising cost of living which resulted in subdued consumer spending and softened retail market;

(ii) normalisation of consumer spending in calendar year 2023, as consumer spending behaviour was no longer at elevated levels compared to calendar year 2022 where higher consumer spending behaviour was observed as a result of pent-up demand resulting in revenge-spending;

(iii) lower revenue from our boutiques at Genting Highland Premium Outlet, Mahkota Parade, Mid Valley Megamall, Johor Premium Outlet, and Mid Valley Southkey by RM2.27 million in aggregate, as these boutiques were temporary closed for renovation for approximately 1 month, respectively; and

(iv) closure of our boutique in Paradigm Mall in November 2022 due to its under-performance and expiration of its tenancy. This boutique had contributed RM0.37 million in revenue in FYE 2023.

In terms of product group, the lower revenue in FYE 2024 was attributed to women's handbags and accessories where the significant decline was from the women's handbags category which declined by RM6.22 million or 9.17% in FYE 2024, due to the subdued spending from customers as stated above.

(ii) Cost of sales

Our Group's cost of sales comprises the following components:

Finished goods	:	It is the main component of our Group's cost of sales and it includes (i) the total cost incurred in procuring finished goods from our suppliers; and (ii) trade margin and commissions charged by departmental stores and e-commerce platform providers, respectively, for our Group's products sold through these channels.
Raw materials	:	Being the materials purchased by our Group to be used by third parties as input in the manufacturing of our Group's finished goods.
Packaging material	:	Being the materials used in packing our Group's products before they are sold to end customers.

The tables below set out our Group's cost of sales analysis for the FYE Under Review:

(a) Cost of sales by composition

	Audited							
	FYE 2021		**FYE 2022**		**FYE 2023**		**FYE 2024**	
	RM'000	**%**	**RM'000**	**%**	**RM'000**	**%**	**RM'000**	**%**
Finished goods	31,529	98.32	38,215	98.64	42,834	98.54	38,505	98.77
Raw materials	177	0.55	122	0.31	91	0.21	207	0.53
Packaging material	362	1.13	407	1.05	545	1.25	271	0.70
TOTAL	**32,068**	**100.00**	**38,744**	**100.00**	**43,470**	**100.00**	**38,983**	**100.00**

(b) Cost of sales by product group

	Audited							
	FYE 2021		**FYE 2022**		**FYE 2023**		**FYE 2024**	
	RM'000	**%**	**RM'000**	**%**	**RM'000**	**%**	**RM'000**	**%**
Women's handbags	19,108	59.59	24,658	63.64	26,743	61.52	23,327	59.84
Women's footwear	7,400	23.07	6,988	18.04	9,659	22.22	9,603	24.63
Women's accessories	5,560	17.34	7,098	18.32	7,068	16.26	6,053	15.53
Others[(1)]	-	-	-	-	-	-	-	-
TOTAL	**32,068**	**100.00**	**38,744**	**100.00**	**43,470**	**100.00**	**38,983**	**100.00**

Note:
(1) No cost of sales for the rental income.

(c) Cost of sales by distribution channel

	Audited							
	FYE 2021		**FYE 2022**		**FYE 2023**		**FYE 2024**	
	RM'000	**%**	**RM'000**	**%**	**RM'000**	**%**	**RM'000**	**%**
Boutique	11,645	36.31	14,724	38.00	18,472	42.49	15,490	39.74
Departmental store	15,056	46.95	19,054	49.18	20,224	46.53	17,521	44.94
E-commerce platforms	5,237	16.33	4,857	12.54	4,730	10.88	5,941	15.24
Others[(1)]	130	0.41	109	0.28	44	0.10	31	0.08
TOTAL	**32,068**	**100.00**	**38,744**	**100.00**	**43,470**	**100.00**	**38,983**	**100.00**

Note:
(1) Consist of costs incurred relating to outright sales of our products directly to our staff and an authorised distributor in Vietnam.

Commentaries:

(a) FYE 2022 compared to FYE 2021

Our Group's cost of sales increased by RM6.67 million or 20.80% from RM32.07 million in FYE 2021 to RM38.74 million in FYE 2022, mainly due to higher cost of finished goods in line with higher revenue recorded during the year.

Further, cost of sales incurred by our boutique and department store channels in FYE 2022 increased by RM7.08 million or 26.50%, in line with higher sales recorded from these channels by RM25.31 million or 39.70%.

In terms of product group, the increase in cost of sales was attributed to higher cost of sales for women's handbags and women's accessories totalling RM7.09 million or 28.73%, in line with higher sales recorded from these product groups by RM22.25 million or 35.75%. The lower percentage of increase in cost of sales compared to revenue for the abovementioned product groups was mainly attributed to lower level of sales discount for our women's handbags and women's accessories during FYE 2022.

(b) FYE 2023 compared to FYE 2022

Our Group's cost of sales increased by RM4.73 million or 12.21% from RM38.74 million in FYE 2022 to RM43.47 million in FYE 2023, mainly due to higher cost of finished goods in line with higher revenue recorded during the year.

The cost of sales incurred by our boutique channel experienced significant increase by RM3.75 million or 25.46%, in line with the increase in sales for our boutique channel by RM11.10 million or 21.47%.

In terms of product group, the increase in cost of sales was attributed to higher cost of sales for women's handbags and footwear totalling RM4.76 million or 15.03%, in line with higher sales recorded from these product group by RM8.83 million or 10.84%. The higher percentage of increase in cost of sales compared to revenue for the abovementioned product group was mainly attributed to:

(i) higher increase in cost of sales for women's footwear by 38.22% compared to the increase in revenue by 32.10% due to increase in purchase cost of finished goods from our suppliers; and

(ii) higher increase in cost of sales for women's handbags by 8.46% compared to the increase in revenue by 5.23% due to higher levels of discount given in the promotional activities during FYE 2023 compared with FYE 2022.

(c) FYE 2024 compared to FYE 2023

Our Group's cost of sales reduced by RM4.49 million or 10.33% from RM43.47 million in FYE 2023 to RM38.98 million in FYE 2024, mainly due to lower cost of finished goods in line with lower revenue recorded during FYE 2024.

Further, cost of sales incurred by our boutiques and department store channels for FYE 2024 decreased by RM5.69 million or 14.69%, in line with lower sales recorded from these channels.

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In terms of product group, the decrease in cost of sales was mainly attributed to lower cost of sales for the women's handbags category by RM3.42 million or 12.77%, in line with lower sales recorded from this product group by RM6.22 million or 9.17%. The relatively higher percentage of decrease in cost of sales for women's handbags in FYE 2024 as compared to percentage of decrease in revenue for women's handbags was mainly due to an upward revision of selling prices of newly introduced women's handbags during FYE 2024 which lessened the impact of lower sales of women's handbags.

(iii) GP and GP margin

Our Group's GP and GP margin for the FYE Under Review are analysed as follows:

(a) GP and GP margin by product group

	Audited							
	FYE 2021		FYE 2022		FYE 2023		FYE 2024	
	GP	GP margin	GP	GP margin	GP	GP margin	GP	GP margin
	RM'000	(%)	RM'000	(%)	RM'000	(%)	RM'000	(%)
Women's handbags	28,651	59.99	39,859	61.78	41,149	60.61	38,341	62.17
Women's footwear	6,536	46.90	10,020	58.91	12,808	57.01	12,766	57.07
Women's accessories	8,926	61.61	12,883	64.48	16,035	69.41	14,755	70.91
Others(1)	279	100.00	281	100.00	72	100.00	-	-
Overall	**44,392**	**58.06**	**63,043**	**61.94**	**70,064**	**61.71**	**65,862**	**62.82**

Note:

(1) Being rental income from our investment property located in Desa Tun Razak, Cheras, which was disposed of in FYE 2023.

(b) GP and GP margin by distribution channel

	Audited							
	FYE 2021		FYE 2022		FYE 2023		FYE 2024	
	GP	GP margin	GP	GP margin	GP	GP margin	GP	GP margin
	RM'000	(%)	RM'000	(%)	RM'000	(%)	RM'000	(%)
Boutique	23,758	67.11	36,988	71.53	44,343	70.59	40,521	72.34
Departmental store	13,282	46.87	18,280	48.96	18,994	48.43	17,740	50.31
E-commerce platforms	7,000	57.20	7,528	60.78	6,588	58.21	7,533	55.91
Others(1)	352	73.03	247	69.38	139	75.96	68	68.69
Overall	**44,392**	**58.06**	**63,043**	**61.94**	**70,064**	**61.71**	**65,862**	**62.82**

Note:

(1) Consist of outright sales of our products directly to our staff and an authorised distributor in Vietnam.

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Commentaries:

(a) FYE 2022 compared to FYE 2021

Our Group's total GP increased by RM18.65 million or 42.01% from RM44.39 million in FYE 2021 to RM63.04 million in FYE 2022 which is in line with the increase in our Group's revenue, while our Group's overall GP margin increased from 58.06% in FYE 2021 to 61.94% in FYE 2022. The increase in our Group's overall GP margin in FYE 2022 was largely contributed by the higher GP margin derived from our boutique and departmental store channels. The improvement in GP margin from our boutiques and departmental store channels from 67.11% and 46.87% in FYE 2021 to 71.53% and 48.96% in FYE 2022 respectively was mainly attributed to higher sales from products with higher margin during FYE 2022, particularly for new products introduced during FYE 2022 which had lower price discount level during FYE 2022.

(b) FYE 2023 compared to FYE 2022

Our Group's GP increased by RM7.02 million or 11.14% from RM63.04 million in FYE 2022 to RM70.06 million in FYE 2023 which is in line with the increase in our Group's revenue, while our Group's overall GP margin reduced slightly from 61.94% in FYE 2022 to 61.71% in FYE 2023. The slight reduction in our Group's overall GP margin in FYE 2023 was due to lower GP margin recorded across all 3 distribution channels.

The reduction in our Group's overall GP margin in FYE 2023 was attributed to the following:

(i) higher proportion of sales from boutiques in premium outlets which contributed 29.01% of total sales for our boutique channel (FYE 2022: 27.26%). Sales from these outlets generally have lower GP margin compared to sales from boutiques in shopping malls due to higher levels of discount given for products sold in respective premium outlets;

(ii) lower GP margin derived from sales of women's handbags due to higher discount on selling price of slow moving stocks of women's handbags; and

(iii) higher proportion of sales of women's footwear which accounted for 19.79% of total revenue in FYE 2023 (FYE 2022: 16.71%) where sales of women's footwear generally generate lower margin compared to other products.

(c) FYE 2024 compared to FYE 2023

Our Group's GP lowered by RM4.20 million or 5.99% from RM70.06 million in FYE 2023 to RM65.86 million in FYE 2024 due to to lower revenue recorded in FYE 2024. However, our Group's overall GP margin increased from 61.71% in FYE 2023 to 62.82% in FYE 2024. The increase in our overall GP margin in FYE 2024 was largely contributed by the higher GP margin derived from sales of women's handbags was due to upward revision in selling prices of newly introduced women's handbags during FYE 2024.

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(iv) Other operating income

The table below sets out the breakdown of our Group's operating income for the FYE Under Review:

	Audited							
	FYE 2021		FYE 2022		FYE 2023		FYE 2024	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Gain on dilution of equity interest in an associate	302	9.09	-	-	580	17.10	-	-
Gain on disposal of investment property	-	-	-	-	1,856	54.72	-	-
Gain on reassessments and modifications of leases*(1)*	594	17.87	918	26.76	-	-	30	1.72
Interest income	481	14.47	490	14.28	717	21.14	1,154	66.32
Lease concessions*(2)*	975	29.33	984	28.68	39	1.14	-	-
Reversal of impairment on right-of-use assets*(3)*	-	-	9	0.26	-	-	409	23.51
Wages subsidy*(4)*	887	26.68	584	17.02	-	-	-	-
Others*(5)*	85	2.56	446	13.00	200	5.90	147	8.45
TOTAL	**3,324**	**100.00**	**3,431**	**100.00**	**3,392**	**100.00**	**1,740**	**100.00**

Notes:

(1) Mainly due to gain arising from the termination of leases in relation to boutiques.

(2) Lease concessions pertain to lease rebate granted by landlords for boutiques and office building due to the imposition of various MCOs.

(3) In accordance with MFRS 136, an entity shall recognise an impairment loss when the carrying amount of a boutique (being a cash generating unit) exceeds its recoverable amount and reversal of impairment loss be recognised when the recoverable amount is higher than the carrying amount of a boutique after taking into consideration of all the accumulated depreciation and impairment for the said boutique. Impairment losses were reversed for the boutiques in Pavilion Bukit Bintang and Mid Valley Megamall in FYE 2024. In accordance with MFRS 136, the reversal of impairment loss of RM0.25 million for the Pavilion Bukit Bintang boutique was recognised due to an improvement in its performance compared to the previous year. Further, the reversal of impairment loss of the RM0.15 million for the Mid Valley Megamall boutique was recognised resulted from the termination of the lease contract during the FYE 2024.

(4) Wages subsidy received from the Government under the Wage Subsidy Programme as part of the Government's COVID-19 economic stimulus package.

(5) Mainly consist of fair value gain on short term funds, realised and unrealised gain on foreign exchange and rental income.

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Commentaries:

(a) FYE 2022 compared to FYE 2021

Our Group's other operating income increased marginally by RM0.11 million or 3.22% from RM3.32 million in FYE 2021 to RM3.43 million in FYE 2022, mainly due to the increase in gain on reassessments and modifications of leases of RM0.32 million arising from the termination of our tenancy agreements for 2 non-performing boutiques during FYE 2022.

However, the above increase was partially offset by lower wages subsidy received from the Government under the Wage Subsidy Programme by RM0.30 million.

(b) FYE 2023 compared to FYE 2022

Our Group's other operating income decreased marginally by RM0.04 million or 1.14% from RM3.43 million in FYE 2022 to RM3.39 million in FYE 2023, mainly due to the following:

(i) decrease in lease concessions by RM0.95 million due to cessation of rental rebates from landlords for our boutiques. These rebates were given due to store closures during the various MCOs;

(ii) absence of gain on reassessments and modifications of leases in FYE 2023 (FYE 2022: RM0.92 million) as there is no early termination of lease arrangement in relation to our boutiques; and

(iii) absence of wages subsidy received from the Wage Subsidy Programme which ended during FYE 2022.

However, the above decrease in other operating income was partially offset by the following:

(i) gain on disposal of our investment property located in Desa Tun Razak, Cheras, amounted to RM1.86 million in FYE 2023. The disposal was completed on 20 April 2023;

(ii) gain on dilution of equity interest in an associate amounted to RM0.58 million in FYE 2023 due to private placement exercise undertaken by our then associate company; and

(iii) increase in interest income by RM0.23 million, which is in line with the increase in the overnight policy rate from 2.00% as at 1 July 2022 to 3.00% as at 30 June 2023.

(c) FYE 2024 compared to FYE 2023

Our Group's other operating income decreased by RM1.65 million or 48.67% from RM3.39 million in FYE 2023 to RM1.74 million in FYE 2024, mainly due to the following:

(i) absence of gain on disposal of investment property in FYE 2024 (FYE 2023: RM1.86 million); and

(ii) absence of gain on dilution of equity interest in an associate (FYE 2023: RM0.58 million).

However, the above decrease in other operating income was partially offset by the increase in interest income by RM0.44 million, which is in line with higher overnight policy rate of 3.00% throughout FYE 2024 compared to FYE 2023 where the overnight policy rate gradually increased from 2.00% to 3.00%.

(v) Net gain/(loss) on impairment of financial assets

The table below sets out the breakdown of our Group's net gain/(loss) on impairment of financial assets for the FYE Under Review:

	Audited			
	FYE 2021	FYE 2022	FYE 2023	FYE 2024
	RM'000	RM'000	RM'000	RM'000
Net gain/(loss) on impairment of financial assets	146	(134)	(228)	(31)

Commentaries:

(a) FYE 2022 compared to FYE 2021

Our Group recorded a net loss on impairment of financial assets of RM0.13 million in FYE 2022 (FYE 2021: net gain on impairment of financial assets of RM0.15 million), mainly due to increase in impairment losses on trade and other receivables amounted to RM0.21 million relating to outstanding amount of trade receivables (of RM0.11 million) and outstanding amount of non-trade receivables of our then oversea subsidiaries (of RM0.10 million), both of which were outstanding for more than 12 months.

(b) FYE 2023 compared to FYE 2022

Our Group's net loss on impairment of financial assets increased by RM0.09 million or 70.15%, mainly due to increase in impairment losses on trade receivables by RM0.13 million relating to expected credit loss computation under MFRS 9.

(c) FYE 2024 compared to FYE 2023

Our Group's net loss on impairment of financial assets decreased by RM0.20 million or 86.40%, mainly due to decrease in impairment losses on trade receivables in relation to expected credit loss computation under MFRS 9.

(vi) Selling and distribution expenses

The table below sets out the breakdown of our Group's selling and distribution expenses for the FYE Under Review:

	Audited							
	FYE 2021		FYE 2022		FYE 2023		FYE 2024	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
A&P	2,272	10.87	1,958	9.41	3,030	12.31	3,044	12.41
Dealers' commission[(1)]	1,505	7.20	1,588	7.64	1,230	5.00	953	3.88
Depreciation of property, plant and equipment and right-of-use assets	7,007	33.51	6,532	31.41	6,697	27.21	7,777	31.69
Impairment losses on right-of-use assets	1,505	7.20	-	-	-	-	203	0.83
Rental of boutiques	2,169	10.37	2,996	14.41	3,447	14.00	3,166	12.90
Sales promoter cost	5,520	26.40	6,717	32.30	8,860	36.00	8,185	33.35
Transportation cost	499	2.39	477	2.29	640	2.60	545	2.22
Others[(2)]	433	2.06	530	2.54	708	2.88	667	2.72
TOTAL	**20,910**	**100.00**	**20,798**	**100.00**	**24,612**	**100.00**	**24,540**	**100.00**

Notes:

(1) Being commission paid to external parties who are appointed by our Group to manage certain of our boutiques and departmental store counters. The commission payable or paid is computed based on an agreed percentage on the revenue generated from the boutiques and departmental store counters.

(2) Mainly consists of credit card charges, payment gateway charges and expenses relating to the maintenance of our departmental store counters.

Commentaries:

(a) FYE 2022 compared to FYE 2021

Our Group's selling and distribution expenses decreased marginally by RM0.11 million or 0.53% from RM20.91 million in FYE 2021 to RM20.80 million in FYE 2022, mainly due to the following:

(i) absence of impairment losses on right-of-use assets during FYE 2022 (FYE 2021: RM1.51 million). The impairment loss recognised in FYE 2021 was due to poor sales performance of certain boutiques;

(ii) decrease in depreciation of property, plant and equipment and right-of-use assets by RM0.48 million, mainly due to the closure of boutiques; and

(iii) lower A&P expenses by RM0.31 million during the lockdown period in the 1st quarter of FYE 2022.

Nevertheless, the decrease in selling and distribution expenses was partially offset by the following:

(i) higher sales promoter cost by RM1.20 million mainly due to higher commission paid and payable, which is in line with the improvement in revenue; and

(ii) increase in rental of boutiques by RM0.83 million due to higher rental paid to landlords, in tandem with the higher sales recorded from certain boutiques.

(b) FYE 2023 compared to FYE 2022

Our selling and distribution expenses increased by RM3.81 million or 18.34% from RM20.80 million in FYE 2022 to RM24.61 million in FYE 2023, mainly due to the following:

(i) higher sales promoter cost by RM2.14 million, due to an increase in headcount from 227 as at 30 June 2022 to 237 as at 30 June 2023 and higher payment of over-time wages arising from the amendments to the Employment Act 1955 which came into effect on 1 January 2023;

(ii) increase in A&P expenses by RM1.07 million due to increased marketing efforts via digital and print media advertising as well as event sponsorships; and

(iii) increase in rental of boutiques by RM0.45 million due to higher rental paid to landlords, in tandem with the higher sales recorded from certain boutiques.

(c) FYE 2024 compared to FYE 2023

Our selling and distribution decreased marginally by RM0.07 million or 0.29% from RM24.61 million in FYE 2023 to RM24.54 million in FYE 2024, mainly due to the following:

(i) lower sales promoter cost by RM0.68 million mainly due to lower commission to sales promoters in line with the decrease in revenue;

(ii) decrease in rental of boutiques by RM0.28 million due to lower rental commission paid/ payable to landlords, in tandem with the lower sales recorded from certain boutiques; and

(iii) decrease in dealers' commission by RM0.28 million due to a reduction in the number of dealers and lower sales recorded from boutiques and departmental store counters managed by these dealers.

Nevertheless, the decrease in selling and distribution expenses was partially offset by the increase in depreciation of property, plant and equipment and right-of-use assets by RM1.08 million, mainly due to the refurbishment of boutiques and the opening of 3 new boutiques during FYE 2024.

(vii) General and administrative expenses

The table below sets out the breakdown of our Group's general and administrative expenses for the FYE Under Review:

	Audited							
	FYE 2021		**FYE 2022**		**FYE 2023**		**FYE 2024**	
	RM'000	**%**	**RM'000**	**%**	**RM'000**	**%**	**RM'000**	**%**
Employee costs and benefits	8,552	46.40	9,301	59.92	8,414	54.26	7,356	46.26
Depreciation of property, plant and equipment and right-of-use assets	1,798	9.76	1,719	11.08	1,825	11.78	1,603	10.08
Impairment loss on other investment	4,483	24.32	-	-	-	-	-	-
Impairment losses on property, plant and equipment[(1)]	524	2.84	-	-	-	-	276	1.74
Loss on derecognition of foreign subsidiaries[(2)]	-	-	-	-	-	-	250	1.57
Postage, printing and stationery	367	1.99	253	1.63	337	2.17	430	2.70
Professional fees	330	1.79	882	5.68	773	4.98	1,918	12.06
Travelling and transportation costs	129	0.70	186	1.20	483	3.11	603	3.79
Upkeep and maintenance	804	4.36	1,512	9.74	1,382	8.91	1,320	8.30
Utilities and telecommunication expenses	504	2.73	502	3.23	636	4.10	675	4.25
Web and email hosting	245	1.33	393	2.53	359	2.31	182	1.14
Others[(3)]	697	3.78	775	4.99	1,299	8.38	1,289	8.11
TOTAL	**18,433**	**100.00**	**15,523**	**100.00**	**15,508**	**100.00**	**15,902**	**100.00**

Notes:

(1) Being impairment arising from poor performances of boutiques which resulted in a decline in the value-in-use of property, plant and equipment at the affected boutiques below their carrying amount.

(2) CRRV and PTCMS (former foreign subsidiaries of our Company), whose functional currencies differ from our Group's presentation currency which require translation of their financial statements. This translation process results in exchange differences, which arise from fluctuations in foreign exchange rates between the functional and presentation currencies. Upon derecognition of a foreign subsidiary, the cumulative exchange differences previously recognised in other comprehensive income are reclassified to profit or loss, amounting to RM0.25 million in FYE 2024.

(3) Mainly consists of insurance costs, royalties, subscription and membership fees.

Commentaries:

(a) FYE 2022 compared to FYE 2021

Our Group's general and administrative expenses decreased by RM2.91 million or 15.79% from RM18.43 million in FYE 2021 to RM15.52 million in FYE 2022, mainly due to the following:

(i) absence of impairment loss on other investment in FYE 2022 (FYE 2021: RM4.48 million). The impairment loss in FYE 2021 was recognised in relation to our Group's investment in Shoppr Labs Sdn Bhd[(1)], which was fully impaired in FYE 2021 due to its loss-making and net liability position; and

Note:

(1) Shoppr Labs Sdn Bhd is a company duly incorporated in Malaysia as a private limited company on 15 September 2014, and principally involved in general trading and providing solutions for all systems, website, and application software. It previously provides market intelligence services to the fashion and beauty industries via its online platform "Omnilytics", wherein our Group was a subscriber of these services.

CRI subscribed for ordinary shares in Shoppr Labs Sdn Bhd during FYE 2021. The company has ceased operation since July 2022.

As at the LPD, CRI holds 4.06% of ordinary shares in issue of Shoppr Labs Sdn Bhd.

(ii) absence of impairment losses on property, plant and equipment in FYE 2022 (FYE 2021: RM0.52 million). The impairment loss in FYE 2021 was recognised due to poor sales performance of certain boutiques.

However, the decrease in our Group's general and administrative expenses was partially offset by the following:

(i) higher upkeep and maintenance expenses by RM0.71 million, due to higher maintenance works performed for our boutiques during FYE 2022 as we postponed some of the refurbishment works planned for FYE 2021 to FYE 2022 due to movement control restrictions;

(ii) increase in employee costs and benefits by RM0.75 million, mainly due to higher expenses incurred for employees' bonus; and

(iii) increase in professional fees by RM0.55 million mainly relating to expenses incurred for feasibility study for our IPO exercise.

(b) FYE 2023 compared to FYE 2022

Our Group's general and administrative expenses decreased marginally by RM0.01 million or 0.06% from RM15.52 million in FYE 2022 to RM15.51 million in FYE 2023, mainly due to the following:

(i) lower employee costs and benefits by RM0.89 million, mainly due to lower expenses incurred for employees' bonus; and

(ii) lower upkeep and maintenance expenses by RM0.13 million, due to less maintenance works for our boutiques undertaken in FYE 2023. We incurred additional upkeep and maintenance costs during FYE 2022 due to the postponement of maintenance works from FYE 2021 to FYE 2022.

However, the decrease in general and administrative expenses was partially offset by the increase in travelling and transportation costs by RM0.29 million due to resumption of overseas travelling for market study after the cross-border movement control restrictions were lifted.

(c) FYE 2024 compared to FYE 2023

Our Group's general and administrative expenses increased marginally by RM0.39 million or 2.51% from RM15.51 million in FYE 2023 to RM15.90 million in FYE 2024, mainly due to the increase in professional fees by RM1.15 million which relates to expenses incurred for the Corporate Exercise and our IPO.

However, the increase in our Group's general and administrative expenses was partially offset by the following:

(i) lower employee costs and benefits by RM1.06 million, mainly due to lower employees' bonus; and

(ii) lower depreciation of property, plant and equipment and right-of-use assets by RM0.22 million, mainly due to some assets being fully depreciated in the FYE 2023 and lower depreciation for restoration cost as compared to FYE 2023.

(viii) Finance costs

The table below sets out the breakdown of our Group's finance costs for the FYE Under Review:

	Audited							
	FYE 2021		FYE 2022		FYE 2023		FYE 2024	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Bank guarantee interest	3	0.50	-	-	-	-	-	-
Lease interest	588	98.66	620	86.47	622	83.04	815	94.88
Term loan interest	-	-	-	-	20	2.67	23	2.68
Unwinding of discount on provision for restoration costs[(1)]	5	0.84	97	13.53	107	14.29	21	2.44
TOTAL	**596**	**100.00**	**717**	**100.00**	**749**	**100.00**	**859**	**100.00**

Note:

(1) Unwinding of discount on provision for restoration costs which is accounted for as accreted interest based on the present value of such provisions for the restoration costs of our boutiques to original condition upon the expiry of the leases.

Commentaries:

(a) FYE 2022 compared to FYE 2021

Our Group's finance costs increased by RM0.12 million or 20.30% from RM0.60 million in FYE 2021 to RM0.72 million in FYE 2022, mainly due to the increase in unwinding of discount on provision for restoration cost arising from the opening of 3 new boutiques during FYE 2022 coupled with the increase in overnight policy rate from 1.75% as at 1 July 2021 to 2.00% as at 30 June 2022.

(b) FYE 2023 compared to FYE 2022

Our Group's finance costs increased by RM0.03 million or 4.46% from RM0.72 million in FYE 2022 to RM0.75 million in FYE 2023, mainly due to the increase in term loan interest by RM0.02 million in line with the drawdown of term loan amounted to RM11.55 million during FYE 2023 for the acquisition of the property at Jalan Imbi, Kuala Lumpur.

(c) FYE 2024 compared to FYE 2023

Our Group's finance costs increased by RM0.11 million or 14.69% from RM0.75 million in FYE 2023 to RM0.86 million in FYE 2024, mainly due to the increase in lease interest by RM0.19 million arising from the opening of 3 new boutiques during FYE 2024 and renewal of tenancy agreements for boutiques.

(ix) Share of profit/(loss) of an associate, net of tax

This relates to our Group's investment in Carzo Holdings, of which our Group's initial shareholding of 20.00% in Carzo Holdings in FYE 2021 was further reduced to 16.65% in FYE 2023. Such investment has been recognised as other investment in our books since 1 December 2022.

Our Group recorded a share of loss since FYE 2022 as Carzo Holdings has been in net loss position. However, on 30 November 2022, our Group's investment in Carzo Holdings was reclassified to other investments as our Group ceased to have significant influence over the company pursuant to the resignation of DSCFY from the board of Carzo Holdings. Subsequently, our Group no longer recognise share of profit/loss from our investments in Carzo Holdings.

(x) PBT and PAT

The table below sets out our PBT, PBT margin, PAT and PAT margin for the FYE Under Review:

	Audited			
	FYE 2021	**FYE 2022**	**FYE 2023**	**FYE 2024**
PBT (RM'000)	8,073	29,033	31,450	26,270
PBT margin (%)	10.56	28.52	27.70	25.06
PAT attributable to owners of our Company (RM'000)	3,984	22,230	23,853	19,305
PAT margin (%)	5.21	21.84	21.01	18.41

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Commentaries:

(a) FYE 2022 compared to FYE 2021

Our Group recorded an increase in PBT by RM20.96 million or 259.73%, from RM8.07 million in FYE 2021 to RM29.03 million in FYE 2022, in line with the increase in GP by RM18.65 million or 42.01% during the year. The increase in GP recorded on the back of lower selling and distribution expenses and general and administrative expenses in FYE 2022 (as set out in Sections 12.4.3(vi) and (vii) of this Prospectus) resulted in the increase in our Group's PBT margin from 10.56% in FYE 2021 to 28.52% in FYE 2022.

Correspondingly, our Group's PAT attributable to owners of our Company increased by RM18.25 million or 457.98% from RM3.98 million in FYE 2021 to RM22.23 million in FYE 2022, while our Group's PAT margin increased from 5.21% in FYE 2021 to 21.84% in FYE 2022.

As set out in Section 12.4.3(vii) of this Prospectus, our Group recorded an impairment loss on other investment of RM4.48 million in FYE 2021. If this non-recurrent impairment loss is excluded, our Group's adjusted PBT and PBT margin for FYE 2021 would be RM12.56 million and 16.42%, respectively. In this regard, our Group recorded an increase in PBT by RM16.48 million or 131.23%, from RM12.56 million (adjusted) in FYE 2021 to RM29.03 million in FYE 2022, which is still in line with the increase in GP and lower selling and distribution expenses and general and administrative expenses as explained above.

Correspondingly, our Group's PAT attributable to owners of our Company increased by RM13.76 million or 162.55% from adjusted PAT attributable to owners of our Company of RM8.47 million in FYE 2021 to RM22.23 million in FYE 2022, while our Group's adjusted PAT margin increased from 11.07% in FYE 2021 to 21.84% in FYE 2022.

(b) FYE 2023 compared to FYE 2022

Our Group recorded an increase in PBT by RM2.42 million or 8.34% from RM29.03 million in FYE 2022 to RM31.45 million in FYE 2023, in line with the increase in GP by RM7.02 million or 11.14% during the year.

However, the increase in GP was offset by higher increase in selling and distribution expenses by RM3.81 million or 18.34% (as set out in Section 12.4.3(vi) of this Prospectus) which resulted in the reduction in our Group's PBT margin from 28.52% in FYE 2022 to 27.70% in FYE 2023. Correspondingly, our Group's PAT attributable to owners of our Company increased by RM1.62 million or 7.29% from RM22.23 million in FYE 2022 to RM23.85 million in FYE 2023, while our Group's PAT margin reduced marginally from 21.84% in FYE 2022 to 21.01% in FYE 2023.

(c) FYE 2024 compared to FYE 2023

Our Group recorded a decrease in PBT by RM5.18 million or 16.47% from RM31.45 million in FYE 2023 to RM26.27 million in FYE 2024, in line with the decrease in GP by RM4.20 million or 5.99% during the year. The decrease in GP recorded on the back of lower other operating income and higher general and administrative expenses in FYE 2024 resulted in the decrease in our Group's PBT margin from 27.70% in FYE 2023 to 25.06% in FYE 2024.

Correspondingly, our Group's PAT attributable to owners of our Company decreased by RM4.54 million or 19.04% from RM23.85 million in FYE 2023 to RM19.31 million in FYE 2024, while our Group's PAT margin decreased from 21.01% in FYE 2023 to 18.41% in FYE 2024.

(xi) Tax expense

The table below sets out our Group's effective tax rate and statutory tax rate for the FYE Under Review:

	Audited			
	FYE 2021	**FYE 2022**	**FYE 2023**	**FYE 2024**
Tax expenses (RM'000)	4,089	6,803	7,597	6,965
Statutory tax rate (%)	24.00	24.00	24.00	24.00
Effective tax rate (%)	50.65	23.43	24.16	26.51

Commentaries:

Our Group's effective tax rate of 50.65% for FYE 2021 was higher than the statutory tax rate of 24.00%, mainly due to certain expenses which are not tax deductible, such as depreciation for non-qualifying expenditures and impairment losses on right-of-use assets, property, plant and equipment and other investment of RM4.48 million as stated in Section 12.4.3(vii) of this Prospectus; and deferred tax assets for loss-making subsidiaries not recognised during FYE 2021.

Our Group's effective tax rate of 23.43% for FYE 2022 was slightly lower than the statutory tax rate of 24.00%, mainly due to the tax effects in respect of utilisation of previously unrecognised tax losses.
Our Group's effective tax rate of 24.16% for FYE 2023 was slightly higher than the statutory tax rate of 24.00%, mainly due to certain expenses which are not tax deductible such as depreciation for non-qualifying expenditures.

Our Group's effective tax rate of 26.51% for FYE 2024 was higher than the statutory tax rate of 24.00%, mainly due to certain expenses which are not tax deductible such as depreciation for non-qualifying expenditures, professional fee and other incidental expenses incurred in relating to the Corporate Exercise and our IPO.

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12.4.4 Review of financial position

(a) Assets

	Audited			
	As at 30 June			
	2021	2022	2023	2024
	RM'000	RM'000	RM'000	RM'000
ASSETS				
Non-current assets				
Property, plant and equipment	22,470	23,479	40,368	41,270
Right-of-use assets	14,146	18,037	15,342	19,871
Goodwill	20	-	-	-
Investment properties	4,800	4,800	-	-
Investment in an associate	4,453	4,185	-	-
Other investments	-	-	4,767	4,767
Deferred tax assets	1,032	1,405	1,281	1,147
	46,921	**51,906**	**61,758**	**67,055**
Current assets				
Inventories	9,589	11,120	14,520	14,648
Trade and other receivables	10,761	19,618	8,800	12,192
Current tax assets	195	327	155	149
Cash and bank balances	39,601	47,321	60,864	46,963
Short term funds	5,711	5,815	2,936	9,091
	65,857	**84,201**	**87,275**	**83,043**
TOTAL ASSETS	**112,778**	**136,107**	**149,033**	**150,098**

Commentaries:

FYE 2022 vs FYE 2021

Our Group's total assets increased by RM23.33 million or 20.69%, from RM112.78 million as at 30 June 2021 to RM136.11 million as at 30 June 2022, mainly due to the following:

(i) increase in rights-of-use assets of RM3.89 million arising from the renewal of and entering into new tenancy agreements in relation to our boutiques;

(ii) increase in prepayments (as at 30 June 2022: RM8.82 million; as at 30 June 2021: RM0.51 million), due to advances paid to certain suppliers for higher purchase order in last quarter of FYE 2022;

(iii) increase in cash and bank balances by RM7.72 million, which was in line with increased revenue.

FYE 2023 vs FYE 2022

Our Group's total assets increased by RM12.93 million or 9.50%, from RM136.11 million as at 30 June 2022 to RM149.03 million as at 30 June 2023, mainly due to the following:

(i) increase in property, plant and equipment arising from the acquisition of the Imbi Property, which was completed on 15 March 2023;

(ii) increase in cash and bank balances by RM13.54 million, which was in line with increased revenue; and

(iii) increase in inventory of finished goods by RM3.40 million, due to inventories purchased during the end of FYE 2023 in anticipation of forthcoming festivities and promotional campaign.

The above increase was partially offset by the following:

(i) decrease in rights-of-use assets by RM2.70 million, due to depreciation of rights-of-use assets;

(ii) decrease in net trade receivables by RM2.85 million, due to lower sales generated during the last quarter of FYE 2023;

(iii) decrease in prepayments by RM7.80 million, due to the lower purchase orders placed during the last quarter of FYE 2023.

FYE 2024 vs FYE 2023

Our Group's total assets increased by RM1.07 million or 0.72%, from RM149.03 million as at 30 June 2023 to RM150.10 million as at 30 June 2024, mainly due to the following:

(i) increase in rights-of-use assets of RM4.53 million arising from the renewal of and entering into new tenancy agreements in relation to our boutiques;

(ii) increase in prepayments by RM2.02 million, due to the higher quantity of purchase orders placed during the last quarter of FYE 2024; and

(iii) increase in short term funds by RM6.16 million.

The above increase was partially offset by the decrease in cash and bank balances by RM13.90 million, which was in line with the decrease in revenue and the increase in short term funds.

(b) Liabilities

	Audited			
	As at 30 June			
	2021	**2022**	**2023**	**2024**
	RM'000	**RM'000**	**RM'000**	**RM'000**
LIABILITIES				
Non-current liabilities				
Borrowings	12,012	10,568	18,598	6,638
Lease liabilities	11,610	14,049	11,929	15,920
Deferred tax liabilities	50	50	9	7
Provision for restoration costs	590	1,204	1,135	1,361
	24,262	**25,871**	**31,671**	**23,926**
Current liabilities				
Trade and other payables	9,083	10,418	8,987	6,017
Borrowings	1,024	1,043	1,103	857
Lease liabilities	5,246	5,705	5,452	5,905
Provision for restoration costs	259	287	342	121
Current tax liabilities	792	2,463	1,298	1,594
	16,404	**19,916**	**17,182**	**14,494**
TOTAL LIABILITIES	**40,666**	**45,787**	**48,853**	**38,420**

Commentaries:

FYE 2022 vs FYE 2021

Our Group's total liabilities increased by RM5.12 million or 12.59%, from RM40.67 million as at 30 June 2021 to RM45.79 million as at 30 June 2022, mainly due to the following:

(i) increase in lease liabilities by RM2.90 million, due to the renewal of and new tenancy agreements entered during the financial year in relation to our boutiques;

(ii) increase in provision for restoration costs by RM0.64 million, due to the provision of the restoration cost arising from the opening of 3 new boutiques and the changes in the basis of the estimation of the restoration cost due to incremental borrowing rate and historical actual average dismantled cost;

(iii) increase in current tax liabilities by RM1.67 million, due to increase in tax expenses in line with the growth in our Group's revenue; and

(iv) increase in accruals by RM1.80 million, mainly due to provision for staff's bonuses and accrual of expenses in June 2022, such as dealer and promoter commissions, staff wages and professional fees.

The above increase was partially offset by lower borrowings by RM1.43 million arising from repayment of term loan during FYE 2022.

FYE 2023 vs FYE 2022

Our Group's total liabilities increased by RM3.07 million or 6.70%, from RM45.79 million as at 30 June 2022 to RM48.85 million as at 30 June 2023, mainly due to the increase in borrowings by RM8.09 million, arising from the drawdown of term loan for the acquisition of the Imbi Property. This was partially offset by a decrease in lease liabilities by RM2.37 million attributed to lease payments and a decrease in other payables, deposits and accruals by RM0.86 million due to lesser accrued expenses in FYE 2023 as compared to FYE 2022 which includes the professional fees associated with the review of the financial statement of Carzo Holdings and our IPO.

