

9. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT

9.1 PROMOTERS AND SUBSTANTIAL SHAREHOLDERS

9.1.1 Profiles of our Promoters and substantial shareholders

(i) Lee Thiam Wah as our Promoter and substantial shareholder

Lee Thiam Wah, a Malaysian, is our Promoter and substantial shareholder. Details of his profile are set out in Section 9.2.1(ii) of this Prospectus. For details of Lee Thiam Wah's family relationship with our Directors and Key Senior Management, see Section 9.4 of this Prospectus.

(ii) Lee LYG Holdings as our Promoter and substantial shareholder

Lee LYG Holdings is our Promoter and substantial shareholder.

Lee LYG Holdings was incorporated in Malaysia under the Act on 16 May 2017 as a private limited company under the name of 99 IMall Sdn Bhd. Lee LYG Holdings changed its name to its present name on 14 December 2023.

Lee LYG Holdings is principally engaged in investment holdings and as at the LPD does not have any interest or shareholdings in any other corporations except for its shareholdings in our Company.

As at the LPD, the issued share capital of Lee LYG Holdings is RM2 comprising 2 ordinary shares.

Lee Thiam Wah is the sole director and shareholder of Lee LYG Holdings.

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9. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

9.1.2 Shareholding of our Promoters and substantial shareholders

The following table sets out the direct and indirect shareholdings of our Promoters and substantial shareholders before and after our IPO:

Name / Country of Incorporation / Nationality	Before our IPO ⁽¹⁾				After our IPO			
	Direct		Indirect		Assuming the Over-allotment Option is not exercised ⁽²⁾		Assuming the Over-allotment Option is fully exercised ⁽³⁾	
	No. of Shares ('000)	%	No. of Shares ('000)	%	Direct No. of Shares ('000)	Indirect No. of Shares ('000)	Direct No. of Shares ('000)	Indirect No. of Shares ('000)
Promoters and substantial shareholders								
Lee YG Holdings / Malaysia	4,325,999	54.1	-	-	4,325,999	51.5	-	-
Lee Thiam Wah / Malaysian	3,354,001	41.9	4,325,999	⁽⁴⁾ 54.1	2,367,121	28.2	4,325,999	⁽⁴⁾ 51.5
							2,161,489	4,325,999
							25.7	⁽⁴⁾ 51.5

Notes:

- (1) Based on our issued Shares of 8,000,000,000 Shares after the Subdivision.
- (2) Based on our enlarged issued Shares of 8,400,000,000 Shares upon our Listing and assuming full subscription of our Public Issue.
- (3) Assuming the Over-allotment Option of 214,200,000 Shares, representing 15.0% of the total number of IPO Shares offered, is fully exercised.
- (4) Deemed interested by virtue of his 100% shareholding in Lee YG Holdings, pursuant to Section 8(4) of the Act.

9. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(Cont'd)*

9.1.3 Changes in our Promoters, substantial shareholders' shareholdings in our Company since our incorporation

Save for the issuance of Shares to our Promoters and substantial shareholders pursuant to the acquisition of 99SM and 99EM by our Company and the Subdivision as detailed in Section 6.1.2 of this Prospectus, there has been no change in our Promoters and Substantial Shareholders' shareholdings in our Company since our incorporation.

9.2 BOARD OF DIRECTORS

Our Board acknowledges and takes cognisance of the MCCG which contains recommendations to improve upon or to enhance corporate governance as an integral part of the business activities and culture of such companies.

Our Board comprises at least 30% female Directors and a majority of independent directors. With that, our Board believes that our current Board composition provides the appropriate balance in terms of skills, knowledge and experience to promote the interests of all shareholders and to govern our Group effectively. Our Board is also committed to achieving and sustaining high standards of corporate governance.

Within the limits set by our Constitution, our Board is responsible for the governance and management of our Group. To ensure the effective discharge of its functions, our Board has set out the following key responsibilities in our board charter:

- (i) review and approve strategies, business plans and key policies for our Group, as well as assess and monitor the performance of the management personnel of our Company ("**Management**") in implementing them;
- (ii) set corporate values and clear lines of responsibility and accountability, including governance systems and processes that are communicated throughout our Group;
- (iii) ensure full compliance and to carry out the duties of our Board in accordance with all applicable laws, regulations and guidelines;
- (iv) ensure that there shall be unrestricted access to independent advice or expert advice at our Company's expense in furtherance of our Board's duties;
- (v) ensure that all members of our Board and our Management are of sufficient calibre, has the necessary skills and experience, and there is a proper and robust succession plan for our Management and our Board in place;
- (vi) review, challenge and decide on our Management's proposals for our Group, and monitor its implementation by our Management;
- (vii) ensure all directors are able to understand financial statements and form a view of the information presented, and ensure the integrity of our Group's financial and non-financial reporting;
- (viii) together with our Management, promote good corporate governance culture within our Group which reinforces ethical, prudent and professional behaviour; and

9. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(Cont'd)*

- (ix) ensure that our Group has in place procedures to enable effective, transparent and regular communication with stakeholders, including channels for stakeholders to provide their views and feedback including complaints, and such channel shall be available at all times and the Company shall acknowledge and address the stakeholders' views, feedback and complaints appropriately.

In addition, the roles and responsibilities of our Chairman and CEO are clearly segregated to further enhance and preserve a balance of authority and accountability. Our Chairman (and in the event that our Chairman is conflicted, our Senior Independent Director) is primarily responsible for, amongst others, the following:

- (i) leading our Board in its collective oversight of our Management so that our Board can perform its responsibilities effectively;
- (ii) representing our Board to the shareholders and to chair and to ensure the efficient organisation and conduct of our Board and/or meeting of our shareholders;
- (iii) setting the board agenda and ensuring the provision of accurate, timely, complete and clear information to our Directors as well as ensuring our Board Committee meetings are conducted separately from Board meetings;
- (iv) leading and chairing board meetings and discussions;
- (v) ensuring appropriate steps are taken to provide effective communication with our shareholders and relevant stakeholders and that their views are communicated to our Board as a whole;
- (vi) leading our board in setting the values and standards as well as the adoption and implementation of good corporate governance practices in our Group;
- (vii) ensuring that all Directors are enabled and encouraged to participate in Board meetings. This includes ensuring that all relevant issues are on the agenda that all Directors receive timely, relevant information tailored to their needs, that they are properly briefed on issues arising at Board meetings, and that adequate time is allocated for discussion of issues tabled to our Board for deliberation;
- (viii) maintaining a relationship of trust with and between the executive and non-executive Directors; and
- (ix) functioning as a facilitator at meetings of our Board to ensure that no member, whether executive or non-executive, dominates any discussion and that relevant discussions take place with the relevant opinions among members forthcoming.

On the other hand, our CEO is primarily responsible for the effective implementation of our Group's business plan and policies established by our Board as well as to manage the daily conduct of the business and affairs to ensure its smooth operations.

9. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(Cont'd)*

The details of the members of our Board and the details of the date of expiration of the current term of office for each of our Directors and the period that each of our Directors has served in that office as at the LPD are as follows:

Director	Designation	Age	Nationality	Date of appointment	Date of expiration of the current term of office at AGM	No. of years and months in office
Dato' Chua Tia Guan	Non-Independent Non-Executive Chairman	55	Malaysian	28 November 2023	Subject to retirement at the AGM in 2025	Less than 1 year
Lee Thiam Wah	Executive Director and CEO	60	Malaysian	15 May 2023	Subject to retirement at the AGM in 2025	1 year 2 months
Ng Lee Tieng	Non-Independent Non-Executive Director	45	Malaysian	6 June 2023	Subject to retirement at the AGM in 2025	1 year 1 month
Lee Lay Liang	Executive Director	48	Malaysian	28 November 2023	Subject to retirement at the AGM in 2026	Less than 1 year
Ho Tat Heng	Senior Independent Non-Executive Director	53	Malaysian	8 January 2024	Subject to retirement at the AGM in 2026	Less than 1 year
Nirmalah A/P V.Thurai	Independent Non-Executive Director	67	Malaysian	8 January 2024	Subject to retirement at the AGM in 2027	Less than 1 year
Serina Binti Abdul Samad	Independent Non-Executive Director	54	Malaysian	8 January 2024	Subject to retirement at the AGM in 2026	Less than 1 year
Dato' Abdul Latif Bin Abu Seman	Independent Non-Executive Director	63	Malaysian	8 January 2024	Subject to retirement at the AGM in 2027	Less than 1 year
Ting Seng Hook @ Ting Seng Hee	Independent Non-Executive Director	62	Malaysian	14 March 2024	Subject to retirement at the AGM in 2027	Less than 1 year
Lee Yan Zhong	Alternate Director to Lee Thiam Wah	23	Malaysian	28 November 2023	Nil	Less than 1 year
Leong Sau Chan	Alternate Director to Lee Lay Liang	46	Malaysian	28 November 2023	Nil	Less than 1 year

None of our Directors represent any corporate shareholder on our Board. For details on the associations and family relationships between our Promoters, substantial shareholders, Directors and Key Senior Management, see Section 9.4 of this Prospectus.

9. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(Cont'd)*

9.2.1 Profiles of our Directors

(i) Dato' Chua Tia Guan

Dato' Chua Tia Guan, a Malaysian aged 55, is our Non-Independent Non-Executive Chairman. He was appointed to our Board on 28 November 2023.

He graduated with a Bachelor of Accounting from the University of Malaya, Malaysia in 1993. He is also a member of the Malaysian Institute of Certified Public Accountants, the MIA as well as the Chartered Tax Institute of Malaysia (*formerly known as* Malaysian Institute of Taxation) since 1997.

He commenced his career in 1993 as a tax staff assistant with an international accounting firm, Arthur Andersen & Co. He rose through the ranks of Arthur Andersen & Co and was promoted to Manager of Tax and Financial Planning in 2000.

Through a merger of Arthur Andersen & Co and Ernst & Young in 2002, he joined Ernst & Young Tax Consultants Sdn Bhd as a senior manager, where he provided tax and financial planning services.

He left Ernst & Young Tax Consultants Sdn Bhd in 2003 and thereafter co-founded Asia Business Centre group, a boutique consulting outfit specialising in tax and financial consulting services, where apart from his designation as the Head of Tax & Financial Consulting, he is also a director and co-owner.

He was appointed as the Independent Non-Executive Chairman of the board of directors of Success Transformer Corporation Berhad, a public company listed on the Main Market of Bursa Securities, from 2016 until his cessation of office in 2020. He is also the Chairman of the Executive Committee of Newscape Capital, which is the ultimate holding company of Cosmo Restaurants and Burger King Singapore Pte Ltd, the holding company of the Burger King franchise in Malaysia and Singapore respectively, since 2015.

He currently sits on the board of several companies as disclosed in Section 9.2.3 of this Prospectus.

(ii) Lee Thiam Wah

Lee Thiam Wah, a Malaysian aged 60, is our Executive Director and CEO. He was appointed to our Board on 15 May 2023. He is the founder of our Group and has over 36 years of experience and expertise in the retail industry.

He completed an executive programme from the School of Professional and Continuing Education ("**SPACE**") known as Executive Master of Business Administration ("**MBA**") programme in collaboration with Southern University College, in 2023.

Lee Thiam Wah opened his first mini-market, "Pasar Raya Hiap Hoe" in 1987 as a sole proprietorship. In 1992, he disposed of "Pasar Raya Hiap Hoe" and set up a mini-market chain business under the sole proprietorship of Ninety Nine Market operating under the trade name of "Pasar Mini 99". By 1998, he had successfully expanded Ninety Nine Market's chain of mini-markets to 8 stores, all located in Klang, Selangor.

9. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(Cont'd)*

In 2000, he incorporated 99SM, which acquired all assets and assumed all liabilities of Ninety Nine Market in 2003 to realise his vision of building an integrated chain of mini-markets. Through 99SM, he led the expansion of “99 Speedmart” outlets in Peninsular Malaysia and by 2008, 99SM opened its 100th outlet. Thereafter in 2013, he founded 99EM as the vehicle for expanding our Group’s mini-market business in East Malaysia.

Under his stewardship, our Group has since expanded to become the largest mini-market chain in Malaysia. As CEO of our Group, he is responsible for the overall expansion of our Group as well as our corporate strategy planning and strategies on new product development to meet our customers’ expectations.

Lee Thiam Wah is widely regarded in the retail industry having been awarded, amongst others, the Outstanding Entrepreneur award in 2014 by the Chinese Chamber of Commerce and Industry Kuala Lumpur and Selangor and the Outstanding Entrepreneurship award 2014 by Asia Pacific Enterprise Asia. Being a prominent entrepreneur in our industry, he has also been featured across diverse publications, including news articles and educational textbooks, which highlight his achievements in overcoming adversity and developing a successful business.

Lee Thiam Wah has expanded his investments into, amongst others, the food and beverages sector in Malaysia and Singapore through his investments in the Burger King franchise in Malaysia and Singapore. He also has investments in U Stars Group which operates in Singapore.

He currently sits on the board of the Malaysian subsidiaries of our Group and several private limited companies as disclosed in Section 9.2.3 of this Prospectus.

(iii) **Ng Lee Tieng**

Ng Lee Tieng, a Malaysian aged 45, is our Non-Independent Non-Executive Director. She is also the wife of Lee Thiam Wah. She was appointed to our Board on 6 June 2023. She has more than 26 years of experience in the retail industry.

She completed an executive programme from SPACE known as Executive MBA programme in collaboration with Southern University College, in 2023.

She began her career in 1997 as a purchasing executive of Ninety Nine Market, i.e. Lee Thiam Wah’s sole proprietorship which operated several mini-markets under the name of “Pasar Mini 99” in Klang, Selangor. During this period, her responsibilities were focused on purchasing and costing-related matters, as well as managing relationship with suppliers. Her experience in the mini-market business provided her insights into the retail industry, which she later applied to her role as a director of 99SM in 2000.

Between 2000 and 2015, she was responsible for overseeing all aspects of human resources within our Group, including recruitment, payroll management, employee relations and was instrumental in building a dedicated team for our Group. She was also responsible for overseeing the operational and business development aspects of our Group in a complementary supporting role to Lee Thiam Wah, prior to the establishment of our Group’s various departments.

9. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

In 2015, Ng Lee Tieng and Lee Thiam Wah invested in the franchise business of Burger King in Malaysia and Singapore. She currently holds the position of CEO of Cosmo Restaurants and Burger King Singapore Pte Ltd, the holding companies of the Burger King franchise in Malaysia and Singapore respectively.

She currently sits on the board of the subsidiaries of our Group and several private limited companies as disclosed in Section 9.2.3 of this Prospectus.

(iv) Lee Lay Liang

Lee Lay Liang, a Malaysian aged 48, is our Executive Director and leads our payments division. She is also a member of our Key Senior Management and is the younger sister of Lee Thiam Wah. She was appointed to our Board on 28 November 2023. She has more than 29 years of experience in the retail industry.

Joining us in 1994, she has a long career with our Group, gradually rising through the ranks to assume her current leadership role. She completed an executive programme from SPACE known as Executive MBA programme in collaboration with Southern University College, in 2023.

She began her career when she first joined Ninety Nine Market (sole proprietorship of Lee Thiam Wah) in 1994 as an account executive. In 2000, she was appointed as an administrative executive of 99SM where her main responsibilities included overseeing the stock count processes, costing related matters, payment processing and payroll management. During this period, she assisted our Group in establishing our initial finance operations as our Group's financial reporting requirements became more demanding and complex due to our high pace of growth.

Throughout the years, she has been a key member of our management team, working with Lee Thiam Wah to support his plans to expand our business. Since 2018, she was appointed as a board member of our key operating subsidiaries, 99SM and 99EM, together with Lee Thiam Wah. She presently leads our payments division, working with and in coordination with our CFO in managing the payments to our Group's approximately 700 suppliers and vendors as well as oversees the payroll management for our Group's over 22,000 employees.

She currently sits on several private limited companies as disclosed in Section 9.2.3 of this Prospectus.

(v) Ho Tat Heng

Ho Tat Heng, a Malaysian aged 53, is our Senior Independent Non-Executive Director. He was appointed to our Board on 8 January 2024.

He obtained a Diploma in Commerce (Financial Accounting) with Distinction from Tunku Abdul Rahman College, Kuala Lumpur in 1995. He was admitted as a member of the ACCA since 2000 and as a Fellow in 2005.

9. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(Cont'd)*

He commenced his career at CIMB in 1996 as an Executive in the Corporate Finance department and rose up the ranks to Manager in 2000 and subsequently to Senior Manager in 2002. He remained with CIMB for the next 14 years until 2016 where he has held various key positions including Associate Director, Director, Head and Managing Director of the Corporate Finance department of CIMB.

He resigned from CIMB in 2016 and joined ZJ Advisory Sdn Bhd, a corporate advisory firm, where he was an executive director until his resignation in 2018. He has since become a freelance consultant under his own company, FHL Consultancy Sdn Bhd, providing consultancy services.

He is presently an independent director of JCY International Berhad, a company listed on the Main Market of Bursa Securities, and currently sits on the board of another private limited company as disclosed in Section 9.2.3 of this Prospectus.

(vi) **Nirmalah A/P V.Thurai**

Nirmalah A/P V.Thurai, a Malaysian aged 67, is our Independent Non-Executive Director. She was appointed to our Board on 8 January 2024.

She obtained a Bachelor of Arts (Honours) in Mass Communication from Universiti Sains Malaysia in 1978.

She commenced her career in 1979 as a research officer at Sahabat Alam Malaysia, a non-governmental organisation. She joined Institut Teknologi MARA (the predecessor of Universiti Teknologi MARA) as a lecturer in 1980 until 1981.

She then began her career spanning 39 years within the Nestle group of companies. Between 1981 and 2004, save for 2 years between 1987 and 1988 with Nestle UK Ltd, she served at Nestle, starting as a Market Research Executive. She rose through the ranks at Nestle with the management of various portfolios including, Head of Market Research, Senior Brand Manager for Nescafe and Marketing Manager for Nestle Professional as well as Business Manager for Chilled Dairy business unit of Nestle (Malaysia) Berhad ("**Nestle Malaysia**").

Between 2005 and 2017, she held the position of Country Business Manager of Cereal Partners Worldwide S.A., a joint venture between Nestle S.A. and General Mills, Inc, where she was tasked with managing the operations of Cereal Partners Worldwide S.A. in Malaysia, Singapore and Brunei. During this period, she was also appointed as a Director of Cereal Partners (Malaysia) Sdn Bhd, an affiliate of Nestle Malaysia.

Between 2014 and 2020, she was a member of Nestle Malaysia's Executive Leadership Team, where she contributed to corporate level strategic planning and change management initiatives. She was promoted to Executive Director of Group Corporate Affairs in 2017, with the additional role of leading the Corporate Nutrition and Consumer Engagement services for Nestle Malaysia since 2019. She retired in 2020.

Since her retirement, she has been providing training services in business solutions, business turnaround and management, crisis management, marketing and communication at ECI HR Solutions Sdn Bhd. She has also been a business coach for Asia School of Business since 2021.

9. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(Cont'd)*

(vii) **Serina Binti Abdul Samad**

Serina Binti Abdul Samad, a Malaysian aged 54, is our Independent Non-Executive Director. She was appointed to our Board on 8 January 2024.

She graduated with a Bachelor of Laws (Hons) from Coventry University, England in 1992. She was called to the Bar of England and Wales and is a member of Lincoln's Inn, England, since 1993. She has been an advocate and solicitor of the High Court of Malaya and member of the Malaysian Bar since 1994. She obtained a Masters in Counselling from HELP University, Malaysia in 2013.

She commenced her career in 1995 as a legal associate at KM Chye & Partners, where she was involved in the area of capital and debt markets. She left KM Chye & Partners in 1999 and joined Hisham, Sobri & Kadir, also as a legal associate, where she practiced in various corporate and commercial matters.

Thereafter, she left Hisham, Sobri & Kadir in 2000 and has since co-founded the law firm, Azmi & Associates, where she oversaw the firm's practice as a co-deputy managing partner and headed the Capital and Debt Markets Practice Group. She was also responsible for the development of the Mergers and Acquisitions Practice Group. She has extensive experience in the fields of corporate finance, capital markets as well as mergers and acquisitions.

She is presently an independent director of Etiqa General Insurance Berhad and sits on the board of another private limited company as disclosed in Section 9.2.3 of this Prospectus.

(viii) **Dato' Abdul Latif Bin Abu Seman**

Dato' Abdul Latif Bin Abu Seman, a Malaysian aged 63, is our Independent Non-Executive Director. He was appointed to our Board on 8 January 2024.

He graduated with a Bachelor of Economics from University of Malaya, Malaysia in 1984 and obtained a Master in Policy Analysis from Saitama University, Japan in 1994.

He had a career spanning 39 years with Malaysia Productivity Corporation ("**MPC**"), a body corporate incorporated pursuant to the Malaysia Productivity Corporation (Incorporation) Act 1966, where he joined in 1984 as a consultant. He was transferred to MPC, Johor in 1985 and further transferred to MPC, Sabah in 1986 as an Assistant Regional Head. In 1991, he was promoted to a Senior Consultant of the Management Development Division of MPC, Petaling Jaya.

He took a break to further his studies from 1992 to 1994, whereby he obtained his Master in Policy Analysis. He returned to MPC, Petaling Jaya in 1995 as a Senior Consultant of the Policy Research Division. From 1995 until 2019, he rose through the ranks and has held various positions such as Manager of the Best Practices Division in 2000, Director of the Promotion and Joint Venture Division in 2002, Director of MPC, Sarawak in 2005, and Deputy Director General in 2010.

He was promoted to Director General of MPC in 2019, a role he held until his retirement in 2023.

9. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(Cont'd)*

(ix) Ting Seng Hook @ Ting Seng Hee

Ting Seng Hook @ Ting Seng Hee, a Malaysian aged 62, is our Independent Non-Executive Director. He was appointed to our Board on 14 March 2024.

He obtained a Graduate Diploma in Marketing from the Chartered Institute of Marketing, United Kingdom in 1994. He was also admitted as a member of the Chartered Institute of Marketing in 2001.

In 1992, he began his 28-year career with A. Clouet (Malaysia) Sdn Bhd (formerly known as A. Clouet & Co., (KL) Sdn Bhd) (“**ACKL**”), a company distributing canned foods under the brand name “Ayam Brand”, as a sales executive. He was promoted to National Sales Manager in 1995, where he was tasked with overseeing the sales operation of ACKL in Malaysia.

Thereafter, he rose through the ranks within ACKL. In 2001, he was promoted to General Manager, where he reported directly to the managing director of ACKL and was responsible for managing the entire financial budget of ACKL. He was subsequently promoted to Managing Director in 2010, where he oversaw the entire operations of ACKL.

In 2016, he assumed the position of Group CEO and in addition to his designation as Managing Director of ACKL, he was also responsible for managing the business activities of Denis Asia Pacific Private Limited, the holding company of ACKL, in Malaysia, Vietnam, Singapore, Australia, Indonesia and Brunei until his retirement in 2020.

Since his retirement, he has provided personal business management coaching on a part time basis. He currently sits on the board of a private limited company as disclosed in Section 9.2.3 of this Prospectus.

(x) Lee Yan Zhong

Lee Yan Zhong, a Malaysian aged 23, is an Alternate Director to Lee Thiam Wah. He is the son of Lee Thiam Wah and Ng Lee Tieng. He was appointed as Alternate Director to Lee Thiam Wah on 28 November 2023.

In 2022, he graduated with a Bachelor of Science in Philosophy, Politics and Economics from King’s College London, England.

He then joined 99SM as an Optimisation Research Officer and was subsequently redesignated to Optimisation & Sustainability Officer in 2023, where he is responsible for optimising our Group’s processes and enhancing inter-departmental functions, as well as analysing and implementing sustainability measures into our Group’s operations.

He currently sits on the board of several private limited companies as disclosed in Section 9.2.3 of this Prospectus.

9. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

(xi) Leong Sau Chan

Leong Sau Chan, a Malaysian aged 46, is an Alternate Director to Lee Lay Liang and Director of Business Development. She was appointed as Alternate Director to Lee Lay Liang on 28 November 2023 and is also a member of our Key Senior Management. She has over 23 years of experience in the retail industry.

She obtained a Bachelor of Arts in International Business Administration from the University of Northumbria at Newcastle, England, in 2000.

She joined 99SM in 2000 as an Assistant Manager, where she was involved in various operational matters, including day-to-day operations of the outlets such as ordering and receipt of goods, the setting up of new outlets, as well as assisting with administrative work including, amongst others, preparation of daily reports and recruitment of employees.

In 2007, she was promoted to Manager of Business Development and her duties were streamlined to focus more on the expansion of our outlets. She was also responsible for the overall licensing of all our outlets in Peninsular Malaysia, registration of our Group's trademarks and involved in matters related to land acquisition.

She assumed her current position as Director of Business Development in 2016, where in addition to her existing responsibilities, she leads the Business Development team in identifying business and potential growth opportunities as well as analysing, identifying and implementing outlet expansion strategies.

She currently sits on the board of a subsidiary of our Group and several private limited companies as disclosed in Section 9.2.3 of this Prospectus.

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9. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

9.2.2 Shareholding of our Directors

The following table sets out the direct and indirect shareholdings of our Directors before and after our IPO (assuming full subscription of our IPO Shares allocated to the Eligible Persons):

Director	Before our IPO ⁽¹⁾						After our IPO					
	Direct			Indirect			Assuming the Over-allotment Option is not exercised ⁽²⁾			Assuming the Over-allotment Option is fully exercised ⁽³⁾		
	No. of Shares ('000)	%	No. of Shares ('000)	%	No. of Shares ('000)	%	Direct	Indirect	Direct	Indirect	Direct	Indirect
Dato' Chua Tia Guan	-	-	-	-	500	*	-	-	-	-	500	-
Lee Thiam Wah	3,354,001	41.9	4,325,999	⁽⁴⁾ 54.1	2,367,121	28.2	4,325,999	⁽⁴⁾ 51.5	2,161,489	25.7	4,325,999	⁽⁴⁾ 51.5
Ng Lee Tieng	320,000	4.0	-	-	278,880	3.3	-	-	270,312	3.2	-	-
Lee Lay Liang	-	-	-	-	500	*	-	-	500	*	-	-
Ho Tat Heng	-	-	-	-	200	*	-	-	200	*	-	-
Nirmalah A/P V.Thurai	-	-	-	-	200	*	-	-	200	*	-	-
Serina Binti Abdul Samad	-	-	-	-	200	*	-	-	200	*	-	-
Dato' Abdul Latif Bin Abu Seman	-	-	-	-	200	*	-	-	200	*	-	-
Ting Seng Hook @ Ting Seng Hee	-	-	-	-	200	*	-	-	200	*	-	-
Lee Yan Zhong	-	-	-	-	500	*	-	-	500	*	-	-
Leong Sau Chan	-	-	-	-	500	*	-	-	500	*	-	-

Notes:

* Negligible.

(1) Based on our issued Shares of 8,000,000,000 Shares after the Subdivision.

(2) Based on our enlarged issued Shares of 8,400,000,000 upon our Listing and assuming full subscription of the Issue Shares as allocated to our Directors under the allocation for Eligible Persons.

(3) Assuming an Over-allotment Option of 214,200,000 Shares, representing 15.0% of the total number of IPO Shares offered, is fully exercised.

(4) Deemed interested by virtue of his 100% shareholding in Lee YG Holdings, pursuant to Section 8(4) of the Act.

9. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(Cont'd)*

9.2.3 Principal directorship and principal business activities of our Directors outside our Group in the past 5 years

The directorships of our Directors outside of our Group as at the LPD and in the past 5 years preceding the LPD, as well as their involvement in principal business activities outside our Group as at the LPD are as follows:

<u>Name of company/entity</u>	<u>Principal activities</u>	<u>Involvement in business activities</u>
Dato' Chua Tia Guan		
<ul style="list-style-type: none"> Asia Business Advisory Sdn Bhd 	<ul style="list-style-type: none"> Provision of business and tax advisory services 	<ul style="list-style-type: none"> Director (<i>Appointed on 31 May 2016</i>) and substantial shareholder (direct)
<ul style="list-style-type: none"> Asia Business Wealth Management Sdn Bhd 	<ul style="list-style-type: none"> Provision of family wealth and business succession planning and consulting services 	<ul style="list-style-type: none"> Director (<i>Appointed on 12 June 2004</i>) and substantial shareholder (direct)
<ul style="list-style-type: none"> Infinite Qi Gong Sdn Bhd 	<ul style="list-style-type: none"> Self-healing qigong classes, workshop and seminars to corporations and individuals and trading in qigong-related merchandise 	<ul style="list-style-type: none"> Substantial shareholder (direct)
<ul style="list-style-type: none"> Success Transformer Corporation Berhad (<i>listed on the Main Market of Bursa Securities</i>) 	<ul style="list-style-type: none"> Investment holding company for property and companies primarily engaged in design, manufacturing and distribution of electrical apparatus and industrial lighting 	<ul style="list-style-type: none"> Director (<i>Appointed on 22 April 2016 and resigned on 29 June 2020</i>)
<ul style="list-style-type: none"> Forum Motivasi PLT 	<ul style="list-style-type: none"> Provision of personal development/ motivational course and financial consultancy services 	<ul style="list-style-type: none"> Partner
<ul style="list-style-type: none"> Velodrom Harmoni PLT 	<ul style="list-style-type: none"> Provision of sports instruction and business management consultancy services 	<ul style="list-style-type: none"> Partner
Lee Thiam Wah		
<ul style="list-style-type: none"> 24 Speed Mart Sdn Bhd 	<ul style="list-style-type: none"> Mini-market (<i>dissolved on 18 November 2022</i>) 	<ul style="list-style-type: none"> Director (<i>Appointed on 12 May 2017</i>) and substantial shareholder (direct)
<ul style="list-style-type: none"> Acquis Sdn Bhd 	<ul style="list-style-type: none"> Activities of holding companies; manufacture of electricity distribution and control apparatus 	<ul style="list-style-type: none"> Director (<i>Appointed on 17 October 2022</i>) and substantial shareholder (indirect)
<ul style="list-style-type: none"> Burger King Singapore Pte Ltd 	<ul style="list-style-type: none"> Operation of company-operated Burger King restaurants, training of franchises; fast food outlets 	<ul style="list-style-type: none"> Director (<i>Appointed on 18 August 2015</i>) and substantial shareholder (indirect)
<ul style="list-style-type: none"> Careon Pharmacy 	<ul style="list-style-type: none"> Wholesale of pharmaceutical and medical goods; other human health services 	<ul style="list-style-type: none"> Director (<i>Appointed on 15 September 2020</i>) and substantial shareholder (direct)
<ul style="list-style-type: none"> Cleanwave 	<ul style="list-style-type: none"> Transportation, logistics, trading, manufacturing, distributing, import and export, warehousing, sales and marketing of all kinds of household and hygiene care products, cleaning products, cosmetics and personal care products 	<ul style="list-style-type: none"> Director (<i>Appointed on 5 July 2018</i>) and substantial shareholder (indirect)

9. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(Cont'd)*

Name of company/entity	Principal activities	Involvement in business activities
• Cosmo Restaurants	• Developing, operating, promoting and/or managing Burger King restaurants	• Director (<i>Appointed on 18 August 2015</i>) and substantial shareholder (indirect)
• Global Success	• Investment holding company which invests in quoted and unquoted shares	• Director (<i>Appointed on 22 November 2016</i>) and substantial shareholder (direct)
• J&C Pacific	• Providing total communications services, solutions and products	• Director (<i>Appointed on 11 May 2022</i>) and substantial shareholder (indirect)
• Lee Intellectual Properties	• To engage in the business of registration and commercial exploitation of intellectual property rights	• Director (<i>Appointed on 19 July 2011</i>) and substantial shareholder (direct)
• Lee LYG Holdings	• Investment holding company investing in quoted and unquoted shares	• Director (<i>Appointed on 16 May 2017</i>) and substantial shareholder (direct)
• Lee International Retail Holdings	• Investment holding company of the U Stars Group	• Director (<i>Appointed on 13 May 2022</i>) and substantial shareholder (direct)
• Lovely Century	• Renting out its properties to derive rental income	• Director (<i>Appointed on 9 January 1995</i>) and substantial shareholder (direct)
• MCI Food Industries Sdn Bhd	• Fast-food restaurant (<i>dissolved on 18 November 2022</i>)	• Director (<i>Appointed on 2 August 2018</i>) and substantial shareholder (direct)
• Multihexa	• Wholesale of a variety of goods without any particular specialisation	• Director (<i>Appointed on 9 January 2023</i>) and substantial shareholder (indirect)
• Nasi Lemak Gempak	• Restaurants	• Director (<i>Appointed on 1 March 2019</i>) and substantial shareholder (direct)
• Nature Century	• Property developer	• Director (<i>Appointed on 15 March 2017</i>) and substantial shareholder (direct)
• Newscape Capital	• Investment holding company of Rancak Selera	• Director (<i>Appointed on 27 May 2015</i>) and substantial shareholder (direct)
• Octo Asia	• Wholesale of a variety of goods without any particular specialisation	• Director (<i>Appointed on 9 May 2019</i>) and substantial shareholder (indirect)
• Radiant Globaltech (<i>listed on the Main Market of Bursa Securities</i>)	• Retail technology software solutions; investment holding company holding shares in companies principally involved in the business of retail technology solutions	• Substantial shareholder (indirect)
• Rancak Selera	• Investment holding company of Cosmo Restaurants and Burger King Singapore Pte Ltd	• Director (<i>Appointed on 18 August 2015</i>) and substantial shareholder (indirect)

9. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(Cont'd)*

Name of company/entity	Principal activities	Involvement in business activities
• Subang Excel	• Wholesale and retail of pharmaceutical products, chemists and druggists and of the dispensing of medicines	• Director (<i>Appointed on 15 September 2020</i>) and substantial shareholder (direct)
• The Bakery Depot Pte Ltd	• Manufacture of bread, cakes and confectionery (excluding frozen bakery products)	• Substantial shareholder (indirect)
• U-Market Pte Ltd (<i>formerly known as 99 Speed Mart (Singapore) Pte Ltd</i>)	• Mini-marts, convenience stores and provision shops	• Director (<i>Appointed on 10 July 2019</i>) and substantial shareholder (direct)
• U Stars Food	• Wholesale trade of a variety of goods without a dominant product; warehousing, packing and distribution of groceries, food and beverages products; other holding companies	• Director (<i>Appointed on 3 April 2023</i>) and substantial shareholder (indirect)
• U Stars	• Supermarkets and hypermarkets; mini-marts, convenience stores and provision shops	• Director (<i>Appointed on 3 April 2023</i>) and substantial shareholder (indirect)
• U Stars Supermarket	• Supermarkets and hypermarkets; mini-marts, convenience stores and provision shops	• Director (<i>Appointed on 3 April 2023</i>) and substantial shareholder (indirect)
• Venus Gateway	• Investments in property and the holding company of Cleanwave, Multihexa and Octo Asia	• Director (<i>Appointed on 12 March 1998</i>) and substantial shareholder (direct)
Ng Lee Tieng		
• Burger King Singapore Pte Ltd	• Operation of company-operated Burger King restaurants, training of franchises; fast food outlets	• Director (<i>Appointed on 18 August 2015</i>) and substantial shareholder (indirect)
• Cosmo Restaurants	• Developing, operating, promoting and/or managing Burger King restaurants	• Director (<i>Appointed on 18 August 2015</i>) and substantial shareholder (indirect)
• Global Success	• Investment holding company which invests in quoted and unquoted shares	• Director (<i>Appointed on 22 November 2016</i>)
• J&C Pacific	• Providing total communications services, solutions and products	• Director (<i>Appointed on 11 May 2022</i>)
• Lee Intellectual Properties	• To engage in the business of registration and commercial exploitation of intellectual property rights	• Director (<i>Appointed on 19 July 2011</i>) and substantial shareholder (direct)
• Lee International Retail Holdings	• Investment holding company of the U Stars Group	• Director (<i>Appointed on 13 May 2022</i>) and substantial shareholder (direct)
• Lovely Century	• Renting out its properties to derive rental income	• Director (<i>Appointed on 26 April 2004</i>)
• Nature Century	• Property developer	• Director (<i>Appointed on 3 July 2020</i>)

9. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

Name of company/entity	Principal activities	Involvement in business activities
<ul style="list-style-type: none"> Newscape Capital 	<ul style="list-style-type: none"> Investment holding company of Rancak Selera 	<ul style="list-style-type: none"> Director (<i>Appointed on 27 May 2015</i>) and substantial shareholder (direct)
<ul style="list-style-type: none"> Rancak Selera 	<ul style="list-style-type: none"> Investment holding company of Cosmo Restaurants and Burger King Singapore Pte Ltd 	<ul style="list-style-type: none"> Director (<i>Appointed on 18 August 2015</i>) and substantial shareholder (indirect)
<ul style="list-style-type: none"> Subang Excel 	<ul style="list-style-type: none"> Wholesale and retail of pharmaceutical products, chemists and druggists and of the dispensing of medicines 	<ul style="list-style-type: none"> Director (<i>Appointed on 15 September 2020</i>)
<ul style="list-style-type: none"> The Bakery Depot Pte Ltd 	<ul style="list-style-type: none"> Manufacture of bread, cakes and confectionery (excluding frozen bakery products) 	<ul style="list-style-type: none"> Substantial shareholder (indirect)
<ul style="list-style-type: none"> Venus Gateway 	<ul style="list-style-type: none"> Investment in property and the holding company holding shares in Cleanwave, Multihexa and Octo Asia 	<ul style="list-style-type: none"> Director (<i>Appointed on 26 April 2004</i>)
Lee Lay Liang		
<ul style="list-style-type: none"> Family Network 	<ul style="list-style-type: none"> Renting out of properties to derive rental income 	<ul style="list-style-type: none"> Director (<i>Appointed on 12 January 2015</i>) and substantial shareholder (direct)
<ul style="list-style-type: none"> Venus Gateway 	<ul style="list-style-type: none"> Investments in property and the holding company of Cleanwave, Multihexa and Octo Asia 	<ul style="list-style-type: none"> Director (<i>Appointed on 30 November 2021 and resigned on 11 October 2022</i>)
Ho Tat Heng		
<ul style="list-style-type: none"> FHL Consultancy Sdn Bhd 	<ul style="list-style-type: none"> Provider of consultancy services 	<ul style="list-style-type: none"> Director (<i>Appointed on 27 March 2019</i>) and substantial shareholder (direct)
<ul style="list-style-type: none"> JCY International Berhad (listed on the Main Market of Bursa Securities) 	<ul style="list-style-type: none"> Investment holding company in companies principally involved in the manufacturing of precision components, sub-assembly, design and development of hard disk drives (HDD) 	<ul style="list-style-type: none"> Director (<i>Appointed on 31 May 2023</i>)
<ul style="list-style-type: none"> Supersho (M) Sdn Bhd 	<ul style="list-style-type: none"> Dealer in printing products 	<ul style="list-style-type: none"> Substantial shareholder (direct)
Serina Binti Abdul Samad		
<ul style="list-style-type: none"> Azmi & Associates 	<ul style="list-style-type: none"> Legal firm 	<ul style="list-style-type: none"> Partner
<ul style="list-style-type: none"> Etiqa General Insurance Berhad (a subsidiary of Malayan Banking Berhad, a company listed on the Main Market of Bursa Securities) 	<ul style="list-style-type: none"> Underwriting of general insurance 	<ul style="list-style-type: none"> Director (<i>Appointed on 2 December 2019</i>)
<ul style="list-style-type: none"> Oryx Stainless Malaysia Sdn Bhd 	<ul style="list-style-type: none"> Involved in the purchasing, processing and sales of stainless steel scrap and trade of any raw material related to the production of stainless steel/steel or other metal and alloys 	<ul style="list-style-type: none"> Director (<i>Appointed on 29 August 2011 and resigned on 20 November 2023</i>)

9. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(Cont'd)*

<u>Name of company/entity</u>	<u>Principal activities</u>	<u>Involvement in business activities</u>
<ul style="list-style-type: none"> UTM Holdings Sdn Bhd 	<ul style="list-style-type: none"> General trading and services, hospitality services, project management, renting out premises owned by Universiti Teknologi Malaysia 	<ul style="list-style-type: none"> Director (<i>Appointed on 22 March 2018</i>)
Dato' Abdul Latif Bin Abu Seman		
<ul style="list-style-type: none"> Pembangunan Sumber Manusia Berhad 	<ul style="list-style-type: none"> The imposition and collection of human resources development levy for the purpose of promoting the training and development of employees, apprentices and trainees and the establishment and administration of human resources development fund as set out in the Pembangunan Sumber Manusia Berhad Act 2001 	<ul style="list-style-type: none"> Director (<i>Appointed on 26 April 2021 and resigned on 25 April 2023</i>)
Ting Seng Hook @ Ting Seng Hee		
<ul style="list-style-type: none"> A. Clouet (Malaysia) Sdn Bhd 	<ul style="list-style-type: none"> Distribution of canned fish and other foodstuff 	<ul style="list-style-type: none"> Director (<i>Appointed on 1 June 2006 and resigned on 31 December 2020</i>)
<ul style="list-style-type: none"> Denis Distribution of Malaysia Sdn Bhd 	<ul style="list-style-type: none"> Other business support services activities, retail sale of any kind of product over the internet 	<ul style="list-style-type: none"> Director (<i>Appointed on 8 October 2014 and resigned on 31 December 2020</i>)
<ul style="list-style-type: none"> Guinea Foods Sdn Bhd 	<ul style="list-style-type: none"> Manufacture and sale of canned food 	<ul style="list-style-type: none"> Director (<i>Appointed on 15 May 2008 and resigned on 31 December 2020</i>)
<ul style="list-style-type: none"> Linaco Manufacturing (M) Sdn Bhd 	<ul style="list-style-type: none"> Manufacturing of coconut related products and UHT (ultra high temperature) drinking water products 	<ul style="list-style-type: none"> Director (<i>Appointed on 6 June 2007 and resigned on 30 June 2022</i>)
<ul style="list-style-type: none"> Linaco Specialty Industries Sdn Bhd 	<ul style="list-style-type: none"> Manufacturing and sale of sauce and vinegar 	<ul style="list-style-type: none"> Director (<i>Appointed on 2 December 2019 and resigned on 25 March 2021</i>) and Alternate Director (<i>Appointed on 25 March 2021 and resigned on 1 July 2022</i>)
<ul style="list-style-type: none"> Mafipro Sdn Bhd 	<ul style="list-style-type: none"> Production and sale of canned seafood and other canned foodstuff 	<ul style="list-style-type: none"> Director (<i>Appointed on 22 April 2009 and resigned on 31 December 2020</i>)
<ul style="list-style-type: none"> SFI Food Sdn Bhd 	<ul style="list-style-type: none"> Quality assurance services and providing warehousing cum coldroom services and providing management services to related companies 	<ul style="list-style-type: none"> Director (<i>Appointed on 7 April 2016 and resigned on 31 December 2020</i>)
<ul style="list-style-type: none"> Summit Mission Sdn Bhd 	<ul style="list-style-type: none"> Letting of real properties 	<ul style="list-style-type: none"> Director (<i>Appointed on 10 April 1996</i>) and substantial shareholder (direct)
Lee Yan Zhong		
<ul style="list-style-type: none"> Max Bell 	<ul style="list-style-type: none"> Design, supply, install, maintenance, operation, training in solar system, power system and electrical system 	<ul style="list-style-type: none"> Director (<i>Appointed on 13 October 2022</i>) and substantial shareholder (indirect)
<ul style="list-style-type: none"> Acquis Sdn Bhd 	<ul style="list-style-type: none"> Activities of holding companies; manufacture of electricity distribution and control apparatus 	<ul style="list-style-type: none"> Director (<i>Appointed on 28 July 2022</i>) and substantial shareholder (direct)

9. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(Cont'd)*

<u>Name of company/entity</u>	<u>Principal activities</u>	<u>Involvement in business activities</u>
<ul style="list-style-type: none"> Foresyte Sdn Bhd 	<ul style="list-style-type: none"> Activities of holding companies and the holding company of Max Bell 	<ul style="list-style-type: none"> Director (<i>Appointed on 18 September 2023</i>) and substantial shareholder (direct)
Leong Sau Chan		
<ul style="list-style-type: none"> Family Network 	<ul style="list-style-type: none"> Investment in rental properties to derive rental income 	<ul style="list-style-type: none"> Director (<i>Appointed on 19 November 2021</i>) and substantial shareholder (direct)
<ul style="list-style-type: none"> Venus Gateway 	<ul style="list-style-type: none"> Investment in property and the holding company of Cleanwave, Multihexa and Octo Asia 	<ul style="list-style-type: none"> Director (<i>Appointed on 30 November 2021 and resigned on 11 October 2022</i>)

The involvement of our Directors in those business activities outside our Group will not affect their commitment and responsibilities to our Group in their respective roles as our Directors.

9.2.4 Service contracts with our Directors

As at the date of this Prospectus, there are no existing or proposed service contracts between our Directors and us which provide for benefits upon termination of employment.

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9. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

9.2.5 Directors' remuneration and material benefits in-kind

The remuneration and material benefits in-kind (including any contingent or deferred remuneration) paid or proposed to be paid to our Directors for services rendered to us in all capacities to our Group for the FYE 2023 and FYE 2024 are as follows:

FYE 2023 (paid)	Salary (RM'000)	Directors' fees (RM'000)	Bonus (RM'000)	Contributions to EPF, SOCSO and EIS (RM'000)	Allowances (RM'000)	Benefits-in- kind (RM'000)	Total (RM'000)
Dato' Chua Tia Guan	-	13	-	-	-	-	13
Lee Thiam Wah	-	1,500	-	-	140	28	1,668
Lee Lay Liang	170	-	52	33	41	4	300
Leong Sau Chan	170	-	48	33	43	4	298
Lee Yan Zhong	80	-	16	14	8	-	118
Ng Lee Tieng	-	300	150	18	-	-	468
Ho Tat Heng	-	-	-	-	-	-	-
Nirmalah A/P V. Thurai	-	-	-	-	-	-	-
Serina Binti Abdul Samad	-	-	-	-	-	-	-
Dato' Abdul Latif Bin Abu Seman	-	-	-	-	-	-	-
Ting Seng Hook @ Ting Seng Hee	-	-	-	-	-	-	-

9. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

	Salary (RM'000)	Director's fees (RM'000)	Bonus (RM'000)	Contributions to		Benefits-in- kind (RM'000)	Total (RM'000)
				EPF, SOCSO and EIS (RM'000)	Allowances (RM'000)		
FYE 2024 (Proposed)							
Dato' Chua Tia Guan	-	160	-	-	15	-	175
Lee Thiam Wah	1,080	-	360	87	140	28	1,695
Lee Lay Liang	192	-	56	35	36	9	328
Leong Sau Chan	192	-	52	35	36	9	324
Lee Yan Zhong	106	-	18	19	24	7	174
Ng Lee Tieng	-	120	-	-	13	-	133
Ho Tat Heng	-	99	-	-	13	-	112
Nirmalah A/P V. Thurai	-	90	-	-	13	-	103
Serina Binti Abdul Samad	-	90	-	-	13	-	103
Dato' Abdul Latif Bin Abu Seman	-	90	-	-	13	-	103
Ting Seng Hook @ Ting Seng Hee	-	75	-	-	10	-	85

The remuneration of our Directors, which includes Directors' fees, bonus and such other allowances as well as other benefits, must be considered and recommended by our Nomination and Remuneration Committee and subsequently approved by our Board. Our Directors' fees must be further approved or endorsed by our shareholders at a general meeting.

9. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(Cont'd)*

9.2.6 Audit Committee

Our Audit Committee was formed by our Board on 15 February 2024. Our Audit Committee currently comprises the following members, all of whom are Independent Non-Executive Directors:

Name	Designation	Directorship
Ho Tat Heng	Chairman	Senior Independent Non-Executive Director
Serina Binti Abdul Samad	Member	Independent Non-Executive Director
Dato' Abdul Latif Bin Abu Seman	Member	Independent Non-Executive Director

Our Audit Committee undertakes, amongst others, the following functions:

(i) External Audit

To review and highlight and/or report to our Board, amongst others, the following:

- (a) the external audit plan, nature, scope and plan with external auditors and ensure co-ordination where more than one audit firm is involved;
- (b) any significant audit findings, reservations, difficulties encountered or material weaknesses reported by the external auditors and Management's response;
- (c) the external audit report, external evaluation of the internal controls system and management letters with external auditors;
- (d) the annual evaluation of the performance of the external auditors, including the suitability, objectivity and independence of the external auditors;
- (e) the written assurance from the external auditors confirming their independence in the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements;
- (f) the non-audit services provided by the external auditors and/or its network firms to our Company or the financial year; and
- (g) the nomination for the appointment or re-appointment of the external auditors.

(ii) Internal Audit

- (a) to review and highlight and/or report to our Board, the following:
 - the adequacy of the scopes, budget, functions, competency and resources of the internal audit function, and that it has the necessary authority to carry out its work; and
 - the internal audit plan, processes, the results of the internal audit assessments, its scope, implementation plan and provide appropriate guidance to ensure its effectiveness as well as investigation undertaken and whether or not the appropriate and prompt action is taken by management on the recommendations;
- (b) ensure that the internal audit function is effective, carried out objectively and is able to function independently;

9. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(Cont'd)*

- (c) approve any appointments or terminations of the internal audit service provider or senior staff members of the internal audit function, namely the head of internal audit and his/her deputy, if any;
- (d) prepare reports, at least annually, to our Board summarising the work of the internal audit function performed in fulfilling the committee's responsibilities, functions and duties for the financial year including details of relevant training attended by the committee; and
- (e) review the adequacy and effectiveness of internal control systems, including management information systems and the internal auditors' and/or external auditors' assessment of these systems and policies.

(iii) Related Party Transactions and Conflict of Interest Situations

- (a) review and report to our Board any related party transaction and conflict of interest situation that arose, persist or may arise within our Company or Group;
- (b) ensure that our Group has adequate procedures and processes in place to evaluate, approve, monitor, track and report related party transactions and to review the adequacy of these processes; and
- (c) review and report to our Board the propriety of any related party transactions entered into by our Group including the review and monitoring of recurrent related party transactions.

(iv) Whistleblowing, Fraud, and Anti-Bribery & Corruption

- (a) review and approve policies and procedures on whistleblowing established to address allegations raised by whistle-blowers, to ensure independent investigation is conducted and follow-up action is taken and highlighted to the committee;
- (b) review and approve our Group's policies and procedures for detecting fraud and anti-bribery and corruption;
- (c) review the effectiveness of anti-fraud and anti-bribery and corruption measures taken; and
- (d) ensure that the bribery and corruption risk is included in its annual risk assessment of our Group.

(v) Financial Reporting

- (a) review the quarterly and year-end financial statements of our Company before reporting the statements to our Board approving the same, focusing particularly on:
 - any changes in or implementation of major accounting policies and practices;
 - significant matters highlighted including financial reporting issues, significant judgements made by management, significant and unusual events or transactions and how these matters are being addressed;
 - the going concern assumption;

9. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(Cont'd)*

- litigation or actions that could affect the financial position, performance or results materially;
 - compliance with accounting standards and other legal requirements; and
 - integrity of financial statements;
- (b) monitor the integrity of the financial statements of our Group by:
- assessing whether the financial reports represent a true and fair view of the Group's financial position and performance and ensure compliance with the accounting standards and other regulatory requirements;
 - ensuring the competency of the accounting staff and adequacy of the resources and infrastructure of the finance function for accurate, complete, consistent and timely reporting; and
 - proposing best practices on disclosure in the financial statements and the annual reports of the Group, to be in line with the recommendations set out in the MCGG and other applicable rules and regulations.

9.2.7 Nomination and Remuneration Committee

Our Nomination and Remuneration Committee was established by our Board on 15 February 2024. Our Nomination and Remuneration Committee currently comprises the following members, all of whom are Independent Non-Executive Directors:

Name	Designation	Directorship
Nirmalah A/P V.Thurai	Chairperson	Independent Non-Executive Director
Dato' Abdul Latif Bin Abu Seman	Member	Independent Non-Executive Director
Ting Seng Hook @ Ting Seng Hee	Member	Independent Non-Executive Director

Our Nomination and Remuneration Committee undertakes, amongst others, the following functions:

- (i) **Appointment(s)**
- (a) identifying and nominating candidates to fill our Board and/or Board Committee vacancies as and when they arise, for the approval of our Board;
 - (b) make recommendations to our Board for the appointment of the Chairman of our Board and Board Committees, CEO and Senior Independent Director;
 - (c) review, facilitate and define orientation and induction plans for new directors with respect to the business, structure and management of our Group; and
 - (d) develop, maintain and review the criteria to be used in the recruitment process and annual assessment of Directors.

9. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

(ii) Training and Development

- (a) assess the training needs of each Director, review the fulfilment of such training and disclose details in the Annual Report as appropriate.

(iii) Succession Planning

- (a) review and recommend to our Board the succession plan and policy of the Chairman of our Board, the executive and non-executive Directors, CEO and the Senior Management.

(iv) Annual Performance Assessment

- (a) review and assess annually, amongst others, the following:
- the structure, size and composition of our Board and ensuring that the composition is refreshed periodically. This activity shall be disclosed in the Annual Report of our Company;
 - the effectiveness of our Board as a whole, the Committees of our Board and the contribution of each individual Director vide a formal and objective assessment; and
 - the effectiveness and performance of the CEO, CFO and Executive Directors;
- (b) consider and recommend any policy regarding the period of service of Non-Executive Directors, tenure of our Independent Non-Executive Directors and assess annually the independence of its independent directors;
- (c) review the term of office and performance of our Audit Committee and Risk Management Committee, and each of its member annually to determine whether they have carried out their duties in accordance with their terms of reference;
- (d) consider the size and balance of our Board with a view to determine the impact of the number upon our Board's effectiveness and recommend it to our Board;
- (e) recommend to our Board protocol for accepting new directorships; and
- (f) consider and recommend our Directors for re-election/re-appointment at each AGM with reasons in support of such recommendation.

(v) Remuneration

- (a) review and recommend to our Board for approval, the remuneration policies and procedures and entire individual remuneration packages for each of the Executive Directors, Non-Executive Directors and Senior Management to ensure the levels of remuneration be sufficiently attractive and be able to retain high calibre Directors to run the Company successfully;
- (b) assist our Board in developing and administering a fair and transparent procedure for setting the policy on remuneration of Directors and Senior Management;

9. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(Cont'd)*

- (c) consider and review Executive Directors' scope of service contracts, if any;
- (d) review and recommend to our Board and thereafter the shareholders at the AGM, the fees of the directors and any benefits payable to the directors including any compensation for loss of employment of a director or former director of our Company;
- (e) review the performance of our Executive Directors and Senior Management against the key performance indicators and recommend to our Board specific adjustments in remuneration and/or reward payments if any, reflecting their contributions for the year; and
- (f) review any major changes in remuneration policy and employee benefits structures throughout our Company or Group, and if thought fit, recommend them to our Board for adoption.

9.2.8 Risk Management Committee

Our Risk Management Committee was established by our Board on 15 February 2024. Our Risk Management Committee currently comprises the following members, of which the majority are Independent Non-Executive Directors:

Name	Designation	Directorship
Serina Binti Abdul Samad	Chairperson	Independent Non-Executive Director
Lee Thiam Wah	Member	Executive Director and CEO
Nirmalah A/P V.Thurai	Member	Independent Non-Executive Director
Ting Seng Hook @ Ting Seng Hee	Member	Independent Non-Executive Director

Our Risk Management Committee undertakes, amongst others, the following functions:

(i) Risk Management Matters

- (a) identify, assess, review, monitor and communicate to our Board the risks identified faced by our Group;
- (b) review the adequacy and effectiveness of risk management of our Group and key internal control procedures and processes in place;
- (c) establish, periodically review and evaluate the effectiveness of our Group's risk management structure, guidelines, framework and policies and ensure implementation of the objectives outlined in the policies and compliance with them;
- (d) review and recommend for our Board's approval of our Group's risk management policies, strategies, Group risk profile and risk tolerance, and any proposed changes thereto;
- (e) review the risk profile of our Group to ensure integration of environmental, social and governance risks, and the Risk Management team's plans to mitigate risks as identified from time to time.

9. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(Cont'd)*

- (f) ensure adequate infrastructure, resources and systems are in place for risk management and that the risk management processes for the identification, measurement and analysis reporting and mitigation of risks are in place within our Group and are operating in an efficient and effective manner;
- (g) review periodic reports from the management on monitoring of risk exposure, risk portfolio composition and risk management activities to ensure these are aligned with risk strategy and objectives;
- (h) review and recommend new policies or changes to policies, and to consider their risk implications including the procedures in place by management to prevent and detect fraud such as cyber fraud;
- (i) review the impact of risk on capital adequacy and profitability under normal and stressed scenarios;
- (j) approve risk methodologies for measuring and managing risks arising from our Group's business and operational activities;
- (k) review and evaluate the various processes, methodology and systems engaged by our Company and to ensure that they are conducted within the standards and policies as set by our Board;
- (l) provide reporting on the updates on key risk management issues to our Board.