FYE 2024 vs FYE 2023

Our Group's total liabilities decreased by RM10.43 million or 21.35%, from RM48.85 million as at 30 June 2023 to RM38.42 million as at 30 June 2024, mainly due to decrease in borrowings by RM12.21 million arising from repayment of term loans.

The above decrease was partially offset by the increase in lease liabilities by RM4.44 million, due to the renewal of tenancy agreements in relation to existing boutiques and new tenancy agreements entered into with respect to the opening of new boutiques during the financial year.

12.5 LIQUIDITY AND CAPITAL RESOURCES

12.5.1 Working capital

Our Group's business operations have been financed through a combination of internal and external sources of funds. Internal sources comprise shareholders' equity and cash generates from our Group's operating activities while external sources are credits granted by our suppliers and banking facilities from financial institutions such as term loans and finance leases. The utilisation of these funds is principally for our Group's business operations and growth as well as acquisition of the Imbi Property and plant and equipment.

As at 30 June 2024, our Group has cash and cash equivalents and short term funds of RM56.05 million in total with a gearing ratio was 0.07 times (computed based on the aggregate of borrowings and lease liabilities owing to a financial institution divided by total equity) and a current ratio was 5.73 times.

As at the LPD, our Group has un-utilised banking facilities of RM12.91 million that may be utilised by our Group to fund our business operations.

After taking into consideration our Group's cash and cash equivalent, the expected cash flow to be generated from our Group's operations, the un-utilised amount of banking facilities, as well as proceeds to be raised from our Public Issue, our Board is of the view that our Group will have adequate working capital to meet our Group's present and foreseeable requirements for at least 12 months from the date of this Prospectus.

12.5.2 Cash flows

The table below sets out the summary of our Group's statements of cash flows for the FYE Under Review and should be read in conjunction with the Accountants' Report as set out in Section 14 of this Prospectus:

	Audited			
	FYE 2021	**FYE 2022**	**FYE 2023**	**FYE 2024**
	(RM'000)	**(RM'000)**	**(RM'000)**	**(RM'000)**
Net cash from operating activities	15,645	20,783	35,061	22,355
Net cash used in investing activities	(8,958)	(2,208)	(8,810)	(8,590)
Net cash used in financing activities	(10,687)	(10,864)	(12,724)	(27,664)
Net (decrease)/increase in cash and cash equivalents	**(4,000)**	**7,711**	**13,527**	**(13,899)**
Effect of exchange rate changes on cash and cash equivalents	(16)	9	16	(2)
Cash and cash equivalents at beginning of financial year	43,617	39,601	47,321	60,864
Cash and cash equivalents at end of financial year	**39,601**	**47,321**	**60,864**	**46,963**
Cash and cash equivalents consist of:				
Cash and bank balances	37,851	34,921	37,129	38,928
Deposits with a licensed bank	1,750	12,400	23,735	8,035
	39,601	**47,321**	**60,864**	**46,963**

Most of our Group's cash and cash equivalents are held in RM. Save for prior consents from financial institutions, there is no legal, financial or economic restriction on our subsidiaries' ability to transfer funds to our Company in the form of cash dividends, subject to availability of distributable reserves, loans or advances in compliance with any applicable financial covenants.

(a) Net cash from operating activities

FYE 2021

For FYE 2021, our Group's operating profit before changes in working capital was RM21.41 million. Our Group's net cash from operating activities was RM15.65 million after adjusting for the following key items for working capital changes:

(i) increase in trade and other receivables of RM1.32 million, mainly due to the delay in payments by our trade receivables caused by the uncertainties and lockdowns arising from the COVID-19 pandemic; and

(ii) payment of income tax amounted to RM4.01 million.

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FYE 2022

For FYE 2022, our Group's operating profit before changes in working capital was RM35.85 million. Our Group's net cash from operating activities was RM20.78 million after adjusting for the following key items for working capital changes:

(i) increase in trade and other receivables of RM8.88 million, mainly due to the prepayments of RM8.42 million to certain suppliers as advances for higher purchase orders placed during the last quarter of FYE 2022;

(ii) increase in inventories of RM1.53 million, mainly due to increase in purchases in line with the growth in our Group's revenue;

(iii) increase in trade and other payables of RM0.98 million, mainly due to increase in accrual expenses such as staff bonus and commission in FYE 2022; and

(iv) payment of income tax amounted to RM5.64 million.

FYE 2023

For FYE 2023, our Group's operating profit before changes in working capital was RM38.54 million. Our Group's net cash from operating activities was RM35.06 million after adjusting for the following key items for working capital changes:

(i) decrease in trade and other receivables of RM10.59 million, mainly due to the decrease in prepayments by RM7.80 million as there were lower purchase orders placed during the last quarter of FYE 2023;

(ii) increase in inventories of RM3.40 million, mainly due to increase in purchases in line with the growth in our Group's revenue;

(iii) decrease in trade and other payables of RM2.21 million, due to payment of outstanding other payable prior to 30 June 2023 and a decrease in outstanding trade payable in line with the decrease in purchases during the last quarter of FYE 2023; and

(iv) payment of income tax amounted to RM8.46 million.

FYE 2024

For FYE 2024, our Group's operating profit before changes in working capital was RM35.72 million. Our Group's net cash from operating activities was RM22.36 million after adjusting for the following key items for working capital changes:

(i) increase in trade and other receivables of RM3.42 million, due to the increase in prepayments by RM2.02 million as there were higher purchase orders placed during the last quarter of FYE 2024;

(ii) decrease in trade and other payables of RM3.29 million, due to the decrease in accrued expenses as a result of lower expenses incurred for employees' bonus in FYE 2024; and

(iii) payment of income tax amounted to RM6.53 million.

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(b) Net cash used in investing activities

FYE 2021

For FYE 2021, our Group's net cash used in investing activities was RM8.96 million, mainly due to the following:

(i) acquisition of equity interest in an associate company namely Carzo Holdings amounted to RM4.0 million;

(ii) acquisition of equity interest in Shoppr Labs Sdn Bhd as other investment amounted to RM4.48 million; and

(iii) purchase of property, plant and equipment amounted to RM0.85 million.

FYE 2022

For FYE 2022, our Group's net cash used in investing activities was RM2.21 million, mainly used for the purchase of property, plant and equipment amounted to RM2.65 million which was partially offset by cash inflow of RM0.49 million from interest income received.

FYE 2023

For FYE 2023, our Group's net cash used in investing activities was RM8.81 million, mainly used for the purchase of the Imbi Property amounting to RM17.37 million.

This was partially offset by the cash inflow of RM8.79 million arising from the withdrawal of short term funds (net of reinvestment) of RM2.99 million and the proceeds of RM5.80 million from disposal of our investment property located in Desa Tun Razak, Cheras.

FYE 2024

For FYE 2024, our Group's net cash used in investing activities was RM8.59 million, mainly due to placement of short term funds of RM6.11 million and purchase of property, plant and equipment amounted to RM3.64 million which was partially offset by cash inflow of RM1.15 million from interest income received.

(c) Net cash used in financing activities

FYE 2021

For FYE 2021, our Group's net cash used in financing activities was RM10.69 million, mainly attributed to the following:

(i) payment of lease liabilities for the rental payments for our boutiques and head office of RM5.68 million and the hire purchase for motor vehicles of RM0.08 million, respectively;

(ii) payments of dividends of RM4.03 million; and

(iii) repayment of term loans amounting to RM0.89 million.

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FYE 2022

For FYE 2022, our Group's net cash used in financing activities was RM10.86 million, mainly attributed to the following:

(i) payment of lease liabilities for the rental payments for our boutiques and head office of RM5.32 million and the hire purchase for motor vehicles of RM0.08 million, respectively;

(ii) payment of dividends of RM4.03 million; and

(iii) repayment of term loans of RM1.44 million.

FYE 2023

For FYE 2023, our Group's net cash used in financing activities was RM12.72 million, mainly attributed to the following:

(i) payment of lease liabilities for the rental payments for our boutiques and head office of RM6.61 million and the hire purchase payables for motor vehicles of RM0.08 million, respectively;

(ii) payment of dividends of RM14.10 million;

(iii) repayment of term loans of RM3.48 million; and

(iv) a drawdown of term loan of RM11.55 million for the acquisition of the Imbi Property.

FYE 2024

For FYE 2024, our Group's net cash used in financing activities was RM27.66 million, mainly attributed to the following:

(i) repayment of term loan of RM12.23 million:

(ii) dividend payment of RM8.06 million; and

(iii) payment of lease liabilities for the rental payments for our boutiques and head office of RM7.29 million and the hire purchase payables for motor vehicles of RM0.90 million respectively.

12.5.3 Borrowings

As at 30 June 2024, our Group's outstanding borrowings (excluding lease liabilities arising in relation to the lease of boutiques and head office) stood at RM7.50 million, all of which were interest-bearing and denominated in RM, are set out below:

	As at 30 June 2024		
	Payable within 12 months	**Payable after 12 months**	**Total**
Type of facility	**RM'000**	**RM'000**	**RM'000**
Term loans	857	6,638	7,495
Lease liabilities	5,905	15,920	21,825
TOTAL	**6,762**	**22,558**	**29,320**
Gearing (times)			
- Before Public Issue[(1)]			0.07
- After Public Issue[(2)]			0.05

Notes:

(1) Computed based on total borrowings (excluding lease liabilities arising in relation to the lease of boutiques and head office of our Group) of RM7.50 million divided by our Group's total shareholders' equity as at 30 June 2024 of RM111.68 million.

(2) Computed based on total borrowings (excluding lease liabilities arising in relation to the lease of boutiques and head office of our Group) of RM7.50 million divided by our Group's pro forma total shareholders' equity after accounting for dividends paid subsequent to FYE 2024, the Public Issue and the use of proceeds from the Public Issue of RM151.66 million.

The details of the types of banking facilities that our Group uses and its utilised balances as at the LPD are as follows:

Type of facility	Tenure	Purpose	Effective interest rate per annum (%)	Facility limit RM'000	Balance outstanding as at the LPD RM'000
Term loan I	240 months[(1)]	Acquisition of warehouse at Platinum Cheras, Selangor	4.52[(3)]	14,650	7,026
Term loan II	240 months[(2)]	Acquisition of the Imbi Property	4.72[(4)]	11,550	79
TOTAL					**7,105**

Notes:

(1) Commenced in December 2014.

(2) Commenced in March 2023.

(3) Based on base lending rate minus 2.2% per annum.

(4) Based on base lending rate minus 2.0% per annum.

Separately, our Group has also recognised the following lease liabilities on the right-of-use assets (in relation to the lease of boutiques and head office), which are denominated in RM and as set out below:

	Purpose	Audited As at 30 June 2024 RM'000
Lease liabilities payable within 12 months	Lease of boutiques and head office	5,905
Lease liabilities payable after 12 months	Lease of boutiques and head office	15,920
TOTAL		**21,825**

As at the LPD, our Group does not have any borrowings which are non-interest bearing and/or in foreign currency.

Our Group has not defaulted on any payment of either principal sums and/or interest in relation to the borrowings for the FYE Under Review and the subsequent period up to the LPD.

As at the LPD, our Group is not in breach of any terms and conditions or covenants associated with the credit arrangements or bank loans, which can materially affect the financial position and results of business operations of our Group or the investments by our shareholders.

During the FYE Under Review, our Group did not experience any clawback or reduction in the facilities limit granted to our Group by our lenders.

Our Group does not encounter seasonality in the trend of our borrowings and there is no restriction on the use of our committed banking facilities.

12.5.4 Treasury policies and objectives

Our Group's operations have been funded predominantly through shareholder's equity, cash generated from our Group's business operations and external sources of funds including banking facilities from financial institutions as well as credit terms granted by our Group's suppliers. Our Group's banking facilities as at 30 June 2024 is set out in Section 12.5.3 of this Prospectus.

As at the LPD, our Group has utilised RM0.09 million as bank guarantee for landlord and has un-utilised banking facilities of RM12.91 million that may be utilised by our Group to fund our business operations.

As at 30 June 2024, our Group's cash and bank balances were held in the following currencies for working capital purposes:

Currency	RM'000
RM	46,777
Vietnamese Dong	3
United States Dollars	26
Chinese Renminbi	46
Indonesian Rupiah	Neg
Others	111
TOTAL	**46,963**

Note:
Neg Negligible.

The primary objective of capital management of our Group is to ensure that entities within our Group would be able to continue as going concern whilst maximising the return to shareholders through the optimisation of the debt and equity balance.

12.5.5 Financial instruments for hedging purposes

For the FYE Under Review and the subsequent period up to the LPD, our Group does not use any financial instrument for hedging purposes.

12.5.6 Material litigation, contingent liabilities and commitment for capital expenditure

(i) Material litigation

As at the LPD, neither our Company nor our subsidiaries are involved in any material litigation, claim or arbitration, either as plaintiff or defendant, and there is no proceedings pending or threatened or of any fact likely to give rise to any proceedings which might materially or adversely affect the position or business of our Company or our subsidiaries.

(ii) Contingent liabilities

As at the LPD, save as disclosed below, there is no other contingent liabilities incurred or known to be incurred by our Group, which upon becoming enforceable, may have a material impact on the financial position of our Group:

	As at the LPD
	RM'000
Corporate guarantee to landlords for tenancy agreements entered into by a subsidiary of our Company	528

(iii) Material commitment for capital expenditures

As at the LPD, save as disclosed below, there is no other material commitments incurred or known to be incurred by our Group, which upon becoming enforceable, may have a material impact on the financial position of our Group:

	As at the LPD
	RM'000
Authorised and contracted for: - purchase of property, plant and equipment*(1)*	927

Note:

(1) Comprising primarily of fitting-out works for the boutiques as well as construction and fitting-out works for the Imbi Property.

(iv) Capital expenditure and divestiture

Capital expenditure

Our Group's material capital expenditure for the FYE Under Review and subsequent period up to the LPD are as follows:

	At cost				
	Audited				**Unaudited**
	FYE 2021	**FYE 2022**	**FYE 2023**	**FYE 2024**	**From 1 July 2024 up to the LPD**
	RM'000	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Freehold land and freehold building	-	-	17,370	787*(1)*	2,590*(2)*
Furniture, fittings and counter fixtures	755	2,352	1,535	2,681	588
TOTAL	**755**	**2,352**	**18,905**	**3,468**	**3,178**

Notes:

(1) Due to the stamp duty incurred for the issuance of the strata title of our warehouse at Platinum Cheras in Selangor.

(2) Excluding stamp duty payable to authority for the registration of transfer of the Melaka Property.

Commentaries:

FYE 2021

For FYE 2021, our Group's material capital expenditure was RM0.76 million for the acquisition of furniture, fittings and counter fixtures arising from the renovation of new boutiques, relocation and refurbishment of our boutiques, which was financed via our Group's internally-generated funds.

FYE 2022

For FYE 2022, our Group's material capital expenditure was RM2.35 million for the acquisition of furniture, fittings and counter fixtures arising from the opening of new boutiques, which was financed via our Group's internally-generated funds.

FYE 2023

For FYE 2023, our Group's material capital expenditure was RM18.91 million, attributed to the following:

(i) acquisition of the Imbi Property amounted to RM17.37 million (inclusive of stamp duty), which was financed via a combination of term loan of RM11.55 million and our Group's internally-generated funds; and

(i) acquisition of the Imbi Property amounted to RM17.37 million (inclusive of stamp duty), which was financed via a combination of term loan of RM11.55 million and our Group's internally-generated funds; and

(ii) acquisition of furniture, fittings and counter fixtures amounted to RM1.54 million arising from the relocation and refurbishment of our boutiques, which was financed via our Group's internally-generated funds.

FYE 2024

For FYE 2024, our Group's material capital expenditure was RM3.47 million, attributed to the following:

(i) capitalisation of the stamp duty incurred for the issuance of the strata title of our warehouse at Platinum Cheras amounted to RM0.79 million, which was financed via our Group's internally-generated funds; and

(ii) acquisition of furniture, fittings and counter fixtures amounted to RM2.68 million arising from the refurbishment of our boutiques and renovation of our new boutiques, which was financed via our Group's internally-generated funds.

From 1 July 2024 up to the LPD

Subsequent to FYE 2024 and up to the LPD, our Group's material capital expenditure was RM3.18 million, attributed to the following:

(i) acquisition of the Melaka Property amounted to RM2.59 million, which was financed via our Group's internally-generated funds; and

(ii) acquisition of furniture, fittings and counter fixtures amounted to RM0.59 million arising from the refurbishment of our boutiques and departmental store counters, which was financed via our Group's internally-generated funds.

Divestiture

Save as disclosed below, our Group's material divesture for the FYE Under Review and subsequent period up to the LPD are as follows:

	At NBV				
	Audited				Unaudited
	FYE 2021	FYE 2022	FYE 2023	FYE 2024	From 1 July 2024 up to the LPD
	RM'000	RM'000	RM'000	RM'000	RM'000
Leasehold land and building[(1)]	-	-	4,800	-	-
TOTAL	**-**	**-**	**4,800**	**-**	**-**

Note:

(1) Being the disposal of our investment property located in Desa Tun Razak, Cheras, which was completed on 20 April 2023.

Commentaries:

Throughout the FYE Under Review and period under review, our Group's material divesture was the disposal of our investment property located in Desa Tun Razak, Cheras, for cash consideration of RM5.80 million, which was completed on 20 April 2023.

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12.6 KEY FINANCIAL RATIOS

The key financial ratios of our Group for FYE Under Review are as follows:

	Audited			
	FYE 2021	FYE 2022	FYE 2023	FYE 2024
Trade receivables turnover (days)[(1)]	27	24	18	15
Trade payables turnover (days)[(2)]	19	13	6	2
Inventory turnover (days)[(3)]	139	123	127	179
Current ratio (times)[(4)]	4.01	4.23	5.08	5.73
Gearing ratio (times)[(5)]	0.18	0.13	0.20	0.07

Notes:

(1) Computed based on average of the opening and closing trade receivables divided by total revenue, for the respective FYE, and multiplied by the number days in the respective FYEs, being 365 days.

(2) Computed based on average of the opening and closing trade payables divided by the total purchase of the respective FYEs, and multiplied by the number of days in the respective FYEs, being 365 days.

(3) Computed based on average of the opening and closing inventories divided by the total purchase of the respective financial years and multiplied by the number of days in the respective FYEs, being 365 days.

(4) Computed based on current assets divided by current liabilities as at the respective FYEs.

(5) Computed based on total interest bearing borrowings (excluding lease liabilities arising in relation to the lease of boutiques and head office of our Group) divided by total equity as at the respective FYEs.

12.6.1 Trade receivables turnover

The breakdown of our Group's trade receivables is as set out below:

	Audited			
	FYE 2021	FYE 2022	FYE 2023	FYE 2024
	RM'000	RM'000	RM'000	RM'000
Opening balances for net trade receivables	4,872	6,227	6,802	3,956
Closing balances for net trade receivables	6,227	6,802	3,956	4,645
Average balances for trade receivables	5,550	6,515	5,379	4,301
Revenue	76,460	101,787	113,534	104,845
Trade receivables turnover (days)	27	24	18	15

The normal credit period granted by our Group ranges from cash on delivery to up to 60 days from the date of our invoice.

Our Group's trade receivables mainly comprise amounts due from financial institutions for credit or debit card transactions for sales to end consumers via our boutiques and our own platform as well as amounts due from the departmental stores and third-party e-commerce platforms in relation to sales generated from these channels.

Our Group's trade receivables turnover periods throughout the FYE Under Review remain within the credit period granted by our Group. The gradual improvement in our Group's trade receivables turnover period throughout the FYE Under Review was attributed to prompt payment by our trade receivables.

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Ageing analysis of our Group's trade receivables as at 30 June 2024

Our Group's trade receivables ageing analysis as at 30 June 2024 is as follows:

		Past due (days)					
	Current	**1-30**	**31-60**	**61-90**	**91-120**	**>120**	**Total**
Trade receivables (RM'000)	2,354	1,750	238	253	12	38	4,645
Proportion of total trade receivables (%)	*50.68*	*37.67*	*5.12*	*5.45*	*0.26*	*0.82*	*100.00*
Subsequent collection up to the LPD (RM'000)	2,347	1,742	219	234	-	38	4,580
Balance as at the LPD (RM'000)	7	8	19	19	12	-	65
Proportion of total balance (%)	0.15	0.17	0.41	0.41	0.26	-	1.40

As at the LPD, our Group has collected 98.60% of trade receivables as at 30 June 2024. During the FYE Under Review, our Group has significant exposure to 2 major trade receivables, which has been fully collected as at the LPD.

As part of our Group's credit control process, our accounts and finance team prepares and shares ageing report with operation team to follow up with trade receivables on collection. For any trade receivables which have exceeded the credit period, we will follow up with calls and send reminders. Where appropriate, our accounts and finance team will provide for impairment on those trade receivables where recoverability is uncertain based on our dealings with the trade receivables. Our Group's impairment on trade receivables and bad debts written off for the FYE Under Review are as follows:

	Audited			
	FYE 2021	**FYE 2022**	**FYE 2023**	**FYE 2024**
	RM'000	**RM'000**	**RM'000**	**RM'000**
(Reversal of impairment) / Impairment losses on trade receivables	(146)	33	228	31
Bad debts written off	-	-	-	-

The impairment losses on trade receivables for the FYE Under Review consists of specific allowance and lifetime expected credit loss allowance. The reversal of impairment losses on trade receivable was a result of reduction in expected risk of default.

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12.6.2 Trade payables turnover

The breakdown of our Group's trade payables is as set out below:

	Audited			
	FYE 2021	**FYE 2022**	**FYE 2023**	**FYE 2024**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Opening balances for trade payables	1,303	1,292	830	260
Closing balances for trade payables	1,292	830	260	-
Average balances for trade payables	1,298	1,061	545	130
Total purchase	25,285	30,943	37,079	29,756
Trade payables turnover period (days)	19	13	6	2

The normal credit period extended by our suppliers to our Group ranges from cash on delivery to 60 days. Our Group's trade payables turnover period for the FYE Under Review were within the credit period granted by our suppliers. Our Group's trade payables turnover period improved from 19 days in FYE 2021 to 13 days in FYE 2022 and subsequently to 6 days in FYE 2023, mainly due to our Group has lower purchases at the end of the respective FYEs. Our Group's trade payable turnover period further improved to 2 days in FYE 2024, mainly due to our Group has higher proportion of cash purchases at the end of the FYE 2024.

As at the LPD, there was no dispute in respect of our Group's total outstanding trade payables and no legal action has been initiated by our suppliers to demand for payment from our Group.

12.6.3 Inventory turnover

The breakdown of our Group's inventory is as set out below:

	Audited			
	FYE 2021	**FYE 2022**	**FYE 2023**	**FYE 2024**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Opening balances for inventories	9,624	9,589	11,120	14,520
Closing balances for inventories	9,589	11,120	14,520	14,648
Average balances for inventories	9,607	10,355	12,820	14,584
Total purchase	25,285	30,943	37,079	29,756
Inventory turnover period (days)	139	123	127	179

Our inventory comprises raw materials and finished goods such as women's handbag, footwear and accessories. These inventories are stored in our warehouse and boutiques as well as departmental stores.

Our Group's inventory turnover period improved from 139 days in FYE 2021 to 123 days in FYE 2022 due to higher sales recorded towards the end of FYE 2022 which resulted in higher turnover of inventories at the end of FYE 2022. Our Group's inventory turnover period for FYE 2023 of 127 days is fairly consistent with FYE 2022. In FYE 2024, our Group's inventory turnover period increased to 179 days, mainly due to higher purchase orders placed during the last quarter of FYE 2024 which resulted in higher level of inventories at the end of FYE 2024.

There was no impairment losses on inventory for FYE 2021 to FYE 2024.

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12.6.4 Current ratio

The table below sets out a summary of our Group's current ratio:

	Audited			
	FYE 2021	FYE 2022	FYE 2023	FYE 2024
Current assets (RM'000)	65,857	84,201	87,275	83,043
Current liabilities (RM'000)	16,404	19,916	17,182	14,494
Current ratio (times)	4.01	4.23	5.08	5.73

Our Group's current ratio has improved from from 4.01 times as at 30 June 2021 to 5.73 times as at 30 June 2024, attributed to higher inventories, cash and bank balances and short term funds throughout each FYEs.

Overall, our Group's current ratio has remained healthy throughout the FYE Under Review.

12.6.5 Gearing ratio

The table below sets out a summary of our Group's gearing ratio:

	Audited			
	FYE 2021	FYE 2022	FYE 2023	FYE 2024
Total borrowings (RM'000)*(1)*	13,286	11,781	19,788	7,495
Total equity (RM'000)	72,112	90,320	100,180	111,678
Gearing ratio (times)	0.18	0.13	0.20	0.07

Note:

(1) Includes terms loans and lease liabilities owing to a financial institution (hire purchase).

Our Group's gearing ratio improved from 0.18 times as at 30 June 2021 to 0.13 times as at 30 June 2022, mainly due to the repayment of term loans amounting to RM1.44 million, coupled with increase in total equity as a result of improved sales and profitability performance.

Our Group's gearing ratio increased from 0.13 times as at 30 June 2022 to 0.20 times as at 30 June 2023, mainly due to the drawdown of term loan during FYE 2023 of RM11.55 million to fund the acquisition of Imbi Property, which was completed on 15 March 2023.

Our Group's gearing ratio improved from 0.20 times as at 30 June 2023 to 0.07 times as at 30 June 2024, mainly due to the repayment of term loans amounting to RM12.23 million, coupled with increase in total equity as a result of profitable performance.

12.7 IMPACT OF GOVERNMENT, ECONOMIC, FISCAL OR MONETARY POLICIES

Save for policies in relation to COVID-19 and various aids and reliefs from the Government during the COVID-19 outbreak, there were no government, economic, fiscal or monetary policies or factors which have materially affected our Group's financial performance during the FYE Under Review. There is no assurance that our Group's financial performance will not be adversely affected by the impact of changes in government, economic, fiscal or monetary policies or factors moving forward. Risks relating to government, economic, fiscal or monetary policies or factors which may adversely and material affect our Group's business operations are set out in Section 9 of this Prospectus.

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12.8 IMPACT OF INFLATION

During the FYE Under Review, our Group's financial performance was not materially affected by inflation. However, there is no assurance that our Group's financial performance will not be adversely affected by inflation moving forward. Any significant increase in our cost of sales in the future may adversely affect our Group's operations and performance if we are unable to pass on the higher costs to our customers through an increase in the selling prices of our Group's products.

12.9 IMPACT OF FOREIGN EXCHANGE RATES, INTEREST RATES AND/OR COMMODITY PRICES ON OUR GROUP'S OPERATIONS

12.9.1 Impact of foreign exchange rate

Our Group is not exposed to any material foreign currency risk on sales and purchases that are denominated in a currency other than RM.

Our Group does not enter into any currency hedging transactions to manage our exposure to foreign currency exchange risk. We monitor and manage our foreign currency exchange exposure through natural hedge by maintaining foreign currency denominated cash and bank balances for receipts and payments in foreign currencies.

Please refer to note 35(iv) of the Accountants' Report in Section 14 of this Prospectus for the sensitivity analysis on our Group's PAT to a 3% strengthening and weakening of various foreign currencies against RM, with other variables held constant.

12.9.2 Impact of interest rate

Our Group is exposed to interest rate risk through rate changes for fixed deposits with licensed banks, lease liabilities and interest-bearing borrowings. Our Group does not enter into interest rate hedging transaction.

A sensitivity analysis performed on our Group's interest rate risk is set out in note 35(iii) of the Accountants' Report as set out in Section 14 of this Prospectus.

Our Group's financial results for FYE 2021 to FYE 2024 were not materially affected by fluctuations in interest rate.

12.9.3 Impact of commodity price

Our Group is not directly affected by fluctuations in commodity prices for the FYE Under Review.

12.10 TREND ANALYSIS

As at the LPD, save as disclosed in this Prospectus and to the best of our Board's knowledge and belief, our Group's operations and financial performance have not been and are not expected to be affected by any of the following:

(i) known trends, demands, commitments, events or uncertainties that have had or that our Group reasonably expects to have, a material favourable or unfavourable impact on our Group's financial performance, position and operations, save as disclosed in this Sections 7, 8, 9 and 12 of this Prospectus;

(ii) material commitment for capital expenditure, as set out in Section 12.5.6(iii) of this Prospectus;

(iii) unusual, infrequent events or transactions or any significant economic changes that have materially affected our Group's financial performance, position and operations, save as disclosed in Sections 7, 9 and 12 of this Prospectus;

(iv) known trends, demands, commitments, events or uncertainties that had resulted in a material impact on our Group's revenue and/or profits as well as our Group's liquidity and capital resources, save as disclosed in Sections 7, 8, 9 and 12 of this Prospectus; and

(v) known trends, demands, commitments, events or uncertainties that are reasonably likely to make our Group's historical financial statements not indicative of the future financial performance and position, save as disclosed in Sections 7, 9 and 12 of this Prospectus.

Our Board is optimistic about the future prospects of our Group, after taking into account the outlook of the fashion industry in Malaysia as set out in Section 8 of this Prospectus, our Group's competitive advantages and key strengths as set out in Section 7.17 of this Prospectus and our business strategies as set out in Section 7.18 of this Prospectus.

12.11 ORDER BOOK

Due to the nature of our Group's business, our Group does not enter into long-term contracts with our customers. Sales through our boutiques, departmental stores and e-commerce platforms are sold to customers on ad-hoc basis. In this regard, our Group does not maintain an order book.

While our Group does not maintain an order book, our business is sustainable based on the following factors:

(i) our Carlo Rino brand has been in the fashion industry in Malaysia for over 35 years and our Group has an established track record of 18 years, which have enabled our Group to garner trust amongst our customers and suppliers. Our Group is led our Group Managing Director who has approximately 20 years of experience in the fashion industry and is supported by a team of key senior management who has over 10 years of experience in their respective fields;

(ii) the positive outlook and prospects of the fashion industry in Malaysia, Indonesia and Thailand as set out in the IMR Report, which allows our Group to leverage on strengths as set in item (i) above to ride on the growth of the fashion industry in these countries; and

(iii) our Management's continuous efforts to strengthen our market presence and brand visibility as detailed in Section 7.18 of this Prospectus.

12.12 DIVIDEND POLICY

For FYE 2021 and FYE 2022, our Company does not have a formal dividend policy. Subsequently on 29 August 2022, our Company adopted a dividend policy to distribute not less than 30% of our Company's net profit attributed to shareholders available in each financial year in the form of dividends to our shareholders annually, commenced from FYE 2023.

The dividends declared and paid to our shareholders during the FYE Under Review and the subsequent period up to the LPD, which were funded entirely by our internally generated funds, are as follows:

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	FYE 2021 (RM'000)	FYE 2022 (RM'000)	FYE 2023 (RM'000)	FYE 2024 (RM'000)	1 July 2024 up to the LPD (RM'000)
Dividend declared and paid **(A)**	4,028	4,028	14,099	8,056	4,028
PAT attributable to owners of our Company **(B)**	3,984	22,230	23,853	19,305	19,305*(1)*
Dividend payout ratio (%) **(A/B)**	101.10	18.12	59.11	41.73	20.87

Note:

(1) Being audited PAT attributable to owners of our Company for FYE 2024, being latest announced financial results of our Group as at the LPD.

Investors should note that this dividend policy merely describes our present intention and shall not constitute legally binding statements in respect of our future dividends which are subject to modifications (including reduction or non-declaration thereof) at our Board's discretion.

Our Board will consider the following factors (which may not be exhaustive) when recommending dividends for approval by our shareholders or when declaring any interim dividends:

- level of available cash and cash equivalents, accumulated reserves and earnings stability of our Group;
- expected financial performance and debt to equity ratio of our Group;
- future working capital requirements of our Group for organic/inorganic growth, expansion and/or investment plans;
- contractual restrictions involving our Group;
- current and future leverage of our Group and, under exception circumstances, the amount of contingent liabilities of our Company and our Group;
- business cycles and economic environment;
- cost of external financing and inflation rate;
- industry outlook and prospects;
- changes in Government's policies, industry specific rulings and regulatory provisions; and
- our ability to remain solvent and to pay our debts as and when become due within the period of 12 months immediately following the date of dividend distributions, and the assets of our Company shall be greater than the value of our liabilities at the date of the dividend distribution as prescribed under the Act or other applicable laws and regulations.

As our Company is an investment holding company, our income and therefore our ability to pay dividends is dependent upon the dividends we receive from our subsidiaries, present or future. Our subsidiaries may require its financiers' consent to pay dividends to our Company in our future facility agreements.

As such, we cannot assure you that we will be able to pay dividends or that our Board will declare dividends in the future. There can be no assurance that future dividends declared by our Board, if any, will not differ materially from historical dividend levels or the target set in our dividend policy. Refer to Section 9 of this Prospectus for risk relating to investment in our Shares.

No inference should or can be made from any of the foregoing statements as to our actual future profitability or our ability to pay dividends in the future.

12.13 SIGNIFICANT CHANGES

Save as disclosed in this Prospectus, there is no significant changes that have occurred which may have a material effect on our Group's financial position and results of operations subsequent to FYE 2024 up to the LPD.

12.14 DIRECTORS' DECLARATION ON OUR GROUP'S FINANCIAL PERFORMANCE

Our Board is of the opinion that:

(i) our Group's revenue will remain sustainable with a growth trend, in line with the positive outlook of the fashion industry in Malaysia, Indonesia and Thailand as set out in the IMR Report;

(ii) our Group's liquidity will strengthen further subsequent to the Public Issue given the funds to be raised by us to carry out business strategies as sets out in Sections 4.9 and 7.18 of this Prospectus; and

(iii) our Group's capital resources will strengthen, taking into account the amount to be raised from the Public Issue as well as internally generated funds. We may consider debt or equity funding for our Group's capital expansion should the need arises.

Save as disclosed in this Prospectus, our Board confirms that there are no known circumstances or factors that are likely to have a material impact on Group's liquidity, revenue or profitability.

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13. REPORTING ACCOUNTANTS' REPORT ON THE COMPILATION OF PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2024

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The Board of Directors
Carlo Rino Group Berhad
L2-05, 2nd Floor, Ikon Connaught,
Lot 160, Jalan Cerdas,
Taman Connaught, Cheras,
56000 Kuala Lumpur,
Wilayah Persekutuan, Malaysia.

Date: 1 November 2024

Our ref: BDO/LKH/OSV

Dear Sirs/Madam,

Carlo Rino Group Berhad ("CRG" or the "Company")
Report on the Compilation of Pro Forma Consolidated Statements of Financial Position as at 30 June 2024 ("This Report")

We have completed our assurance engagement to report on the compilation of Pro Forma Consolidated Statements of Financial Position of CRG and its subsidiaries ("Group") as at 30 June 2024 ("Pro Forma Consolidated Statements of Financial Position"). The Pro Forma Consolidated Statements of Financial Position together with the accompanying notes thereon, for which we have stamped for purpose of identification, have been compiled by the Board of Directors of the Company ("Board of Directors") for inclusion in the prospectus of the Company (the "Prospectus") in connection with the listing of and quotation for the entire enlarged issued share capital of CRG on the ACE Market of Bursa Malaysia Securities Berhad ("Bursa Securities") (the "Listing").

The applicable criteria on the basis of which the Board of Directors has compiled the Pro Forma Consolidated Statements of Financial Position are described in the Notes thereon to the Pro Forma Consolidated Statements of Financial Position and are specified in the Prospectus Guidelines issued by the Securities Commission Malaysia ("Prospectus Guidelines") and the Guidance Note for Issuers of Pro Forma Financial Information issued by the Malaysian Institute of Accountants.

The Pro Forma Consolidated Statements of Financial Position have been compiled by the Board of Directors, to illustrate the impact of the events or transactions as set out in the Notes thereon to the Pro Forma Consolidated Statements of Financial Position on the Group's financial position as at 30 June 2024 as if the events have occurred or the transactions have been undertaken on 30 June 2024. As part of this process, information about the financial position of the Group has been extracted by the Board of Directors from the audited financial statements of the Group for the financial year ended 30 June 2024, which have been audited.

Directors' Responsibility for the Pro Forma Consolidated Statements of Financial Position

The Board of Directors is solely responsible for compiling the Pro Forma Consolidated Statements of Financial Position on the basis as described in the Notes thereon to the Pro Forma Consolidated Statements of Financial Position and in accordance with the requirements of the Prospectus Guidelines.

Our Independence and Quality Management

We are independent of the Group in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Our Independence and Quality Management (continued)

The Firm applies Malaysian Approved International Standard on Quality Management (ISQM) 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements* and accordingly, the Firm is required to design, implement and operate a system of quality management including policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants' Responsibility

Our responsibility is to express an opinion, as required by the Prospectus Guidelines, about whether the Pro Forma Consolidated Statements of Financial Position have been compiled, in all material respects, by the Board of Directors on the basis described in the Notes thereon to the Pro Forma Consolidated Statements of Financial Position.

We conducted our engagement in accordance with International Standard on Assurance Engagement (ISAE) 3420, *Assurance Engagement to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*, issued by the International Auditing and Assurance Standards Board and adopted by the Malaysian Institute of Accountants. This standard requires that we comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the Board of Directors has compiled, in all material respects, the Pro Forma Consolidated Statements of Financial Position on the basis set out in the Notes thereon to the Pro Forma Consolidated Statements of Financial Position and in accordance with the requirements of the Prospectus Guidelines.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Pro Forma Consolidated Statements of Financial Position, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Pro Forma Consolidated Statements of Financial Position. In providing this opinion, we do not accept any responsibility for such reports or opinions beyond that owed to those to whom those reports or opinions were addressed by us at the dates of their issue.

The purpose of Pro Forma Consolidated Statements of Financial Position included in the Prospectus is solely to illustrate the impact of significant events or transactions on unadjusted financial information of the entity as if the events had occurred or the transactions had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the events or transactions as at 30 June 2024 would have been as presented.

A reasonable assurance engagement to report on whether the Pro Forma Consolidated Statements of Financial Position have been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Board of Directors in the compilation of the Pro Forma Consolidated Statements of Financial Position provide a reasonable basis for presenting the significant effects directly attributable to the events or transactions, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and

- The Pro Forma Consolidated Statements of Financial Position reflect the proper application of those adjustments to the unadjusted financial information.

13. REPORTING ACCOUNTANTS' REPORT ON THE COMPILATION OF PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2024 *(CONT'D)*

Reporting Accountants' Responsibility (continued)

The procedures selected depend on our judgement, having regard to our understanding of the nature of the Group, the events or transactions in respect of which the Pro Forma Consolidated Statements of Financial Position have been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Pro Forma Consolidated Statements of Financial Position.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Pro Forma Consolidated Statements of Financial Position have been compiled, in all material respects, on the basis described in the Notes thereon to the Pro Forma Consolidated Statements of Financial Position and in accordance with the requirements of the Prospectus Guidelines.

Other Matter

This Report has been prepared solely for the purpose stated above, in connection with the Listing. As such, this Report should not be used for any other purpose without our prior written consent. Neither the Firm nor any member or employee of the Firm undertakes responsibility arising in any way whatsoever to any party in respect of this Report contrary to the aforesaid purpose.

Yours faithfully,

BDO PLT
201906000013 (LLP0018825-LCA) & AF 0206
Chartered Accountants

Law Kian Huat
02855/06/2026 J
Chartered Accountant

13. REPORTING ACCOUNTANTS' REPORT ON THE COMPILATION OF PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2024 *(CONT'D)*

PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2024

The Pro Forma Consolidated Statements of Financial Position have been prepared for illustrative purposes only to show the effects on the audited consolidated statements of financial position of the Group as at 30 June 2024 based on the assumptions that the transactions set out in Note 1.3 and Note 1.4 had been effected on that date, and should be read in conjunction with the notes thereon.