(ii) Sustainability Matters

- (a) oversee the management of principal business risks and significant/material environmental, social and governance risks;
- (b) ensuring resources and processes are in place to enable our Company to achieve its sustainability commitments and targets;
- (c) review the performance evaluations of our Board and senior management in addressing our Company's material sustainability risks and opportunities;
- (d) ensuring appropriate action is taken to ensure that our Company understands the sustainability issues relevant to our Company and our business; and
- (e) review disclosures statements relating to management of sustainability matters of our Company in our Annual Report.

(iii) Strategic Planning and Others

- (a) review and provide guidance to our Group's strategic plan as proposed by management vis-à-vis our Group's Enterprise Risk Management; and
- (b) review business continuity management including emergency plans and crisis readiness.

9. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(Cont'd)*

9.3 KEY SENIOR MANAGEMENT

Our Key Senior Management is responsible for the day-to-day management and operations of our Group. Our Key Senior Management as at the date of this Prospectus are as follows:

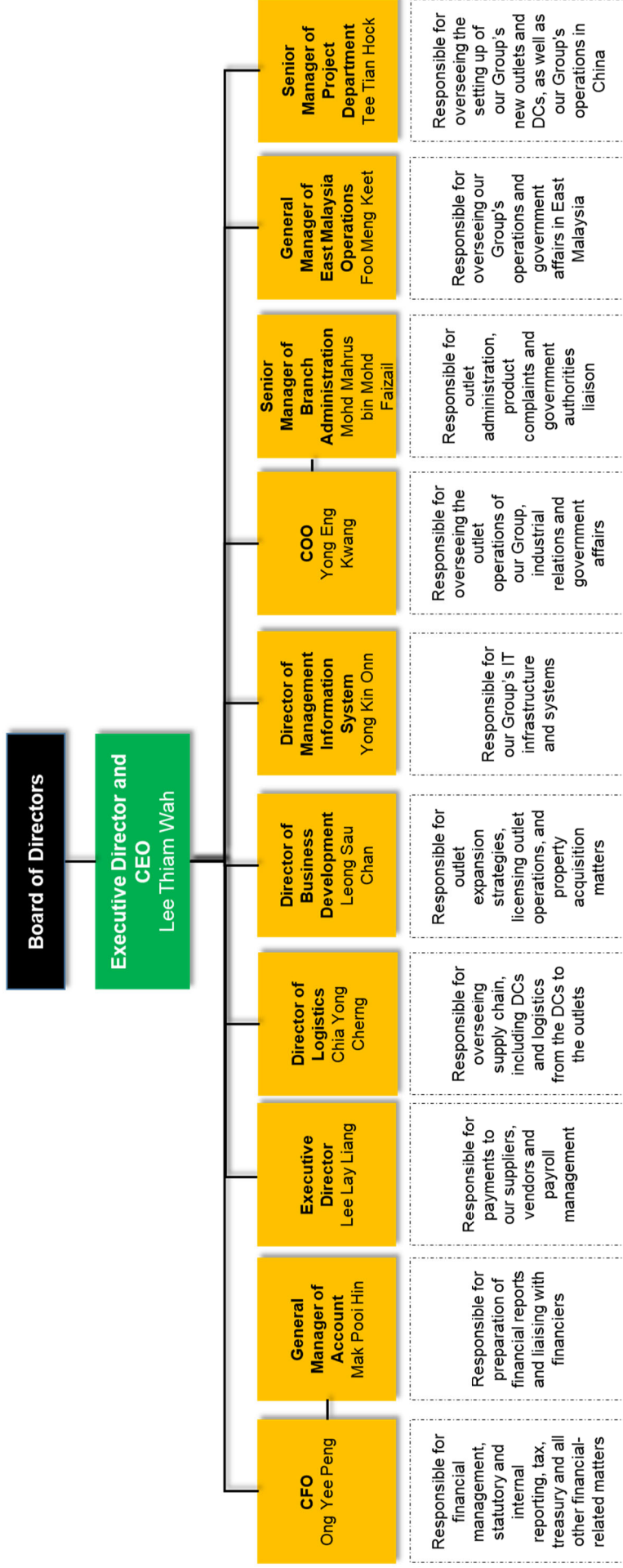
Name	Age	Designation
Lee Thiam Wah	60	Executive Director and CEO
Yong Eng Kwang	39	COO
Ong Yee Peng	33	CFO
Lee Lay Liang	48	Executive Director
Leong Sau Chan	46	Director of Business Development
Foo Meng Keet	43	General Manager of East Malaysia Operations
Yong Kin Onn	66	Director of Management Information System
Mak Pooi Hin	59	General Manager of Account
Chia Yong Cherng	45	Director of Logistics
Mohd Mahrus Bin Mohd Faizail	38	Senior Manager of Branch Administration
Tee Tian Hock	49	Senior Manager of Project Department

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9. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

9.3.1 Management reporting structure

Our management reporting structure is as follows:



9. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(Cont'd)*

9.3.2 Profiles of our Key Senior Management

The profiles of our Executive Directors who are also part of our Key Senior Management are set out in Section 9.2.1 of this Prospectus.

(i) Yong Eng Kwang

Yong Eng Kwang, a Malaysian aged 39, is our COO. He has over 17 years of experience in the retail industry.

He obtained a Master of Management (Distinction) from the Open University Malaysia in 2021. He was admitted as a Member of the Malaysian Institute of Management in 2023.

In 2006, he began his career and joined 99SM as a store manager, where he was responsible for overseeing the day-to-day operations of 1 of our outlets. He was subsequently promoted to Training Manager in 2008, where he was responsible for recruiting and developing talents as well as devised an outlet operation training programme for our Group.

Thereafter, he was promoted to the position of Branch Operation Manager in 2013, General Manager of Branch Operations in 2015 and Director of Branch Operation in 2021, where he was responsible for, amongst others, managing the daily operations of our outlets in Peninsular Malaysia, providing training to our outlet managers, developing and implementing growth strategies as well as managing various operational aspects of our Group such as, maintenance of the outlets in Peninsular Malaysia, customer service, industrial relations and governmental affairs of our Group.

He was promoted to his current position as COO in 2023 where he is in charge of overseeing the entire operations of the outlets of our Group and continues to oversee the industrial relations and government affairs of our Group.

(ii) Ong Yee Peng

Ong Yee Peng, a Malaysian aged 33, is our CFO. She has over 11 years of experience in auditing and accounting.

She obtained a Bachelor of Business in International Business (Accounting) from Edith Cowan University, Australia in 2011. She was admitted as a member of the ACCA since 2018 and as a Fellow in 2023. She has also been a member of the MIA since 2019.

She began her career in 2012 as an audit assistant at the accounting firm, Crowe Horwath Malaysia (now Crowe Malaysia PLT) and left in 2017 where her last designation was audit assistant manager, responsible for managing audit portfolios of clients in various industries.

She briefly joined Paul Hype Page Consulting Pte Ltd, an accounting firm in Singapore, from December 2017 to March 2018 as a corporate specialist assistant manager. She left to complete her ACCA on a full-time basis.

Between August 2018 and November 2019, she served as an assistant manager of finance at various companies, namely Golden Screen Cinemas Sdn Bhd, Cinead Sdn Bhd, Glitters Café Sdn Bhd and Mac Food Services (M) Sdn Bhd, where she was responsible for their financial reporting and management of operational finance.

9. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(Cont'd)*

In December 2019, she rejoined Crowe Malaysia PLT as an audit assistant manager and was subsequently promoted to audit manager until her departure in 2022.

She joined 99SM as an accountant in July 2022 and was subsequently promoted to CFO in May 2023, where she was responsible for the financial management of our Company and Group, overseeing the statutory reporting and internal management reporting functions of our Group, ensuring appropriate financial planning and financial corporate compliance, treasury, tax and other finance operations.

(iii) Foo Meng Keet

Foo Meng Keet, a Malaysian aged 43, is our General Manager of East Malaysia Operations. He has over 18 years of experience in the FMCG retail industry.

He graduated with a Bachelor of Food Science and Technology from the Universiti Putra Malaysia in 2003. Thereafter, he obtained a Master of Business Administration from Universiti Utara Malaysia in 2005.

He began his career in 2003 as a Quality Assurance Executive for Soon Soon Oilmills Sdn Bhd, where he was responsible for quality control activities. He left Soon Soon Oilmills Sdn Bhd in 2005.

From 2005 to 2023, he worked at Nestle. Over this period, he has held various sales and marketing positions including Distributor Development Manager, Brand Manager, Customer Business Manager and Category Development Manager. Throughout his 18 years of employment with Nestle, he was part of their marketing team and had engaged with various distributors and retailers nationwide for the distribution of Nestle's products.

He joined 99EM as General Manager of East Malaysia Operations in March 2023 where he is tasked with overseeing our Group's operations and government affairs in East Malaysia.

(iv) Yong Kin Onn

Yong Kin Onn, a Malaysian aged 66, is our Director of Management Information System. He has over 37 years of experience in the IT industry.

He obtained a Bachelor of Science from the University of Guelph, Canada in 1986.

He began his career as a programmer at Information Systems Research Sdn Bhd, a software company, in 1986. Thereafter, he resigned in 1988 to be a freelance programmer, where he developed software, particularly accounting and inventory software on a freelance basis. In 1990, he returned to Information System Research Sdn Bhd as a software manager, where he led a team of programmers in the design and development of software used in various industries, including retail, until his resignation in 1995.

In 1996, he joined Spektrum Imej (M) Sdn Bhd, as a software manager, where he was tasked with software development. He subsequently joined The Store Corporation Berhad, a supermarket cum departmental store chain, in 2005, as their Management Information System Assistant General Manager. He was the head of the Management Information System Department where he led the company's IT team and oversaw the company's IT and communications portfolio, until his resignation in 2010.

9. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(Cont'd)*

He joined 99SM in 2011 as our General Manager of Management Information System, where his duties include designing, developing, implementing and deploying our Group's in-house warehouse management system and POS system at our outlets. He also developed the procedures for, amongst others, the security, disaster recovery and contingency plan for the systems.

He assumed his current position as our Director of Management Information System in 2013.

(v) **Mak Pooi Hin**

Mak Pooi Hin, a Malaysian aged 59, is our General Manager of Account. He has over 34 years of experience in accounting.

He obtained a Bachelor of Business Administration from the National Chengchi University, the PRC in 1989.

He began his career in 1989 at Chunghwa Picture Tubes Sdn Bhd, a manufacturer of cathode ray tubes, as an assistant account manager where he was responsible for preparing reports on the company's financials. Thereafter, from 1997 to 2008, he was an account officer for various companies, namely, The Store Corporation Berhad, a supermarket and departmental chain from 1997 to 2002, Able Steel Pipes Sdn Bhd, a manufacturer of mild steel pipes from 2002 to 2007 and Care Coils Sdn Bhd, a manufacturer of coil springs from 2007 to 2008. As an account officer, he was responsible for the preparation of the companies' financial statements and various other finance operations.

He joined 99SM in July 2008 as Account Manager and was the head of our Accounts Department, where he was responsible for the preparation of financial reports. He was subsequently promoted to Senior Account Manager in 2016, where in addition to his existing responsibilities, he acted as the liaison with our financiers. He assumed his current position as our General Manager of Account in 2023.

(vi) **Chia Yong Cherng**

Chia Yong Cherng, a Malaysian aged 45, is our Director of Logistics. He has over 15 years of experience in the retail industry.

He obtained a Bachelor of Arts in International Business Administration from the University of Northumbria at Newcastle, England, in 2003.

He began his career as a field underwriter for American International Assurance Company, Ltd in 2002. He subsequently joined 99SM in 2006 as a Branch Leader and has since held a number of positions within our Group, including Branch Leader, Area Supervisor, Logistic and Warehouse Manager, Senior DC Manager and General Manager of DC.

He assumed his current position of Director of Logistics in 2021 and is responsible for overseeing our Group's supply chain, which includes the expansion and daily operations of our DCs as well as the logistics of the distribution of our products from our DCs to our outlets.

9. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

(vii) Mohd Mahrus Bin Mohd Faizail

Mohd Mahrus Bin Mohd Faizail, a Malaysian aged 38, is our Senior Manager of Branch Administration. He has over 12 years of experience in the retail industry.

He obtained a Bachelor of Applied Arts with Honours from Universiti Malaysia Sarawak, Malaysia, in 2009.

He began his career in 2010 as an administrative officer for Fiverules Dynamic Sdn Bhd, where he was tasked with liaising with clients for quotations and project scheduling. He left to join 99SM in 2011 as an Assistant Branch Manager, where he supervised the daily operation of one of our outlets.

He rose through the ranks to become a Branch Manager, Area Manager, Assistant Manager of Operations, Division Manager of Branch Operations and finally, to his current position of Senior Manager of Branch Administration in 2023. His responsibilities include matters relating to outlet maintenance, handling product complaints and acting as liaison with governmental authorities such as MDTCL, MOH and various other ministries.

(viii) Tee Tian Hock

Tee Tian Hock, a Malaysian aged 49, is our Senior Manager of Project Department. He has over 25 years of experience in the retail industry.

He completed an executive programme from SPACE known as Executive MBA programme in collaboration with Southern University College, in 2023.

He began his career when he first joined Ninety Nine Market (sole proprietorship of Lee Thiam Wah) in 1992 as a store keeper. In 1995, he left to join Jastar Food Industries Sdn Bhd (now Linaco Food Industries Sdn Bhd), a food manufacturer, as a supervisor, where his duties include storekeeping and as a packing technician, until his resignation in 2000.

He joined 99SM as a retail development and technical supervisor from 2000 to 2003, where he was responsible for setting up new outlets, including preparation of the layout of our outlets and overseeing various other outlet operations.

He left for a brief period from 2003 to 2004 to set up a café business under Star Pisces Café Sdn Bhd, where he was a director. He returned to 99SM in 2004 as a maintenance and equipment executive, and rose through the ranks to become a Project Manager and assumed his current position of Senior Manager of Project Department in 2021. He is responsible for preparing the installation plans for new outlets as well as managing the installation of the racking systems, signboards, CCTV and alarm systems, etc, of our new outlets and DCs.

In 2023, he was given a new responsibility of overseeing our operations in the PRC, including sourcing of products as well as acting as liaison with our suppliers in the PRC. He is currently the legal representative and executive director of both of our PRC subsidiaries.

9. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

9.3.3 Shareholding of our Key Senior Management

The shareholding of our Key Senior Management (other than our Directors who are also part of our Key Senior Management which are disclosed in Section 9.2.2 of this Prospectus) before and after our IPO as follows:

Name	Before our IPO			After our IPO								
	Direct	Indirect		Assuming the Over-allotment Option is not exercised ⁽¹⁾			Assuming the Over-allotment Option is fully exercised ⁽²⁾					
		No. of Shares ('000)	%	No. of Shares ('000)	%	No. of Shares ('000)	Direct	Indirect	Direct	Indirect		
Yong Eng Kwang	-	-	-	-	*	200	-	-	200	-	-	*
Ong Yee Peng	-	-	-	-	*	200	-	-	200	-	-	*
Foo Meng Keet	-	-	-	-	*	150	-	-	150	-	-	*
Yong Kin Onn	-	-	-	-	*	150	-	-	150	-	-	*
Mak Pooi Hin	-	-	-	-	*	150	-	-	150	-	-	*
Chia Yong Cherng	-	-	-	-	*	150	-	-	150	-	-	*
Mohd Mahrus Bin Mohd Faizail	-	-	-	-	*	150	-	-	150	-	-	*
Tee Tian Hock	-	-	-	-	*	150	-	-	150	-	-	*

Notes:

* Negligible.

(1) Based on our enlarged issued Shares of 8,400,000,000 upon our Listing and assuming full subscription of our Issue Shares as allocated to our Key Senior Management under the allocation for Eligible Persons.

(2) Assuming the Over-allotment Option of 214,200,000 Shares, representing 15.0% of the total number of IPO Shares offered, is fully exercised.

9. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(Cont'd)*

9.3.4 Involvement of our Key Senior Management in other principal business activities

Save as disclosed below and in Section 9.2.3 of this Prospectus in respect of our Directors who are Key Senior Management, none of our Key Senior Management are involved in principal business activities outside our Group as at the LPD and in the past 5 years preceding the LPD:

Name of company/entity	Principal activities	Involvement in business activities
Yong Kin Onn		
<ul style="list-style-type: none"> Nation Retail Sdn Bhd 	<ul style="list-style-type: none"> Trading in computer systems and accessories, provision of consultancy for computer related services 	<ul style="list-style-type: none"> Substantial shareholder (direct)
Tee Tian Hock		
<ul style="list-style-type: none"> Wanli Construction Works 	<ul style="list-style-type: none"> Dealing, supplies and services in signboard, advertisement, interior design, renovation works, wiring installation, sub-contractor in general construction works, supplies in hardware and building material 	<ul style="list-style-type: none"> Partner

Yong Kin Onn and Tee Tian Hock's interest in Nation Retail Sdn Bhd and Wanli Construction Works respectively will not affect their commitment and responsibilities in their roles as Key Senior Management as they do not have any role in the business.

9.3.5 Service contracts with our Key Senior Management

As at the date of this Prospectus, there are no existing or proposed service contracts between our Key Senior Management and us which provide for benefits upon termination of employment.

9.3.6 Key Senior Management's remuneration and material benefits in-kind

The remuneration and material benefits in-kind of our Directors and CEO who are also part of our Key Senior Management are set out in Section 9.2.5 of this Prospectus. The aggregate remuneration and material benefits in-kind paid (including any contingent or deferred remuneration) or proposed to be paid to our Key Senior Management for services rendered in all capacities to our Group for the FYE 2023 and the FYE 2024 are as follows:

Key Senior Management	Remuneration band (in bands of RM50,000)	
	FYE 2023 (Paid)	FYE 2024 (Proposed)
	RM'000	RM'000
Foo Meng Keet	350 – 400	400 – 450
Yong Eng Kwang	300 – 350	350 – 400
Yong Kin Onn	350 – 400	350 – 400
Chia Yong Cherng	300 – 350	300 – 350
Ong Yee Peng	150 – 200	250 – 300
Mak Pooi Hin	200 – 250	250 – 300
Mohd Mahrus Bin Mohd Faizail	100 – 150	150 – 200
Tee Tian Hock	150 – 200	150 – 200

9. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

The above remuneration of our Key Senior Management, which includes salaries, bonus, fees and allowances as well as other benefits, must be considered and recommended by our Nomination and Remuneration Committee and subsequently approved by our Board.

9.4 ASSOCIATIONS OR FAMILY RELATIONSHIP BETWEEN OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT

Save as disclosed below, there are no associations or family relationships between our Promoters, substantial shareholders, Directors and Key Senior Management:

- (i) Lee Thiam Wah, our Promoter, substantial shareholder, Executive Director and CEO, is:
- sole shareholder and director of Lee YLG Holdings, our Promoter and substantial shareholder;
 - spouse of Ng Lee Tieng;
 - father of Lee Yan Zhong;
 - brother of Lee Lay Liang; and
 - cousin of Leong Sau Chan.
- (ii) Ng Lee Tieng, our Non-Independent Non-Executive Director, is:
- spouse of Lee Thiam Wah;
 - mother of Lee Yan Zhong;
 - sister-in-law of Lee Lay Liang; and
 - cousin-in-law of Leong Sau Chan.
- (iii) Lee Lay Liang, our Executive Director, is:
- sister of Lee Thiam Wah;
 - sister-in-law of Ng Lee Tieng;
 - aunt of Lee Yan Zhong; and
 - cousin of Leong Sau Chan.
- (iv) Lee Yan Zhong, Alternate Director to Lee Thiam Wah, is:
- son of Lee Thiam Wah and Ng Lee Tieng; and
 - nephew of Lee Lay Liang.
- (v) Leong Sau Chan, Alternate Director to Lee Lay Liang and Director of Business Development, is:
- cousin of Lee Thiam Wah;
 - cousin-in-law of Ng Lee Tieng; and
 - cousin of Lee Lay Liang.

9. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(Cont'd)*

9.5 DECLARATION BY OUR PROMOTERS, DIRECTORS AND KEY SENIOR MANAGEMENT

As at the LPD, none of our Promoters, Directors or Key Senior Management has been involved in any of following events (whether in or outside Malaysia):

- (i) in the last 10 years, a petition under any bankruptcy or insolvency laws was filed (and not struck out) against such person or any partnership in which such person was a partner or any corporation of which such person was a director or member of key senior management;
- (ii) disqualified from acting as a director of any corporation, or from taking part directly or indirectly in the management of any corporation;
- (iii) in the last 10 years, charged or convicted in a criminal proceeding or is a named subject of a pending criminal proceeding;
- (iv) in the last 10 years, any judgment was entered against such person, or finding of fault, misrepresentation, dishonesty, incompetence or malpractice on his part, involving a breach of any law or regulatory requirement that relates to the capital market;
- (v) in the last 10 years, the subject of any civil proceeding, involving an allegation of fraud, misrepresentation, dishonesty, incompetence or malpractice on his part that relates to the capital market;
- (vi) the subject of any order, judgment or ruling of any court, government or regulatory authority or body temporarily enjoining such person from engaging in any type of business practice or activity;
- (vii) in the last 10 years, has been reprimanded or issued any warning by any regulatory authority, securities or derivatives exchange, professional body or government agency; and
- (viii) there is any unsatisfied judgment against such person.

9.6 OTHER MATTERS

No amounts have been paid or benefits given within the 2 years preceding the date of this Prospectus, nor are intended to be paid or given to our Promoters or our substantial shareholders except for the following:

- (i) remunerations and benefits-in-kind arising from employment paid to our substantial shareholders as set out in Section 9.2.5 of this Prospectus; and
- (ii) dividend paid to our substantial shareholders.

Save as disclosed in Section 9.1, there is no other controlling shareholder. There is no arrangement which operation may result in the change in control of our Company at a date subsequent to our IPO and our Listing.

Our Promoters and substantial shareholders do not have different voting rights from our other shareholders.

10. RELATED PARTY TRANSACTIONS

10.1 OUR GROUP'S RELATED PARTY TRANSACTIONS

10.1.1 Material related party transactions

Save as disclosed below, there are no other material related party transactions entered into by our Group which involve the interest, direct or indirect, of our Directors, major shareholders and/or persons connected to them for the Periods Under Review and up to the LPD:

No.	Transacting parties with our Group	Nature of relationship/Interested Major Shareholder and/or Director ⁽¹⁾	Nature of transaction ⁽²⁾	FYE			From 1 April 2024 up to the LPD
				2021	2022	2023	
				RM'000	RM'000	RM'000	RM'000
1.	Lee Thiam Wah and entities in which he holds direct/indirect interests in, comprising:	Lee Thiam Wah ⁽³⁾ Ng Lee Tieng ⁽⁴⁾ Lee Lay Liang ⁽⁵⁾ Leong Sau Chan ⁽⁵⁾	Purchase of products for sale in our outlets, including fees and net of discounts ⁽⁶⁾	0.64% of our cost of goods sold	0.69% of our cost of goods sold	1.04% of our cost of goods sold	1.01% of our cost of goods sold*
*	Careon Group		Commissions and income received for ancillary services	6,991	7,396	8,480	2,524
*	Burger King Group		and fees paid for smart terminal platform to J&C Pacific ⁽⁷⁾	1.67% of our PAT	2.26% of our PAT	2.12% of our PAT	1.90% of our PAT
*	J&C Pacific		Sale of grocery products ⁽⁸⁾	903	1,716	2,243	382
*	Venus Gateway Group						376
*	Nasi Lemak Gempak			0.01% of our revenue	0.02% of our revenue	0.02% of our revenue	0.02% of our revenue*
*	Lovely Century						
*	Nature Century						
*	Radiant						
*	Globaltech Group U Stars			0.28% of our NA	0.41% of our NA	0.48% of our NA	0.35% of our NA*
*	Supermarket		Rental received and paid by our Group ⁽¹⁰⁾	827	880	923	245
				0.20% of our PAT	0.27% of our PAT	0.23% of our PAT	0.18% of our PAT
							330
							0.26% of our PAT*

10. RELATED PARTY TRANSACTIONS (Cont'd)

No.	Transacting parties with our Group	Nature of relationship/Interested Major Shareholder and/or Director ⁽¹⁾	Nature of transaction ⁽²⁾	FYE			From 1 April 2024 up to the LPD
				2021	2022	2023	
				RM'000	RM'000	RM'000	RM'000
			Other recurrent transactions ⁽¹¹⁾	2,472	2,928	5,826	1,540
				0.59% of our PAT	0.90% of our PAT	1.46% of our PAT	1.23% of our PAT*
			Non-recurrent transactions ⁽¹²⁾	13,300	5,826	4	65
				1.80% of our NA	0.92% of our NA	0.01% of our NA	0.01% of our NA*
2.	Zing Heing Group, a group in which Eng Yaw Keong and Lim Geok Eng have direct interests in	Ng Lee Tieng ⁽¹³⁾	Purchases of specialty foods and snacks for sale in our outlets, including fees, and net of discounts and sponsorships received ⁽¹⁴⁾	59,515	79,155	91,226	24,492
				0.84% of our cost of goods sold	1.08% of our cost of goods sold	1.09% of our cost of goods sold	1.12% of our cost of goods sold*
			Rental paid by our Group ⁽¹⁵⁾	42	42	42	14
				0.01% of our PAT	0.01% of our PAT	0.01% of our PAT	0.01% of our PAT*
3.	Max Bell	Lee Yan Zhong ⁽¹⁶⁾	Payment for installation of solar photovoltaic systems at our outlets, headquarters and DCs	-	521	1,460	775
					0.08% of our NA	0.27% of our NA	0.11% of our NA*
4.	Lee Lay Liang, Leong Sau Chan and Family Network, a company for which they have direct interests in	Lee Lay Liang ⁽¹⁷⁾ Leong Sau Chan ⁽¹⁷⁾ Lee Thiam Wah ⁽¹⁷⁾	Rental paid by our Group ⁽¹⁸⁾	507	656	853	316
				0.12% of our PAT	0.20% of our PAT	0.21% of our PAT	0.25% of our PAT*

10. RELATED PARTY TRANSACTIONS (Cont'd)

No.	Transacting parties with our Group	Nature of relationship/ Interested Major Shareholder and/or Director ⁽¹⁾	Nature of transaction ⁽²⁾	FYE			From 1 April 2024 up to the LPD	
				2021	2022	2023		
				RM'000	RM'000	RM'000	RM'000	
5.	Three Star Stationery (M) Sdn Bhd, a company in which Lee Leong Yew has a direct interest in	Lee Thiam Wah ⁽¹⁹⁾ Lee Lay Liang ⁽¹⁹⁾	Purchase of stationery and printing supplies, including sponsorships received ⁽²⁰⁾	212 0.05% of our PAT	774 0.24% of our PAT	739 0.18% of our PAT	213 0.16% of our PAT	168 0.13% of our PAT*
6.	Eng Yaw Keong, Lim Geok Eng, Eng Lee Hay and Eng Hock Heng @ Ng Hock Keng	Ng Lee Tieng ⁽¹³⁾	Rental paid by our Group ⁽²¹⁾	36 0.01% of our PAT	38 0.01% of our PAT	38 0.01% of our PAT	10 0.01% of our PAT	10 0.01% of our PAT*
7.	Asia Business Advisory Sdn Bhd, Forum Motivasi PLT and Velodrom Harmoni PLT, which are company/partnerships which Dato' Chua Tia Guan has a direct interest in	Dato' Chua Tia Guan	Provision of tax and other related advisory services by Dato' Chua's Companies which are not recurrent.	1,003 0.24% of our PAT	-	38 0.01% of our PAT	-	12 0.01% of our PAT*

10. RELATED PARTY TRANSACTIONS (Cont'd)

Notes:

- * Computed based on the latest available unaudited financial information of the Group from 1 April 2024 to 30 June 2024.
- (1) The associations or family relationship between our major shareholders and Directors are set out in Section 9.4 of this Prospectus.
 - (2) Unless otherwise stated, the related party transactions are recurrent.
 - (3) Lee Thiam Wah is a substantial shareholder and director in Careon Group, Burger King Group, J&C Pacific, Venus Gateway Group, Nasi Lemak Gempak, Lovely Century and Nature Century, and is a substantial shareholder in Radiant Globaltech Group.
 - (4) Ng Lee Tieng is the CEO, substantial shareholder and director of Burger King Group, and is a director of Subang Excel, a subsidiary of Careon Pharmacy, J&C Pacific, Lovely Century and Nature Century. Ng Lee Tieng is also a shareholder of J&C Pacific, Venus Gateway Group, Lovely Century and Radiant Globaltech Group.
 - (5) Lee Lay Liang and Leong Sau Chan are shareholders of J&C Pacific.
 - (6) Being the purchase of products for sale in our outlets from Cleanwave, Multihexa, Octo Asia, Nasi Lemak Gempak, Cosmo Restaurant and J&C Pacific, including amongst others, cleaning and hygiene products, pet products, toys, party supplies, SIM cards and food products. These purchases are part of our ordinary course of business, and the purchase prices are set based on purchase orders. The credit terms granted to our Group typically ranges from 1 to 30 days.
 - (7) In respect of J&C Pacific, being the sum of commission paid for merchant discount rates and income received by our Group for ancillary services provided at our outlets, including amongst others, mobile reload and bill payment services and sale of e-voucher and data analysis as well as fees paid by our Group for the smart terminal platform provided to our Group, including its maintenance charges. The salient terms of the services provided include the provision of the smart terminal platforms at our Group's outlets, training on the use and operation of the said platforms as well as maintenance of the said platforms, payment services including bill payments, Touch n' Go and mobile reloads services, credit card service, SIM card activation service, gift card activation service, digital wallet service and a pick-up and/or drop-off service by courier service companies.
 - (8) Being sale of grocery products to Cosmo Restaurants, Nasi Lemak Gempak, Careon Pharmacy and Octo Asia, with credit terms of typically 30 days granted by our Group.
 - (9) Being the sum of the purchase from Radiant Globaltech Group of equipment and hardware as well as subscription to software for use at our outlets, DCs and headquarters. The purchase prices are set based on purchase orders, and the credit terms received by our Group is typically for 30 days.
 - (10) Being the sum of the rental income received from Nature Century, Cosmo Restaurants and U Stars Supermarket from renting premises at our headquarters, Wisma 99 to Nature Century and U Stars Supermarket and renting premises in Plaza Serdang Raya and our headquarters in East Malaysia to Cosmo Restaurants, along with the rental paid to Lovely Century and Lee Thiam Wah for 12 of our rented properties. The tenancy period for these premises is 3 years, with the latest expiry being on 31 July 2027. The current monthly rental for each of these properties ranges from RM1,800 to RM10,000.

10. RELATED PARTY TRANSACTIONS (Cont'd)

- (11) *Being the sum of the purchase of meal vouchers and meal sets from Cosmo Restaurants, as well as goods for staff welfare including face masks and sanitizers, and income received by our Group from advertisements and sponsorships received for our Group's annual dinner.*
- (12) *Being the sum of the acquisition cost of DC from Venus Gateway in FYE 2021, the rental payments made to Venus Gateway for the DC prior to its acquisition, purchase of air conditioning units and motor vehicle from Cosmo Restaurants in FYE 2021 and FPE 31 March 2024, purchase of television from J&C Pacific in FYE 2022, one-off sales of face masks to Cleanwave and transactions involving pharmaceutical products and disposal of motor vehicle with the Careon Group in FYE 2021. There were further transactions in FPE 31 March 2024 for, amongst others, the purchase of test kit from Careon Pharmacy and disposal of motor vehicles to Cosmo Restaurant and Ng Lee Tieng. There were transactions from 1 April 2024 up to the LPD for the disposal of certain equipment to J & C Pacific.*
- (13) *Ng Lee Tieng is the sister of Eng Yaw Keong and daughter of Lim Geok Eng, both of whom are directors and shareholders of Zing Heing Group. Ng Lee Tieng is also the sister of Eng Lee Hay and daughter of Eng Hock Heng @ Ng Hock Keng.*
- (14) *Being the sum of the purchase of speciality foods and snacks for sale in our outlets and sponsorships received for our Group's annual dinner. These purchases are part of our ordinary course of business, and the purchase prices are set based on purchase orders. The credit terms granted to our Group is typically for 1 day.*
- (15) *Being rental for one of our rented properties. The tenancy period for this premise is 3 years, with the latest expiry being on 31 March 2027. The current monthly rental for this premise is RM3,500.*
- (16) *Lee Yan Zhong is a substantial shareholder and director of Max Bell.*
- (17) *Lee Lay Liang and Leong Sau Chan are directors and shareholders of Family Network. Lee Thiam Wah and Lee Lay Liang are the siblings of the directors and shareholders of Family Network, namely Lee Leong Tek, Lee Lay Hong, Tan Suah Teng, Lee Lai Lee, Lee Lay Keow, Lee Lay Ang, Lee Lay Nee, Lee Lay Wan, Lee Lay Sin and Lee Leong Yew.*
- (18) *Being rental of premises including for 14 of our rented properties from Family Network, 2 of our rented properties each from Lee Lay Liang and Leong Sau Chan. The tenancy period for these premises is 3 years, with the latest expiry being on 14 May 2027. The current monthly rental for each of these properties ranges from RM2,200 to RM9,800.*
- (19) *Lee Thiam Wah and Lee Lay Liang are the siblings of a director and substantial shareholder of Three Star Stationery (M) Sdn Bhd, namely Lee Leong Yew.*
- (20) *Being the sum of the purchase of stationery and printing supplies for the operations and administrative purposes of our Group and the sponsorship received for our Group's annual dinner. These purchases are part of our ordinary course of business, and the purchase prices are set based on purchase orders. The credit terms granted to our Group is typically for 30 days.*
- (21) *Being rental of premises for one of our rented properties. The tenancy period for this premise is 3 years, with the latest expiry being on 14 May 2025. The current monthly rental for this premise is RM3,200.*

10. RELATED PARTY TRANSACTIONS (Cont'd)

Save for certain transactions detailed below, our Directors confirm that all the above material related party transactions were transacted on an arm's length basis, not more favourable to the related parties than those generally available to third parties and were not detrimental to our non-interested shareholders based on the following reasons:

- (i) rental for properties between our Group and related parties are based on rates comparable to similar properties in the vicinity and are based on terms which are commonly adopted in tenancy arrangements of a similar nature with third parties;
- (ii) purchases of products or services from related parties are based on pricing which are generally comparable with those offered by unrelated third party suppliers for similar products or services and/or prices which are offered by the related parties to their other unrelated customers; and
- (iii) sales of our products to related parties generally adhere to list prices consistent with those available to retail customers in our outlets.

The following transactions are not considered by our Directors to be on arm's length basis:

(a) The Deeds of Assignment executed by Lee Intellectual Properties as assignor, and 99SM as assignee

The Deeds of Assignment are not considered by the Directors to be on an arm's length basis, as they were provided on terms favourable to our Group for a nominal consideration payable by 99SM. These Deeds of Assignment confer upon our Group all the benefits, rights, title, and interests in the trademarks that are used in our Group's business in Malaysia. These also include the trademarks registered outside of Malaysia, namely Singapore, Thailand, the Philippines, Indonesia, and the PRC. As at the LPD, the registration of the assignment for all the trademarks have been completed, and as such our Group is the registered owner of all the trademarks.

Lee Thiam Wah and Ng Lee Tieng each hold a 50% equity interest in Lee Intellectual Properties, the entity established to previously hold all the trademarks of the business. These trademarks belong to Lee Thiam Wah and Ng Lee Tieng's businesses, respectively, including the trademarks used by our Group's business. In view of our Listing, all trademarks relevant to our Group that were held by Lee Intellectual Properties have been assigned to 99SM as it aligns the ownership of the trademarks with our operations. Although the Deeds of Assignment are not viewed by our Directors as being on an arm's length basis, given they were secured on terms favourable to our Group for a nominal consideration, our Directors believe that the terms of the Deeds are not detrimental to our Group.

Lee Thiam Wah, our Executive Director, CEO and major shareholder of our Group is the director and shareholder of Lee Intellectual Properties. Ng Lee Tieng, our Non-Independent Non-Executive Director, is the director of Lee Intellectual Properties. For further details on the Trademarks, see Annexure B of this Prospectus.

10. RELATED PARTY TRANSACTIONS (Cont'd)**(b) Sales and purchases of the goods between our Group and Careon Pharmacy****(i) Sales of personal care and wellness products as well as food and beverage products by our Group to Careon Pharmacy**

Since 2021, 99SM supplied personal care and wellness products as well as food and beverage products to Careon Pharmacy on a cost-based basis plus handling charges, amounting to a total of RM0.6 million, RM5.8 million and RM0.6 million in the FYE 2021, FYE 2022 and FYE 2023, respectively. This transaction is not recurrent and will not continue after September 2023. Any future purchases by Careon Pharmacy from our Group will be made on an arm's length basis.

(ii) Purchases of COVID-19 antigen rapid test kits by our Group from Careon Pharmacy

In 2021, 99SM purchased the COVID-19 antigen rapid test kits from Careon Pharmacy on a cost-based basis plus handling charges. During the FYE 2021, the total amount transacted with Careon Pharmacy was RM4.9 million. This transaction is not recurrent and has ceased since December 2021 as 99SM has found alternative suppliers. At that time, due to high demand, 99SM faced challenges sourcing these kits, and Careon Pharmacy assisted by supplying the required kits.

Lee Thiam Wah, our Executive Director, CEO and major shareholder of our Group, is the director and shareholder holding 100% equity interest in Careon Pharmacy.

The transactions between our Group and Careon Pharmacy are not viewed by the Directors to be on an arm's length basis, given that both transactions were on a cost-based basis plus handling charges. While these arrangements benefited both parties mutually, they have since been discontinued and our Group has no intention of entering into similar transactions on a cost-based basis plus handling charges with Careon Pharmacy. As such, our Directors believe that these transactions are not detrimental to our Group.

Our Directors also confirm that there are no other material related party transactions that have been entered by our Group that involve the interest, direct or indirect, of our Directors, major shareholders and/or persons connected to them but not yet effected up to the date of this Prospectus.

After our Listing, we will be required to seek our shareholders' approval each time we enter into a material related party transaction in accordance with the Listing Requirements. However, if the related party transactions can be deemed as recurrent related party transactions, we may seek a general mandate from our shareholders (which mandate would typically be renewed as required at each AGM of our Company) to enter into such recurrent transactions without having to seek separate shareholders' approval each time we wish to enter into such recurrent related party transactions during the validity period of the mandate. Bursa Securities has granted us an extension of time to obtain our shareholders' ratification/mandate for recurrent related parties transactions entered/or to be entered into by our Group with our related parties from our Listing date up to our forthcoming annual general meeting or extraordinary general meeting, whichever is held earlier.

In addition, to safeguard the interest of our Group and non-interested shareholders and to mitigate any potential conflict of interest situation, our Audit Committee will, among others, supervise and monitor any recurrent related party transaction and the terms thereof and report to our Board for further action, as set out in Section 10.2.1 of this Prospectus.

10. RELATED PARTY TRANSACTIONS (Cont'd)**10.1.2 Related party transactions entered into that are unusual in their nature or conditions**

There are no transactions that are unusual in their nature or conditions, involving goods, services, tangible or intangible assets to which we were a party in respect of the Periods Under Review and up to the LPD.

10.1.3 Material outstanding loans and/or financial assistance (including guarantees of any kind) made to or for the benefit of related parties

Save as disclosed below, there are no material outstanding loans or financial assistance (including guarantees of any kind) made by our Group to or for the benefit of our related parties in respect of the Periods Under Review and up to the LPD:

(a) Corporate guarantee provided by 99SM

Pursuant to the franchise agreements entered into between BK AsiaPac Pte Ltd (“**Franchisor**”), Burger King Singapore Pte Ltd, Rancak Selera, Newscape Capital, Cosmo Restaurants and 99SM, a corporate guarantee was provided by 99SM to secure the Burger King franchise in Malaysia and Singapore. The franchise in Malaysia and Singapore was held by Lee Thiam Wah and Ng Lee Tieng through their interest in Newscape Capital, Rancak Selera, Cosmo Restaurants and Burger King Singapore Pte Ltd.

Our Directors are of the view that the corporate guarantee was not on normal commercial terms and not on arm’s length basis as no fee was charged by 99SM on such corporate guarantee provided. This corporate guarantee was discharged on 25 October 2023 and is not detrimental to our Group. Following our Listing, our Group does not intend to enter into similar transactions with any related parties.

(b) Careon Pharmacy utilisation of the facility provided by Alliance Bank Malaysia Berhad (“Alliance Bank”) to 99SM

Alliance Bank has extended a banking facility to 99SM, which grants Careon Pharmacy the right to utilise the bank guarantee facility within this banking arrangement. This arrangement was to facilitate Careon Pharmacy in securing funding during its initial establishment phase. This third-party utilisation of the bank guarantee facility provided to 99SM is not considered by our Directors to be on an arm's length basis and not on normal commercial terms as Careon Pharmacy did not pay a fee to 99SM for the use of such facility. This third-party utilisation of the bank guarantee facility provided to 99SM was cancelled on 11 October 2023. Our Directors are of the view that the transaction is not detrimental to our Group as the third-party utilisation of the bank guarantee has been discontinued by Alliance Bank. Following our Listing, our Group does not intend to enter into similar transactions with any related parties.

10. RELATED PARTY TRANSACTIONS (Cont'd)**10.2 MONITORING AND OVERSIGHT OF RELATED PARTY TRANSACTIONS****10.2.1 Audit Committee review**

Our Audit Committee reviews related party transactions and conflicts of interest situations that may arise within our Company or Group. Our Audit Committee also reviews any transaction, procedure or course of conduct that raises questions of management integrity including our related party transactions. In reviewing the related party transactions, the following, amongst other things will be considered:

- (a) the rationale and the cost/benefit to our Company are first considered;
- (b) where possible, comparative quotes will be taken into consideration;
- (c) that the transactions are based on normal commercial terms and not more favourable to the related parties than those generally available to third parties dealing on an arm's length basis; and
- (d) that the transactions are not detrimental to our Company's non-interested shareholders.

All reviews by our Audit Committee are reported to our Board for its further action.

10.2.2 Our Group's policy on related party transactions

Related party transactions by their very nature, involve conflicts of interests between our Group and the related parties with whom our Group has entered into such transactions. Some of the officers and the Directors of our Group are also officers, directors and in some cases, shareholders of the related parties of our Group, as disclosed in this Prospectus and, with respect to these related party transactions, may individually and in aggregate have conflicts of interest. It is the policy of our Group that all related party transactions are carried out on normal commercial terms which are not more favourable to the related parties than those generally available to the third parties dealing on arm's length basis with our Group and are not to the detriment of our non-interested shareholders.

In addition, we plan to adopt a comprehensive corporate governance framework that meets best practice principles to mitigate any potential conflict of interest situations and intend for the framework to be guided by the Listing Requirements and MCGG upon our Listing. The procedures which may form part of the framework include, among others, the following:

- (a) our Board shall ensure that majority of our Board's members are Independent Directors and will undertake an annual assessment of our Independent Directors;
- (b) our Directors will be required to immediately make full disclosure of any direct or indirect interest that they may have in any business enterprise that is engaged in or proposed to be engaged in a transaction with our Group, whether or not they believe it is a material transaction. Upon such disclosure, the interested Director shall be required to abstain from deliberation and voting on any resolution related to the related party transaction; and
- (c) all existing or potential related party transactions would have to be disclosed by the interested party for management reporting. Our management will propose the transactions to our Audit Committee for evaluation and assessment who would in turn, make a recommendation to our Board.

11. CONFLICT OF INTEREST

11.1 INTEREST IN ENTITIES CARRYING ON A SIMILAR TRADE AS THAT OF OUR GROUP OR WHICH ARE CUSTOMERS AND/OR SUPPLIERS OF OUR GROUP

11.1.1 Involvement of our Directors and substantial shareholders in entities which carry on a similar trade as that of our Group

As at the LPD, save as disclosed below, our Directors and substantial shareholders do not have any interest, direct or indirect, in any entities which are carrying on a similar trade as that of our Group:

Entity	Our Directors and/or substantial shareholders	Nature	Principal activity	Nature of interest
U Stars Group	<u>Our substantial shareholder and Director</u> Lee Thiam Wah	Similar trade as that of our Group	Supermarkets and hypermarkets; Mini-marts, convenience stores and provision shops and/ or warehousing, packing and distribution of groceries, food and beverages products	Lee Thiam Wah is a director and shareholder holding 100% equity interest in Lee International Retail Holdings, which in turn holds 49.0% equity interest in each of the companies in the U Stars Group. Lee International Retail Holdings intends to increase its equity interest in U Stars Group up to 75.0%, subject to approval of relevant authorities in Singapore. He is also a director of U Stars Supermarket, U Stars and U Stars Food Holdings, which is part of the U Stars Group.

Notwithstanding the above, our Board is of the view that the potential conflict of interest situation which may arise as a result of Lee Thiam Wah's interests in the U Stars Group, which is operating in the retail grocery market segment similar to our Group, is mitigated as the operations of the U Stars Group are handled by a separate management team, led by Lim Kok Wei, the CEO of the U Stars Group and that all of the outlets of the U Stars Group are only located in Singapore. The geographical separation of the outlets between our Group and the U Stars Group ensures a distinct and separate customer bases and markets, removing any direct competition. Furthermore, Lee Thiam Wah is not involved in the day-to-day operations of the U Stars Group. The U Stars Group operates as a 24-hour supermarket chain offering a wide range of products, including fresh produce and food items, while our Group operates as a mini-market chain with conventional business hours.

11. CONFLICT OF INTEREST (Cont'd)

11.1.2 Involvement of our Directors and substantial shareholders in entities which are our customers and/or suppliers

As at the LPD, save as disclosed below, our Directors and substantial shareholders do not have any interest, direct or indirect, in any entities which are our customers and/or suppliers:

No.	Entity	Our Directors and/or substantial shareholders	Nature of transaction	Principal activity	Nature of interest
1.	Cleanwave	<u>Our substantial shareholder and Director</u> Lee Thiam Wah	Supplier of cleaning products, personal care and pet products	Sales and marketing of cleaning products for, but not limited to household and personal hygiene and vehicle cleaning products	Lee Thiam Wah and Ng Lee Tieng are directors and shareholders holding 99.9% and less than 1.0% equity interest respectively in Venus Gateway. Venus Gateway in turn holds 65.0% in Cleanwave; 52.0% in Multihexa and 52.0% in Octo Asia.
2.	Multihexa	<u>Our Director</u> Ng Lee Tieng	Supplier of toys and party supplies	Wholesale of a variety of goods	Lee Thiam Wah is also a director of Cleanwave, Multihexa and Octo Asia.
3.	Octo Asia		Supplier of fruits, nuts and vegetables Customer of grocery products	Wholesale of a variety of goods including fruits, nuts and vegetables	
4.	Cosmo Restaurants	<u>Our substantial shareholder and Director</u> Lee Thiam Wah <u>Directors</u> Dato' Chua Tia Guan Ng Lee Tieng	Customer of food products on ad-hoc basis Supplier of meal sets and vouchers	Developing, operating, promoting and/or managing Burger King restaurants in Malaysia	Lee Thiam Wah and Ng Lee Tieng are directors and shareholders holding 80.0% and 20.0% equity interest in Newscape Capital respectively. Newscape Capital in turn holds 100% in Rancak Selera which in turn holds 95.0% in Cosmo Restaurants. Both Lee Thiam Wah and Ng Lee Tieng are directors of Cosmo Restaurants and members of the Executive Committee of Newscape Capital, being the ultimate holding company of Cosmo Restaurants. Ng Lee Tieng is the CEO of Cosmo Restaurants.

Dato' Chua Tia Guan is the Chairman of the Executive Committee of Newscape Capital. Dato' Chua Tia Guan does not hold any equity interest or directorship in, and is not involved in the day-to-day operations of,

11. CONFLICT OF INTEREST (Cont'd)

No.	Entity	Our Directors and/or substantial shareholders	Nature of transaction	Principal activity	Nature of interest
5.	Nasi Lemak Gempak	<u>Our substantial shareholder and Director</u> Lee Thiam Wah	Customer of grocery staples and perishables Supplier of instant coffee powder	Restaurants	Newscape Capital, Rancak Selera or Cosmo Restaurants. Lee Thiam Wah is a director and shareholder holding 72.0% equity interest in Nasi Lemak Gempak
6.	J&C Pacific	<u>Our substantial shareholder and Director</u> Lee Thiam Wah <u>Director</u> Ng Lee Tieng	Supplier of SIM cards and our provider of payment gateway, mobile payment, bill payment, gift card activation and reload services	Providing communications services, solutions and products	Lee Thiam Wah and Ng Lee Tieng are directors and shareholders holding 99.9% and 0.1% equity interest in Global Success respectively. Global Success in turn holds 39.0% in J&C Pacific. Ng Lee Tieng is also a shareholder holding 1.0% equity interest in J&C Pacific. Both Lee Thiam Wah and Ng Lee Tieng are directors of J&C Pacific.

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11. CONFLICT OF INTEREST (Cont'd)

Notwithstanding the above, our Board is of the view that any potential conflict of interest situation which may arise through the interests of our Directors and substantial shareholders in other entities which are our customers or suppliers (collectively referred to as “**Related Customers**” and/or “**Related Suppliers**”) is mitigated due to the following:

- (a) our Related Customers and Related Suppliers are not in competition with our Group’s business and operations as our Group is not involved in the business of the Related Customers, and our Group is acting as one of the distribution channels for our Related Suppliers;
- (b) save for the sales to and purchases from Careon Pharmacy as disclosed in Section 10.1.1(b) of this Prospectus, all sales to and purchases from our Related Customers and Related Suppliers are transacted on an arm’s length basis and on normal commercial terms which are not more favourable to them than those generally available to third parties;
- (c) our Group is not dependent on any of our Related Customers and none of them are our Group’s major customers. For the Periods Under Review, the aggregate sales to our Related Customers represents less than 0.1% of our Group’s total revenue;
- (d) our Group is not dependent on any of our Related Suppliers and none of them are our Group’s major suppliers. For the Periods Under Review, the total purchases from our Related Suppliers represents less than 1.0% of our Group’s total purchases and there are other suppliers in the market offering similar products which could be alternatives to our Group;
- (e) in addition, the involvement of our Directors and substantial shareholders in our Related Customers and Related Suppliers does not affect their contributions to our Group as:
 - (i) The Related Customers and/or the Related Suppliers (collectively, the “**Related Entities**”) are managed by their respective management team, and Lee Thiam Wah, our Executive Director and CEO, is not involved in the day-to-day operations of the Related Entities; and
 - (ii) Ng Lee Tieng, our Non-Independent Non-Executive Director, holds a non-executive role in our Group and thus is not involved in the day-to-day operations of our Group. Furthermore, save for Cosmo Restaurants which she is involved in the operations as its CEO, the other Related Entities are managed by their own respective management team and she is not involved in the day-to-day operations of the other Related Entities; and
- (f) Lee Thiam Wah, Ng Lee Tieng and persons connected to them will abstain from deliberation and voting at Board meetings in relation to any transaction with our Related Entities, if any.

As set out in Section 10.2.1 of this Prospectus, our Audit Committee will review any conflict of interest situation that may arise within the Company or our Group including such transaction, procedure or course that raises questions on management integrity and the measures taken to resolve, eliminate, or mitigate such conflicts to ensure that any such transactions are carried out on terms that are not detrimental to our Group and is in the best interest of our Group. Any future dealings with parties in which our Directors and substantial shareholders have interest, direct or indirect, will be based on established procedures for related party transactions to ensure that they are carried out on an arm’s length basis and in accordance with the Listing Requirements in respect of related party transactions.

11. CONFLICT OF INTEREST (Cont'd)

Notwithstanding, the interests that are held by our Directors and substantial shareholders and the interests that may be held by our Directors and substantial shareholders in the future in other businesses or corporations which are carrying on a similar trade as our Group and/or our customers or suppliers may give rise to a conflict of interest situation with our business. Although such interests may give rise to a conflict of interest situation, our Directors and substantial shareholders and persons connected to them shall abstain from deliberating and voting on all resolutions pertaining to such matters or transactions that require the approval of our shareholders in respect of their direct or indirect interests. Such transactions will be carried out on arm's length basis and on normal commercial terms.

11.2 DECLARATION BY ADVISERS ON CONFLICTS OF INTEREST

11.2.1 Declaration by CIMB

CIMB, being the Principal Adviser for our Listing and the Sole Bookrunner, Sole Managing Underwriter and Joint Underwriter for our IPO, as well as its holding company, CIMB Group Holdings Berhad, and the subsidiaries, related and associated companies of its holding company ("**CIMB Group**") form a diversified financial group and are engaged in a wide range of investment and commercial banking, brokerage, securities trading, assets and funds management and credit transaction services businesses. The CIMB Group has engaged and may in the future, engage in transactions with and perform services for our Company and/or our affiliates, in addition to the roles set out in this Prospectus.

In addition, in the ordinary course of business, any member of the CIMB Group may at any time offer or provide its services to or engage in any transaction (on its own account or otherwise) with any member of our Group, our shareholders, our affiliates and/or any other entity or person, hold long or short positions in securities issued by our Company and/or our affiliates, and may trade or otherwise effect transactions for its own account or the account of its customers in debt or equity securities or senior loans of any member of our Group and/or our affiliates. This is a result of the businesses of the CIMB Group generally acting independently of each other, and accordingly, there may be situations where parts of the CIMB Group and/or its customers now have or in the future, may have interest or take actions that may conflict with the interest of our Group.

As at the LPD, CIMB Bank Berhad has extended a total of RM228.8 million facilities to our Group, comprising RM63.8 million in the form of credit facilities and multi option lines which include bank guarantees and RM165.0 million in the form of corporate card solutions facilities, as part of its ordinary course of business. It is expected that our Group will repay some of the borrowings owing to CIMB Bank Berhad using the proceeds raised from our Public Issue. The credit facilities and the corporate card solutions facilities extended to our Group do not impose any conditions to our IPO and our Listing.

CIMB is of the view that the abovementioned does not give rise to a conflict of interest situation in its capacity as the Principal Adviser for our Listing and the Sole Bookrunner, Sole Managing Underwriter and Joint Underwriter for our IPO and any potential conflict of interest that exists or is likely to exist in relation to the aforementioned capacity is mitigated by the following:

- (i) CIMB is a licensed investment bank and its appointment as the Principal Adviser for our Listing and the Sole Bookrunner, Sole Managing Underwriter and Joint Underwriter for our IPO is in the ordinary course of its business and CIMB does not receive or derive any financial interest or benefits save for the professional fees received in relation to the aforementioned appointment for our Listing and our IPO;

11. CONFLICT OF INTEREST (Cont'd)

- (ii) CIMB Bank Berhad is a licensed commercial bank and the extension of credit facilities and corporate card solutions facilities to our Group arose in the ordinary course of its business;
- (iii) the conduct of the CIMB Group in its banking business is strictly regulated by, among others, the Financial Services Act 2013, Islamic Financial Services Act 2013, the CMSA and the CIMB Group's own internal controls and checks;
- (iv) the total aggregate outstanding amount owed by our Group to CIMB Bank Berhad of approximately RM136.9 million as at the LPD is not material when compared to the audited NA of the CIMB Group as at 31 December 2023 of approximately RM68.3 billion; and
- (v) CIMB is required under its investment banking license to comply with applicable laws, regulations and guidelines issued by the relevant authorities governing its advisory business, which require, among others, segregation between dealing and advisory activities, implementation of "Chinese Wall" policies between different business divisions and the formation of an independent committee to review its business operations.

Accordingly, CIMB confirms that there is no conflict of interest situation in its capacity as the Principal Adviser for our Listing and the Sole Bookrunner, Sole Managing Underwriter and Joint Underwriter for our IPO.

11.2.2 Declaration by AHIBB

AHIBB confirms that there is no conflict of interest situation in its capacity as the Joint Underwriter to our Company in relation to our IPO.

11.2.3 Declaration by RHB IB

RHB IB and its related and associated companies (collectively, the "RHB Banking Group") engage in private banking, commercial banking and investment banking transactions which include, among others, brokerage, advisory on mergers and acquisitions, securities trading, assets and fund management as well as credit transaction services. The RHB Banking Group has engaged and may in the future engage in transactions with and perform services for the Group, in addition to the roles set out in this Prospectus.

In addition, any member of the RHB Banking Group may at any time, in the ordinary course of business, offer to provide its services or to engage in any transaction (on its own account or otherwise) with any member of the Group, its directors, its shareholders, its affiliates and/or any other entity or person, hold long or short positions in securities issued by the Company and/or its affiliates, make investment recommendations and/or publish or express independent research views on such securities, and may trade or otherwise effect transactions for its own account or the account of its customers in debt or equity securities or senior loans of any member of the Group and/or its affiliates. This is a result of the businesses of the RHB Banking Group generally acting independently of each other and accordingly there may be situations where parts of the RHB Banking Group and/or its customers now have or in the future, may have interest or take actions that may conflict with the interests of the Group. The related companies of RHB IB may also subscribe for the Shares to be offered under the Institutional Offering.

As at the LPD, RHB Banking Group has extended credit facilities with a combined limit of approximately RM16.7 million to the Group. The extension of the said credit facilities is in the ordinary course of business of the RHB Banking Group. It is expected that the Group will repay the borrowings owing to the RHB Banking Group with the gross proceeds to be raised from the public issue.