	Note	As at 30 June 2024 RM	Adjustments for subsequent events up to the latest practicable date RM	Pro Forma I After adjustments for subsequent events RM	Adjustments for Public Issue RM	Pro Forma II After Pro Forma I and Public Issue RM	Adjustments for Utilisation of Proceeds RM	Pro Forma III After Pro Forma I, Pro Forma II and Utilisation of Proceeds RM
ASSETS								
Non-current assets								
Property, plant and equipment	3	41,269,998	2,590,000	43,859,998	-	43,859,998	592,000	44,451,998
Right-of-use assets		19,871,433	-	19,871,433	-	19,871,433	-	19,871,433
Other investments		4,766,580	-	4,766,580	-	4,766,580	-	4,766,580
Deferred tax assets		1,147,000	-	1,147,000	-	1,147,000	-	1,147,000
		67,055,011	2,590,000	69,645,011	-	69,645,011	592,000	70,237,011
Current assets								
Inventories		14,647,951	-	14,647,951	-	14,647,951	-	14,647,951
Trade and other receivables		12,192,455	-	12,192,455	-	12,192,455	-	12,192,455
Current tax assets		148,714	-	148,714	-	148,714	-	148,714
Cash and bank balances	4	46,963,262	(4,028,257)	42,935,005	46,403,739	89,338,744	(2,990,621)	86,348,123
Short term funds	5	9,090,851	(2,590,000)	6,500,851	-	6,500,851	-	6,500,851
		83,043,233	(6,618,257)	76,424,976	46,403,739	122,828,715	(2,990,621)	119,838,094
TOTAL ASSETS		150,098,244	(4,028,257)	146,069,987	46,403,739	192,473,726	(2,398,621)	190,075,105
EQUITY AND LIABILITIES								
Equity attributable to owners of the parent								
Share capital	6	68,000,000	-	68,000,000	46,403,739	114,403,739	(1,130,000)	113,273,739
Reserves	6	43,677,754	(4,028,257)	39,649,497	-	39,649,497	(1,268,621)	38,380,876
TOTAL EQUITY		111,677,754	(4,028,257)	107,649,497	46,403,739	154,053,236	(2,398,621)	151,654,615

PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2024 (continued)

The Pro Forma Consolidated Statements of Financial Position have been prepared for illustrative purposes only to show the effects on the audited consolidated statements of financial position of the Group as at 30 June 2024 based on the assumptions that the transactions set out in Note 1.3 and Note 1.4 had been effected on that date, and should be read in conjunction with the notes thereon. (continued)

	Note	As at 30 June 2024 RM	Adjustments for subsequent events up to the latest practicable date RM	Pro Forma I After adjustments for subsequent events RM	Adjustments for Public Issue RM	Pro Forma II After Pro Forma I and Public Issue RM	Adjustments for Utilisation of Proceeds RM	Pro Forma III After Pro Forma I, Pro Forma II and Utilisation of Proceeds RM
LIABILITIES								
Non-current liabilities								
Borrowings		6,638,152	-	6,638,152	-	6,638,152	-	6,638,152
Lease liabilities		15,919,978	-	15,919,978	-	15,919,978	-	15,919,978
Deferred tax liabilities		7,000	-	7,000	-	7,000	-	7,000
Provision for restoration costs		1,360,737	-	1,360,737	-	1,360,737	-	1,360,737
		23,925,867	-	23,925,867	-	23,925,867	-	23,925,867
Current liabilities								
Trade and other payables		6,017,077	-	6,017,077	-	6,017,077	-	6,017,077
Borrowings		857,402	-	857,402	-	857,402	-	857,402
Lease liabilities		5,905,339	-	5,905,339	-	5,905,339	-	5,905,339
Provision for restoration costs		120,508	-	120,508	-	120,508	-	120,508
Current tax liabilities		1,594,297	-	1,594,297	-	1,594,297	-	1,594,297
		14,494,623	-	14,494,623	-	14,494,623	-	14,494,623
TOTAL LIABILITIES		38,420,490	-	38,420,490	-	38,420,490	-	38,420,490
TOTAL EQUITY AND LIABILITIES		150,098,244	(4,028,257)	146,069,987	46,403,739	192,473,726	(2,398,621)	190,075,105
Net assets (RM)		111,677,754		107,649,497		154,053,236		151,654,615
Number of ordinary shares in issue		805,651,400		805,651,400		977,517,100		977,517,100
Net assets attributable to equity holders per ordinary share (RM)		0.14		0.13		0.16		0.16

NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

1. INTRODUCTION, BASIS OF PREPARATION AND LISTING SCHEME

1.1 Introduction

The Pro Forma Consolidated Statements of Financial Position of Carlo Rino Group Berhad ("CRG" or the "Company") and its subsidiaries (the "Group") as at 30 June 2024 ("Pro Forma Consolidated Statements of Financial Position") together with the notes thereon, for which the Board of Directors of the Company are solely responsible, have been prepared for illustrative purposes only for the purpose of inclusion in the prospectus in connection with the listing of and quotation for the entire enlarged issued share capital of CRG on the ACE Market of Bursa Malaysia Securities Berhad ("Listing").

1.2 Basis of preparation

The Pro Forma Consolidated Statements of Financial Position have been prepared on the basis consistent with the accounting policies adopted by the Group, in accordance with Malaysian Financial Reporting Standards ("MFRSs") and IFRS Accounting Standards and with the requirements of the Prospectus Guidelines.

The audited financial statements of the Group for the financial year ended 30 June 2024 were not subject to any audit qualification.

The Pro Forma Consolidated Statements of Financial Position together with the related notes thereon, have been prepared solely to illustrate the impact of the events and transactions set out in Note 1.3 and Note 1.4 had the events occurred or the transactions been undertaken on 30 June 2024. The Pro Forma Consolidated Statements of Financial Position are not necessarily indicative of the financial position of the Group that would have been attained had the effects of the events or transactions as set out in Note 1.3 and Note 1.4 actually occurred at the respective dates. Accordingly, such information, because of its nature, may not be reflective of the actual financial position of the Group and does not purport to predict the future financial position of the Group.

1.3 Subsequent events

1.3.1 Dividend paid

The Company had distributed and paid the following dividends to its existing shareholders:

	RM
Single tier interim dividend of 0.50 sen per ordinary share, paid on 7 August 2024	4,028,257

The distribution and payment of the abovementioned dividend are illustrated in the Pro Forma Consolidated Statements of Financial Position to show the effects of this transaction had this transactions been effected on 30 June 2024.

1.3.2 Acquisition of freehold land and building

On 10 October 2024, CRI had entered into a sale and purchase agreement with a third party in relation to the acquisition of one (1) unit of 3-storey pre-war shophouse erected on a piece of freehold land held under Geran 21151, Lot 43, Kawasan Bandar XVI, Daerah Melaka Tengah, Negeri Melaka, measuring 947 sqft and bearing postal address of No. 11, Lorong Hang Jebat, 75200 Melaka for a total cash purchase consideration of RM2,590,000, excluding stamp duty payable to the authority for the registration of transfer of the Melaka property. The Group had paid a deposit RM259,000 via internally generated funds on 10 October 2024 and the remaining purchase considerations of RM2,331,000 had been fully repaid on 25 October 2024. As at the latest practicable date of the prospectus, CRI had fully settled the purchase consideration of RM2,590,000 via internally generated funds. The Melaka Property was transferred and registered into CRI's name on 1 November 2024, subsequent to the latest practicable date.

NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (continued)

1. INTRODUCTION, BASIS OF PREPARATION AND LISTING SCHEME (continued)

1.4 Listing Scheme

The following proposals were undertaken in conjunction with, and as an integral part of the Listing:

1.4.1 Public Issue

(a) Public Issue

The public issue of 171,865,700 new ordinary shares in CRG ("Shares"), representing 17.58% of the enlarged issued share capital of CRG, at an issue price of RM0.27 per Share, to be allocated and allotted in the following manner:

(i) 48,876,000 new Shares made available for application by Malaysian public;

(ii) 800,000 new Shares made available for application by the Independent Non-Executive Directors of CRG; and

(iii) 122,189,700 new Shares made available by way of private placement to selected Bumiputera investors approved by the Ministry of Investment, Trade and Industry.

1.4.2 Listing

Upon completion of the Public Issue, CRG would seek the listing of and quotation for its entire enlarged issued share capital of RM114,403,739 comprising 977,517,100 Shares on the ACE Market of Bursa Malaysia Securities Berhad.

1.4.3 Utilisation of Proceeds from Public Issue

The gross proceeds from the Public Issue of RM46,403,739 are expected to be utilised in the following manner:

Details of utilisation	Estimated timeframe for utilisation upon Listing	RM	Percentage of gross proceeds %
Capital expenditure:			
- Construction and the fitting out of a new flagship boutique and other facilities (e.g., information technology and security systems) (1)	36 months	15,000,000	32.32
- Refurbishment of boutiques and counters at departmental stores (2)	36 months	3,500,000	7.54
- Maintenance of information technology infrastructure (2)	24 months	500,000	1.08
Total capital expenditure		19,000,000	40.94
Working capital requirements of the Group			
- Purchase of inventories (3)	24 months	10,203,739	21.99
- Advertisement and promotion expenses (3)	24 months	3,000,000	6.47
- Rental of boutiques (3)	24 months	10,000,000	21.55
		23,203,739	50.01
Defrayment of estimated expenses for the Corporate Exercise and Initial Public Offering ("IPO") (4)	3 months	4,200,000	9.05
		46,403,739	100.00

NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (continued)

1. INTRODUCTION, BASIS OF PREPARATION AND LISTING SCHEME (continued)

1.4 Listing Scheme (continued)

The following proposals were undertaken in conjunction with, and as an integral part of the Listing: (continued)

1.4.3 Utilisation of Proceeds from Public Issue (continued)

Notes:

(1) As at the latest practicable date of the prospectus, the Group has entered into contracted binding agreements for a total of RM592,000 in relation to the proceeds earmarked for construction and the fitting out of a new flagship boutique and other facilities. The remaining amount of the gross proceeds of RM14,408,000 has yet to enter into any contractual binding agreement or issue any purchase order and has been included in cash and bank balances for purposes of illustration in the Pro Forma Consolidated Statements of Financial Position.

(2) As at the latest practicable date of the prospectus, the Group has yet to enter into any contractual binding agreement or issue any purchase order in relation to the refurbishment of boutiques and counters at departmental stores and maintenance of information technology infrastructure. Accordingly, the utilisation of proceeds earmarked for the refurbishment of boutiques and counters at departmental stores and maintenance of information technology infrastructure are not reflected in the Pro Forma Consolidated Statements of Financial Position.

(3) As at the latest practicable date of the prospectus, the Group has yet to enter any definite agreements with any parties or issue any purchase orders. Accordingly, the utilisation of proceeds earmarked for working capital purposes is not reflected in the Pro Forma Consolidated Statements of Financial Position.

(4) The defrayment of estimated expenses for the Corporate Exercise and IPO totalling RM4,200,000 comprise underwriting fees, placement fees, brokerage fees, regulatory fees, professional fees and miscellaneous expenses. The estimated listing expenses of RM1,130,000 directly attributable to the Public Issue will be debited against the share capital of the Company and the remaining estimated listing expenses of RM1,268,621 will be expensed off to the profit or loss. As at 30 June 2024, the Group has paid RM1,801,379 of listing expenses of which RM1,801,379 has been recognised in the profit or loss.

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01 NOV 2024
BDO PLT
(201906000013 (LLP0018825-LCA) & AF 0206)
Chartered Accountants
Kuala Lumpur

2. PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2024

2.1 PRO FORMA ADJUSTMENTS TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

2.1.1 PRO FORMA I

Pro forma I incorporates the effects of subsequent events as disclosed in Note 1.3.1 and Note 1.3.2.

2.1.2 PRO FORMA II

Pro forma II incorporates the effects of Pro Forma I and the effects of the Public Issue and Listing as disclosed in Note 1.4.1 and Note 1.4.2.

2.1.3 PRO FORMA III

Pro forma III incorporates the effects of Pro Forma I, Pro Forma II and the utilisation of proceeds from the Public Issue as disclosed in Note 1.4.3.

NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (continued)

3. PROPERTY, PLANT AND EQUIPEMNT

The movements of property, plant and equipment are as follows:

	RM
As at 30 June 2024	**41,269,998**
Adjustment for acquisition of freehold land and building	2,590,000
Pro Forma I/II	**43,859,998**
Adjustments for utilisation of proceeds from Public Issue	
- Contruction and the fitting out of a new flagship boutique and other facilities	592,000
Pro Forma III	**44,451,998**

4. CASH AND BANK BALANCES

The movements of cash and bank balances are as follows:

	RM
As at 30 June 2024	**46,963,262**
Adjustment for distribution of dividends	(4,028,257)
Pro Forma I	**42,935,005**
Adjustments for the Public Issue	46,403,739
Pro Forma II	**89,338,744**
Adjustments for utilisation of proceeds from Public Issue	
- Defrayment of estimated expenses for the Corporate Exercise and IPO	(2,398,621)
- Construction and the fitting out of a new flagship boutique and othe facilities	(592,000)
Pro Forma III	**86,348,123**

5. SHORT TERM FUNDS

The movements of short term funds are as follows:

	RM
As at 30 June 2024	**9,090,851**
Adjustment for acquisition of freehold land and building	(2,590,000)
Pro Forma I/II/III	**6,500,851**

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01 NOV 2024
BDO PLT
(201906000013 (LLP0018825-LCA) & AF 0206)
Chartered Accountants
Kuala Lumpur

6. SHARE CAPITAL AND RESERVES

The movements in the share capital and reserves are as follows:

	Share capital RM	Reserves RM	Total RM
As at 30 June 2024	**68,000,000**	**43,677,754**	**111,677,754**
Adjustment for distribution of dividends	-	(4,028,257)	(4,028,257)
Pro forma I	**68,000,000**	**39,649,497**	**107,649,497**
Adjustments for the Public Issue	46,403,739	-	46,403,739
Pro forma II	**114,403,739**	**39,649,497**	**154,053,236**
Adjustments for utilisation of proceeds from Public Issue			
- Estimated listing expenses attributable to Public Issue	(1,130,000)	-	(1,130,000)
- Estimated other listing expenses charged to the profit or loss account	-	(1,268,621)	(1,268,621)
Pro forma III	**113,273,739**	**38,380,876**	**151,654,615**

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13. REPORTING ACCOUNTANTS' REPORT ON THE COMPILATION OF PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2024 *(CONT'D)*

APPROVAL BY THE BOARD OF DIRECTORS

The Pro Forma Consolidated Statements of Financial Position have been approved and adopted by the Board of Directors of Carlo Rino Group Berhad in accordance with a resolution dated 1 November 2024.

Signed on behalf of the Board of Directors,

…………………………………………	…………………………………………
DATO' SRI CHIANG FONG YEE	**ONG BOON HUAT**
Group Managing Director	Executive Director

BDO

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The Board of Directors
Carlo Rino Group Berhad
L2-05, 2nd Floor, Ikon Connaught,
Lot 160, Jalan Cerdas,
Taman Connaught, Cheras,
56000 Kuala Lumpur,
Wilayah Persekutuan, Malaysia.

Date: 1 November 2024

Our ref: BDO/LKH/OSV

Dear Sir/Madam,

REPORTING ACCOUNTANTS' OPINION ON THE CONSOLIDATED FINANCIAL INFORMATION CONTAINED IN THE ACCOUNTANTS' REPORT OF CARLO RINO GROUP BERHAD ("CRG" OR THE "COMPANY")

Opinion

We have audited the accompanying Consolidated Financial Statements of Carlo Rino Group Berhad and its subsidiaries as defined in Note 1 to the Consolidated Financial Statements (collectively referred to as the "Group"), which comprise the consolidated statements of financial position as at 30 June 2021, 30 June 2022, 30 June 2023 and 30 June 2024, and consolidated statements of profit or loss and other comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for the financial years ended 30 June 2021, 30 June 2022 , 30 June 2023 and 30 June 2024, and notes to the Consolidated Financial Statements, including material accounting policies as set out in this report (collectively referred to herein as "the Consolidated Financial Statements").

The Consolidated Financial Statements have been prepared for inclusion in the Prospectus of the Company in connection with the listing of and quotation for the entire enlarged issued share capital of CRG on the ACE Market of Bursa Malaysia Securities Berhad (the "Listing"). This report is given for the purpose of complying with the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad and the Prospectus Guidelines issued by the Securities Commission Malaysia and for no other purpose.

In our opinion, the Consolidated Financial Statements give a true and fair view of the consolidated financial position of the Group as at 30 June 2021, 30 June 2022 , 30 June 2023 and 30 June 2024 and of their consolidated financial performance and consolidated cash flows for the financial years ended 30 June 2021, 30 June 2022 , 30 June 2023 and 30 June 2024 in accordance with Malaysian Financial Reporting Standards ("MFRS") and IFRS Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Reporting Accountants' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

REPORTING ACCOUNTANTS' OPINION ON THE CONSOLIDATED FINANCIAL INFORMATION CONTAINED IN THE ACCOUNTANTS' REPORT OF CARLO RINO GROUP BERHAD ("CRG" OR THE "COMPANY") (continued)

Independence and Other Ethical Responsibilities

We are independent of the Group in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Directors' Responsibility for the Consolidated Financial Statements

The Directors of the Group ("Directors") are responsible for the preparation of the Consolidated Financial Statements so as to give a true and fair view in accordance with MFRS and IFRS Accounting Standards. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of the Consolidated Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Financial Statements, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Reporting Accountants' Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control of the Group.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

Reporting Accountants' Responsibility for the Audit of the Consolidated Financial Statements (continued)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also: (continued)

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Reporting Accountants' report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Reporting Accountants' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represents the underlying transactions and events in a manner that achieve fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other Matters

This report has been prepared solely to comply with Appendix 3B, Part A of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad and Chapter 10, Part II Division 1: Equity of the Prospectus Guidelines issued by the Securities Commission Malaysia and for inclusion in the Prospectus in connection with the Listing and for no other purposes. We do not assume responsibility to any other person for the content of this report.

BDO PLT
201906000013 (LLP0018825-LCA) & AF 0206
Chartered Accountants

Law Kian Huat
02855/06/2026 J
Chartered Accountant

CARLO RINO GROUP BERHAD (200901037127 (880257 - A))
(Incorporated in Malaysia)
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE

	Note	2021 RM	2022 RM	2023 RM	2024 RM
ASSETS					
Non-current assets					
Property, plant and equipment	7	22,470,233	23,479,479	40,368,534	41,269,998
Right-of-use assets	8	14,146,296	18,036,835	15,341,552	19,871,433
Goodwill	9	19,750	-	-	-
Investment properties	10	4,800,000	4,800,000	-	-
Investment in an associate	11	4,453,231	4,184,575	-	-
Other investments	12	-	-	4,766,580	4,766,580
Deferred tax assets	13	1,032,000	1,405,000	1,281,000	1,147,000
		46,921,510	51,905,889	61,757,666	67,055,011
Current assets					
Inventories	14	9,588,885	11,120,373	14,520,093	14,647,951
Trade and other receivables	15	10,760,871	19,618,471	8,800,317	12,192,455
Current tax assets		195,302	327,041	154,989	148,714
Cash and bank balances	16	39,601,186	47,320,844	60,864,265	46,963,262
Short term funds	17	5,710,521	5,814,580	2,936,086	9,090,851
		65,856,765	84,201,309	87,275,750	83,043,233
TOTAL ASSETS		112,778,275	136,107,198	149,033,416	150,098,244
EQUITY AND LIABILITIES					
Equity attributable to owners of the parent					
Share capital	18	68,000,000	68,000,000	68,000,000	68,000,000
Reserves	19	4,111,652	22,320,041	32,179,742	43,677,754
TOTAL EQUITY		72,111,652	90,320,041	100,179,742	111,677,754
LIABILITIES					
Non-current liabilities					
Borrowings	20	12,012,134	10,568,254	18,597,744	6,638,152
Lease liabilities	8	11,610,077	14,048,805	11,929,431	15,919,978
Deferred tax liabilities	13	50,000	50,000	9,000	7,000
Provision for restoration costs	22	590,518	1,203,712	1,134,716	1,360,737
		24,262,729	25,870,771	31,670,891	23,925,867
Current liabilities					
Trade and other payables	23	9,082,754	10,417,569	8,986,966	6,017,077
Borrowings	20	1,024,056	1,043,109	1,102,914	857,402
Lease liabilities	8	5,245,961	5,705,368	5,452,283	5,905,339
Provision for restoration costs	22	259,363	287,382	342,150	120,508
Current tax liabilities		791,760	2,462,958	1,298,470	1,594,297
		16,403,894	19,916,386	17,182,783	14,494,623
TOTAL LIABILITIES		40,666,623	45,787,157	48,853,674	38,420,490
TOTAL EQUITY AND LIABILITIES		112,778,275	136,107,198	149,033,416	150,098,244

CARLO RINO GROUP BERHAD (200901037127 (880257 - A))
(Incorporated in Malaysia)
CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 30 JUNE

	Note	2021 RM	2022 RM	2023 RM	2024 RM
Revenue	26	76,460,264	101,786,605	113,533,766	104,844,799
Cost of sales	27	(32,068,255)	(38,743,397)	(43,469,464)	(38,982,568)
Gross profit		44,392,009	63,043,208	70,064,302	65,862,231
Other operating income		3,324,533	3,431,128	3,392,590	1,739,582
Net gain/(loss) on impairment of financial assets	28	145,560	(134,032)	(228,371)	(31,114)
Selling and distribution expenses		(20,910,262)	(20,798,338)	(24,611,922)	(24,539,929)
General and administrative expenses		(18,432,814)	(15,523,104)	(15,507,894)	(15,902,243)
Finance costs		(596,431)	(716,857)	(749,468)	(858,545)
Share of profit/(loss) of an associate, net of tax	11	150,550	(268,656)	(908,743)	-
Profit before tax	28	8,073,145	29,033,349	31,450,494	26,269,982
Tax expense	29	(4,088,691)	(6,802,742)	(7,597,234)	(6,965,004)
Profit for the financial year		3,984,454	22,230,607	23,853,260	19,304,978
Other comprehensive (loss)/income, net of tax					
Item that has reclassified to profit or loss					
Derecognition of foreign subsidiaries	29	-	-	-	249,548
Items that may be reclassified subsequently to profit or loss					
Foreign currency translations	29	(14,144)	6,039	505	-
Items that will not be reclassified subsequently to profit or loss					
Fair value adjustment on other investments	29	-	-	910,535	-
Realisation of revaluation reserve on disposal of investment properties	29	-	-	(805,700)	-
Total comprehensive (loss)/income, net of tax		(14,144)	6,039	105,340	249,548
Total comprehensive income		3,970,310	22,236,646	23,958,600	19,554,526
Profit attributable to owners of parent		3,984,454	22,230,607	23,853,260	19,304,978
Total comprehensive income attributable to owners of the parent		3,970,310	22,236,646	23,958,600	19,554,526
Earnings per ordinary share attributable to equity holders of the Company (sen)					
Basic and Diluted	30	0.49	2.76	2.96	2.40

CARLO RINO GROUP BERHAD (200901037127 (880257 - A))
(Incorporated in Malaysia)
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Note	<---Non-distributable			--->	Distributable	
		Share capital RM	**Exchange translation reserve RM**	**Revaluation reserve RM**	**Fair value reserve RM**	**Retained earnings RM**	**Total equity RM**
Balance as at 1 July 2020		68,000,000	(241,948)	805,700	-	3,605,847	72,169,599
Profit for the financial year		-	-	-	-	3,984,454	3,984,454
Foreign currency translation, net of tax		-	(14,144)	-	-	-	(14,144)
Total comprehensive (loss)/income		-	(14,144)	-	-	3,984,454	3,970,310
Transaction with owners							
Dividend paid	31	-	-	-	-	(4,028,257)	(4,028,257)
Total transaction with owners		-	-	-	-	(4,028,257)	(4,028,257)
Balance as at 30 June 2021/1 July 2021		68,000,000	(256,092)	805,700	-	3,562,044	72,111,652
Profit for the financial year		-	-	-	-	22,230,607	22,230,607
Foreign currency translation, net of tax		-	6,039	-	-	-	6,039
Total comprehensive income		-	6,039	-	-	22,230,607	22,236,646
Transaction with owners							
Dividend paid	31	-	-	-	-	(4,028,257)	(4,028,257)
Total transaction with owners		-	-	-	-	(4,028,257)	(4,028,257)
Balance as at 30 June 2022		68,000,000	(250,053)	805,700	-	21,764,394	90,320,041

CARLO RINO GROUP BERHAD (200901037127 (880257 - A))
(Incorporated in Malaysia)
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

		<-----Non-distributable			----->	Distributable	
	Note	**Share capital RM**	**Exchange translation reserve RM**	**Revaluation reserve RM**	**Fair value reserve RM**	**Retained earnings RM**	**Total equity RM**
Balance as at 1 July 2022		68,000,000	(250,053)	805,700	-	21,764,394	90,320,041
Profit for the financial year		-	-	-	-	23,853,260	23,853,260
Fair value adjustment on other investments		-	-	-	910,535	-	910,535
Realisation of revaluation reserve on disposal of investment properties		-	-	(805,700)	-	-	(805,700)
Foreign currency translation, net of tax		-	505	-	-	-	505
Total comprehensive income		-	505	(805,700)	910,535	23,853,260	23,958,600
Transaction with owners							
Dividend paid	31	-	-	-	-	(14,098,899)	(14,098,899)
Total transaction with owners		-	-	-	-	(14,098,899)	(14,098,899)
Balance as at 30 June 2023		68,000,000	(249,548)	-	910,535	31,518,755	100,179,742

CARLO RINO GROUP BERHAD (200901037127 (880257 - A))
(Incorporated in Malaysia)
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

		<----Non-distributable	-----	---->		
	Note	**Share capital RM**	**Exchange translation reserve RM**	**Fair value reserve RM**	**Distributable Retained earnings RM**	**Total equity RM**
Balance as at 1 July 2023		68,000,000	(249,548)	910,535	31,518,755	100,179,742
Profit for the financial year		-	-	-	19,304,978	19,304,978
Reclassified to profit or loss on derecognition of foreign subsidiaries	29	-	249,548	-	-	249,548
Total comprehensive income		-	249,548	-	19,304,978	19,554,526
Transaction with owners						
Dividend paid	31	-	-	-	(8,056,514)	(8,056,514)
Total transaction with owners		-	-	-	(8,056,514)	(8,056,514)
Balance as at 30 June 2024		68,000,000	-	910,535	42,767,219	111,677,754

CARLO RINO GROUP BERHAD (200901037127 (880257 - A))
(Incorporated in Malaysia)
CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 30 JUNE

	Note	2021 RM	2022 RM	2023 RM	2024 RM
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before tax		8,073,145	29,033,349	31,450,494	26,269,982
Adjustments for:					
Depreciation of property, plant and equipment	7	2,251,677	1,996,593	2,208,051	2,682,285
Depreciation of right-of-use assets	8	6,552,617	6,253,716	6,313,702	6,698,091
Fair value loss/(gain) on short term funds	28	458	(50,866)	(112,823)	(46,374)
Gain on dilution of equity interest in an associate	28	(301,932)	-	(580,213)	-
Gain on disposal of investment properties	28	-	-	(1,855,700)	-
Gain on disposal of property, plant and equipment, net	28	-	(3,147)	(4,011)	(4,999)
Gain on reassessments and modifications of leases	28	(593,514)	(917,528)	-	(29,613)
Impairment losses on:					
- trade and other receivables	28	6,124	215,379	241,049	31,472
- other investments	28	4,482,646	-	-	-
- property, plant and equipment	28	523,939	-	-	276,446
- right-of-use assets	28	1,504,662	-	-	202,419
- goodwill	28	-	19,750	-	-
Interest expenses		591,483	619,919	642,417	838,371
Interest income	28	(481,057)	(490,144)	(717,061)	(1,153,653)
Lease concessions	28	(975,308)	(984,443)	(39,343)	-
Loss on derecognition of foreign subsidiaries	36	-	-	-	249,548
Other receivable written off	28	-	2,476	1,175	-
Property, plant and equipment written off	28	3,484	500	3,053	96,622
Reversal of impairment losses on:					
- trade and other receivables	28	(151,684)	(81,347)	(12,678)	(358)
- right-of-use assets	28	-	(8,753)	-	(408,700)
Share of (profit)/loss of an associate, net of tax	11(g)	(150,550)	268,656	908,743	-
Unrealised loss/(gain) on foreign exchange, net	28	63,118	(119,468)	(16,675)	2,614
Unwinding of discount on provision for restoration costs	28	4,948	96,938	107,051	20,174
Operating profit before changes in working capital		21,404,256	35,851,580	38,537,231	35,724,327
Changes in working capital:					
Inventories		33,260	(1,530,359)	(3,399,720)	(127,858)
Trade and other receivables		(1,322,371)	(8,877,555)	10,589,883	(3,424,278)
Trade and other payables		(468,098)	975,680	(2,209,031)	(3,285,729)
Cash generated from operations		19,647,047	26,419,346	43,518,363	28,886,462

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BDO PLT
(201906000013 (LLP0018825-LCA) & AF 0206)
Chartered Accountants
Kuala Lumpur

CARLO RINO GROUP BERHAD (200901037127 (880257 - A))
(Incorporated in Malaysia)
CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 30 JUNE (continued)

	Note	2021 RM	2022 RM	2023 RM	2024 RM
CASH FLOWS FROM OPERATING ACTIVITIES (continued)					
Cash generated from operations (continued)		19,647,047	26,419,346	43,518,363	28,886,462
Tax paid		(4,012,631)	(5,640,416)	(8,456,670)	(6,530,902)
Tax refunded		10,200	4,133	-	-
Net cash from operating activities		15,644,616	20,783,063	35,061,693	22,355,560
CASH FLOWS FROM INVESTING ACTIVITIES					
Acquisition of interests in an associate		(4,000,749)	-	-	-
Acquisition of other investment		(4,482,646)	-	-	-
Interest received		481,057	490,144	717,061	1,153,653
(Placement)/Withdrawal of short term funds		(107,639)	(53,192)	2,991,317	(6,108,391)
Proceeds from disposal of investment properties		-	-	5,800,000	-
Proceeds from disposal of property, plant and equipment		-	3,500	4,750	5,000
Purchase of property, plant and equipment	7(a)	(848,036)	(2,649,005)	(18,323,052)	(3,640,978)
Net cash used in investing activities		(8,958,013)	(2,208,553)	(8,809,924)	(8,590,716)
CASH FLOWS FROM FINANCING ACTIVITIES					
Interest paid		(14,986)	(8,880)	(5,387)	(1,892)
Dividends paid	31	(4,028,257)	(4,028,257)	(14,098,899)	(8,056,514)
Payments of lease liabilities	8(d)	(5,761,592)	(5,402,160)	(6,690,053)	(7,377,015)
Repayments of term loans		(893,224)	(1,436,016)	(3,480,496)	(12,228,838)
Drawdowns of term loans		11,189	11,189	11,550,000	-
Net cash used in financing activities		(10,686,870)	(10,864,124)	(12,724,835)	(27,664,259)
Net change in cash and cash equivalents		(4,000,267)	7,710,386	13,526,934	(13,899,415)
Effects of exchange rate changes on cash and cash equivalents		(15,396)	9,272	16,487	(1,588)
Cash and cash equivalents at beginning of financial year		43,616,849	39,601,186	47,320,844	60,864,265
Cash and cash equivalents at end of financial year	16	39,601,186	47,320,844	60,864,265	46,963,262

CARLO RINO GROUP BERHAD (200901037127 (880257 - A))
(Incorporated in Malaysia)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

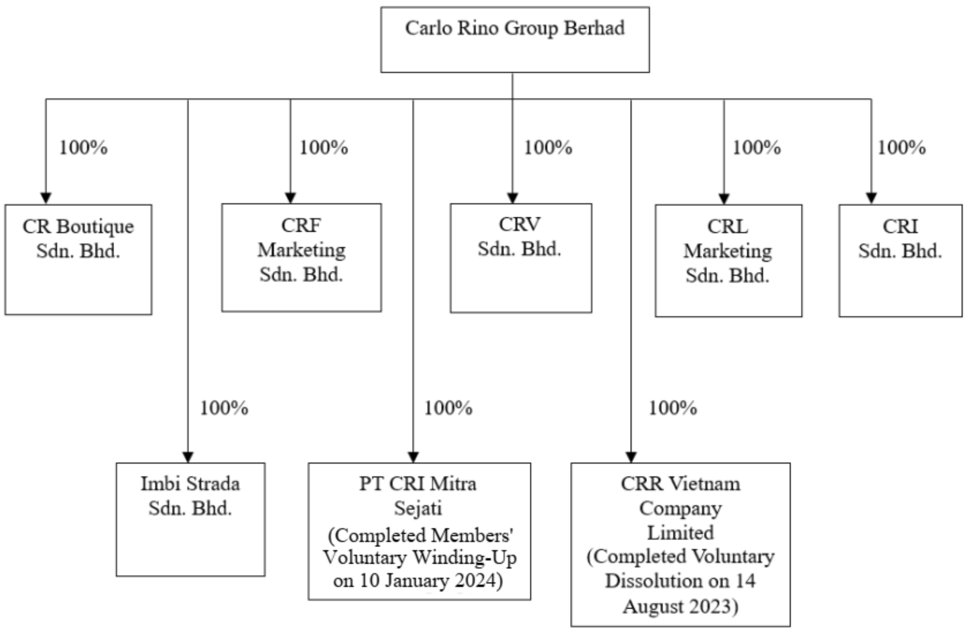
Carlo Rino Group Berhad ("CRG" or the "Company") is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the LEAP Market of Bursa Malaysia Securities Berhad with effect from 28 November 2018.

The registered office of the Company is located at No.5-1, Jalan Radin Bagus 9, Bandar Baru Sri Petaling, 57000 Kuala Lumpur, Wilayah Persekutuan, Malaysia.

The principal place of business of the Company is located at L2-05, 2nd Floor, Ikon Connaught, Lot 160, Jalan Cerdas, Taman Connaught, 56000 Kuala Lumpur, Wilayah Persekutuan, Malaysia.

On 23 December 2022, the Company had changed its name from CRG Incorporated Berhad to Carlo Rino Group Berhad.

CRG's group structure as at 30 June 2024 is as follows: -



The principal activity of the Company is investment holding. The principal activities of the subsidiaries are disclosed in Note 36 to the Consolidated Financial Statements. There have been no significant changes in the nature of these activities during the financial years under review.

These Consolidated Financial Statements for the financial years ended ("FYE(s)") 30 June 2021, 30 June 2022, 30 June 2023 and 30 June 2024 are presented in Ringgit Malaysia ("RM"), which is also the functional currency of the Company.

2. BASIS OF PREPARATION

The Accountants' Report comprises the Consolidated Financial Statements for the FYEs 30 June 2021, 30 June 2022 , 30 June 2023 and 30 June 2024. The Consolidated Financial Statements consist of the audited financial statements of the Company and the subsidiaries and are prepared solely for inclusion in the Prospectus of the Company in connection with the listing of and quotation for the entire enlarged issued share capital of CRG on the ACE Market of Bursa Malaysia Securities Berhad (the "Listing").

The Consolidated Financial Statements are prepared using the audited financial statements of the respective companies within the Group for the relevant financial years and their statutory auditors are as follows:

Company	Relevant Financial Years	Auditors
Carlo Rino Group Berhad	FYE 30 June 2021	BDO PLT
	FYE 30 June 2022	BDO PLT
	FYE 30 June 2023	BDO PLT
	FYE 30 June 2024	BDO PLT
CR Boutique Sdn. Bhd.	FYE 30 June 2021	BDO PLT
	FYE 30 June 2022	BDO PLT
	FYE 30 June 2023	BDO PLT
	FYE 30 June 2024	BDO PLT
CRF Marketing Sdn. Bhd.	FYE 30 June 2021	BDO PLT
	FYE 30 June 2022	BDO PLT
	FYE 30 June 2023	BDO PLT
	FYE 30 June 2024	BDO PLT
CRV Sdn. Bhd.	FYE 30 June 2021	BDO PLT
	FYE 30 June 2022	BDO PLT
	FYE 30 June 2023	BDO PLT
	FYE 30 June 2024	BDO PLT
CRL Marketing Sdn. Bhd.	FYE 30 June 2021	BDO PLT
	FYE 30 June 2022	BDO PLT
	FYE 30 June 2023	BDO PLT
	FYE 30 June 2024	BDO PLT
CRI Sdn. Bhd.	FYE 30 June 2021	BDO PLT
	FYE 30 June 2022	BDO PLT
	FYE 30 June 2023	BDO PLT
	FYE 30 June 2024	BDO PLT
PT CRI Mitra Sejati	FYE 30 June 2021*	-
	FYE 30 June 2022*	-
	FYE 30 June 2023*	-
CRR Vietnam Company Limited	FYE 30 June 2021	Global Auditing and Financial Consultancy Co., Ltd
	FYE 30 June 2022	Global Auditing and Financial Consultancy Co., Ltd
	FYE 30 June 2023*	
Imbi Strada Sdn. Bhd.	23 November 2022 (Date of Incorporation) to 30 June 2023	BDO PLT
	FYE 30 June 2024	BDO PLT

* *Consolidated based on their management accounts. The financial statements of these subsidiaries are not required to be audited as they were in the progress of members' voluntary winding-up or voluntary dissolution. On 14 August 2023, the relevant Vietnamese regulatory authority confirmed that the voluntary dissolution of CRR Vietnam Company Limited had been completed. On 10 January 2024, the progress of members' voluntary winding-up of PT CRI Mitra Sejati had been completed.*

2. BASIS OF PREPARATION (continued)

The audited financial statements of all the companies within the Group for the relevant financial years reported above were not subject to any qualification or modification.

The Consolidated Financial Statements have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS") and IFRS Accounting Standards.

The accounting policies adopted are consistent with those of the previous financial years except for the effects of adoption of new MFRSs during the financial year. The new MFRSs and Amendments to MFRSs adopted during the financial years are disclosed in Note 4.1 to the Consolidated Financial Statements.

The Consolidated Financial Statements have been prepared under the historical cost convention unless otherwise indicated in the material accounting policy information.

The preparation of Consolidated Financial Statements in conformity with MFRS and IFRS Accounting Standards requires the Directors to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses and disclosure of contingent assets and contingent liabilities. In addition, the Directors are also required to exercise their judgement in the process of applying the accounting policies. The areas involving such judgements, estimates and assumptions are disclosed in Note 5 to the Consolidated Financial Statements. Although these estimates and assumptions are based on the Directors' best knowledge of events and actions, actual results could differ from those estimates.

3. MATERIAL ACCOUNTING POLICIES

3.1 Common control business combinations

3.1.1 Basis of consolidation

The consolidated financial statements of the Group incorporate the financial statements of the Company and all its subsidiaries. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

(a) Power over the investee;
(b) Exposure, or rights, to variable returns from its involvement with the investee; and
(c) The ability to use its power over the investee to affect its returns.

If the Group has less than a majority of the voting of similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) The contractual arrangement with the other vote holders of the investee;
(b) Rights arising from other contractual agreements; and
(c) The voting rights of the Group and potential voting rights.

3. MATERIAL ACCOUNTING POLICIES (continued)

3.1 Common control business combinations (continued)

3.1.1 Basis of consolidation (continued)

Intragroup balances, transactions, income and expenses are eliminated on consolidation. Unrealised gains arising from transactions with associates and joint ventures are eliminated against the investment to the extent of the interest of the Group in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no impairment.

The financial statements of the subsidiaries are prepared for the same reporting period as that of the Company, using consistent accounting policies.