11. CONFLICT OF INTEREST (Cont'd)

Notwithstanding the above, RHB IB is of the view that the abovementioned does not give rise to a conflict of interest situation in its capacity as Joint Underwriter due to the following reasons:

- (i) RHB IB is a licensed investment bank and its appointment as the Joint Underwriter is in the ordinary course of its business. RHB IB does not receive or derive any financial interest or benefit save for the professional fees received in relation to its appointment as Joint Underwriter;
- (ii) RHB IB is required under its investment banking license to comply with strict policies and guidelines issued by the Securities Commission Malaysia, Bursa Malaysia Securities Berhad and Bank Negara Malaysia governing its advisory operations. These guidelines require, among others, the establishment of Chinese wall policies, clear segregation between dealing and advisory activities and the formation of an independent committee to review its business operations. In any event, the team overseeing the Listing in RHB IB is independent from the team handling the credit facility. Further, there is no involvement by RHB IB in respect of any credit application process undertaken by other departments within RHB Banking Group;
- (iii) the credit facility was provided by the RHB Banking Group on an arms' length basis and in its ordinary course of business, and the said credit facility is not material when compared to the audited net assets of the RHB Banking Group as at 31 December 2023 of approximately RM30.9 billion; and
- (iv) the conduct of the RHB Banking Group in its banking business is strictly regulated by the Financial Services Act 2013, Islamic Financial Services Act 2013, Capital Markets and Services Act 2007 and the RHB Banking Group's own internal controls and checks which includes, segregation of reporting structures, in that its activities are monitored and reviewed by independent parties and committees.

RHB IB confirms it is not aware of any circumstance that exists or is likely to exist to give rise to a conflict of interest situation in its capacity as Joint Underwriter in relation to our IPO.

11.2.4 Declaration by Crowe Malaysia PLT

Crowe Malaysia PLT confirms that there is no conflict of interest situation in its capacity as the Auditors and Reporting Accountants to our Company in relation to our IPO.

11.2.5 Declaration by Lee Choon Wan & Co.

Lee Choon Wan & Co. confirms that there is no conflict of interest situation in its capacity as the legal adviser to our Company as to Malaysian law in relation to our IPO.

11.2.6 Declaration by Christopher & Lee Ong

Christopher & Lee Ong confirms that there is no conflict of interest situation in its capacity as the legal adviser to the Sole Bookrunner, Sole Managing Underwriter and Joint Underwriters as to Malaysian law in relation to our IPO.

11.2.7 Declaration by Frost & Sullivan

Frost & Sullivan confirms that there is no conflict of interest situation in its capacity as the IMR in relation to our IPO.

12. FINANCIAL INFORMATION

12.1 HISTORICAL FINANCIAL INFORMATION

On 14 December 2023, our Group was formed upon completing the acquisition of 99SM and 99EM as further described in Section 6.1.2 of this Prospectus. For the Periods Under Review and up to the LPD, our Company, 99SM, 99EM, Yiwu J-Jade Trading and Yiwu SM Import and Export have been under the common control of Lee Thiam Wah and the historical consolidated financial information of our Group as presented in this Section has been prepared as if our Company, 99SM, 99EM, Yiwu J-Jade Trading and Yiwu SM Import and Export were already operating as a single economic entity throughout the Periods Under Review.

The historical consolidated financial information for the Periods Under Review presented below have been derived from the Accountants' Report included in Section 13 of this Prospectus ("**Consolidated Financial Statements**"). The financial statements of 99SM and 99EM for the FYE 2021 were previously prepared in accordance with the MPERS. During the FYE 2022 our Group adopted MFRS for the first time and the financial statements for the FYE 2022 are the first financial statements prepared in accordance with MFRS. Accordingly, comparative information for the FYE 2021 has been restated retrospectively to give effect to these changes. As such, our Consolidated Financial Statements have been prepared in accordance with MFRS and IFRS.

There are no accounting policies used in our financial statements that are peculiar to our Group because of the nature of our business or the industry we are involved in.

The historical results for any prior financial years or interim periods are not necessarily indicative of results to be expected for a full financial year or interim period or any future financial years or interim periods.

The following historical consolidated financial information should be read in conjunction with the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" set out in Section 12.2 of this Prospectus and the Accountants' Report set out in Section 13 of this Prospectus.

Selected consolidated statements of profit or loss and other comprehensive income data

	FYE			FPE 31 March	
	Audited			Unaudited	Audited
	2021	2022	2023	2023	2024
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	7,836,756	8,075,262	9,210,505	2,223,754	2,424,860
Cost of sales	(7,080,717)	(7,333,951)	(8,369,058)	(2,000,427)	(2,185,616)
GP	756,039	741,311	841,447	223,327	239,244
Other operating income	685,239	742,858	853,862	198,646	236,387
Other income	22,037	22,499	21,282	4,150	5,605
Administrative and other operating expenses	(857,705)	(980,585)	(1,134,349)	(272,674)	(291,898)
Finance costs	(43,794)	(41,970)	(44,030)	(10,185)	(10,868)
PBT	561,816	484,113	538,212	143,264	178,470
Income tax expense	(142,722)	(157,448)	(137,985)	(36,114)	(45,316)
PAT⁽¹⁾	419,094	326,665	400,227	107,150	133,154

12. FINANCIAL INFORMATION (Cont'd)**Other selected financial data**

	FYE			FPE 31 March	
	2021	2022	2023	2023	2024
	RM'000	RM'000	RM'000	RM'000	RM'000
GP margin (%) ⁽²⁾	9.6	9.2	9.1	10.0	9.9
EBITDA ⁽³⁾	790,398	732,040	803,055	205,799	247,157
Adjusted EBITDA ⁽³⁾	642,643	570,160	622,376	162,638	198,433
EBITDA margin (%) ⁽⁴⁾	10.1	9.1	8.7	9.3	10.2
Adjusted EBITDA margin (%) ⁽⁵⁾	8.2	7.1	6.8	7.3	8.2
PBT margin (%) ⁽⁶⁾	7.2	6.0	5.8	6.4	7.4
PAT margin (%) ⁽⁷⁾	5.3	4.0	4.3	4.8	5.5
Basic and diluted EPS (sen) ⁽⁸⁾	5.0	3.9	4.8	1.3	1.6

Notes:

- (1) All of our PAT is wholly attributable to owners of our Group as we do not have any non-controlling interest.
- (2) Computed based on GP divided by revenue.
- (3) EBITDA is calculated as PAT plus (i) income tax expense; (ii) finance costs; and (iii) depreciation and amortisation less (iv) interest income. Adjusted EBITDA is calculated as EBITDA less (i) repayments of lease liabilities; (ii) interest expense on lease liabilities; (iii) other lease related adjustments including, amongst others, COVID-19 rent concessions; and (iv) the reversal of the provision for restoration costs. The following table reconciles our PAT to EBITDA and Adjusted EBITDA for the Periods Under Review.

	FYE			FPE 31 March	
	2021	2022	2023	2023	2024
	RM'000	RM'000	RM'000	RM'000	RM'000
PAT	419,094	326,665	400,227	107,150	133,154
Add/(Less):					
Income tax expense	142,722	157,448	137,985	36,114	45,316
Finance costs	43,794	41,970	44,030	10,185	10,868
Depreciation and amortisation	189,400	209,010	222,203	52,668	58,091
Interest income	(4,612)	(3,053)	(1,390)	(318)	(271)
EBITDA	790,398	732,040	803,055	205,799	247,158
(Less):					
Repayments of lease liabilities	(106,060)	(122,382)	(139,540)	(33,693)	(38,452)
Interest expense on lease liabilities	(41,640)	(39,435)	(40,937)	(9,468)	(10,108)
Other lease related adjustments including, amongst others, COVID-19 rent concessions	(55)	(63)	(113)	-	(121)
Reversal of provision for restoration costs	-	-	(89)	-	(44)
Adjusted EBITDA	642,643	570,160	622,376	162,638	198,433

- (4) Computed based on EBITDA divided by revenue.

12. FINANCIAL INFORMATION (Cont'd)

- (5) Computed based on Adjusted EBITDA divided by revenue.
- (6) Computed based on PBT divided by revenue.
- (7) Computed based on PAT divided by revenue.
- (8) Computed based on PAT divided by our enlarged issued Shares of 8,400,000,000 upon our Listing.

Selected consolidated statements of financial position data

	As at 31 December			As at 31
	Audited			March
	2021	2022	2023	Audited
	RM'000	RM'000	RM'000	2024
				RM'000
Total non-current assets	1,143,387	1,137,896	1,269,919	1,309,370
Total current assets	1,214,550	1,242,528	1,396,406	1,446,819
Total assets	2,357,937	2,380,424	2,666,325	2,756,189
Total non-current liabilities	759,024	703,505	733,824	749,469
Total current liabilities	861,926	1,045,067	1,390,926	1,331,989
Total liabilities	1,620,950	1,748,572	2,124,750	2,081,458
NA	736,987	631,852	541,575	674,731
Net current assets	352,624	197,461	5,480	114,830
Share capital	-	-	474,506	474,506
Invested equity	17,500	17,500	-	-
Reserves ⁽¹⁾	-	-	(457,010)	(457,008)
Retained profits	719,487	614,352	524,079	657,233
Total equity	736,987	631,852	541,575	674,731
Other selected financial data				
Total borrowings (excluding lease liabilities) (RM'000)	55,763	56,531	51,935	50,765
Net (cash)/borrowings (RM'000) ⁽²⁾	(294,400)	(28,525)	(85,636)	(27,780)
Gearing ratio (times) ⁽³⁾	0.08	0.09	0.10	0.08
Net gearing ratio (times) ⁽⁴⁾⁽⁵⁾	(0.40)	(0.05)	(0.16)	(0.04)

Notes:

- (1) Comprising the merger deficit arising from the completion of the 99SM and 99EM Share Sale Agreement on 14 December 2023 and the foreign currency reserve.
- (2) Computed based on total borrowings (excluding lease liabilities) less cash and cash equivalents as at the end of the financial year/period.
- (3) Computed based on total borrowings (excluding lease liabilities) divided by the total equity as at the end of the financial year/period.
- (4) Computed based on net (cash)/borrowings divided by the total equity as at the end of the financial year/period.
- (5) Negative net gearing ratio denotes a net cash position.

12. FINANCIAL INFORMATION (Cont'd)**12.2 MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

The following discussion and analysis of our Group's financial condition and results of operations should be read in conjunction with the Accountants' Report included in Section 13 of this Prospectus.

12.2.1 Overview

Based on our Group's revenue for the FYE 2023, we are the largest mini-market player in Malaysia with an estimated market share of 40.1%. As at the LPD, we have expanded our distribution footprint to 2,651 outlets nationwide and 19 DCs across 9 states in Malaysia.

With our outlets' tagline, "Near n' Save" in mind, we strategically open our outlets in close proximity to residential communities to ensure our customers can conveniently access our outlets. Our outlets maintain regular operations throughout the year, other than on certain public holidays where our outlets may close or the operating hours may be adjusted. For the Periods Under Review, we have opened 225, 227, 275 and 61 new outlets (net of outlet closures). We intend to continue to open new outlets across Malaysia, with the goal of opening about 250 new outlets annually to reach a targeted total of approximately 3,000 outlets operating nationwide by end of 2025.

As at the LPD, we also offer a diverse range of product portfolio through our outlets with approximately 3,300 SKUs on average across approximately 50 product categories comprising food and beverages, personal and baby care products as well as household products, amongst others, at competitive pricing compared to our competitors.

For further information on our business, see Section 7 of this Prospectus.

The CAGR of our Group's revenue, GP, PAT and Adjusted EBITDA from the FYE 2021 to FYE 2023 and from the FPE 31 March 2023 to the FPE 31 March 2024 are set out as follows:

	FYE			FPE 31 March		
	2021 RM'000	2023 RM'000	CAGR (%)	2023 RM'000	2024 RM'000	% change
Revenue	7,836,756	9,210,505	8.4	2,223,754	2,424,860	9.0
GP	756,039	841,447	5.5	223,327	239,244	7.1
PAT	419,094	400,227	(2.3)	107,150	133,154	24.3
Adjusted EBITDA	642,643	622,376	(1.6)	162,638	198,433	22.0

Taking into account our Group's audited PAT and Adjusted EBITDA of RM274.9 million and RM491.0 million, respectively for the FYE 2020, our Group's PAT and Adjusted EBITDA increased by 45.6% and 26.7% respectively from the FYE 2020 to the FYE 2023, representing a CAGR of 13.3% and 8.2% respectively over the same period.

12. FINANCIAL INFORMATION (Cont'd)

12.2.2 Significant factors affecting our financial condition and results of operations

Our financial condition and results of operations have been, and are expected to be affected by a number of factors, including those set out below:

(i) Number of sales transactions and the average value of sales transaction

The total number of sales transactions at our outlets and the average transaction value of each sales transaction made by our customers are the primary drivers for our overall financial performance and directly impacts our revenue, financial position and the SSSG of our outlets as well as indirectly impacts our other operating income.

Our outlets increase revenue through (i) an increase in the number of sales transactions at our outlets; and/or (ii) an increase in the average value of each sales transaction at our outlets. The number of sales transactions at an outlet depends primarily on, amongst others, the level of footfall within the proximity of the outlet, our ability to satisfy changes in consumer demand and preferences by regularly assessing our product mix and pricing to ensure competitive advantage over our competitors or new entrants into the retail mini-market sector as well as overall customer experience and standard of service we provide in our outlets. With our outlets located across a variety of localities with differing population demographics and disposable income, the average value of a sales transaction varies accordingly based on our product mix, the price points of our products and the ability to make informed decisions on customer behaviour and preferences as well as market trends and opportunities.

The average value of each sales transaction at our outlets, the average sales per outlet per day and the average number of sales transactions per outlet per day for the Periods Under Review are set out as follows:

	FYE			FPE 31 March	
	2021	2022	2023	2023	2024
Average number of sales transactions per outlet per day ⁽¹⁾	459	440	475	465	477
Average value of each sales transaction (RM) ⁽²⁾	24.54	23.59	22.29	23.26	21.85
Average sales per outlet per day (RM) ⁽³⁾	11,263.17	10,378.85	10,593.92	10,822.77	10,423.16

Notes:

- (1) Calculated as the aggregate of our outlets' number of sales transactions per day during the financial year/period divided by the average number of outlets operating during the financial year/period. Our outlets' number of sales transactions per day during the financial year/period is calculated by dividing the total number of sales transactions generated by each of our outlets during the financial year/period with the number of days for the respective financial year/period.
- (2) Calculated as the revenue generated by our outlets during the financial year/period divided by the aggregate number of sales transactions at our outlets during the financial year/period.
- (3) Calculated as the aggregate of our outlets' sales per day during the financial year/period divided by the average number of outlets operating during the financial year/period. Our outlets' sales per day during the financial year/period is calculated by dividing the total sales generated by each outlet during the financial year/period with the number of days for the respective financial year/period.

12. FINANCIAL INFORMATION (Cont'd)

The SSSG of our outlets for the Periods Under Review are set out in the table below:

	FYE			FPE 31 March
	2021	2022	2023	2024
SSSG (%) ⁽¹⁾	3.7	(4.9)	6.2	1.8
Number of outlets included in the calculation of SSSG ⁽²⁾	1,559	1,791	2,013	2,247
Average number of outlets during the financial year/period ⁽³⁾	1,912	2,138	2,389	2,557

Notes:

- (1) *The SSSG of our outlets for a period (e.g. 12 months) is calculated by dividing (a) the revenue generated by our outlets during that period after deducting the revenue generated by those same outlets during the immediate preceding period of the same duration, by (b) the revenue generated by those same outlets during the immediate preceding period of the same duration. SSSG for the 3-month period can therefore only be calculated for our outlets which have been in operation for the full 3 months for the relevant period against the same corresponding period in the prior year and SSSG for a 12-month period can therefore only be calculated for our outlets which have been in operation for a minimum of 24 months.*
- (2) *Calculated based on the number of outlets which have been in operation for at least 3 months or 12 months during the respective financial period/year and the corresponding period in the financial period/year.*
- (3) *Calculated based on the simple average of the number of outlets at the beginning of the financial year and at the end of the financial year. At the beginning of the FYE 2021, 2022, 2023 and 2024, we had 1,799, 2,024, 2,251 and 2,526 outlets respectively. At the end of the FPE 31 March 2024, we had 2,587 outlets. For further details on the net change in the number of our outlets during the Periods Under Review, see Section 7.4.1 of this Prospectus.*

FYE 2021

SSSG for our outlets for the FYE 2021 was positive at 3.7% mainly attributable to the increase in demand for household and essential products as a result of the extension of COVID-19 movement restrictions and lockdown, as reflected by the higher average value per sales transaction of RM24.54 in the FYE 2021 as compared to RM21.33 in the FYE 2020 (representing an increase of 15.0%). This increase in average value per sales transaction more than offset the lower average number of sales transactions per outlet per day of 459 in the FYE 2021 as compared to 523 in the FYE 2020 (representing a decrease of 12.2%).

12. FINANCIAL INFORMATION (Cont'd)FYE 2022

SSSG for our outlets decreased by 4.9% in the FYE 2022, mainly attributed to the easing of the COVID-19 movement restrictions and lockdown, allowing customers to easily travel beyond their neighbourhoods. This is reflected by the lower average number of sales transactions per outlet per day of 440 in the FYE 2022 compared to 459 in the FYE 2021 (representing a decrease of 4.1%), and the lower average value per sales transaction of RM23.59 in the FYE 2022 compared to RM24.54 in the FYE 2021 (representing a decrease of 3.9%).

FYE 2023

SSSG for our outlets had increased by 6.2% for the FYE 2023, mainly attributable to an increase in demand for our grocery products during the same period, as evidenced by the higher average number of sales transactions per outlet per day of 475 for the FYE 2023 as compared to 440 for the FYE 2022 (representing an increase of 8.0%), offset by a slightly lower average value per sales transaction of RM22.29 in the FYE 2023 as compared to RM23.59 in the FYE 2022 (representing a decrease of 5.5%).

Taking into consideration the pre-COVID-19 pandemic financial period of FYE 2019, our Group's gross SSSG between FYE 2019 and FYE 2023 was 21.8% representing a CAGR of 5.1% over the same period, which is calculated based on 1,272 outlets (net of outlet closures).

FPE 31 March 2024

SSSG for our outlets continued to be positive at 1.8% for the FPE 31 March 2024 compared to FPE 31 March 2023, mainly attributable to an increase in demand for our grocery products, as evidenced by the higher average number of sales transactions per outlet per day of 477 for the FPE 31 March 2024 as compared to 465 for the FPE 31 March 2023 (representing an increase of 2.6%), offset by a lower average value per sales transaction of RM21.85 in the FPE 31 March 2024 as compared to RM23.26 in the FPE 31 March 2023 (representing a decrease of 6.1%).

(ii) Growing and expanding our outlet footprint and presence across Malaysia

Our sales, costs and profitability are directly affected by the number of outlets in which we operate.

An important factor for the increase in our revenue is through the expansion of our outlet network via the strategic locations of our outlets in close proximity to residential communities that provides for a convenient shopping experience and are easily accessible by our customers. As part of our strategy to capture the growth opportunities in Malaysia's "mini-market" industry, we intend to continue to expand our outlet network across Malaysia. From 1 April 2024 to the LPD, we have already opened 64 new outlets (net of 2 outlet closure) nationwide.

As we grow our outlet network, our inventory cost and many of our operating expenses such as employee expenses, rental related expenses, utilities expenses as well as upkeep and maintenance expenses, will also grow in tandem. However, the substantial scale of our operations offers the advantage of economies of scale, contributing to improvement in profit margins. The significant size of our outlet network further strengthen our negotiating position with suppliers.

12. FINANCIAL INFORMATION (Cont'd)

For further details on the breakdown of our outlet footprint and presence as at the end of each of the Periods Under Review across the different regions, see Section 7.4.1 of this Prospectus.

(iii) Strategic product pricing and managing our curated product range through effective sourcing and distribution

We maintain a wide range of products encompassing consumable merchandise and household products. Our products are competitively priced and the pricing is generally consistent across our outlets to provide our customers with an attractive price-to-quality value proposition, which drives our revenue.

We are able to keep our product pricing competitive by negotiating directly with principal brand owners and purchasing our products from wholesale suppliers in large volumes. Our cost of sales associated with procuring inventory from approximately 700 suppliers as at the LPD constitute our largest expense, representing approximately 90.4%, 90.8% and 90.9% of our total revenue for the FYE 2021, FYE 2022 and FYE 2023 respectively as well as 90.0% and 90.1% of our total revenue for the FPE 31 March 2023 and FPE 31 March 2024, respectively.

We generally maintain a certain selling margin above the purchasing cost for our products. In the highly competitive grocery retail sector that we operate in, achieving a balance between maximising profitability and ensuring competitive pricing is crucial, especially in situations involving price increases.

(iv) Employee benefit expenses

We operate a labour-intensive business and consequently, our employee expenses directly affect our results of operations. As at the LPD, we have in total 22,621 employees. Our employee benefits include, amongst others, employee salaries, allowances, overtime expenses, contributions to defined contribution plans and wages, incurred in respect of our employees at our outlets, DCs and corporate headquarters.

The percentage of total employee benefits expenses against our Group's revenue for the Periods Under Review are set out in the table below:

	FYE			FPE 31 March	
	2021	2022	2023	2023	2024
	RM'000	RM'000	RM'000	RM'000	RM'000
Total employee benefits expenses	484,675	552,089	680,039	163,477	173,522
Total employee benefits expenses as a percentage of revenue	6.2%	6.8%	7.4%	7.4%	7.2%

12. FINANCIAL INFORMATION (Cont'd)

We determine our employees' salaries based on various factors including but not limited to the experience, position and seniority of our employees. As at the LPD, the base salary of all our employees in Malaysia are paid in accordance with the applicable Malaysian statutory minimum wage of RM1,500 nationwide, where approximately 95.0% of our total employees are paid above the Malaysian minimum wage. Any future changes to our employees' salaries, such as salary increments or increases in the statutory minimum wage of Malaysia, will directly impact our employee benefits expenses. In addition to salaries and incentive-based pay, we also incur ancillary expenses relating to, amongst others, medical fees, staff refreshments, staff welfare, meal allowance as well as the recruitment and training of our employees.

(v) Outlet related expenses including rental and refurbishment

Our business is real-estate intensive and as at the LPD, we operate 2,649 outlets on tenanted properties and 2 outlets on properties owned by us. For our rented properties, we generally enter into leases which are for initial terms of 2 or 3 years, with the option for us to extend. These rental rates may be adjusted depending on prevailing property market conditions in Malaysia at the time of extension or renewal, subject to the applicable maximum increases agreed to under each tenancy agreement. Save for 2 DCs located in Sabah which we rent, we do not incur any other rental costs for the other 17 DCs as well as our corporate headquarters as we own these properties.

Apart from rental considerations, we regularly assess the condition of our outlets and generally may conduct refurbishments every 7 years or when deemed necessary, in alignment with our Group's maintenance strategy.

Significant adjustments to our rental rates would affect the repayment of our lease liabilities including the interest on lease liabilities.

(vi) Consumer spending and economic conditions in Malaysia

We are dependent on the Malaysian consumer spending and general state of the Malaysian economy as all of our outlets are located in Malaysia. Demand for, and prevailing prices of our products relate directly to the strength, purchasing power and growth of the Malaysian economy.

More specifically, we also depend on the condition of the Malaysian grocery-based retail industry. According to the IMR Report, the total grocery-based retail industry has grown at a CAGR of 2.6% between 2019 and 2023, and is expected to grow at a CAGR of 5.9% between 2023 and 2028, with chain mini-markets expected to grow by 10.1% over the same period. The expansion of such growth can be attributed to the growing population in Malaysia and the increasing demand for grocery and household related products.

Historically, there have been changes in the Malaysian tax regulations and these changes affect our costs, expenses and margins. In 2021, as part of Budget 2022, the Government introduced an one-off prosperity tax on companies with chargeable income in excess of RM100 million. Due to the prosperity tax, our Group incurred additional tax of 9% on chargeable income exceeding RM100 million above the statutory rate of 24% which resulted in a lower PAT margin and higher effective tax rate for the FYE 2022.

12. FINANCIAL INFORMATION (Cont'd)**(vii) Other operating income**

Our financial results are affected by, amongst others, our ability to consistently generate and grow our other operating income. Our other operating income includes product display fees, target incentive fees, DC fees for handling of products as well as other advertisement and promotional fees. The growth of our other operating income is a result of the expansion of our network of outlets and DCs as well as the increasing volume of product sales. The trading terms with our suppliers are typically negotiated on a yearly basis. We take into consideration both revenue and other operating income collectively when assessing financial performance and sustainability of our business operations.

Throughout the Periods Under Review, we have successfully grown our other operating income at a CAGR of 11.6% between the FYE 2021 and FYE 2023 and 19.0% between the FPE 31 March 2023 and the FPE 31 March 2024.

As a key customer to our main suppliers, we are able to earn target incentive fees if we meet the targeted purchase volumes that are set for us. During the Periods Under Review, we have generally met these purchase volumes, as we were able to successfully implement our revenue growth and outlet expansion plans.

Further, our extensive distribution network, comprising our DCs and our fleet of delivery trucks, optimises our logistic operations and allows for most of our suppliers to deliver goods directly to our DCs and subsequently for our own delivery to our outlets. This eliminates the need for such suppliers to deliver goods directly to our outlets enabling us to charge DC fees for the handling of their products.

In this regard, our organised and efficient operations combined with the high sales volume generated by our extensive network of outlets has enabled us to negotiate favourable trading terms with our main suppliers, which contributed to the increase in our other operating income figures for the respective years.

For further details on the other operating income on our financial results, see Section 12.2.4(d) of this Prospectus.

(viii) COVID-19 pandemic

During the outbreak of the COVID-19 pandemic from early 2020 to early 2022, the Government implemented various safety measures such as lockdowns and other movement control orders to curb the spread of the disease.

During this period, and where there are reported cases of COVID-19, affected outlets and DCs had to temporarily suspend their operations in accordance with the safety regulations, protocols and sanitisation procedures, as required by the MOH.

Other than the affected outlets and DCs, we maintained normal operations at our outlets throughout the various lockdowns as we were classified as an “essential service”. During this period, the operations of our DCs that support our outlets also continued to operate as normal.

12. FINANCIAL INFORMATION (Cont'd)

Although the opening of new outlets was affected at the initial stages of the COVID-19 lockdown, the increase in demand for essential products during this lockdown period coupled with the continued opening of our outlets at the later stages of the lockdown period resulted in a significant increase in our revenue and other operating income in the FYE 2020 and FYE 2021. The strategic locations of our outlets which are in close proximity to residential communities, ensured residents convenient access to essential products throughout the lockdown period which in return facilitated the growth of our revenue.

It is important to note that the handling of future disease outbreak by the Government and their associated initiatives will be case specific. Therefore, we are unable to determine if future pandemics or disease(s) outbreaks will have a positive or negative impact on the financial results and operations of our Group.

12.2.3 Critical accounting estimates and judgements

The preparation of our financial statements in accordance with MFRS and IFRS requires management to make judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, and the disclosure of contingent liabilities as at the reporting date. We periodically review our estimates and underlying assumptions. We recognise revisions to accounting estimates in the period in which the estimates are revised and in any future periods affected. Nonetheless, actual results may differ from these estimates.

Judgements made in applying accounting policies

In the process of applying the accounting policies of our Group, management is not aware of any judgements, apart from those involving estimations, that can significantly affect the amounts recognised in the consolidated financial statements.

Sources of estimation uncertainty

The key assumptions about the future, and other major sources of estimation uncertainty at the end of the reporting period, that have a significant risk of resulting in a material adjustment to the carrying amount of the assets or liabilities within the next financial year are discussed below.

(i) Impairment of non-financial assets

We reviewed our non-financial assets for indications of impairment and where such indications exist, we performed impairment test which involved significant judgements and estimation uncertainty in making key assumptions about future market and economic conditions, growth rates, profit margins, discount rate, etc. Possible changes in these estimates may result in revisions to the carrying amounts of non-financial assets.

(ii) Provision for restoration costs

We estimate provision for restoration costs based on the best estimate of future costs and the economic life of the affected assets. The estimated provision for restoration costs is reviewed periodically and are updated if expectations differ from previous estimates due to changes in cost factors. Any changes in these accounting estimates will affect the carrying amount of provision for restoration costs as disclosed in Note 16 to the Consolidated Financial Statements included in Section 13 of this Prospectus.

12. FINANCIAL INFORMATION (Cont'd)**(iii) Discount rates used in leases**

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

For further details, see Note 3 of the Consolidated Financial Statements included in Section 13 of this Prospectus.

12.2.4 Results of operations

The principal components of our consolidated statements of profit or loss and other comprehensive income for the Periods Under Review are as follows:

(a) Revenue

We generate our revenue from the retail sales of consumable merchandise and other household products. The retail products we sell comprise several core product categories such as food and beverages, personal and baby care products and household products, which collectively contributed to 92.6%, 92.9% and 93.2% of our total revenue for the FYE 2021, FYE 2022 and FYE 2023 respectively. These product categories also collectively contributed 93.0% and 93.2% of our total revenue for the FPE 31 March 2023 and FPE 31 March 2024 respectively.