Non-controlling interests represent equity in subsidiaries that are not attributable, directly or indirectly, to owners of the parent, and is presented separately in the consolidated statement of profit or loss and other comprehensive income and within equity in the consolidated statement of financial position, separately from equity attributable to owners of the Company. Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the financial years are included in the statement of profit or loss and other comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Changes in the Company owners' ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of consideration paid or received is recognised directly in equity and attributed to owners of the parent.

If the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between:

(a) the aggregate of the fair value of the consideration received and the fair value of any retained interest; and

(b) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests.

Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to retained earnings) in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under MFRS 9 *Financial Instruments* or, where applicable, the cost on initial recognition of an investment in an associate or a joint venture.

3. MATERIAL ACCOUNTING POLICIES (continued)

3.1 Common control business combinations (continued)

3.1.2 Business combinations

Business combinations are accounted for by applying the acquisition method of accounting.

Identifiable assets acquired, liabilities and contingent liabilities assumed in a business combination are measured at their fair value at the acquisition date, except that:

(a) deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with MFRS 112 *Income Taxes* and MFRS 119 *Employee Benefits* respectively;

(b) right-of-use assets and lease liabilities for leases are recognised and measured in accordance with MFRS 16 *Leases*;

(c) liabilities or equity instruments related to share-based payment transactions of the acquiree or the replacements by the Group of an acquiree's share-based payment transactions are measured in accordance with MFRS 2 *Share-based Payment* at the acquisition date; and

(d) assets (or disposal groups) that are classified as held for sale in accordance with MFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard.

Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

Any contingent consideration payable is recognised at fair value at the acquisition date. The Group accounts for changes in fair value of contingent consideration that are not measurement period adjustments as follows:

(a) If the contingent consideration classified as equity, it is not remeasured and settlement shall is accounted for within equity.

(b) Other contingent consideration that:

(i) is within the scope of MFRS 9 *Financial Instruments* shall be measured at fair value at each reporting date and changes in fair value shall be recognised in profit or loss in accordance with MFRS 9 *Financial Instruments*.

(ii) is not within the scope of MFRS 9 *Financial Instruments* shall be measured at fair value at each reporting date and changes in fair value shall be recognised in profit or loss.

In a business combination achieved in stages, previously held equity interests in the acquiree are re-measured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

3. MATERIAL ACCOUNTING POLICIES (continued)

3.1 Common control business combinations (continued)

3.1.2 Business combinations (continued)

Components of non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are initially measured at the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets. All other components of non-controlling interests shall be measured at their acquisition-date fair values, unless another measurement basis is required by MFRSs. The choice of measurement basis is made on a combination-by-combination basis. Subsequent to initial recognition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the previously held equity interest of the Group in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill in the statement of financial position. The accounting policy for goodwill is set out in Note 3.6 to the Consolidated Financial Statements. In instances where the latter amount exceeds the former, the excess is recognised as a gain on bargain purchase in profit or loss on the acquisition date.

3.2 Property, plant and equipment and depreciation

All items of property, plant and equipment are initially measured at cost. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the subsequent costs would flow to the Group and the cost of the asset could be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred. Cost also comprises the initial estimate of dismantling and removing the asset and restoring the site on which it is located for which the Group is obligated to incur when the asset is acquired, if applicable.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the asset and which has a different useful life, is depreciated separately.

After initial recognition, property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is calculated to write off the cost of the assets to their residual values on a straight line basis over their estimated useful lives. The principal annual depreciation rates are as follows:

Buildings	2%
Electrical installation	15%
Furniture, fittings and counter fixtures	15% - 33⅓%
Motor vehicles	20%
Office equipment	15% - 20%
Plant and machinery	20%
Renovation	25%

3. MATERIAL ACCOUNTING POLICIES (continued)

3.2 Property, plant and equipment and depreciation (continued)

Freehold land has unlimited useful life and is not depreciated. Property under construction represents buildings under construction. Property under construction is not depreciated until such time when the assets are available for use.

At the end of each reporting period, the carrying amount of an item of property, plant and equipment is assessed for impairment when events or changes in circumstances indicate that its carrying amount may not be recoverable. A write-down is made if the carrying amount exceeds the recoverable amount (see Note 3.7 to the Consolidated Financial Statements on impairment of non-financial assets).

The residual values, useful lives and depreciation method are reviewed at the end of each reporting period to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment. If expectations differ from previous estimates, the changes are accounted for as a change in an accounting estimate.

The carrying amount of an item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any, and the carrying amount is included in profit or loss.

3.3 Leases

The Group as lessee

The Group recognises a right-of-use asset and a lease liability at the commencement date of the contract for all leases excluding short-term leases or leases for which the underlying asset is of low value, conveying the right to control the use of an identified asset for a period of time.

The Group determines the lease term as the non-cancellable period of a lease, together with both:

(a) periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option; and

(b) periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option.

In assessing whether a lessee is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, the Group considers all relevant facts and circumstances that create an economic incentive for the lessee to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Group revises the lease term if there is a change in the non-cancellable period of a lease.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases and leases of low-value assets of RM20,000 and below. Short-term leases are leases with a lease term of twelve (12) months or less. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

3. MATERIAL ACCOUNTING POLICIES (continued)

3.3 Leases (continued)

The Group as lessee (continued)

Right-of-use asset

The right-of-use asset is initially recorded at cost, which comprises:

(a) the amount of the initial measurement of the lease liability;

(b) any lease payments made at or before the commencement date of the lease, less any lease incentives received;

(c) any initial direct costs incurred by the Group; and

(d) an estimate of costs to be incurred by the Group in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the lessor.

Subsequent to the initial recognition, the right-of-use asset is measured at cost less any accumulated depreciation and any accumulated impairment losses, and adjusted for any remeasurement of the lease liability.

The right-of-use assets are depreciated on the straight-line basis over the earlier of the estimated useful lives of the right-of-use asset or the end of the lease term. The lease terms of right-of-use assets are as follows:

Boutiques	2 to 9 years
Hostels	2.5 years
Motor vehicles	5 years
Office	6 years

Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date. The lease payments are discounted using the incremental borrowing rate of the Group. Subsequent to initial recognition, the Group measures the lease liability by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect lease payments made, and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Variable lease payments that depend on sales, if any, are recognised in profit or loss in the period in which the condition that triggers those payments occurs.

3. MATERIAL ACCOUNTING POLICIES (continued)

3.4 Investment in an associate

An associate is an entity over which the Group and the Company have significant influence and that is neither a subsidiary nor an interest in a joint arrangement.

In the separate financial statements of the Company, an investment in associate is stated at cost less impairment losses.

An investment in associate is accounted for in the Consolidated Financial Statements using the equity method of accounting. The investment in associate in the consolidated statement of financial position is initially recognised at cost and adjusted thereafter for the post acquisition change in the share of net assets of the investment.

The interest in an associate is the carrying amount of the investment in the associate under the equity method together with any long term interest that, in substance, form part of the net investment in the associate of the Group.

The share of the profit or loss of the associate by the Group during the financial year is included in the Consolidated Financial Statements, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases. Distributions received from the associate reduce the carrying amount of the investment. Adjustments to the carrying amount could also be necessary for changes in the proportionate interest of the Group in the associate arising from changes in the associate's equity that have not been recognised in the associate's profit or loss. Such changes include those arising from the revaluation of property, plant and equipment and from foreign exchange translation differences. The share of those changes by the Group is recognised directly in equity of the Group.

Unrealised gains and losses on transactions between the Group and the associate are eliminated to the extent of the interest of the Group in the associate to the extent that there is no impairment.

When the share of losses of the Group in the associate equals to or exceeds its interest in the associate, the carrying amount of that interest is reduced to nil and the Group does not recognise further losses unless it has incurred legal or constructive obligations or made payments on its behalf.

The most recent available financial statements of the associate are used by the Group in applying the equity method. When the end of the reporting periods of the financial statements are not coterminous, the share of results is arrived at using the latest financial statements for which the difference in end of the reporting periods is no more than three (3) months. Adjustments are made for the effects of any significant transactions or events that occur between the intervening periods.

When the Group ceases to have significant influence over an associate, any retained interest in the former associate at the date when significant influence is lost is measured at fair value and this amount is regarded as the initial carrying amount of a financial asset. The difference between the fair value of any retained interest plus proceeds from the interest disposed of and the carrying amount of the investment at the date when equity method is discontinued is recognised in profit or loss.

When the interest of the Group in an associate decreases but does not result in a loss of significant influence, any retained interest is not re-measured. Any gain or loss arising from the decrease in interest is recognised in profit or loss. Any gains or losses previously recognised in other comprehensive income are also reclassified proportionately to the profit or loss if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

3. MATERIAL ACCOUNTING POLICIES (continued)

3.5 Investment properties

Investment properties are properties which are held to earn rental yields or for capital appreciation or for both and are not occupied by the Group. Investment properties are initially measured at cost, which includes transaction costs. After initial recognition, investment properties are stated at fair value.

If the Group determines that the fair value of an investment property under construction is not reliably determinable but expects the fair value of the property to be reliably determinable when construction is complete, the Group shall measure that investment property under construction at cost until either its fair value becomes reliably determinable or construction is completed (whichever is earlier). Once the Group is able to measure reliably the fair value of an investment property under construction that has previously been measured at cost, the Group shall measure that property at its fair value.

The fair value of investment properties reflect among other things, rental income from current leases and other assumptions that market participants would use when pricing investment properties under current market conditions.

Fair values of investment properties are based on valuations by registered independent valuers with appropriate recognised professional qualification and has recent experience in the location and category of the investment properties being valued.

A gain or loss arising from a change in the fair value of investment properties is recognised in profit or loss for the period in which it arises.

Investment properties are derecognised when either they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The gains or losses arising from the retirement or disposal of investment property is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the asset and is recognised in the profit or loss in the period of the retirement or disposal.

3.6 Goodwill

Goodwill recognised in a business combination is an asset at the acquisition date and is initially measured at cost being the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest (if any) in the entity over net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the interest of the Group in the fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

After initial recognition, goodwill is measured at cost less accumulated impairment losses, if any. Goodwill is not amortised but instead tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying amount could be impaired. Objective events that would trigger a more frequent impairment review include adverse industry or economic trends, significant restructuring actions, significantly lowered projections of profitability, or a sustained decline in the acquiree's market capitalisation. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

3. MATERIAL ACCOUNTING POLICIES (continued)

3.6 Goodwill (continued)

Goodwill arising on acquisition of an associate is the excess of the cost of investment over the share of the net fair value of the net assets of the associates' identifiable assets and liabilities by the Group at the date of acquisition.

Goodwill relating to the associate is included in the carrying amount of the investment and is not amortised. The excess of the share of the net fair value of the associate's identifiable assets and liabilities by the Group over the cost of investment is included as income in the determination of the share of the associate's profit or loss by the Group in the period in which the investment is acquired.

3.7 Impairment of non-financial assets

The carrying amounts of assets, except for financial assets (excluding investment in an associate), inventories, deferred tax assets and investment properties measured at fair value, are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

Goodwill has an indefinite useful life are tested annually for impairment or more frequently if events or changes in circumstances indicate that the goodwill might be impaired.

The recoverable amount of an asset is estimated for an individual asset. Where it is not possible to estimate the recoverable amount of the individual asset, the impairment test is carried out on the cash generating unit ("CGUs") to which the asset belongs. Goodwill acquired in a business combination is from the acquisition date, allocated to each of the CGU or groups of CGUs of the Group that are expected to benefit from the synergies of the combination giving rise to the goodwill irrespective of whether other assets or liabilities of the acquiree are assigned to those units or groups of units.

Goodwill acquired in a business combination shall be tested for impairment as part of the impairment testing of CGU to which it relates. The CGU to which goodwill is allocated shall represent the lowest level within the Group at which the goodwill is monitored for internal management purposes and not larger than an operating segment determined in accordance with MFRS 8 *Operating Segments*.

The recoverable amount of an asset or CGU is the higher of its fair value less cost to sell and its value-in-use.

In estimating value-in-use, the estimated future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal 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 risks specific to the asset for which the future cash flow estimates have not been adjusted. An impairment loss is recognised in profit or loss when the carrying amount of the asset or the CGU, including the goodwill or intangible asset, exceeds the recoverable amount of the asset or the CGU. The total impairment loss is allocated, first, to reduce the carrying amount of any goodwill allocated to the CGU and then to the other assets of the CGU on a pro-rata basis of the carrying amount of each asset in the CGU. The impairment loss is recognised in profit or loss immediately.

3. MATERIAL ACCOUNTING POLICIES (continued)

3.7 Impairment of non-financial assets (continued)

An impairment loss on goodwill is not reversed in subsequent periods. An impairment loss for other assets is reversed if, and only if, there has been a change in the estimates used to determine the assets' recoverable amount since the last impairment loss was recognised.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Such reversals are recognised as income immediately in profit or loss.

3.8 Inventories

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

Cost is determined using the weighted average method. Cost of consumables and raw materials comprises all costs of purchase plus other costs incurred in bringing the inventories to their present location and condition. The cost of work-in-progress and finished goods includes the cost of raw materials, direct labour, other direct cost and a proportion of production overheads based on normal operating capacity of the production facilities.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

3.9 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one enterprise and a financial liability or equity instrument of another enterprise.

A financial asset is any asset that is cash, an equity instrument of another enterprise, a contractual right to receive cash or another financial asset from another enterprise, or a contractual right to exchange financial assets or financial liabilities with another enterprise under conditions that are potentially favourable to the Group.

A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset to another enterprise, or a contractual obligation to exchange financial assets or financial liabilities with another enterprise under conditions that are potentially unfavourable to the Group.

Financial instruments are recognised on the statements of financial position when the Group has become a party to the contractual provisions of the instrument. At initial recognition, an entity shall measure a financial asset (unless it is a trade receivable that does not contain a significant financing component) or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

An embedded derivative is recognised separately from the host contract where the host contract is not a financial asset, and accounted for separately if, and only if, the derivative is not closely related to the economic characteristics and risks of the host contract and the host contract is not measured at fair value through profit or loss. The host contract in the event an embedded derivative is recognised separately is accounted for in accordance with the policy applicable to the nature of the host contract.

3. MATERIAL ACCOUNTING POLICIES (continued)

3.9 Financial instruments (continued)

(a) Financial assets

When financial assets are initially recognised, they are measured at fair value, plus, in the case of financial assets not at Fair Value Through Profit or Loss ("FVTPL"), directly attributable transaction costs.

The Group determines the classification of financial assets upon initial recognition. The measurement for each classification of financial assets are as below:

(i) Financial assets measured at amortised cost

Financial assets that are debt instruments are measured at amortised cost if they are held within a business model whose objective is to collect contractual cash flows and have contractual terms which give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss through the amortisation process. Financial assets are carried net of impairment losses, if any.

(ii) Financial assets measured at fair value

Financial assets that are debt instruments are measured at Fair Value Through Other Comprehensive Income ("FVTOCI"), if they are held within a business model whose objectives are to collect contractual cash flows and selling the financial assets, and have contractual terms which give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets that are debt instruments are measured at fair value. Any gains or losses arising from the changes in fair value are recognised in other comprehensive income, except for impairment losses, exchange differences and interest income which are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised.

Financial assets that are debt instruments which do not satisfy the requirements to be measured at amortised cost or FVTOCI are measured at FVTPL.

Equity instruments are classified as financial assets measured at FVTPL if they are held for trading or are designated as such upon initial recognition. Equity instruments are classified as held for trading if they are acquired principally for sale in the near term or are derivatives that do not meet the hedge accounting criteria (including separated embedded derivatives). The Group has an option to elect an irrevocable option to designate its equity instruments at initial recognition as financial assets measured at FVTOCI if the equity instruments are not held for trading.

Subsequent to initial recognition, financial assets that are equity instruments are measured at fair value. Any gains or losses arising from the changes in fair value are recognised in profit or loss for equity instruments measured at FVTPL. As for equity instruments measured at FVTOCI, any gains or losses arising from the changes in fair value are recognised in other comprehensive income and are not subsequently transferred to profit or loss.

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received is recognised in profit or loss.

3. MATERIAL ACCOUNTING POLICIES (continued)

3.9 Financial instruments (continued)

(a) Financial assets (continued)

Cash and bank balances are measured at amortised cost. Cash and cash equivalents consist of cash on hand, balances and deposits with banks and highly liquid investments which have an insignificant risk of changes in fair value with original maturities of three (3) months or less, and are used by the Group in the management of their short term commitments. For the purpose of the statements of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

A regular way purchase or sale is a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or marketplace convention.

A regular way purchase or sale of financial assets shall be recognised and derecognised, as applicable, using trade date accounting.

(b) Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangement entered into and meet the definition of a financial liability.

Financial liabilities are recognised in the statements of financial position when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. Financial liabilities are classified as either financial liabilities measured at FVTPL or financial liabilities measured at amortised cost.

(i) Financial liabilities at FVTPL

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL.

Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This includes derivatives entered into by the Group that does not meet the hedge accounting criteria. Derivative liabilities are initially measured at fair value and subsequently stated at fair value, with any resultant gains or losses recognised in profit or loss except for when the Group's own credit risk increases or decreases and which is recognised in other comprehensive income. Net gains or losses on derivatives include exchange differences.

(ii) Financial liabilities measured at amortised cost

Financial liabilities are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

For financial liabilities, gains and losses are recognised in profit or loss when the liabilities are derecognised and through the amortisation process.

3. MATERIAL ACCOUNTING POLICIES (continued)

3.9 Financial instruments (continued)

(b) Financial liabilities (continued)

A financial liability is derecognised when, and only when, it is extinguished, i.e. when the obligation specified in the contract is discharged or cancelled or expires. An exchange between an existing borrower and lender of debt instruments with substantially different terms are accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

The difference between the carrying amount of a financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

3.10 Financial guarantee contract

Corporate guarantees are granted to lenders for financing facilities extended to certain subsidiaries.

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss incurred because a specified debtor fails to make payment when due.

Financial guarantee contracts are recognised as financial liabilities at the time the guarantees are issued. The liability is initially measured at fair value and subsequently at the higher of the expected loss model under MFRS 9 and the amount initially recognised less amortisation, where appropriate.

Financial guarantee contracts are subject to forward looking expected credit loss model based on the general approach within MFRS 9.

3.11 Equity

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Ordinary shares are classified as equity instruments.

Ordinary shares are recorded at the proceeds received at issuance and classified as equity. Transaction costs directly related to the issuance of equity instrument are accounted for as a deduction from equity, net of any related income tax benefit. Otherwise, they are charged to profit or loss.

Interim dividends to shareholders are recognised in equity in the period in which they are declared. Final dividends are recognised upon the approval of shareholders in a general meeting.

The Group measures a liability to distribute non-cash assets as a dividend to the owners of the Company at the fair value of the assets to be distributed. The carrying amount of the dividend is remeasured at the end of each reporting period and at the settlement date, with any changes recognised directly in equity as adjustments to the amount of the distribution.

On settlement of the transaction, the Group recognises the difference, if any, between the carrying amount of the assets distributed and the carrying amount of the liability in profit or loss.

3. MATERIAL ACCOUNTING POLICIES (continued)

3.12 Impairment of financial assets

The Group applies the simplified approach to measure expected credit loss ("ECL"). This entails recognising a lifetime expected loss allowance for all trade receivables.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the asset. The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group is exposed to credit risk.

Expected credit losses are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive. The estimate of expected cash shortfall shall reflect the cash flows expected from collateral and other credit enhancements that are part of the contractual terms. The shortfall is then discounted at an approximation to the asset's original effective interest rate of the asset.

The Group considers credit loss experience and observable data such as current changes and future forecasts in economic conditions of the Group's industry to estimate the amount of expected impairment loss. The methodology and assumptions, including any forecasts of future economic conditions, are reviewed regularly.

Impairment for trade receivables that do not contain a significant financing component are recognised based on the simplified approach within MFRS 9 using the lifetime expected credit losses.

The Group uses an allowance matrix to measure the expected credit loss of trade receivables from individual customers.

The expected loss rates are based on the Group's historical credit losses experience over the three (3) year period prior to the period end. The historical loss rates are then adjusted for current and forward-looking information on macroeconomic factors affecting the Group's customers. The Group has identified the Gross Domestic Product ("GDP"), Overnight Policy Interest Rate ("OPR"), retail sales growth, unemployment rate and inflation rate as the key macroeconomic factors.

In measuring the expected credit losses on trade receivables, the probability of non-payment by the trade receivables is adjusted by forward-looking information (GDP, OPR, retail sales growth, unemployment rate and inflation rate) and multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such impairments are recorded in a separate impairment account with the loss being recognised in the statements of profit or loss and other comprehensive income. On confirmation that the trade receivable would not be collectible, the gross carrying value of the asset would be written off against the associated impairment.

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3. MATERIAL ACCOUNTING POLICIES (continued)

3.12 Impairment of financial assets (continued)

Impairment for other receivables, amounts owing by subsidiaries and amounts owing by related parties are recognised based on the general approach within MFRS 9 using the forward-looking expected credit loss model. The methodology used to determine the amount of the impairment is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those in which the credit risk has not increased significantly since initial recognition of the financial asset, twelve-month expected credit losses are recognised while interest income is recognised on a gross basis. For those in which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. At the end of the reporting period, the Group assesses whether there has been a significant increase in credit risk for financial assets by comparing the risk for default occurring over the expected life with the risk of default since initial recognition. For those that are determined to be credit impaired, lifetime expected credit losses are recognised while interest income is recognised on a net basis.

The Group defines significant increase in credit risk based on the operating performance of the receivables, changes in contractual terms, payment trends and past due information. A significant increase in credit risk is presumed if contractual payments are more than 150 days past due.

The Group considers a receivable as credit impaired when one or more events that have a detrimental impact on the estimated cash flow have occurred, which includes debtors who are in significant difficulties or have defaulted on payments.

The probability of non-payment by other receivables and amounts owing by related parties are adjusted by forward-looking information and multiplied by the amount of the expected loss arising from default to determine the twelve-month or lifetime expected credit loss for other receivables and amounts owing by related parties.

The carrying amount of the financial asset is reduced through the use of an allowance for impairment loss account and the amount of the impairment loss is recognised in profit or loss. When a financial asset becomes uncollectible, it is written off against the allowance for impairment loss account.

3.13 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset is capitalised as part of the cost of the asset until when substantially all the activities necessary to prepare the asset for its intended use or sale are complete, after which such expense is charged to profit or loss. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. Capitalisation of borrowing cost is suspended during extended periods in which active development is interrupted.

The amount of borrowing costs eligible for capitalisation is the actual borrowing costs incurred on the borrowing during the period less any investment income on the temporary investment of the borrowing.

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

3. MATERIAL ACCOUNTING POLICIES (continued)

3.14 Income taxes

Income taxes include all domestic and foreign taxes on taxable profit. Income taxes also include other taxes, such as withholding taxes, which are payable by foreign subsidiaries on distributions to the Group, and real property gains taxes payable on the disposal of properties.

Taxes in the statements of profit or loss and other comprehensive income comprise current tax and deferred tax.

(a) Current tax

Current tax expenses are determined according to the tax laws of each jurisdiction in which the Group operates and include all taxes based upon the taxable profits (including withholding taxes payable by foreign subsidiaries on distribution of retained earnings to companies in the Group), and real property gains taxes payable on disposal of properties.

(b) Deferred tax

Deferred tax is recognised in full using the liability method on temporary differences arising between the carrying amount of an asset or liability in the statements of financial position and its tax base.

Deferred tax is recognised for all temporary differences, unless the deferred tax arises from goodwill or the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of transaction, affects neither accounting profit nor taxable profit.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits would be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amount of a deferred tax asset is reviewed at the end of each reporting period. If it is no longer probable that sufficient taxable profits would be available to allow the benefit of part or all of that deferred tax asset to be utilised, the carrying amount of the deferred tax asset would be reduced accordingly. When it becomes probable that sufficient taxable profits would be available, such reductions would be reversed to the extent of the taxable profits.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same taxation authority on either:

(i) the same taxable entity; or

(ii) different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Deferred tax would be recognised as income or expense and included in profit or loss for the period unless the tax relates to items that are credited or charged, in the same or a different period, directly to equity, in which case the deferred tax would be charged or credited directly to equity.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on the announcement of tax rates and tax laws by the Government in the annual budgets which have the substantive effect of actual enactment by the end of each reporting period.

3. MATERIAL ACCOUNTING POLICIES (continued)

3.15 Provisions

Provisions are recognised when there is a present obligation, legal or constructive, as a result of a past event, and when it is probable that an outflow of resources embodying economic benefits would be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects a provision to be reimbursed (for example, under an insurance contract), the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

If the effect of the time value of money is material, the amount of a provision would be discounted to its present value at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits would be required to settle the obligation, the provision would be reversed.

Provisions are not recognised for future operating losses. If the Group has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

Provision for restoration costs

Provision for restoration costs is included in the carrying amounts of right-of-use assets. This provision is recognised in respect of the obligation of the Group to restore leased outlets to its original state upon the expiry of tenancy agreements.

3.16 Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources would be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Group does not recognise a contingent liability but discloses its existence in the financial statements.

A contingent asset is a possible asset that arises from past events whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group. The Group does not recognise a contingent asset but discloses its existence where the inflows of economic benefits are probable, but not virtually certain.

In the acquisition of subsidiaries by the Group under business combinations, contingent liabilities assumed are measured initially at their fair value at the acquisition date.

3.17 Employee benefits

(a) Short term employee benefits

Wages, salaries, social security contributions, paid annual leave, paid sick leave, bonuses and non-monetary benefits are measured on an undiscounted basis and are expensed when employees rendered their services to the Group.

3. MATERIAL ACCOUNTING POLICIES (continued)

3.17 Employee benefits (continued)

(a) Short term employee benefits (continued)

Short term accumulating compensated absences such as paid annual leave are recognised as an expense when employees render services that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur and they lapse if the current period's entitlement is not used in full and do not entitle employees to a cash payment for unused entitlement on leaving the Group.

Bonuses are recognised as an expense when there is a present, legal or constructive obligation to make such payments, as a result of past events and when a reliable estimate can be made of the amount of the obligation.

(b) Defined contribution plan

The Group incorporated in Malaysia make contributions to a statutory provident fund and foreign subsidiaries make contributions to their respective countries' statutory pension schemes. The contributions are recognised as a liability after deducting any contributions already paid and as an expense in the period in which the employees render their services.

3.18 Foreign currencies

(a) Functional and presentation currency

Items included in the financial statements of each of the entities of the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The Consolidated Financial Statements are presented in Ringgit Malaysia, which is the functional and presentation currency of the Group.

(b) Foreign currency translations and balances

Transactions in foreign currencies are converted into functional currency at rates of exchange ruling at the transaction dates. Monetary assets and liabilities in foreign currencies at the end of each reporting period are translated into functional currency at rates of exchange ruling at that date. All exchange differences arising from the settlement of foreign currency transactions and from the translation of foreign currency monetary assets and liabilities are included in profit or loss in the period in which they arise. Non-monetary items initially denominated in foreign currencies, which are carried at historical cost, are translated using the historical rate as of the date of acquisition, and non-monetary items, which are carried at fair value are translated using the exchange rate that existed when the values were determined for presentation currency purposes.

(c) Foreign operations

Financial statements of foreign operations are translated at the end of the reporting period exchange rates with respect to their assets and liabilities, and at exchange rates at the dates of the transactions with respect to the statements of profit or loss and other comprehensive income. All resulting translation differences are recognised as a separate component of equity.

In the consolidated financial statements, exchange differences arising from the translation of net investment in foreign operations are taken to equity. When a foreign operation is partially disposed of or sold, the attributable exchange differences that were recorded in equity are recognised in profit or loss as part of the gain or loss on disposal.

3. MATERIAL ACCOUNTING POLICIES (continued)

3.18 Foreign currencies (continued)

(c) Foreign operations (continued)

Exchange differences arising on a monetary item that forms part of the net investment of the Company in a foreign operation shall be recognised in profit or loss in the separate financial statements of the Company or the foreign operation, as appropriate. In the consolidated financial statements, such exchange differences shall be recognised initially as a separate component of equity and recognised in profit or loss upon disposal of the net investment.

Goodwill and fair value adjustments to the assets and liabilities arising from the acquisition of a foreign operation are treated as assets and liabilities of the acquired entity and translated at the exchange rate ruling at the end of each reporting period.

3.19 Revenue recognition

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

The Group transfers control of a good or service at a point in time unless one of the following over time criteria is met:

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

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

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

Revenue is measured at the fair value of consideration received or receivable. The following describes the performance obligations in contracts with customers:

(a) Sale of goods

Revenue from sales of goods is recognised at a point in time when the goods have been transferred to the customer and coincides with the delivery of goods and acceptance by customers.

(b) Management fee

Management fee is recognised at a point in time when management services are rendered and accepted by subsidiaries.

Revenue recognition not in relation to performance obligations is described below:

(a) Dividend income

Dividend income is recognised when the shareholder's right to receive payment is established.

3. MATERIAL ACCOUNTING POLICIES (continued)

3.19 Revenue recognition (continued)

Revenue recognition not in relation to performance obligations is described below: (continued)

(b) Interest income

Interest income is recognised as it accrues, using the effective interest method.

(c) Rental income

Rental income is accounted for on a straight-line basis over the lease term of an ongoing lease.

3.20 Operating segments

Operating segments are defined as components of the Group that:

(a) engages in business activities from which it could earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Group);

(b) whose operating results are regularly reviewed by the chief operating decision maker of the Group, particularly in making decisions about resources to be allocated to the segment and assessing its performance; and

(c) for which discrete financial information is available.

An operating segment may engage in business activities for which it has yet to earn revenues.

The Group reports separately information about each operating segment that meets any of the following quantitative thresholds:

(a) Its reported revenue, including both sales to external customers and intersegment sales or transfers, is ten percent (10%) or more of the combined revenue, internal and external, of all operating segments.

(b) The absolute amount of its reported profit or loss is ten percent (10%) or more of the greater, in absolute amount of:

(i) the combined reported profit of all operating segments that did not report a loss; and

(ii) the combined reported loss of all operating segments that reported a loss.

(c) Its assets are ten percent (10%) or more of the combined assets of all operating segments.

Operating segments that do not meet any of the quantitative thresholds may be considered reportable, and separately disclosed, if the management believes that information about the segment would be useful to users of the financial statements.

Total external revenue reported by operating segments shall constitute at least seventy-five percent (75%) of the revenue of the Group. Operating segments identified as reportable segments in the current financial year in accordance with the quantitative thresholds would result in a restatement of prior period segment data for comparative purposes.

3. MATERIAL ACCOUNTING POLICIES (continued)

3.21 Earnings per share

(a) Basic

Basic earnings per ordinary share for the financial year is calculated by dividing the profit for the financial year attributable to equity holders of the parent by the weighted average number of ordinary shares outstanding during the financial year.

(b) Diluted

Diluted earnings per ordinary share for the financial year is calculated by dividing the profit for the financial year attributable to equity holders of the parent by the weighted average number of ordinary shares outstanding during the financial year adjusted for the effects of dilutive potential ordinary shares.

3.22 Fair value measurements

The fair value of an asset or a liability, except for lease transactions is determined as 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 assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

The Group measures the fair value of an asset or a liability by taking into account the characteristics of the asset or liability if market participants would take these characteristics into account when pricing the asset or liability. The Group has considered the following characteristics when determining fair value:

(a) The condition and location of the asset; and

(b) Restrictions, if any, on the sale or use of the asset.

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

The fair value of a financial or non-financial liability or an entity's own equity instrument assumes that:

(a) A liability would remain outstanding and the market participant transferee would be required to fulfil the obligation. The liability would not be settled with the counterparty or otherwise extinguished on the measurement date; and

(b) An entity's own equity instrument would remain outstanding and the market participant transferee would take on the rights and responsibilities associated with the instrument. The instrument would not be cancelled or otherwise extinguished on the measurement date.

4. ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs

4.1 New MFRSs adopted during the financial years

The Group adopted the following Standards of the MFRS Framework that were issued by the Malaysian Accounting Standards Board ("MASB") during the financial years:

Title	**Effective Date**
Amendments to References to the Conceptual Framework in MFRS Standards	1 January 2020
Amendments to MFRS 3 *Definition of a Business*	1 January 2020
Amendments to MFRS 101 and MFRS 108 *Definition of Material*	1 January 2020
Amendments to MFRS 9, MFRS 139 and MFRS 7 *Interest Rate Benchmark Reform*	1 January 2020
Amendments to MFRS 4 *Insurance Contract - Extension of the Temporary Exemption from Applying MFRS 9*	17 August 2020
Interest Rate Benchmark Reform - Phase 2 (Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16)	1 January 2021
Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendment to MFRS 16 *Leases*)	1 April 2021
Annual Improvements to MFRS Standards 2018 - 2020	1 January 2022
Reference to the Conceptual Framework (Amendments to MFRS 3 *Business Combinations*)	1 January 2022
Property, Plant and Equipment - Proceeds before Intended Use (Amendments to MFRS 116 *Property, Plant and Equipment*)	1 January 2022
Onerous Contracts - Cost of Fulfilling a Contract (Amendments to MFRS 137 *Provisions, Contingent Liabilities and Contingent Assets*)	1 January 2022
MFRS 17 *Insurance Contracts*	1 January 2023
Amendments to MFRS 17 *Initial Application of MFRS 17 and MFRS 9 - Comparative Information*	1 January 2023
Amendments to MFRS 101 *Disclosure of Accounting Policies*	1 January 2023
Amendments to MFRS 108 *Definition of Accounting Estimates*	1 January 2023
Amendments to MFRS 112 *Deferred tax related to Assets and Liabilities arising from a Single Transaction*	1 January 2023
Amendments to MFRS 112 *International Tax Reform – Pillar Two Model Rules*	Refer paragraph 98M of MFRS 112

Adoption of the above Standards did not have any material effect on the financial performance or position of the Group.

Amendment to MFRS 16 *Covid-19-Related Rent Concessions*

MFRS 16 has been amended to:

(a) Provide lessees with an exemption from the requirement to determine whether a COVID-19-related rent concession is a lease modification; and

(b) Require lessees that apply the exemption to account for COVID-19-related rent concessions as if they were not lease modifications.

4. ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs (continued)

4.1 New MFRSs adopted during the financial years (continued)

The practical expedient only applies to rent concessions occurring as a direct consequence of the COVID-19 pandemic and only if all of the following conditions are met:

(i) Changes in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;

(ii) Any reduction in the lease payments affects only payments originally due on or before 30 June 2021; and

(iii) There is no substantive change to other terms and conditions of the lease.

The Group has early adopted the Amendment to MFRS 16 with election to apply the practical expedient as mentioned above to all rent concession received that meet the conditions as stated above where effectively the Group recognised the concession separately in other income in profit or loss of the Group. The effects of early adoption are disclosed in Note 8 (d) to the Consolidated Financial Statements.

4.2 New MFRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2024

Title	Effective Date
Amendments to MFRS 107 and MFRS 7 *Supplier Finance Arrangements*	1 January 2024
Amendments to MFRS 16 *Lease Liability in a Sale and Leaseback*	1 January 2024
Amendments to MFRS 101 *Classification of Liabilities as Current or Non-current*	1 January 2024
Amendments to MFRS 101 *Non-current Liabilities with Covenants*	1 January 2024
Amendments to MFRS 121 *Lack of Exchangeability*	1 January 2025
Amendments to MFRS 9 and MFRS 7 *Amendments to the Classification and Measurement of Financial Instruments*	1 January 2026
MFRS 18 *Presentation and Disclosure in Financial Statements*	1 January 2027
MFRS 19 *Subsidiaries without Public Accountability: Disclosures*	1 January 2027
Amendments to MFRS 10 and MFRS 128 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	Deferred

The Group is in the process of assessing the impact of implementing these standards, since the effects would only be observable for future financial years.

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5. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated by the management of the Group and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The management makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. To enhance the information content of the estimates, certain key variables that are anticipated to have a material impact to the Group's results and financial position are tested for sensitivity to changes in the underlying parameters. The estimates and assumptions that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below:

(a) Impairment assessment of the carrying amounts of property, plant and equipment and right-of-use assets

Management used forecasted future cash flows in value-in-use model to determine the recoverable amounts of property, plant and equipment and right-of-use assets in certain subsidiaries which have indication of impairment (hereinafter referred to as CGUs) to assess if there is any impairment loss required on the property, plant and equipment and right-of-use assets.

The determination of whether or not an impairment loss is necessary involves significant judgements and estimates about the future results and key assumptions applied to cash flow projections of the CGUs in determining their recoverable amounts. These key assumptions include forecast growth in future revenues and operating profit margins, as well as determining an appropriate pre-tax discount rate and growth rates, which are, among others, dependent on forecasted economic conditions (financial years ended 30 June 2022 and 30 June 2021: affected by the COVID-19 pandemic).

(b) Carrying amount of inventories at the lower of cost and net realisable value

Management focused on the risk that the carrying amount of inventories may not be stated at the lower of cost and net realisable value, the determination of which requires the management to exercise significant judgement in estimating the net realisable value of the inventories.

In estimating the net realisable value of inventories, the management considers the inventories' ageing, fashion pattern, current economic conditions, market demand, expectation of future prices and changes in customer preference of the respective inventories.

(c) Recoverability of trade receivables

Recoverability of trade receivables requires management to exercise significant judgements in determining the probability of default by trade receivables as well as the use of appropriate forward-looking information, (2022 and 2021: incorporating the impact of the COVID-19 pandemic).

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6. OPERATING SEGMENTS

Carlo Rino Group Berhad and its subsidiaries are principally involved in the business of designing, promoting, marketing, distributing and, retailing of women's handbags, footwear and accessories. The Group is also involved in property development and property investment; investment holding of securities; and provision of management services.

The Group has arrived at two (2) reportable operating segments that are organised and managed separately according to the nature of products and services and specific expertise, which requires different business and marketing strategies. The reportable segments are summarised as follows:

Retailing	Designing, promoting, marketing, distributing and retailing of women's footwear, handbags and accessories.
Investment and management services	Investment holding of securities and properties and provision of management services.

The accounting policies of the operating segments are the same as those described in the summary of material accounting policies.

The Group evaluates performance on the basis of profit or loss from operations before tax.

Inter-segment revenue is priced along the similar lines as sales to external customers and is eliminated in the Consolidated Financial Statements. These policies have been applied consistently throughout the current and previous financial years.

Segment assets exclude tax assets.

Segment liabilities exclude tax liabilities. Even though loans and borrowings arise from financing activities rather than operating activities, they are allocated to the segments based on relevant factors (e.g. funding requirement).

Details are provided in the reconciliations from segment assets and liabilities to the position of the Group.

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6. OPERATING SEGMENTS (continued)

2021	Retailing RM	Investment and management services RM	Total RM
Revenue			
Total revenue	104,401,702	21,245,867	125,647,569
Inter-segment revenue	(28,220,438)	(20,966,867)	(49,187,305)
Revenue from external customers	76,181,264	279,000	76,460,264
Interest income	414,997	66,060	481,057
Interest expense	(513,887)	(82,544)	(596,431)
Net interest expense	(98,890)	(16,484)	(115,374)
Segment profit/(loss) before tax	12,082,938	(4,160,343)	7,922,595
Share of profit of an associate, net of tax	-	150,550	150,550
Profit/(Loss) before tax	12,082,938	(4,009,793)	8,073,145
Tax expense	(3,701,259)	(387,432)	(4,088,691)
Material items:			
- realised gain/(loss) on foreign exchange, net	5,094	(295)	4,799
- rental commission	(1,014,193)	-	(1,014,193)
- rental of premises	(2,550)	(5,500)	(8,050)
Other material non-cash items:			
- depreciation of property, plant and equipment	(1,437,836)	(813,841)	(2,251,677)
- depreciation of right-of-use assets	(5,896,093)	(656,524)	(6,552,617)
- fair value loss on short term funds	(458)	-	(458)
- gain on dilution of equity interest in an associate	-	301,932	301,932
- gain on reassessments and modification of leases	593,514	-	593,514
- impairment losses on property, plant and equipment	(523,939)	-	(523,939)
- impairment losses on right-of-use assets	(1,504,662)	-	(1,504,662)
- impairment losses on other investment	-	(4,482,646)	(4,482,646)
- impairment losses on trade receivables	(6,124)	-	(6,124)
- property, plant and equipment written off	(3,214)	(270)	(3,484)
- reversal of impairment losses on trade receivables	93,618	58,066	151,684
- unrealised loss on foreign exchange, net	(2,433)	(60,685)	(63,118)
Additions to non-current assets other than financial instruments, deferred tax assets and investment in an associate	4,675,032	56,291	4,731,323
Segment assets	61,821,156	49,729,817	111,550,973
Segment liabilities	21,138,420	18,686,443	39,824,863

6. OPERATING SEGMENTS (continued)

2022	Retailing RM	Investment and management services RM	Total RM
Revenue			
Total revenue	137,968,099	24,520,954	162,489,053
Inter-segment revenue	(36,462,294)	(24,240,154)	(60,702,448)
Revenue from external customers	101,505,805	280,800	101,786,605
Interest income	429,986	60,158	490,144
Interest expense	(629,709)	(87,148)	(716,857)
Net interest expense	(199,723)	(26,990)	(226,713)
Segment profit/(loss) before tax	30,301,327	(999,322)	29,302,005
Share of loss of an associate, net of tax	-	(268,656)	(268,656)
Profit/(Loss) before tax	30,301,327	(1,267,978)	29,033,349
Tax expense	(6,555,093)	(247,649)	(6,802,742)
Material items:			
- realised (loss)/gain on foreign exchange, net	(9,215)	15,001	5,786
- rental commission	(1,855,386)	-	(1,855,386)
- rental of premises	-	(6,500)	(6,500)
Other material non-cash items:			
- depreciation of property, plant and equipment	(1,166,888)	(829,705)	(1,996,593)
- depreciation of right-of-use assets	(5,570,673)	(683,043)	(6,253,716)
- fair value gain on short term funds	50,866	-	50,866
- gain on reassessments and modification of leases	917,528	-	917,528
- gain on disposal of property, plant and equipment	-	3,147	3,147
- impairment losses on trade receivables	-	(113,908)	(113,908)
- impairment losses on other receivables	(101,471)	-	(101,471)
- impairment of goodwill	-	(19,750)	(19,750)
- property, plant and equipment written off	(500)	-	(500)
- other receivables written off	-	(2,476)	(2,476)
- reversal of impairment losses on trade receivables	81,347	-	81,347
- reversal of impairment losses on right-of-use assets	8,753	-	8,753
- unrealised gain on foreign exchange, net	138	119,330	119,468
Additions to non-current assets other than financial instruments, deferred tax assets and investment in an associate	5,990,871	745,150	6,736,021
Segment assets	76,330,280	58,044,877	134,375,157
Segment liabilities	25,492,368	17,781,831	43,274,199

6. OPERATING SEGMENTS (continued)

2023	Retailing RM	Investment and management services RM	Total RM
Revenue			
Total revenue	155,888,700	33,180,806	189,069,506
Inter-segment revenue	(42,426,934)	(33,108,806)	(75,535,740)
Revenue from external customers	113,461,766	72,000	113,533,766
Interest income	490,604	226,457	717,061
Interest expense	(650,981)	(98,487)	(749,468)
Net interest (expense)/income	(160,377)	127,970	(32,407)
Segment profit before tax	29,794,793	2,564,444	32,359,237
Share of loss of an associate, net of tax	-	(908,743)	(908,743)
Profit before tax	29,794,793	1,655,701	31,450,494
Tax expense	(7,250,917)	(346,317)	(7,597,234)
Material items:			
- realised (loss)/gain on foreign exchange, net	(8,310)	41,671	33,361
- rental commission	(2,130,193)	-	(2,130,193)
- rental of premises	-	(6,000)	(6,000)
Other material non-cash items:			
- depreciation of property, plant and equipment	(1,328,768)	(879,283)	(2,208,051)
- depreciation of right-of-use assets	(5,535,371)	(778,331)	(6,313,702)
- fair value gain on short term funds	112,823	-	112,823
- gain on dilution of equity interest in an associate	-	580,213	580,213
- gain on disposal of investment properties	-	1,855,700	1,855,700
- gain on disposal of property, plant and equipment	4,011	-	4,011
- impairment losses on trade receivables	(205,178)	(35,819)	(240,997)
- impairment losses on other receivables	-	(52)	(52)
- property, plant and equipment written off	(2,805)	(248)	(3,053)
- other receivables written off	(1,175)	-	(1,175)
- reversal of impairment losses on trade receivables	12,554	-	12,554
- reversal of impairment losses on other receivables	-	124	124
- unrealised gain on foreign exchange, net	1,146	15,529	16,675
Additions to non-current assets other than financial instruments, deferred tax assets and investment in an associate	1,571,952	17,533,257	19,105,209
Segment assets	73,020,138	74,577,289	147,597,427
Segment liabilities	22,713,521	24,832,683	47,546,204

6. OPERATING SEGMENTS (continued)

2024	**Retailing**	**Investment and management services**	**Total**
	RM	**RM**	**RM**
Revenue			
Total revenue	146,625,440	21,907,100	168,532,540
Inter-segment revenue	(41,780,641)	(21,907,100)	(63,687,741)
Revenue from external customers	104,844,799	-	104,844,799
Interest income	787,861	365,792	1,153,653
Interest expense	(804,770)	(53,775)	(858,545)
Net interest (expense)/income	(16,909)	312,017	295,108
Profit before tax	25,924,620	345,362	26,269,982
Tax expense	(6,502,742)	(462,262)	(6,965,004)
Material items:			
- realised (loss)/gain on foreign exchange, net	(8,126)	3,982	(4,144)
- rental commission	(1,725,903)	-	(1,725,903)
- rental of premises	-	(6,000)	(6,000)
Other material non-cash items:			
- depreciation of property, plant and equipment	(1,924,427)	(757,858)	(2,682,285)
- depreciation of right-of-use assets	(6,013,071)	(685,020)	(6,698,091)
- fair value gain on short term funds	33,056	13,318	46,374
- gain on disposal of property, plant and equipment	4,999	-	4,999
- gain on reassessments and modification of leases	29,613	-	29,613
- impairment losses on property, plant and equipment	(276,446)	-	(276,446)
- impairment losses on right-of-use assets	(202,419)	-	(202,419)
- impairment losses on trade receivables	(31,472)	-	(31,472)
- loss on derecognition of foreign subsidiaries	-	(249,548)	(249,548)
- property, plant and equipment written off	(96,360)	(262)	(96,622)
- reversal of impairment losses on right-of-use assets	408,700	-	408,700
- reversal of impairment losses on trade receivables	306	-	306
- reversal of impairment losses on other receivables	-	52	52
- unrealised gain on foreign exchange, net	(409)	(2,205)	(2,614)
Additions to non-current assets other than financial instruments, deferred tax assets and investment in an associate	9,836,670	1,040,838	10,877,508
Segment assets	85,003,882	63,798,648	148,802,530
Segment liabilities	25,980,326	10,838,867	36,819,193

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Chartered Accountants
Kuala Lumpur

6. OPERATING SEGMENTS (continued)

Reconciliations of reportable segment revenues, profit or loss, assets and liabilities to the corresponding amounts of the Group are as follows:

Revenue	2021 RM	2022 RM	2023 RM	2024 RM
Total revenue for reporting segments	125,647,569	162,489,053	189,069,506	168,532,540
Elimination of inter-segment revenues	(49,187,305)	(60,702,448)	(75,535,740)	(63,687,741)
Revenue of the Group per consolidated statement of profit or loss and other comprehensive income	76,460,264	101,786,605	113,533,766	104,844,799
Profit for the financial year				
Profit before tax	8,073,145	29,033,349	31,450,494	26,269,982
Tax expense	(4,088,691)	(6,802,742)	(7,597,234)	(6,965,004)
Profit for the financial year of the Group per consolidated statement of profit or loss and other comprehensive income	3,984,454	22,230,607	23,853,260	19,304,978

Assets	2021 RM	2022 RM	2023 RM	2024 RM
Total assets for reportable segments	111,550,973	134,375,157	147,597,427	148,802,530
Tax assets	1,227,302	1,732,041	1,435,989	1,295,714
Total assets of the Group per consolidated statement of financial position	112,778,275	136,107,198	149,033,416	150,098,244
Liabilities				
Total liabilities for reportable segments	39,824,863	43,274,199	47,546,204	36,819,193
Tax liabilities	841,760	2,512,958	1,307,470	1,601,297
Total liabilities of the Group per consolidated statement of financial position	40,666,623	45,787,157	48,853,674	38,420,490

6. OPERATING SEGMENTS (continued)

Geographical information

The Group operates in Malaysia and Vietnam.

In presenting information on the basis of geographical areas, segment revenue is based on the geographical location of entities.

The composition of each geographical segment is as follows:

(i) Malaysia : Designing, promoting, marketing, distributing and retailing of women's footwear, handbags and accessories, investment holdings of securities, provision of management services as well as property development and property investment.

(ii) Vietnam : Management consultancy activities and to implement the right to import, distribution, wholesales of goods.

Segment assets are based on the geographical location of the assets of the Group. The non-current assets do not include financial instruments, other investments, deferred tax assets and investment in an associate.

	2021 RM	2022 RM	2023 RM	2024 RM
Revenue from external customers				
Malaysia	76,212,299	101,730,286	113,533,766	104,844,799
Vietnam	247,965	56,319	-	-
	76,460,264	101,786,605	113,533,766	104,844,799

	2021 RM	2022 RM	2023 RM	2024 RM
Non-current assets				
Malaysia	41,436,279	46,316,314	55,710,086	61,141,431

Major customers

There were no major customers who contributed more than ten percent (10%) of the total revenue of the Group. As such, information on major customers is not presented.

7. PROPERTY, PLANT AND EQUIPMENT

30 June 2021	**Balance as at 01.07.2020 RM**	**Additions RM**	**Written off RM**	**Balance as at 30.06.2021 RM**
At cost				
Freehold land and building	22,802,490	-	-	22,802,490
Electrical installation	562,423	-	-	562,423
Furniture, fittings and counter fixtures	18,848,686	755,370	(990,940)	18,613,116
Motor vehicles	3,623	149,937	-	153,560
Office equipment	3,858,502	97,294	(36,666)	3,919,130
Plant and machinery	158,259	-	-	158,259
Renovation	1,223,322	-	-	1,223,322
	47,457,305	1,002,601	(1,027,606)	47,432,300

7. PROPERTY, PLANT AND EQUIPMENT (continued)

30 June 2021 **Accumulated depreciation**	Balance as at 01.07.2020 RM	Depreciation charge for the financial year RM	Written off RM	Balance as at 30.06.2021 RM
Freehold land and building	2,204,242	456,050	-	2,660,292
Electrical installation	333,248	59,200	-	392,448
Furniture, fittings and counter fixtures	15,911,319	1,240,374	(706,013)	16,445,680
Motor vehicles	302	13,219	-	13,521
Office equipment	3,076,090	303,846	(33,194)	3,346,742
Plant and machinery	158,256	-	-	158,256
Renovation	704,786	178,988	-	883,774
	22,388,243	2,251,677	(739,207)	23,900,713

30 June 2021 **Accumulated impairment**	Balance as at 01.07.2020 RM	Impairment loss for the financial year RM	Written off RM	Balance as at 30.06.2021 RM
Freehold land and building	-	-	-	-
Electrical installation	-	18,695	-	18,695
Furniture, fittings and counter fixtures	822,330	483,576	(284,915)	1,020,991
Motor vehicles	-	-	-	-
Office equipment	-	13,973	-	13,973
Plant and machinery	-	-	-	-
Renovation	-	7,695	-	7,695
	822,330	523,939	(284,915)	1,061,354

30 June 2022 **At cost**	Balance as at 01.07.2021 RM	Additions RM	Disposal RM	Written off RM	Balance as at 30.06.2022 RM
Freehold land and building	22,802,490	-	-	-	22,802,490
Electrical installation	562,423	10,500	-	-	572,923
Furniture, fittings and counter fixtures	18,613,116	2,351,523	-	(1,600,487)	19,364,152
Motor vehicles	153,560	-	-	-	153,560
Office equipment	3,919,130	644,669	(15,052)	(107,074)	4,441,673
Plant and machinery	158,259	-	-	-	158,259
Renovation	1,223,322	-	-	-	1,223,322
	47,432,300	3,006,692	(15,052)	(1,707,561)	48,716,379

7. PROPERTY, PLANT AND EQUIPMENT (continued)

30 June 2022 Accumulated depreciation	Balance as at 01.07.2021 RM	Depreciation charge for the financial year RM	Disposal RM	Written off RM	Balance as at 30.06.2022 RM
Freehold land and building	2,660,292	456,050	-	-	3,116,342
Electrical installation	392,448	48,768	-	-	441,216
Furniture, fittings and counter fixtures	16,445,680	1,044,305	-	(1,307,416)	16,182,569
Motor vehicles	13,521	30,711	-	-	44,232
Office equipment	3,346,742	269,715	(14,699)	(106,579)	3,495,179
Plant and machinery	158,256	-	-	-	158,256
Renovation	883,774	147,044	-	-	1,030,818
	23,900,713	1,996,593	(14,699)	(1,413,995)	24,468,612

30 June 2022 Accumulated impairment	Balance as at 01.07.2021 RM	Written off RM	Balance as at 30.06.2022 RM
Freehold land and building	-	-	-
Electrical installation	18,695	-	18,695
Furniture, fittings and counter fixtures	1,020,991	(293,066)	727,925
Motor vehicles	-	-	-
Office equipment	13,973	-	13,973
Plant and machinery	-	-	-
Renovation	7,695	-	7,695
	1,061,354	(293,066)	768,288

30 June 2023 At cost	Balance as at 01.07.2022 RM	Additions RM	Disposal RM	Written off RM	Balance as at 30.06.2023 RM
Freehold land and building	22,802,490	17,370,400	-	-	40,172,890
Electrical installation	572,923	17,696	-	(21,360)	569,259
Furniture, fittings and counter fixtures	19,364,152	1,535,048	(25,314)	(974,398)	19,899,488
Motor vehicles	153,560	-	-	-	153,560
Office equipment	4,441,673	130,899	(3,394)	(91,941)	4,477,237
Plant and machinery	158,259	-	-	-	158,259
Renovation	1,223,322	26,715	-	(75,371)	1,174,666
Property under construction	-	20,140	-	-	20,140
	48,716,379	19,100,898	(28,708)	(1,163,070)	66,625,499

7. PROPERTY, PLANT AND EQUIPMENT (continued)

30 June 2023 Accumulated depreciation	Balance as at 01.07.2022 RM	Depreciation charge for the financial year RM	Disposal RM	Written off RM	Balance as at 30.06.2023 RM
Freehold land and building	3,116,342	456,050	-	-	3,572,392
Electrical installation	441,216	39,177	-	(21,359)	459,034
Furniture, fittings and counter fixtures	16,182,569	1,217,231	(25,312)	(971,666)	16,402,822
Motor vehicles	44,232	30,711	-	-	74,943
Office equipment	3,495,179	316,949	(2,657)	(91,618)	3,717,853
Plant and machinery	158,256	-	-	-	158,256
Renovation	1,030,818	147,933	-	(75,367)	1,103,384
Property under construction	-	-	-	-	-
	24,468,612	2,208,051	(27,969)	(1,160,010)	25,488,684

30 June 2023 Accumulated impairment	Balance as at 01.07.2022 RM	Written off RM	Balance as at 30.06.2023 RM
Freehold land and building	-	-	-
Electrical installation	18,695	-	18,695
Furniture, fittings and counter fixtures	727,925	(7)	727,918
Motor vehicles	-	-	-
Office equipment	13,973	-	13,973
Plant and machinery	-	-	-
Renovation	7,695	-	7,695
Property under construction	-	-	-
	768,288	(7)	768,281

30 June 2024 At cost	Balance as at 01.07.2023 RM	Additions RM	Disposal RM	Written off RM	Balance as at 30.06.2024 RM
Freehold land and building	40,172,890	786,810	-	-	40,959,700
Electrical installation	569,259	-	-	(37,035)	532,224
Furniture, fittings and counter fixtures	19,899,488	2,681,341	(303,025)	(781,732)	21,496,072
Motor vehicles	153,560	-	-	-	153,560
Office equipment	4,477,237	292,667	-	(58,693)	4,711,211
Plant and machinery	158,259	-	-	-	158,259
Renovation	1,174,666	-	-	-	1,174,666
Property under construction	20,140	196,000	-	-	216,140
	66,625,499	3,956,818	(303,025)	(877,460)	69,401,832

7. PROPERTY, PLANT AND EQUIPMENT (continued)

30 June 2024 Accumulated depreciation	Balance as at 01.07.2023 RM	Depreciation charge for the financial year RM	Disposal RM	Written off RM	Balance as at 30.06.2024 RM
Freehold land and building	3,572,392	465,229	-	-	4,037,621
Electrical installation	459,034	38,661	-	(37,034)	460,661
Furniture, fittings and counter fixtures	16,402,822	1,811,888	(303,024)	(599,329)	17,312,357
Motor vehicles	74,943	30,711	-	-	105,654
Office equipment	3,717,853	293,895	-	(58,386)	3,953,362
Plant and machinery	158,256	-	-	-	158,256
Renovation	1,103,384	41,901	-	-	1,145,285
Property under construction	-	-	-	-	-
	25,488,684	2,682,285	(303,024)	(694,749)	27,173,196

30 June 2024 Accumulated impairment	Balance as at 01.07.2023 RM	Impairment charge for the financial year RM	Written off RM	Balance as at 30.06.2024 RM
Freehold land and building	-	-	-	-
Electrical installation	18,695	-	-	18,695
Furniture, fittings and counter fixtures	727,918	276,446	(86,089)	918,275
Motor vehicles	-	-	-	-
Office equipment	13,973	-	-	13,973
Plant and machinery	-	-	-	-
Renovation	7,695	-	-	7,695
Property under construction	-	-	-	-
	768,281	276,446	(86,089)	958,638

Carrying amount	2021 RM	2022 RM	2023 RM	2024 RM
Freehold land and building	20,142,198	19,686,148	36,600,498	36,922,079
Electrical installation	151,280	113,012	91,530	52,868
Furniture, fittings and counter fixtures	1,146,445	2,453,658	2,768,748	3,265,440
Motor vehicles	140,039	109,328	78,617	47,906
Office equipment	558,415	932,521	745,411	743,876
Plant and machinery	3	3	3	3
Renovation	331,853	184,809	63,587	21,686
Property under construction	-	-	20,140	216,140
	22,470,233	23,479,479	40,368,534	41,269,998

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7. **PROPERTY, PLANT AND EQUIPMENT (continued)**

(a) During the financial year, the Group made the following cash payments to purchase property, plant and equipment:

	2021 RM	2022 RM	2023 RM	2024 RM
Purchase of property, plant and equipment	1,002,601	3,006,692	19,100,898	3,956,821
Unsettled and remained as other payables	(154,565)	(357,687)	(777,846)	(315,840)
Cash payments on purchase of property, plant and equipment	848,036	2,649,005	18,323,052	3,640,981

(b) As at the end of the reporting period, the carrying amount of property, plant and equipment pledged as securities for banking facilities granted to the Group as disclosed in Note 21 to the Consolidated Financial Statements are as follows:

Carrying amount	2021 RM	2022 RM	2023 RM	2024 RM
Freehold land and building	18,906,945	18,478,863	35,421,181	35,770,730

(c) For the purpose of impairment assessment, recoverable amount of property, plant and equipment is determined based on a "value-in-use" of each CGU.

The carrying amounts of property, plant and equipment in certain subsidiaries which have indication of impairment amounted to RM1,327,890 (2023: RM399,951; 2022: RM930,430; 2021: RM1,744,477).

Value-in-use of the CGUs is determined by discounting the future cash flows to be generated from continuing use of the CGUs. Management has made significant judgements and estimates about the future results and key assumptions applied to cash flow projections of the CGUs in determining the recoverable amount using the value-in-use model. These key assumptions include forecast growth in future revenues and operating profit margins, as well as determining an appropriate pre-tax discount rate and growth rates, which are, among others, dependent on forecasted economic conditions (2023: none; 2022 and 2021: affected by the COVID-19 pandemic).

Based on these assumptions, an impairment loss of RM276,446 (2023: RM Nil; 2022: RM Nil; 2021: RM523,939) is recognised in relation to property, plant and equipment of certain subsidiaries as the recoverable amounts are lower than the carrying amounts of the CGUs (2023: none; 2022 and 2021: as a result of the COVID-19 pandemic).

With regard to the assessment of value-in-use of the CGUs, management believes that no reasonably possible change in any of the above key assumptions would cause the carrying amounts of the CGUs to materially exceed their recoverable amounts.

8. LEASES

The Group as lessee

Right-of-use assets

30 June 2021 **At cost**	**Balance as at 01.07.2020 RM**	**Reassessments and modifications RM**	**Additions RM**	**Balance as at 30.06.2021 RM**
Boutiques	25,789,711	4,275,885	3,713,979	33,779,575
Hostels	62,442	8,939	-	71,381
Motor vehicles	436,700	-	-	436,700
Office	3,206,566	160,508	14,743	3,381,817
	29,495,419	4,445,332	3,728,722	37,669,473

30 June 2021 **Accumulated depreciation**	**Balance as at 01.07.2020 RM**	**Depreciation charge for the financial year RM**	**Reassessments and modifications RM**	**Balance as at 30.06.2021 RM**
Boutiques	15,426,381	5,869,320	(1,742,342)	19,553,359
Hostels	41,628	26,773	-	68,401
Motor vehicles	94,618	87,340	-	181,958
Office	1,019,836	569,184	-	1,589,020
	16,582,463	6,552,617	(1,742,342)	21,392,738

30 June 2021 **Accumulated impairment**	**Balance as at 01.07.2020 RM**	**Impairment loss for the financial year RM**	**Reassessments and modifications RM**	**Balance as at 30.06.2021 RM**
Boutiques	1,043,633	1,504,662	(417,856)	2,130,439
Hostels	-	-		-
Motor vehicles	-	-		-
Office	-	-		-
	1,043,633	1,504,662	(417,856)	2,130,439

8. LEASES (continued)

The Group as lessee (continued)

Right-of-use assets (continued)

30 June 2022	**Balance as at 01.07.2021 RM**	**Reassessments and modifications RM**	**Additions RM**	**Balance as at 30.06.2022 RM**
At cost				
Boutiques	33,779,575	1,734,942	3,590,268	39,104,785
Hostels	71,381	(71,381)	-	-
Motor vehicles	436,700	-	-	436,700
Office	3,381,817	(26,903)	139,061	3,493,975
	37,669,473	1,636,658	3,729,329	43,035,460

30 June 2022	**Balance as at 01.07.2021 RM**	**Depreciation charge for the financial year RM**	**Reassessments and modifications RM**	**Balance as at 30.06.2022 RM**
Accumulated depreciation				
Boutiques	19,553,359	5,552,875	(4,089,160)	21,017,074
Hostels	68,401	17,798	(86,199)	-
Motor vehicles	181,958	87,339	-	269,297
Office	1,589,020	595,704	-	2,184,724
	21,392,738	6,253,716	(4,175,359)	23,471,095

30 June 2022	**Balance as at 01.07.2021 RM**	**Reversal of impairment loss for the financial year RM**	**Reassessments and modifications RM**	**Balance as at 30.06.2022 RM**
Accumulated impairment				
Boutiques	2,130,439	(8,753)	(594,156)	1,527,530
Hostels	-	-	-	-
Motor vehicles	-	-	-	-
Office	-	-	-	-
	2,130,439	(8,753)	(594,156)	1,527,530

8. LEASES (continued)

The Group as lessee (continued)

Right-of-use assets (continued)

30 June 2023 **At cost**	**Balance as at 01.07.2022 RM**	**Reassessments and modifications RM**	**Additions RM**	**Balance as at 30.06.2023 RM**
Boutiques	39,104,785	3,238,221	-	42,343,006
Motor vehicles	436,700	-	-	436,700
Office	3,493,975	51,390	4,311	3,549,676
	43,035,460	3,289,611	4,311	46,329,382

30 June 2023 **Accumulated depreciation**	**Balance as at 01.07.2022 RM**	**Depreciation charge for the financial year RM**	**Reassessments and modifications RM**	**Balance as at 30.06.2023 RM**
Boutiques	21,017,074	5,535,371	(324,497)	26,227,948
Motor vehicles	269,297	87,340	-	356,637
Office	2,184,724	690,991	-	2,875,715
	23,471,095	6,313,702	(324,497)	29,460,300

30 June 2023 **Accumulated impairment**	**Balance as at 01.07.2022/ 30.06.2023 RM**
Boutiques	1,527,530
Motor vehicles	-
Office	-
	1,527,530

8. LEASES (continued)

The Group as lessee (continued)

Right-of-use assets (continued)

30 June 2024	**Balance as at 01.07.2023 RM**	**Reassessments and modifications RM**	**Additions RM**	**Balance as at 30.06.2024 RM**
At cost				
Boutiques	42,343,006	(1,005,270)	6,920,690	48,258,426
Motor vehicles	436,700	-	-	436,700
Office	3,549,676	(17,402)	-	3,532,274
	46,329,382	(1,022,672)	6,920,690	52,227,400

30 June 2024	**Balance as at 01.07.2023 RM**	**Depreciation charge for the financial year RM**	**Reassessments and modifications RM**	**Balance as at 30.06.2024 RM**
Accumulated depreciation				
Boutiques	26,227,948	6,013,071	(5,123,673)	27,117,346
Motor vehicles	356,637	80,062	-	436,699
Office	2,875,715	604,958	-	3,480,673
	29,460,300	6,698,091	(5,123,673)	31,034,718

30 June 2024	**Balance as at 01.07.2023 RM**	**Impairment loss for the financial year RM**	**Reversal of impairment loss for the financial year RM**	**Balance as at 01.07.2023/ 30.06.2024 RM**
Accumulated impairment				
Boutiques	1,527,530	202,419	(408,700)	1,321,249
Motor vehicles	-	-	-	-
Office	-	-	-	-
	1,527,530	202,419	(408,700)	1,321,249

8. LEASES (continued)

The Group as lessee (continued)

Right-of-use assets (continued)

Carrying amount	**2021 RM**	**2022 RM**	**2023 RM**	**2024 RM**
Boutiques	12,095,777	16,560,181	14,587,528	19,819,831
Hostels	2,980	-	-	-
Motor vehicles	254,742	167,403	80,063	1
Office	1,792,797	1,309,251	673,961	51,601
	14,146,296	18,036,835	15,341,552	19,871,433

(a) The Group leases boutiques, hostels, motor vehicles and office with lease periods of two (2) years to nine (9) years (2023: two (2) years to nine (9) years; 2022: two (2) years to nine (9) years; 2021: two (2) years to nine (9) years).

(b) The Group has certain leases of hostel with lease term of less than twelve (12) months and low-value lease of office of RM20,000 and below. The Group applies the "short-term lease" and "lease of low-value assets" exemptions for these leases.

(c) During the financial year, the Group made the following cash payments to purchase right-of-use assets:

	2021 RM	**2022 RM**	**2023 RM**	**2024 RM**
Addition of right-of-use assets	3,728,722	3,729,329	4,311	6,920,690
Financed by lease liabilities	(3,664,395)	(3,185,054)	-	(6,920,690)
Provision for restoration costs capitalised (Note 22(b))	(64,327)	(544,275)	(4,311)	-
Cash payments on right-of-use assets	-	-	-	-

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8. LEASES (continued)

The Group as lessee (continued)

Right-of-use assets (continued)

(d) The following are the amounts recognised in profit or loss:

	2021 RM	2022 RM	2023 RM	2024 RM
Included in general and administrative expenses:				
Expenses relating to leases of low-value assets	5,500	6,500	6,000	6,000
Expenses relating to short-term lease	2,550	-	-	-
Depreciation charge of right-of-use assets	683,297	700,841	778,331	685,020
Included in selling and distribution expenses:				
Depreciation charge of right-of-use assets	5,869,320	5,552,875	5,535,371	6,013,071
Variable lease payments:				
- based on the monthly gross sales	1,014,193	1,855,386	2,130,193	1,725,903
Included in finance costs:				
Interest expense on lease liabilities	588,869	619,919	622,626	814,637
Included in other operating income:				
Gain on reassessments and modifications of leases	(593,514)	(917,528)	-	(29,613)
Arising from COVID-19-related rent concessions	(975,308)	(984,443)	(39,343)	-
	6,594,907	6,833,550	9,033,178	9,215,018

(e) For the purpose of impairment assessment, recoverable amount of the right-of-use assets is determined based on a "value-in-use" of each CGU.

The carrying amounts of right-of-use assets in certain subsidiaries which have indication of impairment amounted to RM7,510,588 (2023: RM830,341; 2022: RM3,971,184; 2021: RM5,952,570).

Value-in-use of the CGUs is determined by discounting the future cash flows for the remaining useful life of the right-of-use assets. Management has made significant judgements and estimates about the future results and key assumptions applied to cash flow projections of the CGUs in determining the recoverable amount using the value-in-use model. These key assumptions include forecast growth in future revenues and operating profit margins, as well as determining an appropriate pre-tax discount rate and growth rates, which are, among others, dependent on forecasted economic conditions (2023: none; 2022 and 2021: affected by the COVID-19 pandemic).

Based on these assumptions, an impairment loss of RM 202,419 (2023: RM Nil; 2022: RM Nil; 2021: RM1,504,662) is recognised in relation to right-of-use assets for a subsidiary as the recoverable amount is lower than the carrying amount of the CGU (2023: none; 2022 and 2021: as a result of the COVID-19 pandemic).

8. LEASES (continued)

The Group as lessee (continued)

Right-of-use assets (continued)

(e) (continued)

Management had also determined that the recoverable amounts of certain right-of-use assets are higher than their carrying amount. Accordingly, reversals of impairment of right-of-use assets of the Group amounted to RM408,700 (2023: RM Nil; 2022: RM8,753; 2021: RM Nil) was recognised within other operating income in the statements of profit or loss and other comprehensive income in the current financial year. The pre-tax discounted rate applied on the cash flow projections in determining the recoverable amount is 10.8%.

With regard to the assessment of value-in-use of the CGUs, management believes that no reasonably possible change in any of the above key assumptions would cause the carrying amounts of the CGUs to materially exceed their recoverable amounts.

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8. LEASES (continued)

The Group as lessee (continued)

Lease liabilities

Carrying amount	Balance as at 01.07.2020 RM	Reassessments and modifications RM	Additions RM	Lease payments RM	Lease concessions RM	Interest expense RM	Balance as at 30.06.2021 RM
Boutiques	10,881,124	5,842,569	3,664,395	(5,069,713)	(975,308)	509,468	14,852,535
Hostels	15,792	8,939	-	(22,000)	-	265	2,996
Motor vehicles	326,984	-	-	(88,884)	-	12,372	250,472
Office	2,116,130	160,508	-	(593,367)	-	66,764	1,750,035
	13,340,030	6,012,016	3,664,395	(5,773,964)	(975,308)	588,869	16,856,038

Carrying amount	Balance as at 01.07.2021 RM	Reassessments and modifications RM	Additions RM	Lease payments RM	Lease concessions RM	Interest expense RM	Balance as at 30.06.2022 RM
Boutiques	14,852,535	5,473,827	3,185,054	(4,727,072)	(965,706)	563,421	18,382,059
Hostels	2,996	14,818	-	(16,500)	(1,500)	186	-
Motor vehicles	250,472	-	-	(88,884)	-	8,880	170,468
Office	1,750,035	-	-	(578,584)	(17,237)	47,432	1,201,646
	16,856,038	5,488,645	3,185,054	(5,411,040)	(984,443)	619,919	19,754,173

8. LEASES (continued)

The Group as lessee (continued)

Lease liabilities (continued)

Carrying amount	Balance as at 01.07.2022 RM	Reassessments and modifications RM	Lease payments RM	Lease concessions RM	Interest expense RM	Balance as at 30.06.2023 RM
Boutiques	18,382,059	3,688,308	(5,983,738)	(39,343)	582,662	16,629,948
Motor vehicles	170,468	-	(88,884)	-	5,387	86,971
Office	1,201,646	51,390	(622,818)	-	34,577	664,795
	19,754,173	3,739,698	(6,695,440)	(39,343)	622,626	17,381,714

Carrying amount	Balance as at 01.07.2023 RM	Reassessments and modifications RM	Additions RM	Lease payments RM	Interest expense RM	Balance as at 30.06.2024 RM
Boutiques	16,629,948	4,087,183	6,920,690	(6,664,772)	800,161	21,773,210
Motor vehicles	86,971	-	-	(88,863)	1,892	-
Office	664,795	-	-	(625,272)	12,584	52,107
	17,381,714	4,087,183	6,920,690	(7,378,907)	814,637	21,825,317

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8. LEASES (continued)

The Group as lessee (continued)

Lease liabilities (continued)

Represented by:	2021 RM	2022 RM	2023 RM	2024 RM
Non-current liabilities				
- Lease liabilities owing to a financial institution	170,468	86,970	-	-
- Lease liabilities owing to non-financial institutions	11,439,609	13,961,835	11,929,431	15,919,978
	11,610,077	14,048,805	11,929,431	15,919,978
Current liabilities				
- Lease liabilities owing to a financial institution	80,004	83,498	86,970	-
- Lease liabilities owing to non-financial institutions	5,165,957	5,621,870	5,365,313	5,905,339
	5,245,961	5,705,368	5,452,283	5,905,339
	16,856,038	19,754,173	17,381,714	21,825,317

(a) The movements of lease liabilities during the financial years are as follows:

	2021 RM	2022 RM	2023 RM	2024 RM
At 1 July	13,340,030	16,856,038	19,754,173	17,381,714
Additions of lease liabilities	3,664,395	3,185,054	-	6,920,690
Interest charged for the year	588,869	619,919	622,626	814,637
Lease payments	(5,773,964)	(5,411,040)	(6,695,440)	(7,378,907)
Lease concessions	(975,308)	(984,443)	(39,343)	-
Reassessments and modifications	6,012,016	5,488,645	3,739,698	4,087,183
At 30 June	16,856,038	19,754,173	17,381,714	21,825,317

(b) At the end of the financial year, the Group had total cash outflow for leases of RM7,378,907 (2023: RM6,695,440; 2022: RM5,411,040; 2021: RM5,773,964).

(c) The Group has lease contracts for certain boutiques that contains variable payments based on the monthly gross sales. Variable lease payments are recognised in profit or loss when the condition that triggers those payments occur.

A 10% increase in monthly gross sales would increase total lease payments by 1.9% (2023: 2.4%; 2022: 2.6%; 2021: 1.5%).

8. LEASES (continued)

The Group as lessee (continued)

Lease liabilities (continued)

(d) Reconciliation of liabilities arising from financing activities:

	2021 RM	2022 RM	2023 RM	2024 RM
At 1 July	13,340,030	16,856,038	19,754,173	17,381,714
Cash flows:				
- Net of repayments of borrowings	(5,773,964)	(5,411,040)	(6,695,440)	(7,378,907)
- Interest paid	12,372	8,880	5,387	1,892
	(5,761,592)	(5,402,160)	(6,690,053)	(7,377,015)
Non-cash flows:				
- Additions	3,664,395	3,185,054	-	6,920,690
- Reassessments and modifications	6,012,016	5,488,645	3,739,698	4,087,183
- Unwinding of interest	576,497	611,039	617,239	812,745
- Lease concessions	(975,308)	(984,443)	(39,343)	-
At 30 June	16,856,038	19,754,173	17,381,714	21,825,317

(e) The Group determines the lease term of a lease as the non-cancellable period of the lease, together with periods covered by an option to extend or to terminate the lease if the Group is reasonably certain to exercise the relevant options. Management exercise significant judgement in determining whether these extension options are reasonably certain to be exercised. Management has considered the relevant facts and circumstances that create an economic incentive for the Group to either exercise the option to extend the lease, or to exercise the option to terminate the lease. Any differences in expectations from the original estimates would impact the carrying amounts of the lease liabilities of the Group.

(f) Information on the financial risk of lease liabilities is disclosed in Note 35 to the Consolidated Financial Statements.

The Group as lessor

The Group has entered into non-cancellable lease agreement for a warehouse for a term of two (2) years with an option to renew for another one (1) year. The Group has aggregate future minimum lease receivable as at the end of each reporting period as follows:

	2021 RM	2022 RM	2023 RM	2024 RM
Less than one (1) year	291,000	72,000	-	-
One (1) year to two (2) years	225,000	-	-	-
	516,000	72,000	-	-

9. GOODWILL

	2021 RM	2022 RM	2023 RM	2024 RM
As at 1 July	19,750	19,750	-	-
Less: Impairment loss	-	(19,750)	-	-
As at 30 June	19,750	-	-	-

For the purpose of impairment testing, the recoverable amount of the Cash Generating Unit ("CGU") is determined based on a "value-in-use" calculation. The value-in-use of the CGU is determined by discounting the future cash flows to be generated from continuing use of the CGU. The value-in-use is derived based on management's cash flow projections for three (3) financial years from 2022 to 2024 for financial year ended 30 June 2021.

The key assumptions used in the value-in-use calculations are as follows:

(i) The anticipated annual revenue growth rates used in the cash flow projections of the CGU ranged from -10% to 10% for 30 June 2021.

(ii) Profit margins are projected based on the historical profit margin achieved for the products.

(iii) Pre-tax discount rate of 13.5% for 30 June 2021 was applied over the projection periods in determining the recoverable amount of the CGU. The discount rate used is pre-tax plus a reasonable risk premium and reflects the overall weighted average cost of capital of the Group.

Based on these assumptions, the Directors are of the view that no impairment loss was required as at 30 June 2021 as the recoverable amount determined was higher than the carrying amount of the CGU.

With regard to the assessment of value-in-use of the goodwill, management believes that no reasonably possible change in any of the above key assumptions would cause the carrying amount of the CGU to materially exceed its recoverable amount.

Based on the annual impairment assessment undertaken by the Group, an impairment loss of RM19,750 was made for the carrying amount of the goodwill as at 30 June 2022.

10. INVESTMENT PROPERTIES

At fair value	2021 RM	2022 RM	2023 RM	2024 RM
Leasehold land and building				
As at 1 July	4,800,000	4,800,000	4,800,000	-
Disposal during the year	-	-	(4,800,000)	-
As at 30 June	4,800,000	4,800,000	-	-

10. INVESTMENT PROPERTIES (continued)

(a) As at the end of reporting period, the investment properties pledged as securities for banking facilities granted to the Group as disclosed in Note 21 to the Consolidated Financial Statements are as follows:

	2021 RM	2022 RM	2023 RM	2024 RM
Leasehold land and building	4,800,000	4,800,000	-	-

(b) As at the end of reporting period, rental income of the Group derived from the investment properties are as follows:

	2021 RM	2022 RM	2023 RM	2024 RM
Rental income	279,000	280,800	72,000	-

(c) The amounts of direct expenses recognised in profit or loss during the financial year are as follows:

	2021 RM	2022 RM	2023 RM	2024 RM
Income generating units				
Repairs and maintenance	5,486	1,940	664	-
Quit rent and assessment	12,948	12,948	12,948	-

(d) The fair value of investment properties of the Group are categorised as follows:

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
2021				
Leasehold land and building	-	-	4,800,000	4,800,000
2022				
Leasehold land and building	-	-	4,800,000	4,800,000
2023				
Leasehold land and building	-	-	-	-
2024				
Leasehold land and building	-	-	-	-

(i) There were no transfers between Level 1 and Level 2 fair value measurements during the financial years ended 30 June 2024, 30 June 2023, 30 June 2022 and 30 June 2021.