In addition, our revenue had increased from RM7,836.8 million in the FYE 2021 to RM9,210.5 million in the FYE 2023 which represented a CAGR of 8.4%, and increased by 9.0% from RM2,223.8 million in the FPE 31 March 2023 to RM2,424.9 million in the FPE 31 March 2024.

The following table sets out the breakdown of our revenue by product categories for the Periods Under Review.

	FYE					
	2021		2022		2023	
	RM'000	%	RM'000	%	RM'000	%
Food and beverages	5,717,128	73.0	5,842,445	72.3	6,701,509	72.8
Personal and baby care products	995,954	12.7	1,090,293	13.5	1,171,430	12.7
Household products	543,697	6.9	575,736	7.1	706,763	7.7
Others	579,977	7.4	566,788	7.1	630,803	6.8
Total	7,836,756	100.0	8,075,262	100.0	9,210,505	100.0

12. FINANCIAL INFORMATION (Cont'd)

	FPE 31 March			
	2023		2024	
	RM'000	%	RM'000	%
Food and beverages	1,617,318	72.7	1,790,178	73.8
Personal and baby care products	283,642	12.8	290,815	12.0
Household products	167,260	7.5	179,147	7.4
Others	155,534	7.0	164,720	6.8
Total	2,223,754	100.0	2,424,860	100.0

(b) Cost of sales

Our cost of sales consists of the purchase costs of the consumable merchandise and household products that we purchase directly from our suppliers and trading houses, as well as costs associated with inventories written off and losses.

The following table sets out the components of our cost of sales for the Periods Under Review.

	FYE					
	2021		2022		2023	
	RM'000	%	RM'000	%	RM'000	%
Purchase cost of goods ⁽¹⁾	7,432,523	105.0	7,724,028	105.3	8,827,461	105.5
Discounts received ⁽²⁾	(359,107)	(5.1)	(400,762)	(5.5)	(472,738)	(5.6)
Cost associated with inventories written off	7,301	0.1	10,685	0.2	14,335	0.1
Total cost of sales	7,080,717	100.0	7,333,951	100.0	8,369,058	100.0

	FPE 31 March			
	2023		2024	
	RM'000	%	RM'000	%
Purchase cost of goods ⁽¹⁾	2,116,090	105.8	2,336,404	106.9
Discounts received ⁽²⁾	(119,008)	(5.9)	(154,857)	(7.1)
Cost associated with inventories written off	3,345	0.1	4,069	0.2
Total cost of sales	2,000,427	100.0	2,185,616	100.0

Notes:

- (1) Computed based on cost of goods sold, after deducting return of goods to our suppliers and including packaging costs in relation to vegetables and fresh food.
- (2) Including supplier fund in relation to discounts provided by suppliers for promotional items sold at our outlets and prompt payment discounts.

12. FINANCIAL INFORMATION (Cont'd)

The following table sets out the breakdown of our cost of sales by product categories for the Periods Under Review.

	FYE					
	2021		2022		2023	
	RM'000	%	RM'000	%	RM'000	%
Food and beverages	5,206,346	73.5	5,352,297	73.0	6,129,974	73.2
Personal and baby care products	889,941	12.6	977,211	13.3	1,060,545	12.7
Household products	472,589	6.7	503,613	6.9	619,019	7.4
Others	511,841	7.2	500,830	6.8	559,520	6.7
Total	7,080,717	100.0	7,333,951	100.0	8,369,058	100.0

	FPE 31 March			
	2023		2024	
	RM'000	%	RM'000	%
Food and beverages	1,460,651	73.0	1,620,139	74.2
Personal and baby care products	256,234	12.8	265,246	12.1
Household products	145,961	7.3	155,461	7.1
Others	137,581	6.9	144,770	6.6
Total	2,000,427	100.0	2,185,616	100.0

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12. FINANCIAL INFORMATION (Cont'd)**(c) GP and GP margin**

The following table sets out the breakdown of our GP and GP margin by product categories for the Periods Under Review.

	Food and beverages	Personal and baby care products	Household products	Others	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
FYE 2021					
Revenue	5,717,128	995,954	543,697	579,977	7,836,756
Cost of sales	(5,206,346)	(889,941)	(472,589)	(511,841)	(7,080,717)
GP	510,782	106,013	71,108	68,136	756,039
GP margin	8.9%	10.6%	13.1%	11.7%	9.6%
FYE 2022					
Revenue	5,842,445	1,090,293	575,736	566,788	8,075,262
Cost of sales	(5,352,297)	(977,211)	(503,613)	(500,830)	(7,333,951)
GP	490,148	113,082	72,123	65,958	741,311
GP margin	8.4%	10.4%	12.5%	11.6%	9.2%
FYE 2023					
Revenue	6,701,509	1,171,430	706,763	630,803	9,210,505
Cost of sales	(6,129,974)	(1,060,545)	(619,019)	(559,520)	(8,369,058)
GP	571,535	110,885	87,744	71,283	841,447
GP margin	8.5%	9.5%	12.4%	11.3%	9.1%
FPE 31 March 2023					
Revenue	1,617,318	283,642	167,260	155,534	2,223,754
Cost of sales	(1,460,651)	(256,234)	(145,961)	(137,581)	(2,000,427)
GP	156,667	27,408	21,299	17,953	223,327
GP margin	9.7%	9.7%	12.7%	11.5%	10.0%
FPE 31 March 2024					
Revenue	1,790,178	290,815	179,147	164,720	2,424,860
Cost of sales	(1,620,139)	(265,246)	(155,461)	(144,770)	(2,185,616)
GP	170,039	25,569	23,686	19,950	239,244
GP margin	9.5%	8.8%	13.2%	12.1%	9.9%

12. FINANCIAL INFORMATION (Cont'd)**(d) Other operating income**

Other operating income mainly comprise product display fees, target incentives received from our suppliers, DC fees for handling of goods and advertising and promotional fees. Our product display fees constitute the largest proportion of our total other operating income.

The following table sets out the breakdown of our other operating income for the Periods Under Review.

	FYE					
	2021		2022		2023	
	RM'000	%	RM'000	%	RM'000	%
Product display fees ⁽¹⁾	412,536	60.2	441,914	59.5	507,592	59.5
Incentives ⁽²⁾	154,139	22.5	163,347	22.0	184,505	21.6
DC fees	110,150	16.1	121,937	16.4	145,193	17.0
Advertising and promotional fees ⁽³⁾	4,514	0.7	12,396	1.7	12,953	1.5
Others ⁽⁴⁾	3,900	0.5	3,264	0.4	3,619	0.4
Total other operating income	685,239	100.0	742,858	100.0	853,862	100.0

	FPE 31 March			
	2023		2024	
	RM'000	%	RM'000	%
Product display fees ⁽¹⁾	119,740	60.3	142,892	60.5
Incentives ⁽²⁾	41,195	20.7	42,260	17.9
DC fees	34,348	17.3	48,257	20.4
Advertising and promotional fees ⁽³⁾	2,491	1.3	1,978	0.8
Others ⁽⁴⁾	872	0.4	1,000	0.4
Total other operating income	198,646	100.0	236,387	100.0

Notes:

- (1) *Includes fees for, amongst others, products displayed on shelves in our outlets, fees for ad hoc shelving of promotional products and fees for the listing of new products in our outlets.*
- (2) *Includes conditional and target incentives for achieving certain sales target set by our suppliers.*
- (3) *Includes fees received from suppliers who advertise products on buntings at our outlets as well as advertising leaflets at our outlets and through social media.*
- (4) *Includes commission earned from service providers in relation to "Speedpoint Services" offered at our outlets such as bill payment, mobile prepaid and reload, e-Payment, gaming and entertainment subscriptions as well as courier services.*

12. FINANCIAL INFORMATION (Cont'd)**(e) Other income**

Our other income mainly consists sale of recyclable materials such as cardboard boxes and plastic materials as well as interest income.

The following table sets out the breakdown of our other income for the Periods Under Review.

	FYE					
	2021		2022		2023	
	RM'000	%	RM'000	%	RM'000	%
Sale of recyclable materials	14,464	65.6	13,657	60.7	9,575	45.0
Interest income ⁽¹⁾	4,612	20.9	3,053	13.6	1,390	6.5
Others ⁽²⁾	2,961	13.5	5,789	25.7	10,317	48.5
Total	22,037	100.0	22,499	100.0	21,282	100.0

	FPE 31 March			
	2023		2024	
	RM'000	%	RM'000	%
Sale of recyclable materials	2,923	70.4	4,286	76.5
Interest income ⁽¹⁾	318	7.7	271	4.8
Others ⁽²⁾	909	21.9	1,048	18.7
Total	4,150	100.0	5,605	100.0

Notes:

- (1) *Includes interest income derived from our fixed deposits and bank accounts.*
- (2) *Includes, amongst others, recovery of uniform deposits from our ex-employees, expired and unredeemed sales voucher, sponsorships from our suppliers for our annual dinner as well as funds received for our basketball team in exchange for their brands to be printed on the jerseys.*

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12. FINANCIAL INFORMATION (Cont'd)**(f) Administrative and other operating expenses**

Our administrative and other operating expenses mainly comprise employee benefit expenses, depreciation of assets including our property and equipment, and ROU assets, utilities expenses, upkeep and maintenance expenses as well as travelling expenses.

The following table sets out the breakdown of our administrative and other operating expenses for the Periods Under Review.

	FYE					
	2021		2022		2023	
	RM'000	%	RM'000	%	RM'000	%
Employee benefit expenses ⁽¹⁾	484,675	56.5	552,089	56.3	680,039	60.0
Depreciation of ROU assets	127,896	14.9	139,622	14.2	155,356	13.8
Utilities expenses ⁽²⁾	97,706	11.4	122,766	12.5	129,340	11.4
Depreciation of plant and equipment	61,499	7.2	69,383	7.1	66,847	5.9
Upkeep and maintenance expenses ⁽³⁾	27,665	3.2	35,200	3.6	36,790	3.2
Plastic bag and price tag labels	12,408	1.5	13,409	1.4	7,367	0.7
Transportation expenses ⁽⁴⁾	11,552	1.4	12,551	1.3	13,713	1.2
Bank charges ⁽⁵⁾	9,806	1.1	10,055	1.0	12,438	1.1
Licensing and regulatory fees ⁽⁶⁾	5,357	0.6	5,011	0.5	5,952	0.5
Office expenses ⁽⁷⁾	2,927	0.3	3,637	0.4	4,700	0.4
Security expenses ⁽⁸⁾	1,606	0.2	2,142	0.2	2,709	0.2
Insurance	1,017	0.1	1,172	0.1	1,676	0.1
Others ⁽⁹⁾	13,591	1.6	13,548	1.4	17,422	1.5
Total	857,705	100.0	980,585	100.0	1,134,349	100.0

	FPE 31 March			
	2023		2024	
	RM'000	%	RM'000	%
Employee benefit expenses ⁽¹⁾	163,477	60.0	173,522	59.4
Depreciation of ROU assets	36,995	13.6	41,438	14.2
Utilities expenses ⁽²⁾	32,317	11.9	32,827	11.2
Depreciation of plant and equipment	15,673	5.7	16,653	5.7
Upkeep and maintenance expenses ⁽³⁾	8,446	3.1	9,220	3.1
Plastic bag and price tag labels	3,676	1.3	261	0.1
Transportation expenses ⁽⁴⁾	3,281	1.2	3,695	1.3
Bank charges ⁽⁵⁾	2,786	1.0	3,655	1.2
Licensing and regulatory fees ⁽⁶⁾	1,272	0.5	1,667	0.6
Office expenses ⁽⁷⁾	1,101	0.4	1,021	0.4
Security expenses ⁽⁸⁾	648	0.2	754	0.3
Insurance	176	0.1	323	0.1
Others ⁽⁹⁾	2,826	1.0	6,862	2.4
Total	272,674	100.0	291,898	100.0

12. FINANCIAL INFORMATION (Cont'd)**Notes:**

- (1) *Includes, amongst others, salaries, allowances, overtime payments, contributions to defined contribution plans, wages, bonuses as well as directors' fees and remunerations.*
- (2) *Includes electricity expenses, telecommunication expenses as well as water expenses at our corporate headquarters, DCs and outlets.*
- (3) *Includes expenses in relation to maintaining the conditions of our corporate headquarters, DCs and outlets, equipment, vehicles as well as our IT hardware and software.*
- (4) *Includes, amongst others, expenses in respect of fuel for our delivery trucks for the deliveries from DCs to the respective outlets and our vans used in the renovation and fitting instalments at our outlets, tolls and road tax.*
- (5) *Includes expenses in respect of bank transactional charges on payment received through debit and credit card, digital wallets and cheques.*
- (6) *Includes licensing fees necessary for the operation of our outlets as well as the assessment and quit rent.*
- (7) *Includes, amongst others, printing and stationery as well as uniform and name tag expenses.*
- (8) *Includes expenses in relation to the engagement of security guards for our DCs and corporate headquarters.*
- (9) *Includes, amongst others, warehouse expenses such as purchasing of garbage bags and tape, promotional materials such as bunting and flyers, annual dinner expenses, sundry expenses such as face mask, wet tissue and hand sanitisers, as well as donations and gifts.*

(g) Finance costs

Finance costs comprise interest on lease liabilities on our ROU assets, interest on our loans and borrowings as well as the unwinding of discount on provision for restoration costs of our outlets.

The following table sets out our finance costs for the Periods Under Review.

	FYE					
	2021		2022		2023	
	RM'000	%	RM'000	%	RM'000	%
Interest on lease liabilities	41,640	95.1	39,435	94.0	40,937	93.0
Interest expenses on loans and borrowings	1,844	4.2	2,061	4.9	2,419	5.5
Unwinding of discount on provision for restoration costs ⁽¹⁾	310	0.7	474	1.1	674	1.5
Total	43,794	100.0	41,970	100.0	44,030	100.0

	FPE 31 March			
	2023		2024	
	RM'000	%	RM'000	%
Interest on lease liabilities	9,468	93.0	10,108	93.0
Interest expenses on loans and borrowings	586	5.7	583	5.4
Unwinding of discount on provision for restoration costs ⁽¹⁾	131	1.3	177	1.6
Total	10,185	100.0	10,868	100.0

12. FINANCIAL INFORMATION (Cont'd)**Note:**

- (1) Refers to the change in the present value of a provision for restoration costs over time, considering changes in interest rates and the passage of time.

(h) Income tax expense

Our income tax expenses comprise current and deferred tax. We calculate current tax at the Malaysian statutory tax rate in respect of our PAT for the respective years/periods.

Our deferred tax expense primarily provides for temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and their tax bases.

For further details on the reconciliation of the income tax expense, see Note 24 of the Consolidated Financial Statements included in Section 13 of this Prospectus.

The following table sets out the breakdown of our income tax expense for the Periods Under Review.

	FYE			FPE 31 March	
	2021	2022	2023	2023	2024
	RM'000	RM'000	RM'000	RM'000	RM'000
Current tax	147,770	161,140	138,643	36,996	46,113
Deferred tax	(5,048)	(3,692)	(658)	(882)	(797)
Income tax expenses	142,722	157,448	137,985	36,114	45,316

Our Group's effective tax rate is derived after dividing the total income tax expenses that is payable for the same financial year/period by the PBT. The effective tax rate is mainly affected by the statutory tax rate, non-deductible expenses, non-taxable income and over or under-provisions of current tax in the previous financial year/period.

The following tables set out our Group's effective tax rate for the Periods Under Review.

	FYE		
	2021	2022	2023
	RM'000	RM'000	RM'000
PBT	561,816	484,113	538,212
Income tax expense	142,722	157,448	137,985
Group effective tax rate (%)	25.4	32.5	25.6
Malaysia statutory tax rate (%)	24.0	24.0	24.0

	FPE 31 March	
	2023	2024
	RM'000	RM'000
PBT	143,264	178,470
Income tax expense	36,114	45,316
Group effective tax rate (%)	25.2	25.4
Malaysia statutory tax rate (%)	24.0	24.0

12. FINANCIAL INFORMATION (Cont'd)

For the FYE 2021, FYE 2023 as well as the FPE 31 March 2024, our effective tax rate was higher than the Malaysian statutory tax rate of 24.0% mainly due to non-deductible expenses in relation to, amongst others, depreciation in relation to our property and equipment and ROU assets, donation, gift and initial licensing fees for the setting up of our outlets and DCs.

For the FYE 2022, our effective tax rate was disproportionately higher than the Malaysian statutory tax rate of 24.0% mainly due to the one-off impact of the 33.0% prosperity tax which was imposed by the Government during the FYE 2022.

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12. FINANCIAL INFORMATION (Cont'd)**12.2.5 Review of performance for the FYE 2022 compared to the FYE 2021**

The following table presents selected information from our consolidated statements of profit or loss, in absolute terms, as a percentage of revenue, and the percentage changes for the financial years indicated:

	FYE				% change
	2021		2022		
	RM'000	%	RM'000	%	
Revenue	7,836,756	100.0	8,075,262	100.0	3.0
Cost of sales	(7,080,717)	(90.4)	(7,333,951)	(90.8)	3.6
GP	756,039	9.6	741,311	9.2	(1.9)
Other operating income	685,239	8.8	742,858	9.2	8.4
Other income	22,037	0.3	22,499	0.3	2.1
Administrative and other operating expenses	(857,705)	(10.9)	(980,585)	(12.2)	14.3
Finance costs	(43,794)	(0.6)	(41,970)	(0.5)	(4.2)
PBT	561,816	7.2	484,113	6.0	(13.8)
Income tax expense	(142,722)	(1.8)	(157,448)	(2.0)	10.3
PAT	419,094	5.3	326,665	4.0	(22.1)

(i) Revenue

Our revenue increased slightly by 3.0% from RM7,836.8 million for the FYE 2021 to RM8,075.3 million for the FYE 2022, mainly contributed by the 11.2% increase in the number of new outlets, rising from 2,024 to 2,251 outlets. This growth was moderated by a decline in SSSG at negative 4.9% that resulted from the lifting of COVID-19 movement restrictions and lockdown during the year.

This is reflected by the lower average number of sales transactions per outlet per day of 440 in the FYE 2022 compared to 459 in the FYE 2021 (representing a decrease of 4.1%), and the lower average value per sales transaction of RM23.59 in the FYE 2022 compared to RM24.54 in the FYE 2021 (representing a decrease of 3.9%).

(ii) Cost of sales

Our cost of sales increased by 3.6% from RM7,080.7 million for the FYE 2021 to RM7,334.0 million for the FYE 2022. This was mainly due to higher level of sales coupled with higher purchase prices for products arising from the global supply chain disruption in 2022.

(iii) GP and GP margin

As a result of the foregoing, our GP decreased by 1.9% from RM756.0 million in the FYE 2021 to RM741.3 million in the FYE 2022. Additionally, our GP margin also decreased slightly from 9.6% in the FYE 2021 to 9.2% in the FYE 2022.

(iv) Other operating income

Our other operating income increased by 8.4% from RM685.2 million for the FYE 2021 to RM742.9 million for the FYE 2022 mainly due to the increase in product display fees from the higher number of outlets and the increase in DC fees arising from higher purchases and better negotiated terms with some suppliers.

12. FINANCIAL INFORMATION (Cont'd)**(v) Other income**

Our other income increased by 2.1% from RM22.0 million for the FYE 2021 to RM22.5 million for the FYE 2022 primarily arising from sponsorship and promotional contribution received from suppliers in conjunction with our Group's anniversary dinner in the FYE 2022, which was partially offset by lower sale of recyclable materials and interest income.

(vi) Administrative and other operating expenses

Our administrative and other operating expenses increased by 14.3% from RM857.7 million for the FYE 2021 to RM980.6 million for the FYE 2022 mainly due to:

- (a) salary adjustments pursuant to the implementation of the Minimum Wages Order from 1 May 2022 coupled with the increase in the total number of employees by 2,110 from 15,127 as at 31 December 2021 to 17,237 as at 31 December 2022; and
- (b) higher utilities expenses in connection with the imposition of electricity tariff surcharge on non-domestic users which commenced on 1 February 2022, and our Group had also provided mobile phone plans to employees as part of their effort to attract and retain talent.

(vii) Finance costs

Our finance costs decreased by 4.2% from RM43.8 million for the FYE 2021 to RM42.0 million for the FYE 2022 primarily due to a decrease in the interest on lease liabilities incurred arising from the reduction in outstanding lease interest of our existing outlets nearer to the end of their tenancies.

(viii) PBT and PBT margin

As a result of the foregoing, our PBT decreased by 13.8% from RM561.8 million for the FYE 2021 to RM484.1 million for the FYE 2022. Our PBT margin decreased from 7.2% in the FYE 2021 to 6.0% in the FYE 2022 mainly due to lower GP margin for the reasons set out in Section 12.2.5(ii) of this Prospectus and higher administrative and other operating expenses for the reasons set out in 12.2.5(vi) of this Prospectus.

(ix) Income tax expense

Our income tax expense increased by 10.3% from RM142.7 million for the FYE 2021 to RM157.4 million for the FYE 2022 despite the reduction in PBT above. This was mainly due to the one-off prosperity tax of 33.0% imposed by the government in 2022. This was reflected in the higher effective tax rate of 32.5% in 2022 compared to 25.4% in 2021.

(x) PAT

As a result of the foregoing, our PAT decreased by 22.1% from RM419.1 million for the FYE 2021 to RM326.7 million for the FYE 2022. Our PAT margin decreased from 5.3% in the FYE 2021 to 4.0% in the FYE 2022.

12. FINANCIAL INFORMATION (Cont'd)**12.2.6 Review of performance for the FYE 2023 compared to the FYE 2022**

The following table presents selected information from our consolidated statements of profit or loss, in absolute terms, as a percentage of revenue and the percentage changes for the financial periods indicated:

	FYE				% change
	2022		2023		
	RM'000	%	RM'000	%	
Revenue	8,075,262	100.0	9,210,505	100.0	14.1
Cost of sales	(7,333,951)	(90.8)	(8,369,058)	(90.9)	14.1
GP	741,311	9.2	841,447	9.1	13.5
Other operating income	742,858	9.2	853,862	9.3	14.9
Other income	22,499	0.3	21,282	0.2	(5.4)
Administrative and other operating expenses	(980,585)	(12.2)	(1,134,349)	(12.3)	15.7
Finance costs	(41,970)	(0.5)	(44,030)	(0.5)	4.9
PBT	484,113	6.0	538,212	5.8	11.2
Income tax expense	(157,448)	(2.0)	(137,985)	(1.5)	(12.4)
PAT	326,665	4.0	400,227	4.3	22.5

(i) Revenue

Our revenue increased by 14.1% from RM8,075.3 million for the FYE 2022 to RM9,210.5 million for the FYE 2023, mainly due to the positive SSSG of 6.2% and the revenue contribution from the 12.2% increase in the number of outlets, rising from 2,251 to 2,526 outlets.

During the FYE 2023, our Group had enjoyed greater demand for our products, as evidenced by the higher average number of sales transactions per outlet per day of 475 for the FYE 2023 as compared to 440 for the FYE 2022 (representing an increase of 8.0%), offset by a slightly lower average value per sales transaction of RM22.29 in the FYE 2023 as compared to RM23.59 in the FYE 2022 (representing a decrease of 5.5%).

(ii) Cost of sales

Our cost of sales increased by 14.1% from RM7,334.0 million for the FYE 2022 to RM8,369.1 million for the FYE 2023, which was in line with the growth in revenue.

(iii) GP and GP margin

As a result of the foregoing, our GP increased by 13.5% from RM741.3 million in the FYE 2022 to RM841.4 million in the FYE 2023 where our GP margin remained consistent during the same periods.

12. FINANCIAL INFORMATION (Cont'd)**(iv) Other operating income**

Our other operating income increased by 14.9% from RM742.9 million for the FYE 2022 to RM853.9 million for the FYE 2023 mainly due to:

- (a) higher product display fees and DC fees amounting to RM652.8 million for the FYE 2023 as compared to RM563.9 million for the FYE 2022 as a result of better negotiated terms with some of our suppliers, in tandem with the increase in the number of our outlets and higher purchases; and
- (b) increase in target incentives as a result of higher number of purchases to support our growing business operations for the FYE 2023.

(v) Other income

Our other income decreased slightly from RM22.5 million for the FYE 2022 to RM21.3 million for the FYE 2023. For both the financial periods, our other income mainly comprise recovery of uniform deposits collected from our ex-employees, expired and unredeemed sales vouchers that were sold by our Group to customers as well as sale of recyclable materials such as cardboards and plastic.

(vi) Administrative and other operating expenses

Our administrative and other operating expenses increased by 15.7% from RM980.6 million for the FYE 2022 to RM1,134.3 million for the FYE 2023 mainly due to the increase in the total number of employees by 20.2% from 17,237 as at 31 December 2022 to 20,719 as at 31 December 2023. Additionally, this increase is also attributable by the full year impact of the Minimum Wages Order in the FYE 2023 as compared to only a 8-month impact in the FYE 2022 as the Minimum Wages Order was only implemented from 1 May 2022 onwards.

(vii) Finance costs

Our finance costs increased by 4.9% from RM42.0 million for the FYE 2022 to RM44.0 million for the FYE 2023 primarily due to an increase in the interest on lease liabilities incurred resulting from a combination of leases for new outlets and revised rental rates for renewed leases during the period.

(viii) PBT and PBT margin

As a result of the foregoing, our PBT increased by 11.2% from RM484.1 million for the FYE 2022 to RM538.2 million for the FYE 2023. Our PBT margin decreased slightly from 6.0% in the FYE 2022 to 5.8% in the FYE 2023 mainly due to higher administrative and other operating expenses for the reasons set out in Section 12.2.6(vi) of this Prospectus which was partially offset by an increase in our other operating income for the reasons set out in Section 12.2.6(iv) of this Prospectus .

(ix) Income tax expense

Our income tax expense decreased by 12.4% from RM157.4 million for the FYE 2022 to RM138.0 million for the FYE 2023, reflecting an effective tax rate of 25.6%. This was mainly due to the FYE 2023 not being affected by the one-off prosperity tax of 33.0% imposed by the Government in the FYE 2022 which resulted in a higher effective tax rate of 32.5%.

12. FINANCIAL INFORMATION (Cont'd)**(x) PAT and PAT margin**

As a result of the foregoing, our PAT increased by 22.5% from RM326.7 million for the FYE 2022 to RM400.2 million for the FYE 2023. Our PAT margin increased from 4.0% for the FYE 2022 to 4.3% for the FYE 2023.

12.2.7 Review of performance for the FPE 31 March 2024 compared to the FPE 31 March 2023

The following table presents selected information from our consolidated statements of profit or loss, in absolute terms, as a percentage of revenue and the percentage changes for the financial periods indicated:

	FPE 31 March				% change
	2023		2024		
	RM'000	%	RM'000	%	
Revenue	2,223,754	100.0	2,424,860	100.0	9.0
Cost of sales	(2,000,427)	(90.0)	(2,185,616)	(90.1)	9.3
GP	223,327	10.0	239,244	9.9	7.1
Other operating income	198,646	8.9	236,387	9.7	19.0
Other income	4,150	0.2	5,605	0.2	35.1
Administrative and other operating expenses	(272,674)	(12.3)	(291,898)	(12.0)	7.1
Finance costs	(10,185)	(0.5)	(10,868)	(0.4)	6.7
PBT	143,264	6.3	178,470	7.4	24.6
Income tax expense	(36,114)	(1.6)	(45,316)	(1.9)	25.5
PAT	107,150	4.7	133,154	5.5	24.3

(i) Revenue

Our revenue increased by 9.0% from RM2,223.8 million for the FPE 31 March 2023 to RM2,424.9 million for the FPE 31 March 2024, mainly due to positive SSSG of 1.8% and the revenue contribution from the 11.7% increase in the number of outlets, rising from 2,315 to 2,587 outlets.

During the FPE 31 March 2024, our Group had enjoyed greater demand for our products, as evidenced by the higher average number of sales transactions per outlet per day of 477 for the FPE 31 March 2024 as compared to 465 for the FPE 31 March 2023 (representing an increase of 2.6%), offset by a lower average value per sales transaction of RM21.85 in the FPE 31 March 2024 as compared to RM23.26 in the FPE 31 March 2023 (representing a decrease of 6.1%).

(ii) Cost of sales

Our cost of sales increased by 9.3% from RM2,000.4 million for the FPE 31 March 2023 to RM2,185.6 million for the FPE 31 March 2024, which is generally in line with the increase in revenue.