(ii) The valuation of investment properties of the Group at Level 3 fair value amounting to RM Nil (2023: RM Nil; 2022: RM4,800,000; 2021: RM4,800,000) were recommended by the Directors based on indicative market values from the valuation exercise carried out on an open market value basis by an external and independent property valuer, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued.

10. INVESTMENT PROPERTIES (continued)

(d) The fair value of investment properties of the Group are categorised as follows: (continued)

(ii) (continued)

The valuations were made based on the comparison method that makes reference to recent sales transactions of similar properties in the same locality on a price per square feet basis. Adjustments are then made for differences in location, size, facilities available, market conditions and other factors in order to arrive at a common basis.

(iii) The fair value measurements of the investment properties are based on the highest and best use which does not differ from their actual use. The investment properties of the Group are mainly used to generate rental income.

11. INVESTMENT IN AN ASSOCIATE

	2021 RM	2022 RM	2023 RM	2024 RM
Quoted equity shares, at cost	4,000,749	4,000,749	4,000,749	-
Share of post-acquisition result, net of tax	452,482	183,826	(144,704)	-
Reclassification to other investments (Note 12)	-	-	(3,856,045)	-
	4,453,231	4,184,575	-	-

(a) The details of the associate, incorporated in Malaysia except otherwise stated, are as follows:

Name of company	Effective interest in equity 2021 %	2022 %	2023 %	2024 %	Principal activities
Associate of CRI Sdn. Bhd.					
Carzo Holdings Berhad ("CHB") (1), (2) & (3)	18.00	18.00	16.65	-	Wholesale of fruits, provision of management services and activities of investment holdings companies

(1) Audited by firm of auditors other than BDO PLT.

(2) Equity accounted based on management accounts for the financial period/year ended 30 November 2022, 30 June 2022 and 30 June 2021 as the financial year end of the associate is 31 December. On 1 November 2022, CHB changed its financial year end to 30 June.

(3) On 9 September 2021, CHB was listed on the LEAP Market of Bursa Malaysia Securities Berhad.

(b) On 20 January 2021, CRI Sdn. Bhd. subscribed for 15,888,600 ordinary shares in the share capital of CHB, representing 20% equity interest in CHB for a cash consideration of RM4,000,749.

On 7 May 2021, CHB issued 8,827,000 ordinary shares to the pre-listing investors of CHB. Following the exercise, CRI's equity interest in CHB was diluted from 20% to 18%.

11. INVESTMENT IN AN ASSOCIATE (continued)

(c) In the financial years ended 30 June 2021 and 2022, the management assessed the level of influence that the Group has on its associate, CHB and determined that it has significant influence even though the shareholding is below 20% because of the board representations in CHB.

(d) On 18 October 2022, CHB completed its 1st tranche of private placement of 7,142,700 ordinary shares to identified investors, this further dilute CRI's equity interest in CHB from 18% to 16.65%.

(e) On 30 November 2022, the Managing Director of the Group resigned from the board of CHB, resulted in the cessation of the Group's significant influence over the associate. Subsequently, the investment was accounted as other investment.

(f) The above associate was accounted for using the equity method in the consolidated financial statements for the period from 1 July 2022 to 30 November 2022 (2022: 1 July 2021 to 30 June 2022; 2021: 1 July 2020 to 30 June 2021).

The summarised financial information of the associate, CHB are as follows:

	30.06.2021 RM	**30.06.2022 RM**	**30.11.2022 RM**
Assets			
Non-current assets	2,485,631	3,130,586	5,576,311
Current assets	26,255,218	26,983,665	20,997,742
Total assets	28,740,849	30,114,251	26,574,053
Liabilities			
Non-current liabilities	2,430,319	1,708,383	3,062,312
Current liabilities	16,102,609	19,908,258	16,299,377
Total liabilities	18,532,928	21,616,641	19,361,689

Results	**01.07.2020 to 30.06.2021 RM**	**01.07.2021 to 30.06.2022 RM**	**01.07.2022 to 30.11.2022 RM**
Revenue	42,856,141	79,154,787	51,763,699
Profit/(Loss) for the financial year/period	958,024	(1,492,534)	(5,285,158)

(g) The reconciliation of net assets of the associate to the carrying amount of the investment in an associate are as follows:

	2021 RM	**2022 RM**	**2023 RM**	**2024 RM**
Share of net assets by the Group	1,837,426	1,568,770	1,201,039	-
Goodwill	2,615,805	2,615,805	2,799,710	-
Derecognition of investment	-	-	(4,000,749)	-
Carrying amount in the statements of financial position	4,453,231	4,184,575	-	-

11. INVESTMENT IN AN ASSOCIATE (continued)

(g) The reconciliation of net assets of the associate to the carrying amount of the investment in an associate are as follows: (continued)

	2021 RM	2022 RM	2023 RM	2024 RM
Share of results by the Group				
Share of profit/(loss) by the Group	150,550	(268,656)	(908,743)	-

12. OTHER INVESTMENTS

	2021 RM	2022 RM	2023 RM	2024 RM
Financial asset at fair value through other comprehensive income				
Quoted shares in Malaysia	-	-	4,766,580	4,766,580
Financial asset at fair value through profit or loss				
Unquoted shares in Malaysia	4,482,646	4,482,646	4,482,646	4,482,646
Less: Fair value adjustments	(4,482,646)	(4,482,646)	(4,482,646)	(4,482,646)
	-	-	-	-
	-	-	4,766,580	4,766,580

(a) On 10 September 2020, CRI subscribed for 6,800 ordinary shares in Shoppr Labs Sdn. Bhd. ("SLSB") and on 29 January 2021, CRI subscribed another 1,071 ordinary shares of SLSB for a total cash consideration of RM4,482,646, which representing 4.07% equity interest in SLSB.

(b) In the financial year ended 30 June 2021, the Company recognised a fair value loss on investment in SLSB amounting to RM4,482,646 due to its loss-making and capital deficiency position.

(c) The movement of quoted shares in Malaysia are as follows:

	2021 RM	2022 RM	2023 RM	2024 RM
Balance as at 1 July	-	-	-	4,766,580
Reclassification from investment in an associate (Note 11)	-	-	3,856,045	-
Fair value gain on other investments	-	-	910,535	-
Balance as at 30 June	-	-	4,766,580	4,766,580

(d) Information on the fair value hierarchy is disclosed in Note 34(d) to the Consolidated Financial Statements.

13. DEFERRED TAX

(a) The deferred tax assets and liabilities are made up of the following:

	2021 RM	2022 RM	2023 RM	2024 RM
As at 1 July	1,095,000	982,000	1,355,000	1,272,000
Recognised in profit or loss (Note 29)	(113,000)	373,000	(133,000)	(132,000)
Recognised in other comprehensive income (Note 29)	-	-	50,000	-
As at 30 June	982,000	1,355,000	1,272,000	1,140,000

Presented after appropriate offsetting as follow:

	2021 RM	2022 RM	2023 RM	2024 RM
Deferred tax assets, net	1,032,000	1,405,000	1,281,000	1,147,000
Deferred tax liabilities, net	(50,000)	(50,000)	(9,000)	(7,000)
	982,000	1,355,000	1,272,000	1,140,000

(b) The components and movements of deferred tax liabilities and assets during the financial years are as follows:

Deferred tax liabilities of the Group

	Property, plant and equipment RM	Offsetting RM	Total RM
At 1 July 2020	(96,000)	27,000	(69,000)
Recognised in profit or loss	(3,000)	22,000	19,000
At 30 June 2021	(99,000)	49,000	(50,000)
At 1 July 2021	(99,000)	49,000	(50,000)
Recognised in profit or loss	-	-	-
At 30 June 2022	(99,000)	49,000	(50,000)
At 1 July 2022	(99,000)	49,000	(50,000)
Recognised in profit or loss	(9,000)	-	(9,000)
Recognised in other comprehensive income	50,000	-	50,000
At 30 June 2023	(58,000)	49,000	(9,000)
At 1 July 2023	(58,000)	49,000	(9,000)
Recognised in profit or loss	2,000	-	2,000
At 30 June 2024	(56,000)	49,000	(7,000)

13. DEFERRED TAX (continued)

(b) The components and movements of deferred tax liabilities and assets during the financial years are as follows: (continued)

Deferred tax assets of the Group

	Property, plant and equipment RM	**Other deductible temporary differences RM**	**Lease liabilities RM**	**Offsetting RM**	**Total RM**
At 1 July 2020	181,000	598,000	412,000	(27,000)	1,164,000
Recognised in profit or loss	(71,000)	33,000	(72,000)	(22,000)	(132,000)
At 30 June 2021	110,000	631,000	340,000	(49,000)	1,032,000
At 1 July 2021	110,000	631,000	340,000	(49,000)	1,032,000
Recognised in profit or loss	(145,000)	254,000	264,000	-	373,000
At 30 June 2022	(35,000)	885,000	604,000	(49,000)	1,405,000
At 1 July 2022	(35,000)	885,000	604,000	(49,000)	1,405,000
Recognised in profit or loss	(118,000)	31,000	(37,000)	-	(124,000)
At 30 June 2023	(153,000)	916,000	567,000	(49,000)	1,281,000
At 1 July 2023	(153,000)	916,000	567,000	(49,000)	1,281,000
Recognised in profit or loss	115,000	(247,000)	(2,000)	-	(134,000)
At 30 June 2024	(38,000)	669,000	565,000	(49,000)	1,147,000

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(201906000013 (LLP0018825-LCA) & AF 0206)
Chartered Accountants
Kuala Lumpur

13. DEFERRED TAX (continued)

(c) The amounts of temporary differences for which no deferred tax assets have been recognised in the statements of financial position are as follows:

	2021 RM	2022 RM	2023 RM	2024 RM
Unused tax losses:				
- Expires by 30 June 2027	805,547	-	-	-
- Expires by 30 June 2028	504,628	-	-	-
Unabsorbed capital allowances	419,654	373,584	89,000	89,000
Other deductible temporary differences	5,965,805	5,910,533	3,866,872	2,699,876
	7,695,634	6,284,117	3,955,872	2,788,876

Deferred tax assets of certain subsidiaries have not been recognised in respect of these items as it is not probable that future taxable profits of the subsidiaries would be available against which the deductible temporary differences could be utilised.

14. INVENTORIES

	2021 RM	2022 RM	2023 RM	2024 RM
Raw materials	140,239	89,457	84,056	27,864
Finished goods	9,448,646	11,030,916	14,436,037	14,620,087
	9,588,885	11,120,373	14,520,093	14,647,951

During the financial years, inventories of the Group recognised as cost of sales amounted to RM 38,982,568 (2023: RM 43,469,464; 2022: RM38,743,397; 2021: RM32,068,255).

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15. TRADE AND OTHER RECEIVABLES

	2021 RM	2022 RM	2023 RM	2024 RM
Trade receivables				
Third parties	12,042,836	12,817,170	4,171,438	4,891,923
Less: Impairment losses				
- third parties	(5,816,176)	(6,015,573)	(215,879)	(247,045)
	6,226,660	6,801,597	3,955,559	4,644,878
Other receivables and deposits				
Other receivables	1,261,790	1,302,994	106,958	296,016
Deposits	3,890,486	3,965,710	3,750,203	4,242,414
	5,152,276	5,268,704	3,857,161	4,538,430
Less: Impairment losses				
- other receivables	(1,098,537)	(1,239,167)	(52)	-
- deposits	(29,974)	(29,974)	(29,850)	(29,850)
	(1,128,511)	(1,269,141)	(29,902)	(29,850)
	4,023,765	3,999,563	3,827,259	4,508,580
Total trade and other receivables	10,250,425	10,801,160	7,782,818	9,153,458
Prepayments	510,446	8,817,311	1,017,499	3,038,997
	10,760,871	19,618,471	8,800,317	12,192,455

(a) Trade receivables are non-interest bearing and the normal trade credit terms granted by the Group range from 30 to 60 days (2023: 30 to 60 days; 2022: 30 to 180 days; 2021: 30 to 180 days). They are recognised at their original invoice amounts which represent their fair values on initial recognition.

(b) Information on financial risks of trade and other receivables is disclosed in Note 35 to the Consolidated Financial Statements.

(c) The currency exposure profile of receivables (excluding prepayments) are as follows.

	2021 RM	2022 RM	2023 RM	2024 RM
Ringgit Malaysia	10,099,371	10,731,829	7,720,051	9,101,140
Indonesian Rupiah	82,328	-	-	-
Singapore Dollar	10,117	21,239	11,207	8,843
United States Dollar	30,334	30,334	30,334	30,334
Vietnamese Dong	20,116	1,171	-	-
Hong Kong Dollar	7,234	7,835	4,830	3,933
Others	925	8,752	16,396	9,208
	10,250,425	10,801,160	7,782,818	9,153,458

15. TRADE AND OTHER RECEIVABLES (continued)

(d) The ageing analysis of trade receivables of the Group are as follows:

2021	**Gross carrying amount RM**	**Total allowance RM**	**Balance as at 30.06.2021 RM**
Current	327,393	(990)	326,403
Past due:			
1 to 30 days	2,862,237	(8,235)	2,854,002
31 to 60 days	2,765,351	(35,222)	2,730,129
61 to 90 days	328,529	(12,403)	316,126
91 to 120 days	-	-	-
More than 120 days	5,759,326	(5,759,326)	-
	11,715,443	(5,815,186)	5,900,257
	12,042,836	(5,816,176)	6,226,660

2022	**Gross carrying amount RM**	**Total allowance RM**	**Balance as at 30.06.2022 RM**
Current	2,616,577	(6,103)	2,610,474
Past due:			
1 to 30 days	3,709,022	(9,585)	3,699,437
31 to 60 days	495,947	(5,131)	490,816
61 to 90 days	440	(125)	315
91 to 120 days	240	(123)	117
More than 120 days	5,994,944	(5,994,506)	438
	10,200,593	(6,009,470)	4,191,123
	12,817,170	(6,015,573)	6,801,597

2023	**Gross carrying amount RM**	**Total allowance RM**	**Balance as at 30.06.2023 RM**
Current	1,764,795	(2,775)	1,762,020
Past due:			
1 to 30 days	1,583,426	(1,637)	1,581,789
31 to 60 days	401,446	(2,284)	399,162
61 to 90 days	165,334	(3,119)	162,215
91 to 120 days	15,650	(8,251)	7,399
More than 120 days	240,787	(197,813)	42,974
	2,406,643	(213,104)	2,193,539
	4,171,438	(215,879)	3,955,559

15. TRADE AND OTHER RECEIVABLES (continued)

(d) The ageing analysis of trade receivables of the Group are as follows: (continued)

2024	**Gross carrying amount RM**	**Total allowance RM**	**Balance as at 30.06.2024 RM**
Current	2,358,245	(4,283)	2,353,962
Past due:			
1 to 30 days	1,753,385	(3,430)	1,749,955
31 to 60 days	239,538	(1,761)	237,777
61 to 90 days	258,086	(4,824)	253,262
91 to 120 days	13,493	(1,575)	11,918
More than 120 days	269,176	(231,172)	38,004
	2,533,678	(242,762)	2,290,916
	4,891,923	(247,045)	4,644,878

(e) The reconciliation of movements in the impairment losses on trade receivables is as follows:

	Lifetime ECL allowance RM	**Credit impaired RM**	**Total allowance RM**
At 1 July 2020	144,344	5,993,616	6,137,960
Charge for the financial year	6,124	-	6,124
Reversal of impairment loss	(93,618)	(58,066)	(151,684)
Written off	-	(28,478)	(28,478)
Exchange differences	-	(147,746)	(147,746)
At 30 June 2021	56,850	5,759,326	5,816,176
At 1 July 2021	56,850	5,759,326	5,816,176
Charge for the financial year	-	113,908	113,908
Reversal of impairment loss	(33,595)	(47,752)	(81,347)
Exchange differences	-	166,836	166,836
At 30 June 2022	23,255	5,992,318	6,015,573
At 1 July 2022	23,255	5,992,318	6,015,573
Charge for the financial year	205,178	35,819	240,997
Reversal of impairment loss	(12,554)	-	(12,554)
Written off	-	(6,028,137)	(6,028,137)
At 30 June 2023	215,879	-	215,879
At 1 July 2023	215,879	-	215,879
Charge for the financial year	31,472	-	31,472
Reversal of impairment loss	(306)	-	(306)
At 30 June 2024	247,045	-	247,045

15. TRADE AND OTHER RECEIVABLES (continued)

(e) The reconciliation of movements in the impairment losses on trade receivables is as follows:

Credit impaired refers to individually determined debtors who are in significant financial difficulties and have defaulted on payments to be impaired as at the end of the reporting period.

The Group considers any trade receivables having financial difficulty or in default with significant balances outstanding for more than twelve (12) months as deemed credit impaired and assesses for their risk of loss individually.

The Group has identified the GDP, OPR, retail sales growth, unemployment rate and inflation rate, (2022 and 2021: incorporating the impact of the COVID-19 pandemic) as the key macroeconomic factors in determining the lifetime expected credit loss for trade receivables.

(f) As at the end of each reporting period, the credit risks exposures and concentration relating to trade receivables of the Group are summarised in the table below:

	2021 RM	**2022 RM**	**2023 RM**	**2024 RM**
Maximum exposure	12,042,836	12,817,170	4,171,438	4,891,923
Impairment losses	(5,816,176)	(6,015,573)	(215,879)	(247,045)
Net exposure to credit risk	6,226,660	6,801,597	3,955,559	4,644,878

During the financial years, the Group did not renegotiate the terms of any trade receivables.

(g) The reconciliation of movements in the impairment losses on other receivables are as follows:

	12-month ECL RM	**Lifetime ECL - credit impaired RM**	**Total allowance RM**
At 1 July 2020	29,974	1,151,933	1,181,907
Exchange differences	-	(53,396)	(53,396)
At 30 June 2021	29,974	1,098,537	1,128,511
At 1 July 2021	29,974	1,098,537	1,128,511
Charge for the financial year	-	101,471	101,471
Exchange differences	-	39,159	39,159
At 30 June 2022	29,974	1,239,167	1,269,141
At 1 July 2022	29,974	1,239,167	1,269,141
Charge for the financial year	52	-	52
Reversal of impairment loss	(124)	-	(124)
Written off	-	(1,239,167)	(1,239,167)
At 30 June 2023	29,902	-	29,902

15. TRADE AND OTHER RECEIVABLES (continued)

(g) The reconciliation of movements in the impairment losses on other receivables are as follows: (continued)

	12-month ECL RM	Lifetime ECL - credit impaired RM	Total allowance RM
At 1 July 2023	29,902	-	29,902
Reversal of impairment loss	(52)	-	(52)
At 30 June 2024	29,850	-	29,850

The Group has identified the GDP, OPR, retail sales growth, unemployment rate and inflation rate, (2022 and 2021: incorporating the impact of the COVID-19 pandemic) as the key macroeconomic factors in determining the lifetime expected credit loss for other receivables.

16. CASH AND BANK BALANCES

	2021 RM	2022 RM	2023 RM	2024 RM
Cash and bank balances	37,851,186	34,920,844	37,129,265	38,928,262
Deposits with a licensed bank	1,750,000	12,400,000	23,735,000	8,035,000
	39,601,186	47,320,844	60,864,265	46,963,262

(a) The currency exposure profile of cash and bank balances are as follows:

	2021 RM	2022 RM	2023 RM	2024 RM
Ringgit Malaysia	39,169,973	46,809,327	60,343,442	46,777,078
Vietnamese Dong	117,653	48,702	18,504	2,829
United States Dollar	81,865	280,513	299,696	25,598
Chinese Renminbi	43,463	52,223	52,907	46,323
Indonesian Rupiah	67,304	9,148	5,660	743
Others	120,928	120,931	144,056	110,691
	39,601,186	47,320,844	60,864,265	46,963,262

16. CASH AND BANK BALANCES (continued)

(b) For the purpose of statements of cash flows, cash and cash equivalents comprise the following as at the end of each reporting period:

	2021 RM	2022 RM	2023 RM	2024 RM
Cash and bank balances	37,851,186	34,920,844	37,129,265	38,928,262
Deposits with a licensed bank (not more than three (3) months)	1,750,000	12,400,000	23,735,000	8,035,000
	39,601,186	47,320,844	60,864,265	46,963,262

(c) No expected credit losses were recognised arising from deposits with financial institutions because the probability of default by these financial institutions were negligible.

(d) Information on financial risks of cash and bank balances is disclosed in Note 35 to the Consolidated Financial Statements.

17. SHORT TERM FUNDS

	2021 RM	2022 RM	2023 RM	2024 RM
Fair value through profit or loss				
Short term funds	5,710,521	5,814,580	2,936,086	9,090,851

(a) Short term funds are classified as fair value through profit or loss, and subsequently remeasured to fair value with changes in fair value being recognised in profit or loss. The fair value is categorised as Level 1 in fair value hierarchy. The short term funds of the Group are denominated in RM.

(b) Information on financial risks of short term funds is disclosed in Note 35 to the Consolidated Financial Statements.

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18. SHARE CAPITAL

	2021		2022		2023		2024	
	Number of shares	**Amount (RM)**	**Number of shares**	**Amount (RM)**	**Number of shares**	**Amount (RM)**	**Number of shares**	**Amount (RM)**
Issue and fully paid	805,651,400	68,000,000	805,651,400	68,000,000	805,651,400	68,000,000	805,651,400	68,000,000

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company and are entitled to one (1) vote per ordinary share at general meeting of the Company as prescribed in the Constitution of the Company. All ordinary shares rank pari passu with regard to the residual assets of the Company.

19. RESERVES

	Note	2021 RM	2022 RM	2023 RM	2024 RM
Non-distributable					
Exchange translation reserve	(a)	(256,092)	(250,053)	(249,548)	-
Revaluation reserve	(b)	805,700	805,700	-	-
Fair value reserve	(c)	-	-	910,535	910,535
		549,608	555,647	660,987	910,535
Distributable					
Retained earnings		3,562,044	21,764,394	31,518,755	42,767,219
		4,111,652	22,320,041	32,179,742	43,677,754

(a) Exchange translation reserve

The exchange translation reserve is used to record foreign currency exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the presentation currency of the Group. It is also used to record the exchange differences arising from monetary items which form part of the net investment of the Group in foreign operations, where the monetary item is denominated in either the functional currency of the reporting entity or the foreign operation.

19. RESERVES (continued)

(b) Revaluation reserve

The revaluation reserve arises from the revaluation surplus of a property of a subsidiary upon transfer from property, plant and equipment to investment properties.

(c) Fair value reserve

The fair value reserve arises from the fair value gain on the quoted investment upon reclassification from investment in an associate to other investment.

20. BORROWINGS

	Note	2021 RM	2022 RM	2023 RM	2024 RM
Secured					
Current liabilities					
Term loans	21	1,024,056	1,043,109	1,102,914	857,402
Non-current liabilities					
Term loans	21	12,012,134	10,568,254	18,597,744	6,638,152
Total borrowings	21	13,036,190	11,611,363	19,700,658	7,495,554

(a) All borrowings are denominated in RM.

(b) Information on financial risks of borrowings is disclosed in Note 35 to the Consolidated Financial Statements.

(c) Reconciliation of liabilities from financing activities:

	Term loans (Note 21) RM
At 1 July 2020	13,918,225
Cash flows:	
- Net of repayments of borrowings	(882,035)
At 30 June 2021	13,036,190
At 1 July 2021	13,036,190
Cash flows:	
- Net of repayments of borrowings	(1,424,827)
At 30 June 2022	11,611,363
At 1 July 2022	11,611,363
Non-cash flows	19,791
Cash flows:	
- Net drawdown of borrowings	8,069,504
At 30 June 2023	19,700,658

20. BORROWINGS

(c) Reconciliation of liabilities from financing activities: (continued)

	Term loans (Note 21) RM
At 1 July 2023	19,700,658
Non-cash flow	23,734
Cash flows:	
- Net of repayments of borrowings	(12,228,838)
At 30 June 2024	7,495,554

21. TERM LOANS

	2021 RM	2022 RM	2023 RM	2024 RM
Secured				
Term loan I is repayable as follows: - 240 equal monthly instalments of RM91,894 each commencing December 2014	10,860,240	9,757,632	8,602,764	7,420,592
Term loan II is repayable as follows: - 180 monthly instalments of RM27,774 each commencing November 2013	2,175,950	1,853,731	-	-
Term loan III is repayable as follows: - 240 monthly instalments of RM72,890 each commencing March 2023	-	-	11,097,894	74,962
	13,036,190	11,611,363	19,700,658	7,495,554

Repayable as follows:

	2021 RM	2022 RM	2023 RM	2024 RM
Current liabilities				
- not later than one (1) year	1,024,056	1,043,109	1,102,914	857,402
Non-current liabilities				
- later than one (1) year but not later than five (5) years	4,448,106	4,559,708	4,957,606	3,509,000
- later than five (5) years	7,564,028	6,008,546	13,640,138	3,129,152
	12,012,134	10,568,254	18,597,744	6,638,152
	13,036,190	11,611,363	19,700,658	7,495,554

21. TERM LOANS (continued)

(a) Term loan I is secured by means of legal charges over freehold land and building of the Group (Note 7) and investment properties of the Company (Note 10).

(b) Term loan II is secured by means of legal charges over an investment property of a subsidiary (Note 10) and is guaranteed by the Company.

(c) Term loan III is secured by means of legal charges over freehold land and building of the Group (Note 7) and is guaranteed by the Company.

22. PROVISION FOR RESTORATION COSTS

	2021 RM	2022 RM	2023 RM	2024 RM
Non-current				
Provision for restoration cost	590,518	1,203,712	1,134,716	1,360,737
Current				
Provision for restoration cost	259,363	287,382	342,150	120,508
	849,881	1,491,094	1,476,866	1,481,245

(a) Provision for restoration costs comprises estimates of reinstatement costs for leased outlets upon termination of tenancy.

(b) A reconciliation of the provision for restoration costs is as follows:

	Note	2021 RM	2022 RM	2023 RM	2024 RM
At 1 July		780,606	849,881	1,491,094	1,476,866
Recognised in right-of-use assets	8(c)	64,327	544,275	4,311	-
Modifications		-	-	(125,590)	(15,795)
Recognised in profit or loss					
- unwinding of discount on provision for restoration costs	28	4,948	96,938	107,051	20,174
At 30 June		849,881	1,491,094	1,476,866	1,481,245

23. TRADE AND OTHER PAYABLES

	2021 RM	2022 RM	2023 RM	2024 RM
Trade payables				
Third parties	1,292,048	830,460	260,275	-
Other payables, deposits and accruals				
Other payables	1,712,711	1,708,063	1,468,043	988,781
Deposits	92,340	95,590	48,890	41,990
Accruals	5,985,655	7,783,456	7,209,758	4,986,306
	7,790,706	9,587,109	8,726,691	6,017,077
	9,082,754	10,417,569	8,986,966	6,017,077

(a) Trade payables are non-interest bearing and the normal trade credit terms granted to the Group were 30 to 60 days (2023: 30 to 60 days; 2022: 30 to 90 days; 2021: 30 to 90 days).

(b) The currency exposure profile of payables are as follows:

	2021 RM	2022 RM	2023 RM	2024 RM
Ringgit Malaysia	9,013,362	10,371,322	8,975,969	5,975,106
Vietnamese Dong	8,640	30,240	10,890	-
United States Dollar	2,498	-	-	-
Indonesian Rupiah	25,010	2,881	-	-
Others	33,244	13,126	107	41,971
	9,082,754	10,417,569	8,986,966	6,017,077

(c) Information on financial risks of trade and other payables is disclosed in Note 35 to the Consolidated Financial Statements.

24. CAPITAL COMMITMENTS

	2021 RM	2022 RM	2023 RM	2024 RM
Capital expenditure in respect of purchase of property, plant and equipment				
Approved and contracted for	518,000	-	653,290	820,770

25. CONTINGENT LIABILITIES

	2021 RM	2022 RM	2023 RM	2024 RM
Unsecured corporate guarantees given to financial institutions and third parties for facilities granted to certain subsidiaries:				
- Limit of guarantee	16,655,000	16,655,000	24,550,000	24,550,000
- Amount utilised:				
In favour of a licensed bank for banking facility granted to subsidiaries	2,259,623	1,937,404	11,183,736	160,804
In favour of third parties for tenancy agreements entered into by a subsidiary	308,027	1,038,526	1,312,145	683,616
	2,567,650	2,975,930	12,495,881	844,420

The Directors are of the view that the probability of the subsidiaries defaulting on the banking facilities and tenancy agreements and the chances of the financial institutions to call upon the corporate guarantees are remote. Accordingly, the fair values of the above corporate guarantees given to the subsidiaries are negligible.

26. REVENUE

	2021 RM	2022 RM	2023 RM	2024 RM
Revenue from contracts with customers				
Sale of goods	76,181,264	101,505,805	113,461,766	104,844,799
Others				
Rental income	279,000	280,800	72,000	-
	76,460,264	101,786,605	113,533,766	104,844,799
Timing of revenue recognition				
Transferred at a point in time	76,181,264	101,505,805	113,461,766	104,844,799
Others	279,000	280,800	72,000	-
	76,460,264	101,786,605	113,533,766	104,844,799

26. REVENUE (continued)

Disaggregation of revenue from contracts with customers

Revenue from contracts with customers is disaggregated in the table below by primary geographical markets, major products and service lines and timing of revenue recognition. The table also includes a reconciliation of the disaggregated revenue with the reportable segments of the Group.

	Retailing RM	Investment and management services RM	Total RM
2021			
Major products and service lines			
Sale of goods	76,181,264	279,000	76,460,264
Geographical markets			
Malaysia	75,933,299	279,000	76,212,299
Vietnam	247,965	-	247,965
Total revenue from contracts with customers	76,181,264	279,000	76,460,264
Timing of revenue recognition			
Transferred at a point in time	76,181,264	-	76,181,264
Others	-	279,000	279,000
	76,181,264	279,000	76,460,264
2022			
Major products and service lines			
Sale of goods	101,505,805	280,800	101,786,605
Geographical markets			
Malaysia	101,449,486	280,800	101,730,286
Vietnam	56,319	-	56,319
Total revenue from contracts with customers	101,505,805	280,800	101,786,605
Timing of revenue recognition			
Transferred at a point in time	101,505,805	-	101,505,805
Others	-	280,800	280,800
	101,505,805	280,800	101,786,605

26. REVENUE (continued)

Disaggregation of revenue from contracts with customers **(continued)**

Revenue from contracts with customers is disaggregated in the table below by primary geographical markets, major products and service lines and timing of revenue recognition. The table also includes a reconciliation of the disaggregated revenue with the reportable segments of the Group. (continued)

	Retailing RM	Investment and management services RM	Total RM
2023			
Major products and service lines			
Sale of goods	113,461,766	72,000	113,533,766
Geographical markets			
Malaysia	113,461,766	72,000	113,533,766
Total revenue from contracts with customers	113,461,766	72,000	113,533,766
Timing of revenue recognition			
Transferred at a point in time	113,461,766	-	113,461,766
Others	-	72,000	72,000
	113,461,766	72,000	113,533,766
2024			
Major products and service lines			
Sale of goods	104,844,799	-	104,844,799
Geographical markets			
Malaysia	104,844,799	-	104,844,799
Total revenue from contracts with customers	104,844,799	-	104,844,799
Timing of revenue recognition			
Transferred at a point in time	104,844,799	-	104,844,799
Others	-	-	-
	104,844,799	-	104,844,799

There is no significant financing component in the revenue arising from sales of goods as the sales are made on normal credit terms not exceeding twelve (12) months.

27. COST OF SALES

	2021 RM	2022 RM	2023 RM	2024 RM
Inventories sold	32,068,255	38,743,397	43,469,464	38,982,568

28. PROFIT BEFORE TAX

Other than those disclosed elsewhere in the financial statements, profit before tax is arrived at:

	Note	2021 RM	2022 RM	2023 RM	2024 RM
After charging:					
Auditors' remuneration:					
- Statutory					
- Auditors of the Company		70,000	73,500	112,000	118,000
- Other auditors		4,992	1,851	-	-
- Other audit-related services					
- Auditors of the Company					
- current year		10,800	60,000	104,000	23,400
- overprovision in prior year		-	-	-	(1,350)
Fair value loss on short term funds		458	-	-	-
Fair value loss on other investments		4,482,646	-	-	-
Impairment losses on:					
- property, plant and equipment		523,939	-	-	276,446
- right-of-use assets		1,504,662	-	-	202,419
- goodwill	9	-	19,750	-	-
Interest expense on:					
- bank guarantee		2,614	-	-	-
- lease liabilities	8(d)	588,869	619,919	622,626	814,637
- term loans		-	-	19,791	23,734
- unwinding of discount for provision for restoration costs		4,948	96,938	107,051	20,174
Loss on derecognition of foreign subsidiaries	36	-	-	-	249,548
Property, plant and equipment written off		3,484	500	3,053	96,622
Other receivable written off		-	2,476	1,175	-
Realised loss on foreign exchange		2,746	10,648	10,852	10,035
Rental commission	8(d)	1,014,193	1,855,386	2,130,193	1,725,903
Rental of premises paid/payable to third parties	8(d)	8,050	6,500	6,000	6,000
Unrealised loss on foreign exchange		63,164	176	352	3,231
Reversal of impairment losses on:					
- trade receivables	15	(151,684)	(81,347)	(12,554)	(306)
- other receivables	15	-	-	(124)	(52)
Impairment losses on:					
- trade receivables	15	6,124	113,908	240,997	31,472
- other receivables	15	-	101,471	52	-
Net (gain)/loss on impairment of financial assets		(145,560)	134,032	228,371	31,114

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Kuala Lumpur

28. PROFIT BEFORE TAX (continued)

Other than those disclosed elsewhere in the financial statements, profit before tax is arrived at: (continued)

	Note	2021 RM	2022 RM	2023 RM	2024 RM
And crediting:					
Fair value gain on short term fund		-	50,866	112,823	46,374
Gain on disposal of property, plant and equipment		-	3,147	4,011	4,999
Gain on disposal of investment properties		-	-	1,855,700	-
Gain on dilution of equity interest in an associate		301,932	-	580,213	-
Gain on reassessments and modifications of leases	8(d)	593,514	917,528	-	29,613
Interest income from:					
- deposits with a licensed bank		68,256	62,781	203,625	514,327
- short term funds		107,640	54,476	11,425	111,332
- others		305,161	372,887	502,011	527,994
Lease concessions	8(d)	975,308	984,443	39,343	-
Realised gain on foreign exchange		7,545	16,434	44,213	5,891
Rental of premises received/receivable from third party		279,000	280,800	72,000	-
Reversal of impairment losses on right-of-use assets		-	8,753	-	408,700
Unrealised gain on foreign exchange		46	119,644	17,027	617

29. TAX EXPENSE

	2021 RM	2022 RM	2023 RM	2024 RM
Current tax expense based on profit for the financial year	3,996,000	7,242,800	7,803,526	6,873,480
Over-provision in prior years	(20,309)	(67,058)	(339,292)	(40,476)
	3,975,691	7,175,742	7,464,234	6,833,004
Deferred tax (Note 13)				
Relating to origination and reversal of temporary differences	101,000	(22,000)	68,000	119,000
Under/(Over)-provision in prior years	12,000	(351,000)	65,000	13,000
	113,000	(373,000)	133,000	132,000
	4,088,691	6,802,742	7,597,234	6,965,004

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Kuala Lumpur

29. TAX EXPENSE (continued)

(a) The Malaysian income tax is calculated at the statutory tax rate of 24% (2023: 24%; 2022: 24%; 2021: 24%) of the estimated taxable profits for the fiscal year.

(b) Tax expense for other taxation authorities are calculated at the rates prevailing in those respective jurisdictions.

(c) The numerical reconciliation between the tax expense and the product of accounting profit multiplied by the applicable tax rates of the Group are as follows:

	2021 RM	2022 RM	2023 RM	2024 RM
Profit before tax	8,073,145	29,033,349	31,450,494	26,269,982
Tax at Malaysian statutory tax rate of 24%	1,937,555	6,968,004	7,548,119	6,304,796
Tax effects in respect of:				
Non-allowable expenses	1,900,970	670,929	942,269	981,741
Non-taxable income	(120,048)	(23,907)	(535,505)	(13,978)
Different tax rates in foreign jurisdiction	(4,589)	(107)	482	-
Utilisation of previously unrecognized tax losses	-	(582,401)	(83,839)	(280,079)
Deferred tax assets not recognised	383,112	188,282	-	-
	4,097,000	7,220,800	7,871,526	6,992,480
Over-provision of income tax in prior years	(20,309)	(67,058)	(339,292)	(40,476)
Under/(Over)-provision of deferred tax in prior years	12,000	(351,000)	65,000	13,000
	4,088,691	6,802,742	7,597,234	6,965,004

(d) Tax on each component of other comprehensive income is as follows:

	Before tax RM	Tax effect RM	After tax RM
2021			
Item that may be reclassified subsequently to profit or loss			
Foreign currency translations	(14,144)	-	(14,144)
2022			
Item that may be reclassified subsequently to profit or loss			
Foreign currency translations	6,039	-	6,039

29. TAX EXPENSE (continued)

(d) Tax on each component of other comprehensive income is as follows: (continued)

	Before tax RM	Tax effect RM	After tax RM
2023			
Item that may be reclassified subsequently to profit or loss			
Foreign currency translations	505	-	505
Items that will not be reclassified subsequently to profit or loss			
Fair value adjustment on other investments	910,535	-	910,535
Realisation of revaluation reserve on disposal of investment properties	(855,700)	50,000	(805,700)
	55,340	50,000	105,340
2024			
Item that has reclassified to profit or loss			
Derecognition of foreign subsidiaries	249,548	-	249,548
Item that may be reclassified subsequently to profit or loss			
Foreign currency translations	-	-	-
	249,548	-	249,548

30. EARNINGS PER SHARE

(a) Basic

Basic earnings per ordinary share for the financial year is calculated by dividing the profit for the financial years attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the financial year.

	2021 RM	2022 RM	2023 RM	2024 RM
Profit attributable to equity holders of the parent (RM)	3,984,454	22,230,607	23,853,260	19,304,978
Weighted average number of ordinary shares applicable to basic earnings per ordinary share	805,651,400	805,651,400	805,651,400	805,651,400
Basic earnings per ordinary share for profit for the financial year (sen)	0.49	2.76	2.96	2.40

(b) Diluted

Diluted earnings per ordinary share equals basic earnings per share as there is no dilutive potential ordinary shares outstanding during the financial year.

31. DIVIDENDS

	2021		2022		2023		2024	
	Dividend per share Sen	Amount of dividend RM	Dividend per share Sen	Amount of dividend RM	Dividend per share Sen	Amount of dividend RM	Dividend per share Sen	Amount of dividend RM
In respect of the financial year ended 30 June 2021:								
Single tier interim dividend, paid on 22 September 2020	0.25	2,014,129	-	-	-	-	-	-
Single tier interim dividend, paid on 18 March 2021	0.25	2,014,128	-	-	-	-	-	-
In respect of the financial year ended 30 June 2022:								
Single tier interim dividend, paid on 20 September 2021	-	-	0.25	2,014,128	-	-	-	-
Single tier interim dividend, paid on 17 March 2022	-	-	0.25	2,014,129	-	-	-	-
Special single tier interim dividend, paid on 9 August 2022	-	-	-	-	0.75	6,042,385	-	-
Total carried forward	0.5	4,028,257	0.5	4,028,257	0.75	6,042,385	-	-

31. DIVIDENDS (continued)

	2021		2022		2023		2024	
	Dividend per share Sen	Amount of dividend RM	Dividend per share Sen	Amount of dividend RM	Dividend per share Sen	Amount of dividend RM	Dividend per share Sen	Amount of dividend RM
Total brought forward	0.5	4,028,257	0.5	4,028,257	0.75	6,042,385	-	-
In respect of the financial year ended 30 June 2023:								
Single tier interim dividend, paid on 23 September 2022	-	-	-	-	0.50	4,028,257	-	-
Single tier interim dividend, paid on 21 March 2023	-	-	-	-	0.50	4,028,257	-	-
In respect of the financial year ended 30 June 2024:								
Single tier interim dividend, paid on paid on 15 September 2023	-	-	-	-	-	-	0.50	4,028,257
Single tier interim dividend, paid on paid on 20 March 2024	-	-	-	-	-	-	0.50	4,028,257
	0.50	4,028,257	0.50	4,028,257	1.75	14,098,899	1.00	8,056,514

The Directors do not recommend any final dividend in respect of financial years ended 30 June 2021, 30 June 2022, 30 June 2023 and 30 June 2024.

31. DIVIDENDS (continued)

The Directors also declared and paid the following dividends, of which will be accounted for in equity as an appropriation of retained earnings in the financial year ending 30 June 2025:

	RM
In respect of the financial year ending 30 June 2025:	
Single tier interim dividend of 0.50 sen per ordinary share, paid on 7 August 2024	4,028,257

32. EMPLOYEE BENEFITS

	2021 RM	2022 RM	2023 RM	2024 RM
Wages, salaries and bonuses	9,932,682	10,836,137	10,351,751	8,686,151
Contribution to defined contribution plan	1,433,612	1,584,559	1,617,594	1,382,482
Social security contributions	152,282	151,541	193,373	195,442
Other benefits	1,815,070	2,511,907	3,524,857	3,298,231
	13,333,646	15,084,144	15,687,575	13,562,306

Included in the employee benefits of the Group and of the Company are Directors' remuneration as follows:

	2021 RM	2022 RM	2023 RM	2024 RM
Directors' fees	90,000	90,000	90,000	83,500
Short term employee benefits	1,622,503	1,728,447	1,589,589	1,557,857
Contributions to defined contribution plan	195,441	214,683	191,490	188,029
	1,907,944	2,087,130	1,871,079	1,829,386

33. RELATED PARTIES DISCLOSURES

(a) Identities of related parties

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties could be individuals or other entities.

Related parties of the Group include:

(i) Its former holding company, subsidiaries, fellow subsidiaries, and associates;

(ii) Any entities with joint control of, or significant influence over the Company; and

(iii) Key management personnel of the Company or its former holding company.

33. RELATED PARTIES DISCLOSURES (continued)

(a) Identities of related parties (continued)

Related parties other than those disclosed elsewhere in the financial statements and their relationship with the Group are as follows:

Related parties	Relationship
Bonia International Holdings Pte. Ltd.	A company in which a substantial shareholder of the Company, has substantial financial interests.
Luxury Parade Sdn. Bhd.	A company in which a substantial shareholder of the Company, has substantial financial interests.

(b) In addition to the transactions and balances detailed elsewhere in the financial statements, the Group had the following transactions with related parties during the financial years:

	2021 RM	2022 RM	2023 RM	2024 RM
Paid/payable to other related parties				
Royalties				
- Bonia International Holdings Pte. Ltd.	30,713	62,385	207,356	174,658
Security fees				
- Luxury Parade Sdn. Bhd.	81,984	20,496	-	-
Paid/payable to the contractual landlord, of which the ultimate ownership of the premises belongs to a company* where a substantial shareholder has interest				
Rental	593,367	578,584	622,818	625,272

* *Purnama Sejahtera Sdn. Bhd.*

The related parties transactions described above were carried out in the normal course of business and have been established under negotiated and mutually agreed terms.

(c) Compensation of key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity, directly and indirectly, including any director (whether executive or otherwise) of the Group.

The remuneration of Directors and other key management personnel during the financial years were as follows:

	2021 RM	2022 RM	2023 RM	2024 RM
Directors' fees	90,000	90,000	90,000	83,500
Short term employee benefits	1,622,503	2,049,430	1,831,253	1,791,384
Contribution to defined contribution plan	195,441	246,619	220,406	215,965
	1,907,944	2,386,049	2,141,659	2,090,849

34. FINANCIAL INSTRUMENTS

(a) Capital management

The primary objective of the capital management of the Group is to ensure that entities of the Group would be able to continue as going concerns whilst maximising the return to shareholders through the optimisation of the debt and equity balance. The overall strategy of the Group remains unchanged since 1 July 2020.

The Group manages its capital structure and makes adjustments to it in response to changes in economic conditions. In order to maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. On 29 August 2022, the adoption of a dividend policy to distribute not less than 30% of the Company's net profit, commencing from the financial year ended 30 June 2023. No changes were made in the objectives, policies or processes during the financial years ended 30 June 2024, 30 June 2023, 30 June 2022 and 30 June 2021.

The Group monitors capital using gearing ratios, i.e. gearing ratio and net gearing ratio. Gearing ratio represents borrowings and lease liabilities owing to a financial institution divided by total capital whereas net gearing ratio represents borrowings and lease liabilities owing to a financial institution less cash and bank balances and short term funds divided by total capital. Capital represents equity attributable to the owners of the parent company.

	2021 RM	2022 RM	2023 RM	2024 RM
Borrowings	13,036,190	11,611,363	19,700,658	7,495,554
Lease liabilities owing to a financial institution	250,472	170,468	86,970	-
Less: Cash and bank balances	(39,601,186)	(47,320,844)	(60,864,265)	(46,963,262)
Less: Short term funds	(5,710,521)	(5,814,580)	(2,936,086)	(9,090,851)
	(32,025,045)	(41,353,593)	(44,012,723)	(48,558,559)
Total capital	72,111,652	90,320,041	100,179,742	111,677,754
Gearing (times) [(1)]	0.18	0.13	0.20	0.07
Net gearing ratio [(2)]	N/A	N/A	N/A	N/A

(1) without taking cash and bank balances and short-term funds into consideration
(2) taking cash and bank balances and short term funds into consideration

The Group is not subject to any other externally imposed capital requirements.

34. FINANCIAL INSTRUMENTS (continued)

(b) Financial instruments

2021	Fair value through profit or loss RM	Amortised cost RM	Total RM
Financial assets			
Trade and other receivables, net of prepayments	-	10,250,425	10,250,425
Cash and bank balances	-	39,601,186	39,601,186
Short term funds	5,710,521	-	5,710,521
	5,710,521	49,851,611	55,562,132
Financial liabilities			
Borrowings		13,036,190	13,036,190
Trade and other payables		9,082,754	9,082,754
		22,118,944	22,118,944

2022	Fair value through profit or loss RM	Amortised cost RM	Total RM
Financial assets			
Trade and other receivables, net of prepayments	-	10,801,160	10,801,160
Cash and bank balances	-	47,320,844	47,320,844
Short term funds	5,814,580	-	5,814,580
	5,814,580	58,122,004	63,936,584
Financial liabilities			
Borrowings		11,611,363	11,611,363
Trade and other payables		10,417,569	10,417,569
		22,028,932	22,028,932

2023	Fair value through profit or loss RM	Amortised cost RM	Total RM
Financial assets			
Trade and other receivables, net of prepayments	-	7,782,818	7,782,818
Cash and bank balances	-	60,864,265	60,864,265
Short term funds	2,936,086	-	2,936,086
	2,936,086	68,647,083	71,583,169
Financial liabilities			
Borrowings		19,700,658	19,700,658
Trade and other payables		8,986,966	8,986,966
		28,687,624	28,687,624

34. FINANCIAL INSTRUMENTS (continued)

(b) Financial instruments (continued)

2024	**Fair value through profit or loss RM**	**Amortised cost RM**	**Total RM**
Financial assets			
Trade and other receivables, net of prepayments	-	9,153,458	9,153,458
Cash and bank balances	-	46,963,262	46,963,262
Short term funds	9,090,851	-	9,090,851
	9,090,851	56,116,720	65,207,571
Financial liabilities			
Borrowings		7,495,554	7,495,554
Trade and other payables		6,017,077	6,017,077
		13,512,631	13,512,631

(c) Methods and assumptions used to estimate fair value

The fair values of financial assets and financial liabilities are determined as follows:

i. Financial instruments that are not carried at fair value and whose carrying amounts are a reasonable approximation of fair value

The carrying amounts of financial assets and liabilities, such as trade and other receivables, trade and other payables and borrowings are reasonable approximation of fair value, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period.

The carrying amounts of the current portion of borrowings are reasonable approximations of fair values due to the insignificant impact of discounting.

ii. Unquoted shares

The fair values of these unquoted investments are estimated by using net asset valuation technique based on the individual investees' latest available financial statements obtained. Management believes that the estimated fair values resulting from this valuation technique are reasonable and the most appropriate at the end of the reporting period.

iii. Quoted shares

The fair value of quoted shares in Malaysia is determined by reference to the exchange quoted market price at the close of the business on the reporting date.

iv. Financial guarantees

The Group provides corporate guarantees to financial institutions and certain third parties for banking facilities utilised and tenancy agreements entered into by certain subsidiaries. The fair values of such corporate guarantees are negligible as the probability of the subsidiaries defaulting on the banking facilities and tenancy agreements are remote.

34. FINANCIAL INSTRUMENTS (continued)

(d) Fair value hierarchy

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 fair value measurements are those derived from inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The unquoted shares are estimated using adjusted net asset valuation technique based on the investee's latest available financial statements.

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34. FINANCIAL INSTRUMENTS (continued)

(d) Fair value hierarchy (continued)

The following table set out the financial instruments carried at fair values and those not carried at fair values for which fair value is disclosed, together with their fair values and carrying amounts shown in the statements of financial position.

	Fair values of financial instruments carried at fair value				Fair values of financial instruments not carried at fair value					
	Level 1 RM	Level 2 RM	Level 3 RM	Total RM	Level 1 RM	Level 2 RM	Level 3 RM	Total RM	Total fair value RM	Carrying amount RM
2021										
Financial asset										
Fair value through profit or loss										
- Short term funds	5,710,521	-	-	5,710,521	-	-	-	-	5,710,521	5,710,521
2022										
Financial asset										
Fair value through profit or loss										
- Short term funds	5,814,580	-	-	5,814,580	-	-	-	-	5,814,580	5,814,580

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34. FINANCIAL INSTRUMENTS (continued)

(d) Fair value hierarchy (continued)

The following table set out the financial instruments carried at fair values and those not carried at fair values for which fair value is disclosed, together with their fair values and carrying amounts shown in the statements of financial position. (continued)

	Fair values of financial instruments carried at fair value				Fair values of financial instruments not carried at fair value					
	Level 1 RM	Level 2 RM	Level 3 RM	Total RM	Level 1 RM	Level 2 RM	Level 3 RM	Total RM	Total fair value RM	Carrying amount RM
2023										
Financial asset										
Fair value through profit or loss										
- Short term funds	2,936,086	-	-	2,936,086	-	-	-	-	2,936,086	2,936,086
Fair value through other comprehensive income										
- Other investments	4,766,580	-	-	4,766,580	-	-	-	-	4,766,580	4,766,580
	7,702,666	-	-	7,702,666	-	-	-	-	7,702,666	7,702,666

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34. FINANCIAL INSTRUMENTS (continued)

(d) Fair value hierarchy (continued)

The following table set out the financial instruments carried at fair values and those not carried at fair values for which fair value is disclosed, together with their fair values and carrying amounts shown in the statements of financial position. (continued)

	Fair values of financial instruments carried at fair value				Fair values of financial instruments not carried at fair value					
	Level 1 RM	Level 2 RM	Level 3 RM	Total RM	Level 1 RM	Level 2 RM	Level 3 RM	Total RM	Total fair value RM	Carrying amount RM
2024										
Financial asset										
Fair value through profit or loss										
- Short term funds	9,090,851	-	-	9,090,851	-	-	-	-	9,090,851	9,090,851
Fair value through other comprehensive income										
- Other investments	4,766,580	-	-	4,766,580	-	-	-	-	4,766,580	4,766,580
	13,857,431	-	-	13,857,431	-	-	-	-	13,857,431	13,857,431

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35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The financial risk management objective of the Group is to safeguard the shareholders' investment and the Group's assets whilst minimising the potential adverse impact arising from fluctuations in foreign currency exchange and interest rates and the unpredictability of the financial markets.

The Group's financial risk management is carried out through risk review programmes, internal control systems, insurance programmes and adherence to the Group's financial risk management policies. The Group is exposed mainly to credit risk, liquidity and cash flow risk, interest rate risk and foreign currency risk. Information on the management of the related exposures is detailed below.

(i) Credit risk

Cash deposits and trade receivables could give rise to credit risk, which requires the loss to be recognised if a counter party fails to perform as contracted. It is the policy of the Group to monitor the financial standing of these counter parties on an ongoing basis to ensure that the Group is exposed to minimal credit risk.

The Group's primary exposure to credit risk arises through its trade receivables. The trading terms of the Group with its customers are mainly on credit, except for boutique sales, where the transactions are done on cash term. The credit period is generally for a period of 30 to 60 days (2023: 30 to 60 days; 2022: 30 to 180 days; 2021: 30 to 180 days) Each customer has a maximum credit limit and the Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Overdue balances are reviewed regularly by senior management.

Exposure to credit risk

As at the end of each reporting period, no collateral has been obtained by the Group. The maximum exposure of the Group to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

Credit risk concentration profile

At the end of each reporting period, the Group has no significant concentration of balance other than RM2,682,106 (2023: RM2,318,901; 2022: RM4,495,955; 2021: RM4,192,805) owing from two (2) (2023: two (2) major customers; 2022: two (2) major customers; 2021: two (2) major customers).

(ii) Liquidity and cash flow risk

The Group actively manages its debt maturity profile, operating cash flows and availability of funding so as to ensure that all operating, investing and financing needs are met. In executing its liquidity risk management strategy, the Group measures and forecasts its cash commitments and maintains a level of cash and cash equivalents deemed adequate to finance the activities of the Group.

The table below summarises the maturity profile of the liabilities of the Group at the end of each reporting period based on contractual undiscounted repayment obligations.

	On demand or within one year RM	One to five years RM	Over five years RM	Total RM
2021				
Financial liabilities				
Trade and other payables	9,082,754	-	-	9,082,754
Borrowings	1,436,016	5,744,064	8,536,184	15,716,264
Lease liabilities	5,730,830	11,156,541	1,041,449	17,928,820
Total undiscounted financial liabilities	16,249,600	16,900,605	9,577,633	42,727,838

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(ii) Liquidity and cash flow risk (continued)

The table below summarises the maturity profile of the liabilities of the Group at the end of each reporting period based on contractual undiscounted repayment obligations. (continued)

	On demand or within one year RM	One to five years RM	Over five years RM	Total RM
2022				
Financial liabilities				
Trade and other payables	10,417,569	-	-	10,417,569
Borrowings	1,436,016	5,744,064	6,602,003	13,782,083
Lease liabilities	6,258,227	13,142,557	1,848,765	21,249,549
Total undiscounted financial liabilities	18,111,812	18,886,621	8,450,768	45,449,201
2023				
Financial liabilities				
Trade and other payables	8,986,966	-	-	8,986,966
Borrowings	1,994,472	7,977,888	17,408,288	27,380,648
Lease liabilities	5,974,642	11,742,789	938,461	18,655,892
Total undiscounted financial liabilities	16,956,080	19,720,677	18,346,749	55,023,506
2024				
Financial liabilities				
Trade and other payables	6,017,077	-	-	6,017,077
Borrowings	1,177,993	4,410,912	3,356,110	8,945,015
Lease liabilities	6,714,600	15,854,892	1,307,579	23,877,071
Total undiscounted financial liabilities	13,909,670	20,265,804	4,663,689	38,839,163

(iii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the financial instruments of the Group would fluctuate because of changes in market interest rates.

The exposure of the Group to interest rate risk arises primarily from deposits with a licensed bank, lease liabilities and interest-bearing borrowings. The Group does not use derivative financial instruments to hedge this risk.

Sensitivity analysis for interest rate risk

The following table demonstrates the sensitivity analysis of the Group if interest rates at the end of each reporting period changed by fifty (50) basis points with all other variables held constant:

	2021 RM	2022 RM	2023 RM	2024 RM
Profit after tax				
- increased by 0.5%	(85,240)	(49,974)	(39,563)	(46,341)
- decreased by 0.5%	85,240	49,974	39,563	46,341

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(iii) Interest rate risk (continued)

Sensitivity analysis for interest rate risk (continued)

The sensitivity of the Group is higher in 2024 than in 2023 because decrease in deposits with a licensed bank is higher than decrease in borrowings during the financial year.

The sensitivity of the Group is lower in 2023 than in 2022 because increase in deposits with a licensed bank is higher than increase in borrowings during the financial year.

The sensitivity of the Group is lower in 2022 than in 2021 because increase in deposits with a licensed bank is higher than increase in lease liabilities during the financial year.

The assumed movement in basis points for interest rate sensitivity analysis is based on current observable market environment.

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35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(iii) Interest rate risk (continued)

The following table set out the carrying amounts, the weighted average effective interest rate as at the end of each reporting period and the remaining maturities of the financial instruments of the Group that are exposed to interest rate risk:

	Note	Weighted average effective interest rate %	Within 1 year RM	1 - 2 years RM	2 - 3 years RM	3 - 4 years RM	4 - 5 years RM	More than 5 years RM	Total RM
2021									
Fixed rates									
Deposits with a licensed bank	16	1.58	1,750,000	-	-	-	-	-	1,750,000
Lease liabilities	8	3.27 - 4.22*	(5,245,961)	(4,582,815)	(3,291,713)	(1,691,325)	(1,023,572)	(1,020,652)	(16,856,038)
Floating rates									
Short term funds	17	2.62	5,710,521	-	-	-	-	-	5,710,521
Term loans	21	3.27	(1,024,056)	(1,058,107)	(1,093,158)	(1,129,639)	(1,167,201)	(7,564,029)	(13,036,190)
2022									
Fixed rates									
Deposits with a licensed bank	16	1.57	12,400,000	-	-	-	-	-	12,400,000
Lease liabilities	8	3.27 - 4.22*	(5,705,368)	(4,534,441)	(3,298,167)	(2,775,007)	(1,663,220)	(1,777,970)	(19,754,173)
Floating rates									
Short term funds	17	1.90	5,814,580	-	-	-	-	-	5,814,580
Term loans	21	3.52	(1,043,109)	(1,080,350)	(1,119,201)	(1,159,307)	(1,200,850)	(6,008,546)	(11,611,363)

* Incremental borrowing rate

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35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(iii) Interest rate risk (continued)

The following table set out the carrying amounts, the weighted average effective interest rate as at the end of each reporting period and the remaining maturities of the financial instruments of the Group that are exposed to interest rate risk: (continued)

	Note	Weighted average effective interest rate %	Within 1 year RM	1 - 2 years RM	2 - 3 years RM	3 - 4 years RM	4 - 5 years RM	More than 5 years RM	Total RM
2023									
Fixed rates									
Deposits with a licensed bank	16	2.49	23,735,000	-	-	-	-	-	23,735,000
Lease liabilities	8	3.27 - 4.72*	(5,452,283)	(4,134,825)	(3,422,993)	(2,138,579)	(1,326,069)	(906,965)	(17,381,714)
Floating rates									
Short term funds	17	2.27	2,936,086	-	-	-	-	-	2,936,086
Term loans	21	4.52 - 4.72	(1,102,914)	(1,156,127)	(1,209,687)	(1,266,475)	(1,325,316)	(13,640,139)	(19,700,658)
2024									
Fixed rates									
Deposits with a licensed bank	16	2.97	8,035,000	-	-	-	-	-	8,035,000
Lease liabilities	8	3.27 - 4.72*	(5,905,339)	(5,432,836)	(3,998,572)	(3,088,971)	(2,114,029)	(1,285,570)	(21,825,317)
Floating rates									
Short term funds	17	2.73	9,090,851	-	-	-	-	-	9,090,851
Term loans	21	4.52 - 4.72	(857,402)	(818,649)	(856,534)	(896,172)	(937,645)	(3,129,152)	(7,495,554)

* Incremental borrowing rate

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(iv) Foreign currency exchange risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument would fluctuate because of changes in foreign exchange rates.

The Group is exposed to foreign currency exchange risk as a result of certain transactions of the Group which are denominated in foreign currencies. The Group monitors the movement in foreign currency exchange rates closely to ensure that their exposures are minimised.

The Group also hold cash and bank balances denominated in foreign currencies for working capital purposes. At the end of each reporting period, such foreign currency balances amounted to RM186,184 (2023: RM520,823; 2022: RM511,517; 2021: RM431,213) respectively (see Note 16(a) to the Consolidated Financial Statement) for the Group.

The Group did not enter into any material forward foreign exchange contract in the current financial year.

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group to a reasonably possible change in the United States Dollar ("USD"), Indonesian Rupiah ("IDR"), Vietnamese Dong ("VND"), Singapore Dollar ("SGD"), Hong Kong Dollar ("HKD"), Japanese Yen ("JPN") and Renminbi ("RMB") exchange rates against the respective functional currencies of the Group entities, with all other variables held constant:

		2021	**2022**	**2023**	**2024**
		RM	**RM**	**RM**	**RM**
Profit after tax					
USD/RM	- strengthen by 3%	2,501	7,070	7,525	1,275
	- weaken by 3%	(2,501)	(7,070)	(7,525)	(1,275)
IDR/RM	- strengthen by 3%	2,841	143	129	17
	- weaken by 3%	(2,841)	(143)	(129)	(17)
VND/RM	- strengthen by 3%	2,944	448	174	65
	- weaken by 3%	(2,944)	(448)	(174)	(65)
SGD/RM	- strengthen by 3%	463	444	314	696
	- weaken by 3%	(463)	(444)	(314)	(696)
HKD/RM	- strengthen by 3%	444	416	389	289
	- weaken by 3%	(444)	(416)	(389)	(289)
JPN/RM	- strengthen by 3%	1,052	1,052	1,052	1,052
	- weaken by 3%	(1,052)	(1,052)	(1,052)	(1,052)
RMB/RM	- strengthen by 3%	991	1,191	1,206	1,056
	- weaken by 3%	(991)	(1,191)	(1,206)	(1,056)

The exposure to the other currencies are not significant, hence the effects of changes in exchange rates are not presented.

36. LIST OF SUBSIDIARIES

Name of company	Country of incorporation and principal place of business	Effective interest in equity held 2021 %	2022 %	2023 %	2024 %	Principal activities
CR Boutique Sdn. Bhd. ("CRB")	Malaysia	100	100	100	100	Retailing of women footwear, handbags and accessories
CRF Marketing Sdn. Bhd. ("CRF")	Malaysia	100	100	100	100	Designing, promoting and marketing of women footwear
CRL Marketing Sdn. Bhd. ("CRL")	Malaysia	100	100	100	100	Designing, promoting and marketing of women handbags and accessories
CRI Sdn. Bhd. ("CRI")	Malaysia	100	100	100	100	Investment holding and turned its principal activity to investment holding of securities since 15 March 2024
CRV Sdn. Bhd. ("CRV")	Malaysia	100	100	100	100	Marketing and distribution of fashionable goods and accessories and provision of management services
PT CRI Mitra Sejati ("PTCMS") (1)(2)(4)	Indonesia	100	100	100	-	Wholesale import of fashionable goods and accessories
CRR Vietnam Company Limited ("CRR") (1)(3)(4)	Vietnam	100	100	100	-	Management consultancy activities and to implement the right of import, distribution, wholesales of goods
Imbi Strada Sdn. Bhd. ("ISSB")	Malaysia	-	-	100	100	Property development and property investment

(1) Audited by firm of auditors other than BDO PLT

(2) Consolidated based on its management accounts for the financial years ended 30 June 2021, 30 June 2022 and 30 June 2023. The financial statements of this subsidiary was not required to be audited as it was in the progress of members' voluntary winding-up. On 10 January 2024, the progress of members' voluntary winding-up of PTCMS had been completed.

(3) On 15 June 2022, CRR had submitted a voluntary dissolution application. On 14 August 2023, the voluntary dissolution of CRR had been completed.

(4) In respect of the consolidated financial statements of the Group, the dissolution and winding up of CRR and PTCMS had resulted in a loss of derecognition of foreign subsidiaries recognised in other comprehensive income of RM249,548 and it was transferred to profit or loss.

37. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND SUBSEQUENT TO THE END OF REPORTING PERIOD

(a) The World Health Organisation declared the 2019 Novel Coronavirus infection ("COVID-19") a pandemic on 11 March 2020. The Government of Malaysia imposed the Movement Control Order ("MCO") on 18 March 2020 and has subsequently entered into various phases of the MCO. On 8 March 2022, the Government of Malaysia announced that the country will begin its transition to endemic phase of COVID-19 from 1 April 2022 with the opening of its international borders and abolishment of certain COVID-19 restrictions.

Based on the assessment of the Group, there was no significant impact arising from the COVID-19 pandemic in respect of the judgements and assumptions used in the preparation of the financial statements for the financial year ended 30 June 2023.

The Group will continue take the necessary precautions as well as actively monitor and manage its operations to minimise any impact arising from COVID-19 pandemic.

(b) On 10 September 2020, CRI subscribed for 6,800 ordinary shares in the share capital of Shoppr Labs Sdn. Bhd. for a cash consideration of RM3,584,484.

(c) On 11 September 2020, the Company increased its investment of RM3,600,000 in the share capital of CRI by way of cash consideration.

(d) On 11 November 2020, the Company increased its investment of RM3,900,000 in the share capital of CRI by way of cash consideration.

(e) On 29 January 2021, CRI subscribed for 1,071 ordinary shares in the share capital of Shoppr Labs Sdn. Bhd. for a cash consideration of RM898,162.

(f) On 20 January 2021, CRI subscribed for 15,888,600 ordinary shares in the share capital of CHB, representing 20% equity interest in CHB for a cash consideration of RM4,000,749.

(g) On 4 February 2021, the Company has increased its investment of RM1,000,000 in the share capital of CRI by way of cash consideration.

(h) On 7 May 2021, CHB issued 8,827,000 ordinary shares to the pre-listing investors of CHB. Following the exercise, CRI's equity interest in CHB was diluted from 20% to 18%.

(i) On 17 May 2021, PTCMS had been placed under members' voluntary winding-up.

(j) On 15 June 2022, CRR (wholly-owned subsidiary) had submitted a voluntary dissolution application.

(k) On 29 August 2022, the Company adopted a dividend policy to distribute not less than 30% of the Company's net profit attributed to shareholders available in each financial year in the form of dividends to the shareholders of the Company annually, commenced from the financial year ended 30 June 2023.

(l) On 18 October 2022, CHB completed its 1st tranche of private placement of 7,142,700 ordinary shares to identified investors, further diluted CRI's equity interest in CHB from 18% to 16.65%. Further on 22 August 2023, CHB announced that the deadline for CHB to implement the private placement has lapsed.

(m) On 14 November 2022, CRI entered into a Sale and Purchase Agreement with LM Textile Sdn. Bhd. to dispose of a unit of 3 storey Semi-Detached Factory at a sale consideration of RM5,800,000. The disposal was completed during the financial year under review.

(n) On 23 November 2022, the Company subscribed for 100 ordinary shares in the share capital of ISSB, representing 100% equity interest in ISSB for a cash consideration of RM100.

37. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND SUBSEQUENT TO THE END OF REPORTING PERIOD (continued)

(o) On 30 November 2022, the Managing Director of the Group, Dato' Sri Chiang Fong Yee resigned from the board of CHB, which resulted in the cessation of the Group's significant influence over the associate. Subsequently, the investment was accounted as other investment.

(p) On 9 December 2022, the Company increased its investment of RM9,999,900 in the share capital of ISSB by way of cash subscription.

(q) On 21 December 2022, ISSB entered into a Sale and Purchase Agreement with Industrial Property Management Sdn. Bhd. to acquire a piece of freehold land together with a rundown 2 ½ storey detached bungalow erected thereon at a purchase consideration of RM16,500,000. The acquisition was completed during the financial year under review.

(r) On 23 December 2022, the Company's name was changed from "CRG Incorporated Berhad" to "Carlo Rino Group Berhad".

(s) On 9 March 2023, the Company further increased its investment of RM8,000,000 in the share capital of ISSB by way of cash subscription.

(t) On 14 August 2023, the Company announced that:
- it proposed to undertake the transfer of the listing and quotation of the entire enlarged issued share capital of the Company from the LEAP Market of Bursa Malaysia Securities Berhad ("Bursa Securities") ("LEAP Market") to the ACE Market of Bursa Securities ("Transfer"); and the withdrawal of the Company's listing from the official list of the LEAP Market pursuant to Rule 8.06 of the LEAP Market Listing Requirements of Bursa Securities ("Withdrawal of Listing"); and
- it has, on the same day received a letter from Dato' Sri Chiang Fong Yee, Chiang Sang Sem and Freeway Team Sdn. Bhd. (collectively, "Joint Offerors") to undertake a pre-conditional voluntary general offer to acquire all the remaining ordinary shares of the Company not already held by the Joint Offerors ("Offer Shares") ("Exit Offer") for a cash consideration of RM0.23 per Offer Share ('Exit Offer Price') to facilitate the Transfer and Withdrawal of Listing.

On 15 August 2023, MainStreet Advisers Sdn Bhd was appointed by the Company as its independent adviser to advise and make recommendations for the consideration of the Company's shareholders in connection with the Transfer and Withdrawal of Listing as well as the fairness and reasonableness of the Exit Offer.

(u) On 14 August 2023, the relevant Vietnamese regulatory authority confirmed that the voluntary dissolution of CRR had been completed.

(v) On 23 October 2023, the Company announced that the Exit Offer Price has been adjusted from RM0.23 to RM0.225 per Offer Share after taking into consideration the interim single tier dividend of 0.5 sen per ordinary share in the Company ("CRG Share") in respect of the financial year ending 30 June 2024 with entitlement date on 1 September 2023 and paid by the Company on 15 September 2023.

(w) On 6 December 2023, the Company issued the Circular to shareholders in relation to the Transfer and Withdrawal of Listing.

(x) On 28 December 2023, the Company announced that all the resolutions set forth in the Notice of Extraordinary General Meeting in relation to the Transfer and Withdrawal of Listing were duly passed by way of poll at the extraordinary general meeting of the Company held on the same day.

37. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND SUBSEQUENT TO THE END OF REPORTING PERIOD (continued)

(y) On 10 January 2024, PT CRI Mitra Sejati had received final approval letter from Ministry of Law and Human Rights, confirmed that the process of member's voluntary winding-up had been completed.

(z) On 28 February 2024, the Company announced that the Exit Offer Price has been adjusted from RM0.225 to RM0.220 per Offer Share after taking into consideration the interim single tier dividend of 0.5 sen per CRG Share in respect of the financial year ending 30 June 2024 with entitlement date on 8 March 2024 and paid by the Company on 20 March 2024.

(aa) On 29 March 2024, the Company had submitted the listing application, draft prospectus, and application for the Withdrawal of Listing to Bursa Securities.

(bb) On 1 April 2024, the Company had submitted:
- the application to the Equity Compliance Unit of the Securities Commission Malaysia ("SC") for the resultant equity structure of the Company pursuant to the Transfer; and
- the application to the Ministry of Investment, Trade and Industry ("MITI") for taking note and having no objections to the Proposed Transfer.

(cc) On 29 April 2024, the Group entered into a contracted binding agreement with a third party for architectural and interior design consultancy services for a total consideration of RM432,000, which is relation to construction and the fitting out of a new flagship boutique and other facilities.

(dd) On 14 June 2024, the Company announced that it proposed to undertake the following:
- proposed adoption of a new Constitution ("Adoption"); and
- proposed issuance and allotment of new CRG Shares to Independent Non-Executive Directors of CRG ("Allocation")

On 31 July 2024, the Company announced that all the resolutions set forth in the Notice of Extraordinary General Meeting in relation to the Adoption and Allocation were duly passed by way of poll at the extraordinary general meeting of the Company held on the same day.

(ee) On 15 July 2024, the Company announced that the Exit Offer Price has been adjusted from RM0.220 to RM0.215 per Offer Share after taking into consideration the interim single tier dividend of 0.5 sen per CRG Share in respect of the financial year ending 30 June 2025 with entitlement date on 24 July 2024 and paid by the Company on 7 August 2024.

(ff) On 31 July 2024, the Company announced that MITI had, vide its letter dated on 31 July 2024 agreed with the scheme for the initial public offering of CRG Shares which will result in an enlarged share capital of 977,517,100 CRG Shares and the Company has complied with the Bumiputera Equity Requirement for Public Listed Companies whereby 122,189,700 CRG Shares, which representing 12.50% of the Company's enlarged issued share capital to be allocated to Bumiputera investors approved by MITI.

(gg) On 12 August 2024, the Company announced that Bursa Securities had, vide its letter dated 12 August 2024, approved the transfer of listing of and quotation for the entire enlarged issued share capital of the Company comprising 977,517,100 CRG Shares on the ACE Market and to grant approval-in-principle for registration of the listing prospectus of the Company.

(hh) On 16 August 2024, the Company announced that the SC had, vide its letter dated 13 August 2024 which was received by the Company on even date, approved the resultant equity structure of the Company under the equity requirement for public listed companies pursuant to the Transfer.

(ii) On 22 August 2024, the Company announced that Bursa Securities had, vide its letter dated 22 August 2024, approved the application for the Withdrawal of Listing.

37. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND SUBSEQUENT TO THE END OF REPORTING PERIOD (continued)

(jj) On 22 August 2024, the Company received a notice of unconditional voluntary take-over offer ("Notice") from TA Securities Holdings Berhad, on behalf of the Joint Offerors, to undertake the Exit Offer to acquire all the Offer Shares for a cash consideration of RM0.215 per Offer Share to facilitate the Transfer and Withdrawal of Listing. The Notice was despatched to shareholders of the Company on 28 August 2024.

(kk) On 29 August 2024, the Company announced that it had received an addendum to the Notice dated 29 August 2024 from TA Securities Holding Berhad, on behalf of the Joint Offerors. The Exit Offer was completed on 3 October 2024.

(ll) On 4 October 2024, CRG announced that in view that Dato' Sri Chiang Fong Yee, one of the Joint Offerors only received valid acceptances of less than 1,000,000 Offer Shares pursuant to the Exit Offer, he will retain all the Offer Shares which he has received via valid acceptances pursuant to the Exit Offer and there will be no offer for sale of CRG Shares under the Listing.

(mm) On 10 October 2024, CRI had entered into a sale and purchase agreement with a third party in relation to the acquisition of one (1) unit of 3-storey pre-war shophouse erected on a piece of freehold land held under Geran 21151, Lot 43, Kawasan Bandar XVI, Daerah Melaka Tengah, Negeri Melaka, measuring 947 sqft and bearing postal address of No. 11, Lorong Hang Jebat, 75200 Melaka for a total cash purchase consideration of RM2,590,000, excluding stamp duty payable to the authority for the registration of transfer of the Melaka property. The Group had paid a deposit RM259,000 via internally generated funds on 10 October 2024 and the remaining purchase considerations of RM2,331,000 had been fully repaid on 25 October 2024. As at the latest practicable date of the prospectus, CRI had fully settled the purchase consideration of RM2,590,000 via internally generated funds. The Melaka Property was transferred and registered into CRI's name on 1 November 2024, subsequent to the latest practicable date.

(nn) On 21 October 2024, the Group entered into contracted binding agreements with third parties for mechanical and engineering consultancy services, land survey fee and civil and structural engineering work consultancy services for a total consideration of RM160,000, which is in relation to the construction and the fitting out of a new flagship boutique and other facilities.

(oo) On 28 October 2024, CRG entered into an underwriting agreement with TA Securities Holdings Berhad, being the sole underwriter, for the underwriting of 49,676,000 new CRG Shares which are available for application by the Malaysian Public and Independent Non-Executive Directors of CRG at RM0.27 per new CRG Share.

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37. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND SUBSEQUENT TO THE END OF REPORTING PERIOD (continued)

(pp) On 28 October 2024, subsequent to the financial year ended 30 June 2024, the auditors of CHB, other investment of the Group, issued a disclaimer of opinion regarding CHB's ability to continue as a going concern. The disclaimer was based on the following events or conditions that indicate material uncertainties exist which may cast significant doubt on the CHB's ability to continue as a going concern:

- During the financial year ended 30 June 2024, CHB and its subsidiaries ("CHB Group") and CHB incurred net loss of RM6,547,185 and RM840,096 respectively. As at 30 June 2024, CHB Group's and CHB's recorded a net current liabilities of RM11,551,545 and RM401,670 and recorded a capital deficiency of RM12,081,496 and RM401,670 respectively;
- CHB did not meet financial covenants for certain borrowings and the banks are contractually entitled to request for immediate repayment of CHB Group's outstanding borrowings amount of RM6,638,075 as at 30 June 2024;
- Directors of CHB do not have any clear future plan to regularise CHB Group's operations to achieve sustainable and viable operations and generate adequate cash flows to continue as going concern.

As at 28 October 2024, CHB Group did not manage to secure financial support or provide any evidence that the CHB Group would be able to meet its liabilities as and when they fall due within the next twelve months.

In accordance with MFRS110 *Events after the Reporting Period*, any potential decline in the fair value of the Group's other investment in CHB resulting from this disclaimer of opinion reflects events arising after the reporting period, not conditions existed at 30 June 2024. Consequently, the Group has not adjusted the carrying amount of other investment in its financial statements for the year ended 30 June 2024.

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CARLO RINO GROUP BERHAD (200901037127 (880257 - A))
(Incorporated in Malaysia)

STATEMENT BY DIRECTORS

We, Dato' Sri Chiang Fong Yee and Ong Boon Huat, two of the Directors of Carlo Rino Group Berhad, state that, in the opinion of the Directors, the Consolidated Financial Statements set out on pages 1 to 103 are drawn up so as to give a true and fair view of the financial position of the Group as at 30 June 2021, 30 June 2022, 30 June 2023 and 30 June 2024 and of the financial performance and cash flows of the Group for the financial years ended 30 June 2021, 30 June 2022, 30 June 2023 and 30 June 2024 in accordance with Listing Requirements of Bursa Malaysia Securities Berhad, Malaysian Financial Reporting Standards and International Financial Reporting Standards and Chapter 10, Part II Division 1: Equity of the Prospectus Guidelines issued by the Securities Commission Malaysia.

Signed on behalf of the Board of Directors in accordance with a resolution dated 1 November 2024.

....	....
Dato' Sri Chiang Fong Yee	**Ong Boon Huat**
Group Managing Director	Executive Director

15. ADDITIONAL INFORMATION

15.1 SHARE CAPITAL

(i) As at the date of this Prospectus, we only have 1 class of shares, namely, ordinary shares, all of which rank equally with one another. There are no special rights attached to our Shares.

(ii) No securities will be allotted, issued or offered on the basis of this Prospectus later than 6 months after the date of this Prospectus.

(iii) None of the share capital of our Company or our subsidiaries is under option or agreed conditionally or unconditionally to be put under option.

(iv) As at the date of this Prospectus, save for the Issue Shares reserved for our Independent Non-Executive Directors as disclosed in Section 4.3.1(ii) of this Prospectus:

- there is currently no other scheme involving our Directors or employees in the share capital of our Company or our subsidiaries; and
- no Directors or employees of our Group have been or are entitled to be given or have exercised any option to subscribe for any share of our Company or our subsidiaries.

(v) Save as disclosed in this Prospectus, no shares, stocks, debentures, warrants, options, convertible securities or uncalled capital of our Company or our subsidiaries have been issued or are proposed to be issued as fully or partly paid-up, in cash or otherwise, within the past 3 years immediately preceding the date of this Prospectus.

(vi) As at the date of this Prospectus, we do not have any convertible debt securities.

15.2 EXTRACT OF OUR CONSTITUTION

The following provisions are reproduced from our Constitution which shall comply with the ACE LR, the Act and the Rules of Bursa Depository.