(iii) GP and GP margin

As a result of the foregoing, our GP increased by 7.1% from RM223.3 million in the FPE 31 March 2023 to RM239.2 million in the FPE 31 March 2024. Additionally, our GP margin remained consistent during the same periods.

12. FINANCIAL INFORMATION (Cont'd)

(iv) Other operating income

Our other operating income increased by 19.0% from RM198.6 million for the FPE 31 March 2023 to RM236.4 million for the FPE 31 March 2024 mainly due to higher product display fees and DC fees amounting to RM191.1 million for the FPE 31 March 2024 as compared to RM154.1 million for the FPE 31 March 2023, as a result of better negotiated terms with some of our suppliers, in tandem with the increase in the number of our outlets and higher purchases.

(v) Other income

Our other income increased by 35.1% from RM4.2 million for the FPE 31 March 2023 to RM5.6 million for the FPE 31 March 2024, mainly due to the higher volume of recyclable boxes sold, arising from higher purchases during the period, as well as higher selling price for these recyclable boxes.

(vi) Administrative and other operating expenses

Our administrative and other operating expenses increased by 7.1% from RM272.7 million for the FPE 31 March 2023 to RM291.9 million for the FPE 31 March 2024 mainly due to the increase in the total number of employees by 15.5% from 18,676 as at 31 March 2023 to 21,577 as at 31 March 2024.

(vii) Finance costs

Our finance costs increased by 6.7% from RM10.2 million for the FPE 31 March 2023 to RM10.9 million for the FPE 31 March 2024 primarily due to an increase in the interest on lease liabilities incurred resulting from a combination of leases for new outlets and revised rental rates for renewed leases during the period.

(viii) PBT and PBT margin

As a result of the foregoing, our PBT increased by 24.6% from RM143.3 million for the FPE 31 March 2023 to RM178.5 million for the FPE 31 March 2024. Our PBT margin increased from 6.4% in the FPE 31 March 2023 to 7.4% in the FPE 31 March 2024 mainly due to the increase in our other operating income for the reasons set out in Section 12.2.7(iv) of this Prospectus.

(ix) Income tax expense

Our income tax expense increased by 25.5% from RM36.1 million for the FPE 31 March 2023 to RM45.3 million for the FPE 31 March 2024 in line with the increase in our PBT. Our effective tax rate remained relatively constant at 25.4% for the FPE 31 March 2024 as compared to 25.2% in the FPE 31 March 2023.

(x) PAT and PAT margin

As a result of the foregoing, our PAT increased by 24.3% from RM107.2 million for the FPE 31 March 2023 to RM133.2 million for the FPE 31 March 2024. Our PAT margin increased from 4.8% for the FPE 31 March 2023 to 5.5% for the FPE 31 March 2024.

12. FINANCIAL INFORMATION (Cont'd)

12.2.8 Liquidity and capital resources**(i) Working capital**

Our working capital is funded through cash generated from our operating activities, our cash and cash equivalents as well as loans and borrowings from financial institutions.

As at 31 March 2024, we had cash and cash equivalents of RM78.5 million and term loans of RM50.8 million. As at the LPD, our Group still has unutilised borrowing facilities amounting to RM26.8 million in respect of term loans.

As at 31 March 2024, our working capital, calculated as current assets of RM1,446.8 million minus current liabilities of RM1,332.0 million, was RM114.8 million.

Based on our cash generated from our operating activities, cash and cash equivalents, loans and borrowings, the gross proceeds that we expect to raise from our Public Issue, planned capital expenditure, expected dividends to be paid as well as the proposed bonus payout of approximately RM15.0 million to our employees before our Listing, our Board believes that we have sufficient working capital for a period of 12 months from the date of this Prospectus.

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12. FINANCIAL INFORMATION (Cont'd)**(ii) Cash flows**

The following table sets out a summary of our consolidated statements of cash flows for the Periods Under Review.

	FYE		
	Audited		
	2021	2022	2023
	RM'000	RM'000	RM'000
Net cash generated from operating activities	572,188	401,873	741,808
Net cash (used in)/ generated from investing activities	(411,726)	215,352	(159,060)
Net cash used in financing activities	(260,899)	(555,938)	(530,229)
Net (decrease)/increase in cash and cash equivalents	(100,437)	61,287	52,519
Cash and cash equivalents at beginning of the financial year	124,206	23,769	85,056
Currency translation differences	-	-	(4)
Cash and cash equivalents at end of the financial year	23,769	85,056	137,571

	FPE 31 March	
	Unaudited	Audited
	2023	2024
	RM'000	RM'000
Net cash generated from operating activities	109,986	118,051
Net cash generated used in investing activities	(27,426)	(37,906)
Net cash used in financing activities	(95,608)	(139,173)
Net decrease in cash and cash equivalents	(13,048)	(59,028)
Cash and cash equivalents at beginning of the financial period	85,056	137,571
Currency translation differences	-	2
Cash and cash equivalents at end of the financial period	72,008	78,545

Our cash and cash equivalents are substantially held in RM. There are no legal, financial or economic restrictions on our subsidiaries' ability to transfer funds to our Company in the form of cash dividends, subject to the availability of distributable reserves, loans or advances in compliance with any applicable financial covenants.

12. FINANCIAL INFORMATION (Cont'd)***Net cash generated from operating activities******FYE 2021***

Our net cash generated from operating activities was RM572.2 million in the FYE 2021. This was calculated based on our PBT of RM561.8 million, which was then adjusted for non-cash and other items of RM235.8 million mainly comprising depreciation of ROU assets and property and equipment, as well as further adjustment for working capital changes of RM30.5 million which mainly comprised:

- (a) an increase in inventories of RM83.6 million to cater for the increase in sales; and
- (b) an increase in trade and other receivables of RM14.1 million primarily due to the payment of deposit made for the acquisition of a leasehold land located in Selangor which was subsequently used to construct a DC,

which was partially offset by an increase in trade and other payables of RM64.1 million primarily due to overall increase in cost of sales.

Our Group paid RM43.5 million in interest expense, comprising RM41.6 million interest on lease liabilities and RM1.8 million interest on bank borrowings, as well as RM151.4 million in income tax in the FYE 2021.

FYE 2022

Our net cash generated from operating activities was RM401.9 million in the FYE 2022. This was calculated based on our PBT of RM484.1 million, which was then adjusted for non-cash and other items of RM258.5 million mainly comprising depreciation of ROU assets, property and equipment as well as further adjustment for working capital changes of RM137.5 million which mainly comprised:

- (a) increase in inventories of RM300.6 million mainly to support our Group's expanding operations including the opening of 3 new DCs in the FYE 2022, representing a significant expansion compared to only 1 new DC in the FYE 2021. In addition, following the disruption in the global supply chain during the FYE 2022, our Group took proactive measures to increase its stock levels to ensure it has sufficient inventory to support its operations and the anticipated increase in sales moving forward; and
- (b) increase in net amount owing by related parties of RM4.6 million which are trade in nature,

which was partially offset by an increase in trade and other payables of RM174.5 million mainly due to (i) overall increase in cost of sales, (ii) higher volume of inventories purchased in 2022 as explained above, and (iii) increase in maintenance, upkeep and office expenses after the easing of the COVID-19 movement restrictions and the gradual shift to working-in-office on a full time basis at the corporate headquarters.

Our Group paid RM41.5 million in interest expense, comprising RM39.4 million interest on lease liabilities and RM2.1 million interest on bank borrowings, as well as RM161.8 million in income tax for the FYE 2022.

12. FINANCIAL INFORMATION (Cont'd)FYE 2023

Our net cash generated from operating activities was RM741.8 million in the FYE 2023. This was calculated based on our PBT of RM538.2 million, which was then adjusted for non-cash and other items of RM278.6 million mainly comprising depreciation of ROU assets, property and equipment as well as further adjustment for working capital changes of RM108.8 million which mainly comprised of an increase in trade and other payables amounting to RM224.4 million mainly due to (i) overall increase in cost of sales and (ii) higher volume of purchases as a result of higher number of outlets, which was partially offset by the increase in inventories amounting to RM95.7 million to support our Group's current and expanding operations including the opening of 2 new DCs in the FYE 2023.

Our Group paid RM43.4 million in interest expense, comprising RM40.9 million interest on lease liabilities and RM2.5 million interest on bank borrowings, as well as RM140.5 million in income tax for the FYE 2023.

FPE 31 March 2024

Our net cash generated from operating activities was RM118.1 million in the FPE 31 March 2024. This was calculated based on our PBT of RM178.5 million, which was then adjusted for non-cash and other items of RM72.6 million mainly comprising depreciation of ROU assets, property and equipment as well as further adjustment for working capital changes of RM91.2 million which mainly comprised of an increase in trade and other payables amounting to RM19.4 million in tandem with higher purchases as a result of higher number of outlets which was offset by the increase in inventories amounting to RM130.3 million to support our Group's current and expanding operations.

Our Group paid RM10.7 million in interest expense, comprising RM10.1 million interest on lease liabilities and RM0.6 million interest on bank borrowings, as well as RM31.1 million in income tax for the FPE 31 March 2024.

Net cash used in/generated from investing activitiesFYE 2021

Our net cash used in investing activities was RM411.7 million in the FYE 2021, which mainly comprised:

- (a) placement of fixed deposits with tenure more than 3 months with the financial institution amounting to RM320.0 million;
- (b) RM63.7 million utilised for the purchase of furniture, fittings, office equipment, racks, roll cages and shop equipment, motor vehicles, renovation and signboards for the development, and refurbishment of existing and new outlets, DCs and corporate headquarters;
- (c) RM27.4 million mainly in connection with the construction of 4 DCs located in Pahang, Sabah, Melaka and Perak, as well as for the acquisition of the DC located in Selangor which was previously rented from Venus Gateway, a related party;
- (d) purchase of freehold land in Kedah for the construction of a new DC amounting to RM4.7 million,

which was partially offset by the interest received mainly from fixed deposits amounting to RM3.3 million.

12. FINANCIAL INFORMATION (Cont'd)FYE 2022

Our net cash generated from investing activities was RM215.4 million for the FYE 2022, which mainly comprised:

- (a) withdrawal of fixed deposits with tenure more than 3 months with the financial institution amounting to RM321.3 million, comprising RM320.0 million which was initially placed in the FYE 2021, and RM1.3 million of interest rolled over and added to the principal amount; and
- (b) interest received amounting to RM3.1 million mainly from fixed deposits,

which was partially offset by:

- (c) RM79.9 million utilised for the purchase and installation of furniture, fittings, office equipment, racks, roll cages and shop equipment, motor vehicles, renovation, signboards and solar photovoltaic system for the development, and refurbishment of existing and new outlets, DCs and our corporate headquarters;
- (d) RM21.8 million mainly in connection with the construction of 4 DCs located in Sabah, Kedah, Pahang and Melaka; and
- (e) acquisition of a leasehold land in Selangor amounting to RM6.6 million.

FYE 2023

Our net cash used in investing activities was RM159.1 million for the FYE 2023, which mainly comprised RM160.2 million utilised for the purchase and installation of racks, roll cages and shop equipment, furniture, fittings, office equipment, motor vehicles, renovation, signboards and solar system for the development and refurbishment of existing and new outlets, DCs and corporate headquarters which was partially offset by interest received amounting to RM1.4 million mainly from our Group's bank current accounts.

FPE 31 March 2024

Our net cash used in investing activities was RM37.9 million for the FPE 31 March 2024, which mainly comprised RM3.3 million utilised for the purchase of a freehold land in Kedah for the construction of a new DC and RM30.1 million for the installation of racks, roll cages and shop equipment, furniture, fittings, office equipment, motor vehicles, renovation, signboards and solar system for the development and refurbishment of existing and new outlets, DCs and corporate headquarters, which was partially offset by interest received amounting to RM0.2 million solely from our Group's bank current accounts.

12. FINANCIAL INFORMATION (Cont'd)***Net cash used in financing activities*****FYE 2021**

Our net cash used in financing activities was RM260.9 million for the FYE 2021, which mainly comprised:

- (a) payment of dividends to our shareholders amounting to RM154.3 million;
- (b) repayment of lease liabilities, which mainly arose from rental of outlets, amounting to RM106.1 million; and
- (c) repayment of term loans of RM15.1 million,

which was partially offset by:

- (d) drawdown of term loans of RM7.4 million which were mainly used to finance in part the acquisition of the leasehold land in Cyberjaya, Selangor which was subsequently used to construct a DC; and
- (e) RM7.1 million owing to Venus Gateway, a related party for the acquisition of the DC located in Jalan Kapar, Selangor, which was previously rented.

FYE 2022

Our net cash used in financing activities was RM555.9 million for the FYE 2022, which mainly comprised:

- (a) payment of dividends to shareholders amounting to RM431.8 million;
- (b) repayment of lease liabilities, which mainly arose from rental of outlets, amounting to RM122.4 million;
- (c) repayment to related parties amounting to RM7.6 million mainly for the acquisition of the DC in Jalan Kapar, Selangor; and
- (d) repayment of our term loans of RM4.6 million,

which was partially offset by drawdowns of term loans amounting to RM10.4 million that were used to partly finance the acquisitions of leasehold land in Selangor and freehold land in Kedah.

FYE 2023

Our net cash used in financing activities was RM530.2 million for the FYE 2023, which mainly comprised:

- (a) payment of dividends to shareholders amounting to RM390.5 million; and
- (b) repayment of lease liabilities, which mainly arose from rental of our outlets, amounting to RM139.5 million.

12. FINANCIAL INFORMATION (Cont'd)*FPE 31 March 2024*

Our net cash used in financing activities was RM139.2 million for the FPE 31 March 2024, which mainly comprised:

- (a) payment of dividends to shareholders amounting to RM100.0 million; and
- (b) repayment of lease liabilities, which mainly arose from rental of our outlets, amounting to RM38.5 million.

12.2.9 Term loans

As at 31 March 2024, our total term loans, all of which were interest bearing based on floating rates, amounted to RM50.8 million as set out in the table below:

	<u>Average effective interest rates</u>	<u>RM'000</u>
Non-current term loans (secured)	4.20% – 5.35%	46,126
Current term loans (secured)	4.20% – 5.35%	4,639
Total term loans		<u>50,765</u>

The maturity profile of our term loans as at 31 March 2024 are set out below:

	<u>Within 1 year</u>	<u>1 year to 5 years</u>	<u>Over 5 years</u>	<u>Total</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Term loans	4,639	19,202	26,924	50,765

As at 31 March 2024, all of our term loans are denominated in RM and secured by way of legal charges over certain properties and ROU assets belonging to our Group as well as personal guarantees provided by certain directors of our Group. We have obtained consent from the respective financial institutions to fully discharge these guarantees upon our Listing.

For more information on our term loans, see Note 14 of the Consolidated Financial Statements included in Section 13 of this Prospectus.

We have not defaulted on either the interest or principal sums for any of our term loans during the Periods Under Review and up to the LPD. As at the LPD, we are not in breach of the terms and conditions or covenants associated with our borrowings which could materially affect our financial position and results of operations or the investment in our Shares.

12.2.10 Lease liabilities

As at 31 March 2024, our total lease liabilities amounted to RM806.7 million as set out in the table below:

	<u>Incremental borrowing rate</u>	<u>RM'000</u>
Non-current lease liabilities	5.15%	648,644
Current lease liabilities	5.15%	158,040
Total lease liabilities		<u>806,684</u>

12. FINANCIAL INFORMATION (Cont'd)

The maturity profile of our lease liabilities as at 31 March 2024 are set out below:

	<u>Within 1 year</u> RM'000	<u>1 year to 5 years</u> RM'000	<u>Over 5 years</u> RM'000	<u>Total</u> RM'000
Lease liabilities	158,040	645,885	2,759	806,684

We lease retail outlets for the sale of our consumable merchandise and household products and DCs to be used for the distribution of products to our retail outlets. Rental contracts for retail outlets are typically for an initial term of 2 or 3 years with renewal options for the same duration or as otherwise agreed while the rental contract for our DC is usually for a period of 5 years with a tenancy renewal option of up to 5 years. The terms and conditions of our leases are negotiated on an individual basis.

For more information on our lease liabilities, see Note 15 of the Consolidated Financial Statements included in Section 13 of this Prospectus.

12.2.11 Key financial ratios

The following table sets out certain of our key financial ratios for the Periods Under Review.

	<u>FYE</u>			<u>FPE 31 March</u>
	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Average trade receivables turnover (days) ⁽¹⁾	1	1	1	1
Average trade payables turnover (days) ⁽²⁾	31	36	39	43
Average inventory turnover (days) ⁽³⁾	39	47	49	52
Current ratio (times) ⁽⁴⁾	1.41	1.19	1.00	1.09
Gearing ratio (times) ⁽⁵⁾	0.08	0.09	0.10	0.08
Net gearing ratio (times) ⁽⁶⁾⁽⁷⁾	(0.40)	(0.05)	(0.16)	(0.04)

Notes:

- (1) Computed based on the average of the opening and closing trade receivables for the financial year/period divided by revenue for such financial year/period, multiplied by number of days in the financial year/period.
- (2) Computed based on the average of the opening and closing trade payables for the financial year/period divided by cost of goods sold for such financial year/period, multiplied by number of days in the financial year/period.
- (3) Computed based on the average of the opening and closing inventories for the financial year divided by cost of goods sold for such financial year/period, multiplied by number of days in the financial year/period.
- (4) Computed based on current assets over current liabilities as at the end of the financial year/period.
- (5) Computed based on total borrowings (excluding lease liabilities) over total equity as at the end of the financial year/period.
- (6) Computed based on total borrowings (excluding lease liabilities) less cash and cash equivalents divided by total equity as at the end of the financial year/period.
- (7) Negative net gearing ratio denotes a net cash position.

12. FINANCIAL INFORMATION (Cont'd)**(i) Average trade receivables turnover period**

Due to the nature of our mini-market business operations, we generate almost all of our revenue from our outlets where transactions with customers are mainly settled immediately on a cash basis, third party online service payment channel service providers, for e.g. Touch 'n Go eWallet, Boost, GrabPay, MAE Pay, ShopeePay, Alipay etc, or through financial institutions providing retail debit and credit card services. Our trade receivables from financial institutions which provide retail credit services typically release payment to us within 2 working days from the point of sale whilst third-party online payment channel service providers typically release payment within the range of 2 to 10 working days.

Our trade receivables turnover period for the Periods Under Review have been consistently maintained at around 1 day.

As at 31 March 2024, our total outstanding trade receivables amounted to approximately RM23.2 million mainly in relation to amounts owed to us by financial institutions which provide retail credit services and of which RM13.4 million is due from J&C Pacific which provides online payment channel services.

The following table sets out the ageing analysis for our trade receivables as at 31 March 2024:

As at 31 March 2024	Current	Past due		Total
		1-30 days	31-90 days	
Trade receivables (RM'000)	23,368	104	84	23,556
% of total trade receivables	99.2	0.4	0.4	100.0
As at the LPD:				
Trade receivables collected (RM'000)	23,368	104	84	23,556
Trade receivables settled (% of total trade receivables)	99.2	0.4	0.4	100.0
Trade receivables outstanding (RM'000)	-	-	-	-

We do not have any significant exposure to any individual customer which we believe is not recoverable.

(ii) Average trade payables turnover period

The normal trade credit period under our trade payables generally range between 7 to 90 days and our average trade payables turnover period for the Periods Under Review have remained in the lower range of the normal credit period that our trade creditors have extended to us. Our trade payables also include balances outstanding for corporate card solution facilities provided by a financial institution which is a payment arrangement between our supplier and the financial institution. These balances are deemed trade payables as they are not subject to interest charges unless repayments are made after the interest-free period. During the Periods Under Review and up to the LPD, we have not incurred interest charges under such corporate card solutions facilities.

Our trade payables turnover period increased from 31 days for the FYE 2021 to 36 days for the FYE 2022 arising from higher purchases of products as at the end of the FYE 2022 to ensure that there are sufficient inventory levels for us to support the expansion of our outlet network and anticipated increase in sales.

12. FINANCIAL INFORMATION (Cont'd)

Our trade payables turnover period remained relatively similar at 39 days for the FYE 2023 compared to 36 days for the FYE 2022.

For the FPE 31 March 2024 our trade payables turnover period increased to 43 days primarily due to higher purchases of products aimed at supporting our ongoing commitment to maintaining higher stock levels to support our existing and growing business operations from the growth of our outlets and the opening of an additional DC during this period.

The following table sets out the ageing analysis for our trade payables as at 31 March 2024:

As at 31 March 2024	Current	Past due			Total
		1-30 days	31-90 days	More than 90 days	
Trade payables (RM'000)	(1)612,448	384,321	44,266	24,130	1,065,165
% of total trade payables	57.5	36.1	4.2	2.2	100.0
As at the LPD					
Trade payables settled (RM'000)	611,987	384,301	44,233	24,130	1,064,651
Trade payables settled (% of total trade payables)	57.5	36.1	4.2	2.2	99.9
Trade payables outstanding (RM'000)	461	20	33	-	514

Note:

(1) Includes RM92.8 million owing under corporate card solutions facilities provided to us as described above.

We endeavour to pay our suppliers within credit period granted to us to ensure our supplies are not disrupted. As at the LPD, we do not have any material disputes or legal proceedings for outstanding payment that have been initiated by our suppliers against us.

(iii) Inventory turnover

The table below sets out a summary breakdown of our inventories for the Periods Under Review.

	FYE			FPE 31 March
	2021	2022	2023	2024
	RM'000	RM'000	RM'000	RM'000
Opening inventory	726,793	803,128	1,093,026	1,174,379
Closing inventory	803,128	1,093,026	1,174,379	1,300,633
Average inventory	764,961	948,077	1,133,703	1,237,506
Cost of goods sold	7,080,717	7,333,951	8,369,058	2,185,616
Average inventory turnover (days) ⁽¹⁾	39	47	49	52

12. FINANCIAL INFORMATION (Cont'd)**Note:**

- (1) *Computed as an average of the opening and closing inventory for the financial year/period divided by cost of goods sold for such financial year/period, multiplied by number of days in the financial year/period.*

Our average inventory turnover period increased from 39 days for the FYE 2021 to 47 days for the FYE 2022. This was mainly due to higher inventory levels to support our expanding operations including the opening of 3 new DCs in the FYE 2022, representing a significant expansion compared to only 1 new DC in the FYE 2021. In addition, following the disruption in the global supply chain during the FYE 2022, we took proactive measures to increase our inventory levels to ensure we have sufficient inventory to support business operations as well as the anticipated increase in sales moving forward.

Our average inventory turnover period remained relatively constant at 49 days for the FYE 2023 as compared to 47 days for the FYE 2022.

Our average inventory turnover period increased from 49 days for the FYE 2023 to 52 days for the FPE 31 March 2024 mainly due to our ongoing commitment to maintain higher inventory levels in support of our current and expanding business operations as well as anticipated sales moving forward.

(iv) Current ratio

Our current ratio decreased from 1.41 times as at the FYE 2021 to 1.19 times as at the FYE 2022 mainly due to higher dividends of RM431.8 million paid to our shareholders for the FYE 2022 and the increase in our trade payables amounting to RM165.0 million arising from higher purchases of products as at the end of the FYE 2022 to ensure that there are sufficient inventory levels for future business operations.

Our current ratio decreased from 1.19 times as at the FYE 2022 to 1.00 time as at the FYE 2023 primarily due to the increase in trade payables for the FYE 2023 arising from higher purchases to maintain higher inventory levels to support current and expanding business operations, as well as the dividends paid during the FYE 2023 amounting to RM390.5 million.

Our current ratio remained relatively constant from 1.00 time as at the FYE 2023 to 1.09 times as at the FPE 31 March 2024, with the slight increase primarily due to the decrease in dividend payout ratio during the FPE 31 March 2024 compared to FYE 2023.

(v) Gearing ratio

Our gearing ratios remained relatively constant at 0.08, 0.09, 0.10 and 0.08 times as at 31 December 2021, 2022, 2023 as well as 31 March 2024 respectively mainly due to the decrease in retained earnings as a result of payment of dividends which was offset by the repayment of term loans.

12. FINANCIAL INFORMATION (Cont'd)**12.2.12 Capital expenditure**

The following table sets out our capital expenditure for the Periods Under Review.

	FYE			FPE 31 March	
	2021	2022	2023	2023	2024
	RM'000	RM'000	RM'000	RM'000	RM'000
Freehold land	4,667	636	34,753	-	3,716
Buildings	6,782	10,322	11,318	-	-
Furniture, fittings and office equipment	14,331	16,923	23,115	5,309	7,485
Motor vehicles	2,653	4,798	7,954	934	6,914
Renovation	17,363	18,762	20,422	5,020	4,550
Signboards	2,908	3,289	5,412	1,157	1,566
Solar photovoltaic system	-	1,068	1,523	189	362
Racks, roll cages and shop equipment	26,440	35,022	43,278	7,203	9,233
Capital work-in-progress	20,875	11,515	12,434	7,419	5,041
Total	96,019	102,335	160,209	27,231	38,867

The majority of our capital expenditures were incurred in conjunction with the setting up or renovation of our outlets and DCs including the purchase of relevant equipment such as racks and roll cages, furniture, fittings and office equipment and signboards.

Our capital expenditure increased by 6.6% from RM96.0 million for the FYE 2021 to RM102.3 million for the FYE 2022 mainly due to the setting up of our new outlets and construction of 4 DCs in the FYE 2022.

Our capital expenditure increased by 56.6% from RM102.3 million for the FYE 2022 to RM160.2 million for the FYE 2023 mainly due to the setting up of our new outlets and commissioning of 2 DCs, new trucks and replacement of old trucks as part of our replacement plan in the FYE 2023.

Our capital expenditure increased by 43.0% from RM27.2 million for the FPE 31 March 2023 to RM38.9 million for the FPE 31 March 2024 mainly due to the cost of construction of a new DC in Selangor, acquisition of a freehold land located in Kedah for the commissioning of a new DC as well as new trucks and replacement of old trucks as part of our replacement plan.

For further details on the capital expenditure breakdown for each of the Periods Under Review, see Section 12.2.8(ii) of this Prospectus.

For the Periods Under Review, we have mainly funded our capital expenditure via a mixture of internally generated funds and term loans.

12.2.13 Material investments and divestitures

Saved as disclosed in Section 12.2.12 and Sections 14.6 of this Prospectus, we have not undertaken any material investments or divestitures during the Periods Under Review and up to the LPD.

12. FINANCIAL INFORMATION (Cont'd)**12.2.14 Capital commitments and contractual obligations****Capital commitments**

Our capital commitments (being our contracted capital expenditures) as at 31 March 2024 and the LPD are as follows:

	<u>As at 31 March 2024</u>	<u>As at the LPD</u>
	<u>RM'000</u>	<u>RM'000</u>
Contracted but not provided for:		
Acquisition of property and equipment	16,286	22,895
Construction of property	15,837	16,540
Total	<u>32,123</u>	<u>39,435</u>

Our capital commitments as at the LPD primarily comprise (i) approximately RM15.1 million in relation to the construction of a DC in Selangor as well as purchase of relevant equipment; (ii) approximately RM12.2 million for the purchase of approximately 100 new replacement trucks; (iii) approximately RM6.1 million and RM3.6 million for the purchase of leasehold land and building located in Sarawak and a freehold land in Pahang respectively; and (iv) approximately RM1.9 million in relation to the purchase of inventory management software and racking systems for our DCs. We plan to meet our capital commitments through internally generated funds and/or borrowings.

Save as disclosed above, as at the LPD, we do not have any other material capital commitments incurred or known to be incurred by us that may have a material adverse effect on our result of operations or financial position.

Other contractual obligations

Our contractual cash obligations (excluding capital expenditure commitments) as at 31 March 2024 comprise primarily of repayment obligations for our borrowings and in respect of our lease liabilities.

The maturity profile of our undiscounted contractual cash repayment obligations for our borrowings as at 31 March 2024 are as follows:

	<u>Within 1 year</u>	<u>1 year to 5 years</u>	<u>Over 5 years</u>	<u>Total</u>
Payments due by period	RM'000	RM'000	RM'000	RM'000
Borrowings	6,285	24,662	27,864	58,811

The maturity profile of our undiscounted contractual cash repayment obligations in respect of our lease liabilities as at 31 March 2024 are as follows:

	<u>Within 1 year</u>	<u>1 year to 5 years</u>	<u>Over 5 years</u>	<u>Total</u>
Payments due by period	RM'000	RM'000	RM'000	RM'000
Lease liabilities	196,060	712,000	2,837	910,897

We plan to meet our contractual cash obligations through our cash and cash equivalents on hand, as well as cash generated from future operations and funding from other financing activities (if required) and in respect of our borrowings, from the gross proceeds of our Public Issue as described in Section 4.6.2 of this Prospectus.

12. FINANCIAL INFORMATION (Cont'd)

12.2.15 Contingent liabilities

As at the LPD, we do not have any contingent liabilities that, upon becoming enforceable, may have a material adverse effect on our results of operations or financial position. We have bank guarantees as security deposits in favour of our utility providers and town councils amounting to RM12.0 million as at the LPD.