The words, terms and expressions appearing in the following provisions shall bear the same meanings used in our Constitution unless they are otherwise defined herein or the context otherwise requires.

(i) Transfer of securities

The provision in our Company's Constitution in respect of the arrangements for transfer of securities and restrictions on their free transferability are as follows:

"Clause 51 – Transfer of deposited securities

The transfer of any deposited securities (as defined in the Central Depositories Act) or class of deposited securities of the Company, shall be by way of book entry by the Depository in accordance with the Rules and, notwithstanding Sections 105, 106 and 110 of the Act, but subject to Section 148(2) of the Act and any exemption that may be made from compliance with Section 148(1) of the Act, the Company shall be precluded from registering and effecting any transfer of the deposited securities.

Clause 52 – Depository's right to refuse transfer

The Depository may, in its absolute discretion, refuse to register any transfers of deposited securities that do not comply with the Central Depositories Act and the Rules.

Clause 53 – Company and Directors not liable if transfer of securities inoperative due to fraud

Neither the Company nor its Directors nor any of its officers shall incur any liability for registering or acting upon a transfer of deposited securities although the same may, by reason of any fraud or other cause not known to the Company or its Directors or other officers, be legally inoperative or insufficient to pass the property in the deposited securities proposed or professed to be transferred, and although the transfer may, as between the transferor and the transferee, be liable to be set aside. In every such case, the person registered as transferee, his executors, administrators and assignees, subject to compliance with the Applicable Laws, alone shall be entitled to be recognised as the holder of such deposited securities and the previous holder shall, so far as the Company is concerned, be deemed to have transferred his whole title thereto.

Clause 54 – Suspension of registration of transfers

Subject to the Applicable Laws, registration of transfers may be suspended at such times and for such period as the Directors may from time to time determine but no part of the register of members shall be closed for more than 30 days in the aggregate in any calendar year.

Clause 55 – Transfer of non-deposited securities

The transfer of non-deposited securities (as defined in the Central Depositories Act) shall be in accordance with the Act."

(ii) Transmission of securities

The provisions in our Company's Constitution in respect of the transmission of securities are as follows:

"Clause 56 – Transmission of securities

(1) The transmission of securities shall be in accordance with the Applicable Laws.

(2) Any person becoming entitled to a share in consequence of the death or bankruptcy of a member may, upon such evidence being produced as may from time to time properly be required by the Directors or the Depository and, subject as hereinafter provided, elect either to register himself as holder of the security or to have some person nominated by him registered as the transferee thereof, but the Directors shall, in either case, have the same right to decline or suspend registration as they would have had in the case of a transfer of the security by that member before his death or bankruptcy. PROVIDED ALWAYS that where the security is a deposited security, subject to the Rules, a transfer or withdrawal of the security may be carried out by the person becoming so entitled.

(3) If the person so becoming entitled elects to register himself, he shall deliver or send to the Company, a notice in writing signed by him stating that he so elects provided that where the security is a deposited security and the person becoming entitled elects to have the security transferred to him, the aforesaid notice must be served by him on the Depository. If he elects to have another person registered, he shall testify his election by executing to that person a transfer of the security. All the limitations, restrictions and provisions of this Constitution relating to the rights to transfer and the registration of transfers of securities shall be applicable to any such notice or transfer as aforesaid as if the death or bankruptcy of the member had not occurred and the notice of transfer were a transfer signed by that member.

<u>Clause 57 – Transmission of securities from foreign register</u>

Where:

(a) the securities of the Company are listed on another stock exchange; and

(b) the Company is exempted from compliance with Section 14 of the Central Depositories Act or Section 29 of the Securities Industry (Central Depositories) (Amendment) (No. 2) Act, 1998, as the case may be, under the Rules in respect of such securities.

the Company shall, upon request of a securities holder, permit a transmission of securities held by such securities holder from the register of holders maintained by the registrar of the Company in the jurisdiction of the other stock exchange, to the register of holders maintained by the registrar of the Company in Malaysia or vice versa provided that there shall be no change in the ownership of the securities."

(iii) Directors' remuneration and reimbursement of expenses

The provisions in our Company's Constitution in respect of the remuneration of Directors are as follows:

<u>"Clause 93 – Directors' remuneration and reimbursement of expenses</u>

(1) Subject to the Applicable Laws, the fees of the Directors shall from time to time be determined by an ordinary resolution of the Company in general meeting, and shall (unless such resolution otherwise provides) be divisible among the Directors as they may agree, or failing agreement, equally, except that any Director who shall hold office for part only of the period in respect of which such fees are payable shall be entitled to rank in such division for a proportion of the fees related to the period during which the Director has held office PROVIDED ALWAYS that:

   (a) salaries payable to executive Director(s) may not include a commission on or percentage of turnover;

   (b) fees payable to non-executive Directors shall be a fixed sum and not by a commission on or percentage of profits or turnover;

   (c) fees of directors, and any benefits payable to directors shall be subject to annual shareholders' approval at a general meeting; and

   (d) any fee paid to an alternate Director shall be agreed between himself and the Director nominating him and shall be paid out of the remuneration of the latter.

(2) The Directors shall be entitled to be reimbursed for all travelling or such reasonable expenses as may be incurred in attending and returning from meetings of the Board or of any committee of the Directors or meetings of members or otherwise howsoever in or about the business of the Company in the course of the performance of their duties as Directors.

(3) If by arrangement with the Directors, any Director shall perform or render any special duties or service's outside his ordinary duties as a Director in particular without limiting to the generality of the foregoing if any Director being willing shall be called upon to perform extra services or to make any special exertions in going or residing away from his usual place of business or residence for any of the purposes of the Company or in giving special attention to the business of the Company as a member of a committee of Directors, the Company may pay him special remuneration, in addition to his Director's fees, and such special remuneration may be by way of a fixed sum, or otherwise as may be arranged."

(iv) Voting and borrowing powers of Directors

The provisions in our Company's Constitution in respect of the voting and borrowing powers of Directors are as follows:

"Clause 71 – Chairman's casting vote on the equality of votes

In the case of an equality of votes, whether on a show of hands or a poll, the chairperson of the general meeting at which the show of hands takes place or at which the poll is taken or demanded shall be entitled to a second or casting vote.

Clause 72 – Voting rights

Subject to this Constitution and any rights or restrictions as to voting attached to any class or classes of shares, at meetings of members or classes of members, each member of the Company entitled to attend and to vote, may vote in person or by proxy, attorney or any other duly authorised representative, on any questions at any general meeting, and every such member present in person or by proxy, attorney or any other duly authorised representative, on a show of hands, shall have 1 vote and on a poll, shall have 1 vote for every security held by him.

Clause 73 – Shares of different monetary denominations

Where the capital of the Company consists of shares of different monetary denominations, voting rights shall be prescribed in such a manner that a unit of capital in each class, when reduced to a common denominator shall carry the same voting power when such right is exercisable.

Clause 74 – No vote or privileges nor being counted in quorum unless calls paid

Subject to this Constitution, no member shall be entitled to attend and to vote at any general meeting or at any separate meeting of the holders of any class of shares in Company, or to exercise any privilege as a member nor be counted as one of the quorum unless all calls or other sums presently due from member of the Company in respect of shares have been paid.

Clause 75 – Vote of member of unsound mind

A member who is of unsound mind or whose person or estate is liable to be dealt with in any way under the law relating to mental disorder may vote by his committee or by such other person who properly has the management of his estate, and any such committee or other person may vote by proxy or attorney provided that such evidence as the Directors may require of the authority of the person claiming to vote shall have been deposited at the registered office of the Company not less than 48 hours before the time appointed for holding the meeting or adjourned meeting as the case may be.

Clause 76 – Vote of deceased or bankrupted members

The legal representative of a deceased member or the person entitled under this Constitution to any security in consequence of the death or bankruptcy of any member may vote at any general meeting in respect thereof in the same manner as if he was the holder of such shares provided that 48 hours at least before the time of holding the meeting or adjourned meeting, as the case may be, at which he proposes to vote, he shall satisfy the Directors of his right to any security in consequence of the death or bankruptcy of any member unless the Directors shall have previously admitted his right to vote in respect thereof.

Clause 77 – Objection to qualification of voter

No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes. If any votes, which ought not to have been counted, or which could have been rejected, are counted, such error shall not vitiate the result of the voting unless it is pointed out at the same meeting or at any adjournment thereof, and unless, in the opinion of the chairperson at the meeting or any adjournment thereof as the case may be, it shall be of sufficient magnitude to vitiate the result of the voting. The decision of the chairperson shall be final and conclusive.

Clause 95 – Directors' borrowing powers

Subject to the Applicable Laws, the Directors may from time to time at their discretion raise or borrow for the purpose of the Company such sums of money as they think proper and may also raise or secure the payment of such money in such manner and upon such terms and conditions in all respects as they think fit, and in particular by the issue of debentures or debenture stock of the Company, charged upon all or any part of the property of the Company (both present and future) including uncalled capital, or by means of charges, mortgages, bonds and dispositions in security or bonds or cash deposit, with or without power of sale, and upon such other terms and conditions as the Directors shall think fit."

(v) Changes in capital and variation of rights

The provisions in our Company's Constitution in respect of the changes in capital and variation of class rights are as follows:

"Clause 7 – Power to alter share capital

Subject always to the provisions in this Constitution, the Company shall have power to increase or reduce the share capital, to consolidate or subdivide all or any of its share capital, the proportion between the amount paid and the amount, if any, unpaid on each subdivided share and to issue all or any part of the original or any additional capital as fully paid or partly paid shares, and with any special or preferential rights, privileges or subject to any special terms or conditions and either with or without any special designation, and also from time to time to alter, modify, commute, abrogate or deal with any such rights, privileges, terms, conditions or designations in accordance with this Constitution for the time being of the Company.

Clause 8 – Power to undertake share buyback or purchase of own shares

(1) Subject to and in accordance with the Applicable Laws, the Company is allowed and shall have power, to the fullest extent permitted, to purchase any of its own shares and thereafter, the Board may resolve and shall have the fullest power to deal with such purchased shares in accordance with the Applicable Laws.

(2) The other provisions in this Constitution shall not affect the power of the Company to cancel any shares or reduce its share capital pursuant to any exercise of the Company's powers to purchase its own shares.

Clause 9 – Sanction of ordinary resolution to increase share capital

The Company may from time to time, whether all the shares for the time being issued shall have been fully paid up or not, by ordinary resolution increase its share capital by the creation and issue of new shares, such new capital to be of such amount to be divided into shares of such respective amounts and to carry such rights or to be subject to such conditions or restrictions in regard to dividend, return of capital or otherwise as the Company may direct in the resolution authorising such increase.

Clause 10 – Pre-emptive rights to new shares to be offered to members before issue

Subject to any direction to the contrary that may be given by the Company in general meeting, all new shares or other convertible securities shall, before issue, be offered to such persons as at the date of the offer are entitled to receive notices from the Company of general meetings in proportion as nearly as the circumstances admit, to the amount of the existing shares or securities to which they are entitled. The offer shall be made by notice specifying the number of shares or securities offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares or securities offered, the directors may dispose of those shares or securities in such manner as they think most beneficial to the Company. The Directors may likewise also dispose of any new share or security which (by reason of the ratio which the new shares or securities bear to shares or securities held by persons entitled to an offer of new shares or securities) cannot, in the opinion of the Directors, be conveniently offered under this Constitution.

Clause 11 – Sanction of ordinary resolution to alter share capital

The Company may with the sanction of ordinary resolution in general meeting:

(1) consolidate and divide all or any of its share capital, the proportion between the amount paid and the amount, if any, unpaid on each subdivided share shall be the same as it was in the case of the share from which the subdivided share is derived;

(2) subdivide its shares or any of the shares, whatever is in the subdivision, the proportions between the amount paid and the amount, if any, unpaid on each subdivided share shall be the same as it was in the case of the share from which the subdivided shares is derived;

(3) subject to the provisions of this Constitution and the Act, convert and/or re-classify any class of shares into any other class of shares; and/or

(4) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person or which have been forfeited and diminish the amount of its share capital by the amount of the shares so cancelled.

Clause 12 – Sanction of special resolution to reduce share capital

The Company may by special resolution reduce its share capital in any manner permitted or authorised under and in compliance with the Applicable Laws.

Clause 13 – Power to issue and allot shares

Without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares but subject to the Applicable Laws, and to the conditions, restrictions and limitations expressed in this Constitution, the Directors shall have the power to issue and allot shares, grant options over shares, grant rights to subscribe for shares or otherwise dispose of the unissued shares of the Company to such persons, at such time on such terms and conditions, with such preferred or deferred or other special rights, as they may deem proper, PROVIDED ALWAYS that:

(1) no shares shall be issued which shall have the effect of transferring a controlling interest in the Company without the prior approval of the members in general meeting;

(2) in the case of shares other than ordinary shares, no special rights shall be attached until the same have been expressed in this Constitution or in a resolution of the Company expressing the same;

(3) every issue of shares or options to be granted to employees and/or Directors shall be subject to the prior approval of the members in general meeting. However, no Director shall participate in any issue of shares or option to be granted unless the members in general meeting shall have approved the specific amount of shares to be issued or the amount of shares which are the subject of the option to be granted to such Director and the terms of such issue or option; and

(4) a director not holding office in an executive capacity may so participate in an issue of shares pursuant to a public offer or a public issue.

Clause 14 – Issuance of preference shares

(1) Subject to the Applicable Laws, preference shares may, with the sanction of an ordinary resolution, be issued on the terms that they are, or at the option of the Company are liable, to be redeemed on such terms and in such manner as shall be provided in this Constitution at the time such preference shares are issued.

(2) The Company shall have the power to issue further preference capital ranking equally with, or in priority to, preference shares already issued.

Clause 15 – Repayment of preference capital and modification of rights of preference shareholders

The repayment of preference share capital other than redeemable preference capital or any other alteration of preference shareholder's rights, may only be made pursuant to a special resolution of the preference shareholders concerned PROVIDED ALWAYS that where the necessary majority for such a special resolution is not obtained at the meeting, consent in writing, if obtained from not less than 75% of the total voting rights of the preference shareholders within 2 months of the meeting, shall be as valid and effectual as a special resolution carried at the meeting.

Clause 16 – Issuance of securities, and crediting securities after Exchange filing

The Company must ensure that all new issues of securities for which listing is sought are made by way of crediting the securities accounts of the allottees with such securities save and except where they are specifically exempted from compliance with Section 38 of the Central Depositories Act, in which event they shall so similarly be exempted from compliance with this provision. For this purpose, the Company must notify the Depository of the names of the allottees and all such particulars required by the Depository, to enable the Depository to make the appropriate entries in the securities accounts of such allottees. The Company must not cause or authorise its share registrar(s) to cause the securities accounts of the allottees to be credited with the additional securities until after the Company has filed with the Exchange an application for listing of such additional securities and has been notified by the Exchange that they have been authorised for listing.

Clause 17 – Commission (includes brokerage) on subscription of shares

The Company may pay a commission to any person in consideration of his subscribing or agreeing to subscribe, whether absolutely or conditionally, or procuring or agreeing to procure subscription, whether absolute or conditional, for any shares in the Company provided that the rate percent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by the Applicable Laws shall not exceed 10% of the price at which such shares are issued, or an amount equivalent to such percentage and that the requirements of Section 80 of the Act shall be observed. Subject to the provisions of Section 78 of the Act, such commission may be satisfied by the payment of cash or the allotment of fully paid shares or partly paid shares or by a combination of any of the aforesaid methods of payment. The Company may also on any issue of shares pay such brokerage as may be lawful.

Clause 18 – Interest on share capital during construction

Where any shares are issued for the purpose of raising money to defray the expenses of the construction of any works or buildings or the provision of any plant which cannot be made profitable for a long period, the Company may pay interest or returns on the amount of such share capital as is for the time being paid up for the period subject to the conditions and restrictions mentioned in Section 130 of the Act and may charge the same to share capital as part of the cost of construction of the works or buildings or the provision of the plant.

Clause 19 – Trusts not to be recognised

Except as required by law, no person shall be recognised by the Company as holding any share upon any trust and the Company shall not be bound by or be compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any share or unit of share or (except only as by this Constitution or by law otherwise provided) any other rights in respect of any share except in an absolute right to the entirety thereof in the registered holder.

Clause 20 – Modification of class rights

Subject to the Applicable Laws, if at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, whether or not the Company is being wound up, be varied with the sanction of a special resolution passed at a separate meeting of the shareholders of that class. Where necessary majority of such a special resolution is not obtained at the meeting, consent in writing if obtained from the holders of not less than 75% of the total voting rights of the shareholders of that class within 2 months of the meeting, shall be as valid and effectual as a special resolution carried at the meeting. To every such separate general meeting, the provisions of this Constitution relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be at least 2 persons who are shareholders present in person or represented by proxy holding at least 1/3 of the number of issued shares of the class, excluding any shares of that class held as treasury shares and that any holder of shares of the class present in person or by proxy may demand a poll. For adjourned meeting, quorum is 1 person present holding shares of such class. To every such special resolution, the provisions of Section 292 of the Act shall with such adaptations as are necessary, apply.

Clause 21 – Alteration of class rights by issuance of new shares

The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking as regards participation in the profits or assets of the Company in some or in all respects *pari passu* therewith."

15.3 LIMITATION ON THE RIGHT TO OWN SECURITIES AND/OR EXERCISE VOTING RIGHTS

There is no limitation on the right to own securities, including limitations on the right of non-resident or foreign shareholders to hold or exercise voting rights on our Shares imposed by law or by our Constitution.

15.4 REPATRIATION OF CAPITAL AND REMITTANCE OF PROFIT

All corporations in Malaysia are required to adopt a single-tier dividend. All dividends distributed by Malaysian resident companies under a single tier dividend are not taxable. Further, the Government does not levy withholding tax on dividend payment. Therefore, there is no withholding tax imposed on dividends paid to non-residents by Malaysian resident companies. There is no Malaysian capital gain tax arising from the disposal of listed shares.

15.5 MATERIAL CONTRACTS

Save as disclosed below, there are no material contracts (including contracts not in writing), not being contracts in the ordinary course of business, that have been entered into by our Group during the FYE Under Review and up to the LPD:

(i) subscription agreements entered between CRI and Shoppr Labs Sdn Bhd ("**SLSB**"):

(a) dated 10 September 2020 for the subscription of 6,800 ordinary shares in SLSB for a total cash consideration of RM3,584,484; and

(b) dated 29 January 2021 for the subscription of 1,071 ordinary shares in SLSB for a total cash consideration of RM898,162.02;

(ii) subscription agreement entered between Carzo Holdings Sdn Bhd (now known as Carzo Holdings, a company listed on the LEAP Market) and CRI dated 29 December 2020 for the subscription of 15,888,600 new ordinary shares in Carzo Holdings for a total cash consideration of RM4,000,749.48;

(iii) shareholders' agreement entered between Dato' Sri Delon Lee Kean Yip, Cheong Wai Keh and CRI dated 15 January 2021 to govern and regulate their relationships as shareholders of Carzo Holdings ("**Shareholders Agreement**") which was terminated via the termination agreement dated 27 September 2021, details as provided under item (iv) below;

(iv) termination agreement entered between Dato' Sri Delon Lee Kean Yip, Cheong Wai Keh, CRI and 42 other shareholders of Carzo Holdings dated 27 September 2021 for the termination of the Shareholders Agreement as well as various deed of adherence executed by the 42 other shareholders of Carzo Holdings, to facilitate the listing and admission of Carzo Holdings' entire issued shares on the LEAP Market;

(v) a sale and purchase agreement between CRI (as vendor) and LM Textile Sdn Bhd ("**LMT**") (as purchaser) dated 14 November 2022 for the disposal by CRI of 1 unit of 3-storey semi-detached factory erected on a piece of leasehold land held under Pajakan Negeri 10175, Lot 31574, Mukim Petaling, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan Kuala Lumpur, measuring approximately 906 square metres (or approximately 9,752 sqft) and bearing postal address of No. 2A, Jalan Orkid Desa, Desa Tun Razak, 56000 Kuala Lumpur to LMT for a total cash consideration of RM5,800,000. This transaction was completed on 20 April 2023;

(vi) a sale and purchase agreement entered between Industrial Property Management Sdn Bhd (as vendor) and IBS (as purchaser) dated 21 December 2022 for the acquisition by IBS of the Imbi Property for a total purchase price of RM16,500,000. This transaction was completed on 15 March 2023;

(vii) a sale and purchase agreement entered between Nexus Electronics Sdn Bhd (as vendor) and CRI (as purchaser) dated 10 October 2024 for the acquisition by CRI of the Melaka Property for a total purchase price of RM2,590,000. The Melaka Property was transferred and registered into CRI's name on 1 November 2024, subsequent to the LPD; and

(viii) the Underwriting Agreement.

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15.6 MATERIAL LITIGATION

As at the LPD, neither our Company nor our subsidiaries are engaged in any governmental, legal, claims or arbitration proceedings, including those relating to bankruptcy, receivership or similar proceedings, whether as plaintiff or defendant or as a third party which may have or have had, material or significant effects on our financial position or profitability in the 12 months immediately preceding the date of this Prospectus.

15.7 CONSENTS

(i) The written consents of our Principal Adviser, Sponsor, Sole Underwriter, Placement Agent, Company Secretary, Due Diligence Solicitors, Share Registrar and Issuing House as listed in the Corporate Directory of this Prospectus for the inclusion in this Prospectus of their names in the form and context in which such names appear have been given before the issuance of this Prospectus and have not subsequently been withdrawn.

(ii) The written consent of our Auditors and Reporting Accountants for the inclusion of its name, the Accountants' Report and the Reporting Accountants' Report on the Pro Forma Statements of Financial Position and all references thereto in the form and context in which they are contained in this Prospectus has been given before the issuance of this Prospectus and has not subsequently been withdrawn.

(iii) The written consent of our IMR for the inclusion of its name, the IMR Report and all references thereto in the form and context in which they are contained in this Prospectus has been given before the issuance of this Prospectus and has not subsequently been withdrawn.

15.8 DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at our registered office at No. 5-1, Jalan Radin Bagus 9, Bandar Baru Sri Petaling, 57000 Kuala Lumpur, Wilayah Persekutuan, Malaysia during normal business hours for a period of 6 months from the date of this Prospectus:

(i) our Constitution;

(ii) the IMR Report as included in Section 8 of this Prospectus;

(iii) the Reporting Accountants' Report on the compilation of Pro Forma Consolidated Statements of Financial Position as at 30 June 2024, as included to in Section 13 of this Prospectus;

(iv) the Accountants' Report as included in Section 14 of this Prospectus;

(v) the material contracts referred to in Section 15.5 of this Prospectus;

(vi) the letters of consent referred to in Section 15.7 of this Prospectus; and

(vii) audited financial statements of our Group for the FYE Under Review.

15.9 RESPONSIBILITY STATEMENTS

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

(ii) TA Securities, being the Principal Adviser, Sponsor, Sole Underwriter and Placement Agent to our IPO acknowledges that, based on all available information, and to the best of its knowledge and belief, this Prospectus constitutes a full and true disclosure of all material facts concerning our IPO.

16. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE

THIS SUMMARY OF PROCEDURES FOR APPLICATION AND ACCEPTANCE DOES NOT CONTAIN THE DETAILED PROCEDURES AND FULL TERMS AND CONDITIONS AND YOU CANNOT RELY ON THIS SUMMARY FOR PURPOSES OF ANY APPLICATION FOR OUR IPO SHARES. YOU MUST REFER TO THE DETAILED PROCEDURES AND TERMS AND CONDITIONS AS SET OUT IN THE "DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE" ACCOMPANYING THE ELECTRONIC COPY OF THIS PROSPECTUS ON THE WEBSITE OF BURSA SECURITIES. YOU SHOULD ALSO CONTACT THE ISSUING HOUSE FOR FURTHER ENQUIRIES.

Unless otherwise defined, all words and expressions used here shall carry the same meaning as ascribed to them in our Prospectus.

Unless the context otherwise requires, words used in the singular include the plural and vice versa.

16.1 OPENING AND CLOSING OF APPLICATIONS

OPENING OF THE APPLICATION PERIOD: 10.00 A.M., 28 November 2024

CLOSING OF THE APPLICATION PERIOD: 5.00 P.M., 5 December 2024

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

Late Applications will not be accepted.

16.2 METHODS OF APPLICATIONS

16.2.1 Application for the IPO Shares by the Malaysian Public and the Independent Non-Executive Directors of our Company

Application must accord with our Prospectus and our Constitution. The submission of an Application Form does not mean that the Application will succeed.

Types of Application and category of investor	Application method
Applications by the Independent Non-Executive Directors of our Company	Pink Application Form only
Applications by the Malaysian Public:	
(a) Individuals	White Application Form or Electronic Share Application or Internet Share Application
(b) Non-Individuals	White Application Form only

16.2.2 Application for our IPO Shares by selected non-Bumiputera investors and Bumiputera investors as approved by MITI via private placement

Selected investors (other than Bumiputera investors as approved by MITI) who have been allocated our IPO Shares will be contacted directly by the Placement Agent and should follow the instructions as communicated by the Placement Agent.

Bumiputera investors approved by MITI who have been allocated our IPO Shares will be contacted directly by MITI and should follow the instructions as communicated by MITI.

Selected investors and Bumiputera investors as approved by MITI may still apply for our IPO Shares offered to the Malaysian Public using the White Application Form, Electronic Share Application or Internet Share Application, where applicable.

16.3 ELIGIBILITY

16.3.1 General

You must have a CDS Account and a correspondence address in Malaysia. If you do not have a CDS Account, you may open a CDS Account by contacting any of the ADAs as set out in the list of ADAs accompanying the electronic copy of our Prospectus on the website of Bursa Securities. The CDS Account must be in your own name. Invalid, nominee or third party CDS Accounts will not be accepted for the Applications.

Only **ONE (1)** Application Form for each category from each applicant will be considered and **APPLICATIONS MUST BE FOR AT LEAST 100 IPO SHARES OR MUTLIPLES OF 100 IPO SHARES.**

MULTIPLE APPLICATIONS WILL NOT BE ACCEPTED UNLESS EXPRESSLY ALLOWED IN THESE TERMS AND CONDITIONS. AN APPLICANT WHO SUBMITS MULTIPLE APPLICATIONS ON HIS/ HER OWN NAME OR BY USING THE NAME OF OTHERS, WITH OR WITHOUT THEIR CONSENT, COMMITS AN OFFENCE UNDER SECTION 179 OF THE CMSA AND IF CONVICTED, MAY BE PUNISHED WITH A MINIMUM FINE OF RM1,000,000 AND A JAIL TERM OF UP TO TEN (10) YEARS UNDER SECTION 182 OF THE CMSA.

AN APPLICANT IS NOT ALLOWED TO SUBMIT MULTIPLE APPLICATIONS IN THE SAME CATEGORY OF APPLICATION.

AN APPLICANT WHO WISHES TO APPLY FOR OUR IPO SHARES USING A JOINT BANK ACCOUNT SHOULD COMMUNICATE WITH THE FINANCIAL INSTITUTION IN CHARGE OF IPO APPLICATION TO PROVIDE THE MATCHING NAME IN THE JOINT BANK ACCOUNT AGAINST HIS/ HER CDS ACCOUNT TO ISSUING HOUSE. THIS IS TO ENSURE THAT ISSUING HOUSE RECEIVES IPO APPLICATION WHERE THE NAME IN THE JOINT BANK ACCOUNT MATCHES AGAINST THE NAME IN THE CDS ACCOUNT AND TO MINIMISE THE INCIDENT OF REJECTED IPO APPLICATION DUE TO "CDS ACCOUNT BELONGS TO OTHER PERSON". OUR COMPANY, PRINCIPAL ADVISER AND ISSUING HOUSE ARE NOT RESPONSIBLE FOR ANY ISSUE ARISING THEREAFTER.

16.3.2 Application by the Malaysian Public

You can apply for our IPO Shares if you fulfill all of the following:

(i) you must be one (1) of the following:

  (a) a Malaysian citizen who is at least 18 years old as at the date of the Application; or

  (b) a corporation/ institution incorporated in Malaysia with a majority of Malaysian citizens on your board of directors/ trustees and if you have a share capital, more than half of the issued share capital, excluding preference share capital, is held by Malaysian citizens; or

  (c) a superannuation, co-operative, foundation, provident, pension fund established or operating in Malaysia.

(ii) you must not be a director or employee of the Issuing House or an immediate family member of a Director or employee of the Issuing House; and

(iii) you must submit the Application by using only one (1) of the following methods:

(a) White Application Form;

(b) Electronic Share Application; or

(c) Internet Share Application.

16.3.3 Application by the Independent Non-Executive Directors of our Company

The Independent Non-Executive Directors of our Company will be provided with Pink Application Forms and letters from us detailing their respective allocation. The Independent Non-Executive Directors of our Company must follow the notes and instructions in the said document and where relevant, in this Prospectus.

16.4 PROCEDURES FOR APPLICATION BY WAY OF APPLICATION FORMS

The Application Form must be completed in accordance with the notes and instructions contained in the respective category of the Application Form. Applications made on the incorrect type of Application Form or which do not conform **STRICTLY** to the terms of this Prospectus or the respective category of Application form or notes and instruction or which are illegible will not be accepted.

The FULL amount payable is RM0.27 for each IPO Share.

Payment must be made out in favour of "**MIH SHARE ISSUE ACCOUNT NO 657**" and crossed "**A/C PAYEE ONLY**" and endorsed on the reverse side with your name and address.

Each completed Application Form, accompanied by the appropriate remittance and legible photocopy of the relevant documents may be submitted using one (1) of the following methods:

(i) despatch by **ORDINARY POST** in the official envelopes provided, to the following address:

MALAYSIAN ISSUING HOUSE SDN BHD
(Registration No. 199301003608 (258345-X))
11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13, 46200 Petaling Jaya
Selangor Darul Ehsan

OR

P.O. Box 00010
Pejabat Pos Jalan Sultan
46700 Petaling Jaya
Selangor Darul Ehsan

(ii) **DELIVER BY HAND AND DEPOSIT** in the drop-in boxes provided at the front portion of Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan,

so as to arrive not later than 5.00 p.m. on 5 December 2024 or such other time and date as our Directors and the Sole Underwriter may, in their absolute discretion, mutually decide as the date or time for closing.

We, together with the Issuing House, will not issue any acknowledgement of receipt of your Application Forms or Application monies. Please direct all enquiries in respect of the White Application Form to the Issuing House.

Please refer to the detailed procedures and terms and conditions of the Application Forms set out in the "**Detailed Procedures for Application and Acceptance**" accompanying the electronic copy of this Prospectus on the website of Bursa Securities or contact the Issuing House for further enquiries.

16.5 PROCEDURES FOR APPLICATION BY WAY OF ELECTRONIC SHARE APPLICATIONS

Only Malaysian individuals may apply for our IPO Shares offered to the Malaysian Public by way of Electronic Share Application.

Electronic Share Applications may be made through the ATM of the following Participating Financial Institutions and their branches, namely, Affin Bank Berhad, Alliance Bank Malaysia Berhad, AmBank (M) Berhad, CIMB Bank Berhad, Malayan Banking Berhad, Public Bank Berhad and RHB Bank Berhad. A processing fee will be charged by the respective Participating Financial Institutions (unless waived) for each Electronic Share Application.

The exact procedures, terms and conditions for Electronic Share Application are set out on the ATM screens of the relevant Participating Financial Institutions.

Please refer to the detailed procedures and terms and conditions of Electronic Share Application set out in the "**Detailed Procedures for Application and Acceptance**" accompanying the electronic copy of this Prospectus on the website of Bursa Securities or contact the relevant Participating Financial Institution for further enquiries.

16.6 PROCEDURES FOR APPLICATION BY WAY OF INTERNET SHARE APPLICATIONS

Only Malaysian individuals may use the Internet Share Application to apply for our IPO Shares offered to the Malaysian Public.

Internet Share Applications may be made through an internet financial services website of the Internet Participating Financial Institutions, namely, Affin Bank Berhad, Alliance Bank Malaysia Berhad, CGS International Securities Malaysia Sdn Bhd *(formerly known as CGS-CIMB Securities Sdn Bhd)*, Malacca Securities Sdn Bhd, Malayan Banking Berhad, Moomoo Securities Malaysia Sdn Bhd and Public Bank Berhad. A processing fee will be charged by the respective Internet Participating Financial Institutions (unless waived) for each Internet Share Application.

The exact procedures, terms and conditions for Internet Share Application are set out on the internet financial services website of the respective Internet Participating Financial Institutions.

Please refer to the detailed procedures and terms and conditions of Internet Share Application set out in the "**Detailed Procedures for Application and Acceptance**" accompanying the electronic copy of this Prospectus on the website of Bursa Securities or contact the relevant Internet Participating Financial Institution for further enquiries.

16.7 AUTHORITY OF OUR BOARD AND THE ISSUING HOUSE

The Issuing House, on the authority of our Board, reserves the right to:

(i) reject Applications which:

   (a) do not conform to the instructions of this Prospectus, Application Forms, Electronic Share Application and Internet Share Application (where applicable); or

   (b) are illegible, incomplete or inaccurate; or

   (c) are accompanied by an improperly drawn up, or improper form of, remittance; or

(ii) reject or accept any Application, in whole or in part, on a non-discriminatory basis without the need to give any reason; and

(iii) bank in all Application monies (including those from unsuccessful/ partially successful applicants) which would subsequently be refunded, where applicable (without interest), in accordance with Section 16.9 of this Prospectus.

If you are successful in your Application, our Board reserves the right to require you to appear in person at the registered office of the Issuing House at any time within 14 days of the date of the notice issued to you to ascertain that your Application is genuine and valid. Our Board shall not be responsible for any loss or non-receipt of the said notice nor shall it be accountable for any expenses incurred or to be incurred by you for the purpose of complying with this provision.

16.8 OVER / UNDER SUBSCRIPTION

In the event of over-subscription, the Issuing House will conduct a ballot in the manner approved by our Directors to determine the acceptance of Applications in a fair and equitable manner. In determining the manner of balloting, our Directors will consider the desirability of allotting and allocating our IPO Shares to a reasonable number of applicants for the purpose of broadening the shareholder base of our Company and establishing a liquid and adequate market for our Shares.

The basis and results of the allocation of Shares derived from successful balloting will be made available to the public at the Issuing House's website at www.mih.com.my within 1 Market Day after the balloting date.

As approved by Bursa Securities via its letters dated 12 August 2024 and 22 August 2024, we are required to have a minimum of 25.0% of our Company's enlarged issued Shares to be held by at least 200 public shareholders holding not less than 100 Shares each upon our Transfer of Listing. We expect to achieve this at the point of our Transfer of Listing. In the event the above requirement is not met, we may not be allowed to proceed with our Transfer of Listing. In the event thereof, monies paid in respect of all Applications will be returned in full (without interest).

In the event of an under-subscription of our IPO Shares by the Malaysian Public and/or Independent Directors of our Company, subject to the re-allocation as set out in Section 4.3.2 of this Prospectus, any of the abovementioned IPO Shares not applied for will then be subscribed by the Sole Underwriter based on the terms of the Underwriting Agreement.

16.9 UNSUCCESSFUL / PARTIALLY SUCCESSFUL APPLICANTS

If you are unsuccessful / partially successful in your Application, your Application monies (without interest) will be refunded to you in the following manner:

16.9.1 For Applications by way of Application Forms

(i) The Application monies or the balance of it, as the case may be, will be returned to you through the self-addressed and stamped Official "A" envelope you provided by ordinary post (for fully unsuccessful applications) or by crediting into your bank account (the same bank account you have provided to Bursa Depository for the purposes of cash dividend/distribution) or if you have not provided such bank account information to Bursa Depository, the balance of the Application monies will be refunded via banker's draft sent by ordinary/registered post to your last address maintained with Bursa Depository (for partially successful applications) within 10 Market Days from the date of the final ballot at your own risk.

(ii) If your Application is rejected because you did not provide a CDS Account number, your Application monies will be refunded via banker's draft sent by ordinary/registered post to your address as stated in the National Registration Identity Card or any official valid temporary identity document issued by the relevant authorities from time to time or the authority card (if you are a member of the armed forces or police) at your own risk.

(iii) A number of Applications will be reserved to replace any successfully balloted Applications that are subsequently rejected. The Application monies relating to these Applications which are subsequently rejected or unsuccessful or only partly successful will be refunded (without interest) by the Issuing House, as per items (i) and (ii) above (as the case may be).

(iv) The Issuing House, reserves the right to bank into its bank account all Application monies from unsuccessful applicants. These monies will be refunded (without interest) within 10 Market Days from the date of the final ballot by crediting into your bank account (the same bank account you have provided to Bursa Depository for the purposes of cash dividend/distribution) or by issuance of banker's draft sent by ordinary / registered post to your last address maintained with Bursa Depository if you have not provided such bank account information to Bursa Depository or as per item (ii) above (as the case may be).

16.9.2 For Applications by way of Electronic Share Application and Internet Share Application

(i) The Issuing House shall inform the Participating Financial Institutions or Internet Participating Financial Institutions of the unsuccessful or partially successful Applications within 2 Market Days after the balloting date. The full amount of the Application monies or the balance of it will be credited (without interest) into your account with the Participating Financial Institutions or Internet Participating Financial Institutions (or arranged with the Authorised Financial Institutions) within 2 Market Days after the receipt of confirmation from the Issuing House.

(ii) You may check your account on the 5th Market Day from the balloting date.

(iii) A number of Applications will be reserved to replace any successfully balloted Applications that are subsequently rejected. The Application monies relating to these Applications which are subsequently rejected will be refunded (without interest) by the Issuing House by crediting into your account with the Participating Financial Institution or Internet Participating Financial Institution (or arranged with the Authorised Financial Institutions) not later than 10 Market Days from the date of the final ballot. For Applications that are held in reserve and which are subsequently unsuccessful or partially successful, the relevant Participating Financial Institution will be informed of the unsuccessful or partially successful Applications within 2 Market Days after the final balloting date.

The Participating Financial Institution will credit the Application monies or any part thereof (without interest) within 2 Market Days after the receipt of confirmation from the Issuing House.

16.10 SUCCESSFUL APPLICANTS

If you are successful in your Application:

(i) our IPO Shares allotted to you will be credited into your CDS Account;

(ii) a notice of allotment will be despatched to you at your last address maintained with Bursa Depository, at your own risk, before our Transfer Listing. This is your only acknowledgement of acceptance of your Application;

(iii) in accordance with Section 14(1) of the SICDA, Bursa Securities has prescribed our Shares as Prescribed Securities. As such, the IPO Shares issued/offered through this Prospectus will be deposited directly with Bursa Depository and any dealings in these Shares will be carried out in accordance with the SICDA and Rules of Bursa Depository; and

(iv) in accordance with Section 29 of the SICDA, all dealings in our Shares will be by book entries through CDS Accounts. No physical share certificates will be issued to you and you shall not be entitled to withdraw any deposited securities held jointly with Bursa Depository or its nominee as long as our Shares are listed on Bursa Securities.

16.11 ENQUIRIES

Enquiries in respect of the Applications may be directed as follows:

Mode of Application	Parties to direct the enquiries
Application Form	Issuing House Enquiry Services Telephone at +603-7890 4700
Electronic Share Application	Participating Financial Institution
Internet Share Application	Internet Participating Financial Institutions and Authorised Financial Institution

The results of the allocation of IPO Shares derived from successful balloting will be made available to the public at the Issuing House's website at www.mih.com.my, **1 Market Day** after the balloting date.

You may also check the status of your Application at the above website, **5 Market Days** after the balloting date or by calling your respective ADA during office hours at the telephone number as stated in the list of ADAs set out in the "**Detailed Procedures for Application and Acceptance**" accompanying the electronic copy of our Prospectus on the website of Bursa Securities.

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