12.2.16 Off-balance sheet arrangements

We do not have any off-balance sheet arrangements that are reasonably likely to have a material effect on our business, financial performance and financial position.

12.2.17 Financial risk management

We are exposed to market risk arising from our operations and use of financial instruments. Our overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on our financial performance.

(i) Credit risk

Credit risk is the risk of financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Our exposure to credit risk arises mainly from our receivables with financial institutions which provide retail credit services and our online payment channel service providers. However, we are not reliant on any particular counterparty. Due to the nature of our business operations, majority of our transactions are immediately settled on a cash basis and therefore keeping our credit risk at a minimal.

As at 31 March 2024, our receivables are primarily amounts due from financial institutions and our online payment channel service providers. Based on our low historical observed default rates (adjusted for forward-looking estimates), the expected credits losses are not material and therefore is not recognised.

As at 31 March 2024, we have not incurred and do not expect to incur material credit losses on our financial assets or other financial instruments.

(ii) Liquidity risk

Liquidity risk is the risk that we may face difficulties in our ability to meet our financial obligations as and when they fall due. Our exposure to liquidity risk arises principally from various payables, loans and borrowings.

We continuously practise prudent liquidity risk management whilst maintaining a sufficient level of cash and cash equivalents and assessing the availability of funding through standby credit facilities deemed adequate by the management to ensure, as far as possible, that we will have sufficient liquidity to meet our liabilities as and when they fall due. For example, we check available funds in our banks on a daily basis and that daily cash outflows to our creditors and for expenditures will be checked against the daily sales collections from the previous day.

For a summary of the maturity profile of our borrowings as well as lease liabilities as at the end of the Periods Under Review based on undiscounted contractual payments, see Notes 14 and 15 of the Consolidated Financial Statements included in Section 13 of this Prospectus.

12. FINANCIAL INFORMATION (Cont'd)**(iii) Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Our Group is exposed to foreign currency risk on transactions that are denominated in currencies other than RM which consist of RMB in relation to the sourcing of merchandise from China through our PRC subsidiary. As at the LPD, these transactions are not material to our Group. Exposure in foreign currency is monitored on an ongoing basis and our Group endeavours to keep the net exposure at an acceptable level.

(iv) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of our financial instruments will fluctuate because of changes in market interest rates. Our exposure to interest rate risk arises from our interest-earning financial assets and interest-bearing financial liabilities in the form of floating rate borrowings. Short-term receivables and payables are not significantly exposed to interest rate risk fluctuations.

Our Group's practice is to observe the movements in interest rates and always strive to obtain the most favourable rates available for new financing.

Based on a 100 basis point change in the interest rates, the following table demonstrates the sensitivity of our PAT, with all other variables held constant:

	Increase/(Decrease) for the Periods Under Review			
	FYE			FPE 31 March
	2021	2022	2023	2024
	RM'000	RM'000	RM'000	RM'000
Floating rate instruments				
Increase in 100 basis points	(424)	(430)	(395)	(386)
Decrease in 100 basis points	424	430	395	386

For more information in relation to interest rate risk, see Note 34 of the Consolidated Financial Statements included in Section 13 of this Prospectus.

12.2.18 Inflation

There has not been a material impact from inflation on our Group's financial condition and results of operations for the Periods Under Review. Nonetheless, inflation may affect our financial performance by increasing certain of our expenses, such as expenses relating to employee benefits. Any increase in inflation rate beyond levels experienced in the past may affect our future operations and financial performance if we are unable to fully offset higher costs through increased revenue.

12.2.19 Order book

Due to the nature of our business, we do not maintain an order book.

12. FINANCIAL INFORMATION (Cont'd)

12.2.20 Trends information

Save as disclosed in Sections 5, 7 and 8 of this Prospectus, and to the best of our Board's knowledge and belief, there are no other known factors, trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on our business, financial condition and results of operations.

12.2.21 Significant changes

Save as disclosed in Section 12.4 of this Prospectus, no significant changes have occurred since the FPE 31 March 2024 which may have a material effect on our financial condition and results of operation.

12.2.22 Government / economic / fiscal / monetary policies

Our Group is subject to the risks of government, economic, fiscal or monetary policies, where any unfavourable change may materially affect our business operations, financial performance and prospects.

For the Periods Under Review and up to the LPD, save for the one-off prosperity tax of 33.0% and the Minimum Wages Order which was imposed by the Government during the FYE 2022, our results have not been materially and adversely affected by any unfavourable changes relating to government, economic, fiscal or monetary policies.

For further information on government, economic, fiscal or monetary policies or factors which could materially affect our Group's operations, see Section 5 of this Prospectus.

12.2.23 Accounting standards issued but not yet effective and not early adopted

For a description of accounting standards issued but not yet effective and not early adopted, see Note 2.1 of the Consolidated Financial Statements included in Section 13 of this Prospectus.

12.2.24 Treasury policies and objectives

Our principal sources of funds for day-to-day operations and growth mainly comprise a combination of cash and cash equivalents, cash generated from our operations as well as loans and borrowings. One of the primary responsibilities of our finance function is to ensure that we maintain sufficient working capital to meet our obligations as they fall due as well as our anticipated commitments. Using appropriate governance and policies, our Group's finance is tasked with the responsibility to identify, quantify, monitor and control the risks (liquidity, interest, currency, credit, legal and regulatory) associated with these activities, using appropriate mitigation techniques.

Adhering to our SOP, sales proceeds from each of our outlets are banked-in daily and monitored by our assistant branch managers, branch managers and our corporate headquarters. We rely on our daily sales proceeds to enable us to make timely payments to our creditors where the normal credit period given to our Group generally range from 7 to 90 days.

The overarching goal of our capital management is to ensure sustainability of shareholders' equity, thereby fortifying our capacity to support and expand our business to maximise shareholders' value.

12. FINANCIAL INFORMATION (Cont'd)**12.3 CAPITALISATION AND INDEBTEDNESS**

The table below presents our capitalisation and indebtedness as at 30 June 2024 and on the assumption that our IPO, our Listing and the use of proceeds from our Public Issue as set out in Section 4 of this Prospectus had occurred on the 30 June 2024. The pro forma financial information below does not represent our actual capitalisation and indebtedness as at the 30 June 2024 and is provided for illustrative purposes only.

	As at 30 June 2024 (Unaudited)	Adjustments⁽¹⁾	After our IPO, Listing and use of proceeds
	RM'000	RM'000	RM'000
Indebtedness			
Current			
Term loans (secured and guaranteed)	4,740	(103)	4,637
Lease liabilities	163,225	-	163,225
Non-current			
Term loans (secured and guaranteed)	44,897	(44,897)	--
Lease liabilities	673,279	-	673,279
Total indebtedness	886,141	(45,000)	841,141
Total equity / capitalisation	700,262	642,472	⁽¹⁾ 1,342,734
Total capitalisation and indebtedness	1,586,403	597,472	2,183,875

Note:

- (1) Calculated after taking into account, amongst others, the gross proceeds raised from our Public Issue based on the Retail Price, the remaining estimated listing expenses of approximately RM17.5 million as at 30 June 2024.

12. FINANCIAL INFORMATION (Cont'd)

12.4 DIVIDEND POLICY

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

The actual dividend that our Board may recommend or declare in any particular financial year or period will be subject to the factors outlined below as well as any other factors deemed relevant by our Board. In considering the level of dividend payments, if any, upon recommendation by our Board, we intend to consider various factors including:

- (i) the level of our cash, gearing, debt profile, return on equity and retained earnings;
- (ii) our expected financial performance for the year;
- (iii) our projected levels of capital expenditure and other growth/investment plans;
- (iv) our working capital requirements;
- (v) applicable restrictive covenants under our financing documents; and
- (vi) the general economic and business conditions and other factors deemed relevant by our Board.

As our Company is a holding company, our income and therefore, our ability to pay dividends is dependent upon the dividends that we receive from our subsidiaries. Distributions by our subsidiaries will depend upon their operating results, earnings, capital requirements, general financial condition and other relevant factors.

We target a payout ratio of approximately 50% of our PAT attributable to the owners of our Company for each financial year on a consolidated basis after taking into account working capital, maintenance capital and committed capital requirements of our Group. The declaration and payments of any dividend is subject to the confirmation of our Board as well as any applicable law, licence conditions and contractual obligations and provided that such distribution will not be detrimental to our Group's cash requirements or any plans approved by our Board.

As at the LPD, there are no dividend restrictions imposed on our subsidiaries, save for the restrictive covenants to seek consent from the relevant financial institutions in the event of a continuing default of an outstanding loan.

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 modification (including non-declaration thereof) at our Board's discretion. There can be no assurance that we will be able to pay dividends or that our Board will declare dividends in the future. There can also be no assurance that future dividends declared by our Board, if any, will not differ materially from historical dividend levels. For the factors which may affect or restrict our ability to pay dividends, see Section 5 of this Prospectus.

12. FINANCIAL INFORMATION (Cont'd)

The following table sets out our dividends declared and paid for the Periods Under Review.

	FYE			FPE 31 March
	2021	2022	2023	2024
	RM'000	RM'000	RM'000	RM'000
Dividends declared	154,300	431,800	490,500	-
Dividends paid	154,300	431,800	390,500	100,000
PAT	419,094	326,665	400,227	133,154
Dividend payout ratio ⁽¹⁾	0.37	1.32	1.23	-

Note:

(1) Computed based on dividend declared divided by PAT during the Periods Under Review.

On 10 June 2024, our Group has declared and paid an interim dividend of RM100.0 million in respect of the FYE 2024. Save as mentioned above, we have not declared or paid any other dividends to our shareholders for the past 3 financial years up to the LPD. All the dividends mentioned above were funded by internal funds generated from our operations. The dividends paid as described above will not affect the execution and implementation of our future plans and strategies as mentioned in this Prospectus.

For more information on our dividends, see Note 26 of the Consolidated Financial Statements included in Section 13 of this Prospectus.

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12. FINANCIAL INFORMATION (Cont'd)**12.5 REPORTING ACCOUNTANTS' LETTER ON THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

26 JUL 2024

The Board of Directors
99 Speed Mart Retail Holdings Berhad
 Lot PT 2811, Jalan Angsa,
 Taman Berkeley,
 41150 Klang,
 Selangor Darul Ehsan.

Crowe Malaysia PLT
 201906000005 (LLP0018817-LCA) & AF1018
 Chartered Accountants

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Dear Sirs/Madam,

99 SPEED MART RETAIL HOLDINGS BERHAD (“99 HOLDINGS” OR “THE COMPANY”)**REPORT ON THE COMPILATION OF PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2024**

We have completed our assurance engagement to report on the compilation of pro forma consolidated statements of financial position of the Company and its subsidiaries (collectively known as the “**Group**”) as at 31 March 2024 and related notes as set out in Appendix A, for which we have stamped for the purpose of identification. The pro forma consolidated statements of financial position have been prepared by the Directors for inclusion in the prospectus to be issued in connection with the listing of and quotation for the entire enlarged issued share capital of the Company on the Main Market of Bursa Malaysia Securities Berhad.

The applicable criteria on the basis of which the Directors have compiled the pro forma consolidated statements of financial position are set out in Note 3 of Appendix A, and in accordance with 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 (“**Guidance Note**”).

The pro forma consolidated statements of financial position have been compiled by the Directors, to illustrate the impact of the events or transactions as set out in Notes 3.1, 3.2 and 3.3 of Appendix A of this letter on the Group’s financial position as at 31 March 2024.

As part of this process, information about the Group’s financial position have been extracted from the audited consolidated financial statements of the Company for the financial period ended 31 March 2024 as set out in the Accountants’ Report of the Company.

12. FINANCIAL INFORMATION (Cont'd)**THE DIRECTORS' RESPONSIBILITIES**

The Directors are 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 Prospectus Guidelines.

REPORTING ACCOUNTANTS' INDEPENDENCE AND QUALITY CONTROL

We are independent of the Company 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 firm applies International Standard on Quality Management 1 (ISQM 1), *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or other Assurance or Related Services Engagements* issued by the International Auditing and Assurance Standards Board and adopted by the Malaysian Institute of Accountants and accordingly maintains a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal regulatory requirements.

REPORTING ACCOUNTANTS' RESPONSIBILITIES

Our responsibility is to express an opinion, as required by the Prospectus Guidelines, about whether the pro forma consolidated statements of financial position has been compiled, in all material respects, by the Directors on the basis as described in the notes thereon of the pro forma consolidated statements of financial position.

We conducted our engagement in accordance with the International Standard on Assurance Engagement (ISAE) 3420, *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*, issued by the Malaysian Institute of Accountants. This standard requires that we plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled, in all material respects, the pro forma consolidated statements of financial position on the basis as described in the notes thereon of the pro forma consolidated statements of financial position in Appendix A.

For the purpose of this engagement, we are not responsible for updating or reissuing any reports or opinion 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 Appendix A.

The purpose of the pro forma consolidated statements of financial position included in the prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction 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 would have been as presented.

12. FINANCIAL INFORMATION (Cont'd)**REPORTING ACCOUNTANTS' RESPONSIBILITIES (CONT'D)**

A reasonable assurance engagement to report on whether the pro forma consolidated statements of financial position has been compiled, in all material respects, on the basis of applicable criteria involves performing procedures 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.

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 of the Group have been compiled, in all material respects, on the basis as described in the notes thereon to the pro forma consolidated statements of financial position in Appendix A and in accordance with the requirements of the Prospectus Guidelines.

OTHER MATTERS

Our report on the pro forma consolidated statements of financial position has been prepared for inclusion in the prospectus. 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

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

Shah Alam

Ong Beng Chooi
03155/05/2025 J
Chartered Accountant

12. FINANCIAL INFORMATION (Cont'd)

APPENDIX A

99 SPEED MART RETAIL HOLDINGS BERHAD
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2024

	Audited	Pro Forma I		Pro Forma II	Pro Forma III	
Note	As at 31 March 2024* RM'000	Subsequent Events RM'000	After Subsequent Events RM'000	After Pro Forma I and IPO RM'000	Utilisation of Proceeds RM'000	After Pro Forma II and Utilisation of Proceeds RM'000
ASSETS						
NON-CURRENT ASSETS						
Property and equipment	501,179		501,179	501,179		501,179
Right-of-use assets	791,127		791,127	791,127		791,127
Intangible asset	8		8	8		8
Deferred tax assets	17,056		17,056	17,056		17,056
	1,309,370		1,309,370	1,309,370		1,309,370
CURRENT ASSETS						
Inventories	1,300,633		1,300,633	1,300,633		1,300,633
Trade receivables	23,556		23,556	23,556		23,556
Other receivables, deposits and prepayments	44,084		44,084	44,084		44,084
Current tax assets	1		1	1		1
Cash and cash equivalents	78,545	(100,000)	(21,455)	638,545	(64,024)	574,521
	1,446,819		1,346,819	2,006,819		1,942,795
TOTAL ASSETS	2,756,189		2,656,189	3,316,189		3,252,165
EQUITY AND LIABILITIES						
EQUITY						
Share capital	474,506		474,506	1,134,506	(14,800)	1,119,706
Reserves	(457,008)		(457,008)	(457,008)		(457,008)
Retained profits	657,233	(100,000)	557,233	557,233	(4,224)	553,009
TOTAL EQUITY	674,731		574,731	1,234,731		1,215,707

Initiated For Identification Purposes Only



Crowe Malaysia PLT
201906000035 (LP0018817-LCA) & AF 1018
Chartered Accountants

12. FINANCIAL INFORMATION (Cont'd)

APPENDIX A

99 SPEED MART RETAIL HOLDINGS BERHAD
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2024 (CONT'D)

	Audited	Pro Forma I	Pro Forma II	Pro Forma III
	As at 31 March 2024* RM'000	Subsequent Events RM'000	After Pro Forma I and IPO RM'000	After Pro Forma II and Utilisation of Proceeds RM'000
Note		After Subsequent Events RM'000		
EQUITY AND LIABILITIES (CONT'D)				
NON-CURRENT LIABILITIES				
Term loans	46,126	46,126	46,126	1,126
Lease liabilities	648,644	648,644	648,644	648,644
Provision for restoration costs	54,699	54,699	54,699	54,699
	749,469	749,469	749,469	704,469
CURRENT LIABILITIES				
Trade payables	1,065,165	1,065,165	1,065,165	1,065,165
Other payables and accruals	58,202	58,202	58,202	58,202
Contract liability	3,310	3,310	3,310	3,310
Term loans	4,639	4,639	4,639	4,639
Lease liabilities	158,040	158,040	158,040	158,040
Current tax liabilities	42,633	42,633	42,633	42,633
	1,331,989	1,331,989	1,331,989	1,331,989
	2,081,458	2,081,458	2,081,458	2,036,458
TOTAL LIABILITIES				
TOTAL EQUITY AND LIABILITIES				
No. of shares in issue ('000)	474,506	7,525,494	8,000,000	8,400,000
Net assets (RM'000)	674,731	574,731	1,234,731	1,215,707
Net assets per share (RM)	1.42	0.07	0.15	0.14

Note:-

* Extracted from Accountants' Report included in Section 13 of this Prospectus.

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Crowe Malaysia Sdn Bhd
20190600005 (MLP0018817-LCA) & AF 1018
Chartered Accountants

12. FINANCIAL INFORMATION (Cont'd)**APPENDIX A****99 SPEED MART RETAIL HOLDINGS BERHAD
NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31
MARCH 2024****1. ABBREVIATION**

Unless the context otherwise requires, the following words and abbreviations shall apply throughout this report:-

Directors	: Directors of our Company
DC	: Distribution centre
Guidance Note	: the Guidance Note for Issuers of pro forma financial information issued by the Malaysian Institute of Accountants
IPO	: Initial public offering of up to 1,428,000,000 IPO Shares via the Offer for Sale and the Public Issue
Issue Shares	: New Shares to be issued under the Public Issue
Listing	: Listing of and quotation for the entire enlarged issued Shares on the Main Market of Bursa Malaysia Securities Berhad
LPD	: 15 July 2024, being the latest practicable date prior to the registration of this Prospectus with the Securities Commission Malaysia
MFRSs	: Malaysian Financial Reporting Standards as issued by the Malaysian Accounting Standards Board
Offer for Sale	: Offer for sale of up to 1,028,000,000 Offer Shares by the Selling Shareholders
Offer Shares	: Existing Shares to be offered by the Selling Shareholders pursuant to the Offer for Sale
Pink Form Allocations	: The allocation of 42,000,000 IPO Shares to the Eligible Persons under the Retail Offering
Prospectus Guidelines	: Prospectus Guidelines issued by the Securities Commission Malaysia
Public Issue	: Public issue of 400,000,000 Issue Shares by our Company
Subdivision	: Subdivision of our 474,506,402 shares into 8,000,000,000 shares
Shares	: Ordinary shares in our Company

12. FINANCIAL INFORMATION (Cont'd)**APPENDIX A****99 SPEED MART RETAIL HOLDINGS BERHAD
NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31
MARCH 2024 (CONT'D)****2. INTRODUCTION**

The pro forma consolidated statements of financial position of the Group as at 31 March 2024 have been prepared for inclusion in the prospectus in connection with the initial public offering of ordinary shares in the Company and the listing of and quotation for the entire enlarged issued Share capital of the Company on the Main Market of Bursa Malaysia Securities Berhad ("Listing") and should not be relied upon for any other purposes.

The pro forma consolidated statements of financial position have been prepared for illustrative purposes only to show the effects of the transactions as set out in notes 3.1, 3.2 and 3.3 had the transactions been effected on 31 March 2024. The pro forma consolidated statements of financial position may not, because of their nature, give a true picture of the Group's actual financial position. Further, such financial information does not purport to predict the future financial position of the Group.

3. BASIS OF PREPARATION

The pro forma consolidated statements of financial position of the Group have been prepared for illustration purposes using the audited consolidated financial statements of the Group as at 31 March 2024 which was prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs") and International Financial Reporting Standards ("IFRS") and are not subject to any qualification, modification or disclaimer.

The pro forma consolidated statements of financial position of the Group have also been compiled in a manner consistent with both the format of the audited consolidated financial statements and accounting policies of the Group as set out in the Accountants' Report of the Company for the financial period ended 31 March 2024.

3.1 Subsequent Events

In conjunction with and as an integral part of the Listing, the Company had undertaken the following:

3.1.1 The Subdivision

The subdivision of all existing Shares in issue of 474,506,402 Shares into 8,000,000,000 Shares. It is involving the subdivision of every 1 existing Share into approximately 16.859625 Shares in the Company. The subdivision was completed on 20 May 2024.

3.1.2 Declaration of Dividend

On 10 June 2024, the Company had declared and paid first interim dividend of RM0.0125 per ordinary share amounted to RM100,000,000 in respect of the financial year ending 31 December 2024.

12. FINANCIAL INFORMATION (Cont'd)**APPENDIX A****99 SPEED MART RETAIL HOLDINGS BERHAD
NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31
MARCH 2024 (CONT'D)****3. BASIS OF PREPARATION (CONT'D)****3.2 IPO**

In conjunction with the Listing, the Company will undertake the following:

- (i) public issue of 400,000,000 Issue Shares, representing approximately 4.8% of the enlarged issued Shares of the Company, at an issue price of RM1.65 per Share, detailed as follows:
 - (a) 168,000,000 Issue Shares, representing 2.0% of the enlarged issued Shares, will be made available for application by the Malaysian Public via balloting, of which 50% will be set aside for Bumiputera investors;
 - (b) 42,000,000 Issue Shares, representing 0.5% of the enlarged issued Shares, will be reserved for the application by directors, eligible employees of the Group and persons who have contributed to the success of the Group under the Pink Form Allocations; and
 - (c) 190,000,000 Issue Shares, representing approximately 2.3% of the enlarged issued Shares, will be reserved for Bumiputera investors approved by Ministry of Trade and Industry of Malaysia ("MITI").
- (ii) offer for sale of 1,028,000,000 offer shares, representing approximately 12.2% of the enlarged issued Shares of the Company, at an offer price of RM1.65 per Share, detailed as follows:
 - (a) 860,000,000 Issue Shares, representing 10.2% of the enlarged issued Shares, will be made available for application by the Bumiputera investors approved by the MITI; and
 - (b) 168,000,000 Issue Shares, representing 2.0% of the enlarged issued Shares, will be made available for application by the Malaysian institutional and selected investors.

3.3 Listing

Upon completion of the subsequent events and IPO and before deducting the estimated listing expenses directly attributable to the issuance of new shares of RM14,800,000, the share capital shall be increased from RM474,506,402 comprising 474,506,402 Shares to RM1,134,506,402 comprising 8,400,000,000 Shares.

Upon completion of the IPO, the Company shall be admitted to the Official List and the entire enlarged share capital of RM1,119,706,402 (after deducting the estimated listing expenses directly attributable to the issuance of new Shares of RM14,800,000) comprising 8,400,000,000 Shares shall be listed and quoted on the Main Market of Bursa Malaysia Securities Berhad.

12. FINANCIAL INFORMATION (Cont'd)

APPENDIX A

99 SPEED MART RETAIL HOLDINGS BERHAD
NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2024 (CONT'D)

4. PRO FORMA ADJUSTMENTS TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

The pro forma consolidated statements of financial position as at 31 March 2024 have been prepared solely for illustrative purposes only to show the effects of the following transactions based on the assumptions that they have been effected on 31 March 2024:-

4.1 Pro Forma I

After incorporating the pro forma effects of the subsequent events as set out in note 3.1 above.

4.2 Pro Forma II

After incorporating the cumulative effects of Pro Forma I and the IPO as set out in note 3.2 above.

4.3 Pro Forma III

After incorporated the cumulative effects of Pro Forma II and the utilisation of the proceeds from the IPO.

The proceeds from the IPO as stated in the prospectus in relation to the IPO, will be utilised as follows:-

No	Details of use of proceeds	Note	Estimated timeframe for utilisation upon Listing	RM'000	%
1.	Outlet and DC expenditure	4.3.1			
	(i) Expansion of network of outlets		Within 36 months	389,000	58.9
	(ii) Establishment of new DCs		Within 36 months	100,000	15.2
	(iii) Purchase of delivery trucks		Within 36 months	55,000	8.3
	(iv) Upgrading of existing outlets		Within 36 months	47,600	7.2
2.	Repayment of existing bank borrowings	5.4	Within 6 months	45,000	6.8
3.	Defray fees and expenses for the Public Issue	4.3.2	Within 6 months	23,400	3.6
				<u>660,000</u>	<u>100.0</u>

4.3.1 As at the LPD, the planned utilisation of proceeds for outlet and DC expenditure are still in a discussion phase and the Group has yet to enter into any definitive agreements with any parties. Accordingly, the proceeds earmarked for expansion of network of outlets, establishment of new DCs, purchase of delivery trucks and upgrading of existing outlets are not reflected in the pro forma consolidated statements of financial position.

12. FINANCIAL INFORMATION (Cont'd)**APPENDIX A****99 SPEED MART RETAIL HOLDINGS BERHAD
NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31
MARCH 2024 (CONT'D)****4. PRO FORMA ADJUSTMENTS TO THE PRO FORMA CONSOLIDATED STATEMENTS OF
FINANCIAL POSITION (CONT'D)****4.3 Pro Forma III (Cont'd)**

4.3.2 The estimated listing expenses comprising the following:

	RM'000
Professional fees	7,137
Fees to authorities	1,120
Underwriting, placement and brokerage fees	14,443
Contingencies and other incidental expenses in connection with the IPO which includes marketing, advertising, roadshow expenses, service tax and other miscellaneous expenses	700
	<u>23,400</u>

From the estimated listing expenses of RM23,400,000, RM14,800,000 is assumed to be directly attributable to the issuance of new shares and therefore will be set-off against equity. The remaining RM8,600,000 is assumed to be attributable to the listing and therefore will be charged out to profit or loss and this represents a one-off expenditure in conjunction with the Listing. As at financial period ended 31 March 2024, The Company had recognised the listing expenses of approximately RM4,376,000 in profit or loss and the amount had been paid.

5. EFFECTS ON THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**5.1 Cash and cash equivalents**

	Note	RM'000
As at 31 March 2024		78,545
Less: Declaration of dividend**	3.1.2	<u>(100,000)</u>
As per Pro Forma I		(21,455)
Add: Proceeds from Public Issuance	3.2 (i)	<u>660,000</u>
As per Pro Forma II		638,545
Less: Utilisation of proceeds:		
- estimated listing expenses		(19,024)
- repayment of bank borrowings	4.3 (2)	<u>(45,000)</u>
		(64,024)
As per Pro Forma III		<u>574,521</u>

**Upon declaration of dividend, the Company remains solvent after the distribution in accordance with section 131(i) of Companies Act 2016.

12. FINANCIAL INFORMATION (Cont'd)

APPENDIX A

99 SPEED MART RETAIL HOLDINGS BERHAD
NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31
MARCH 2024 (CONT'D)

5. EFFECTS ON THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(CONT'D)

5.2 Share Capital

	Note	Number of Ordinary Shares ('000)	RM'000
As at 31 March 2024		474,506	474,506
Add: The subdivision	3.1.1	7,525,494	-
As per Pro Forma I		<u>8,000,000</u>	<u>474,506</u>
Add: Shares issued under the Public Issue	3.2 (i)	400,000	660,000
As per Pro Forma II		<u>8,400,000</u>	<u>1,134,506</u>
Less: Listing expenses attributable to share issuance	4.3.2	-	(14,800)
As per Pro Forma III		<u>8,400,000</u>	<u>1,119,706</u>

5.3 Retained profits

	Note	RM'000
As at 31 March 2024		657,233
Less: Declaration of dividend	3.1.2	<u>(100,000)</u>
As per Pro Forma I and II		557,233
Less: Item expensed off to the statement of profit or loss and other comprehensive income:		
- estimated listing expenses	4.3.2	<u>(4,224)</u>
As per Pro Forma III		<u>553,009</u>

5.4 Term Loans

	Note	Non-Current Liabilities RM'000	Current Liabilities RM'000	Total RM'000
As per 31 March 2024/ As per Pro Forma I/II		46,126	4,639	50,765
Less: Utilisation of Proceeds	4.3 (2)	<u>(45,000)</u>	-	<u>(45,000)</u>
As per Pro Forma III		<u>1,126</u>	<u>4,639</u>	<u>5,765</u>

Any outstanding term loan balances remaining after utilisation of proceeds will be settled using internal funds.

12. FINANCIAL INFORMATION (Cont'd)

APPENDIX A

99 SPEED MART RETAIL HOLDINGS BERHAD


APPROVAL BY THE BOARD OF DIRECTORS

Approved and adopted by the Board of Directors in accordance with a resolution dated 26 JUL 2024

On behalf of the Board of Directors,


Lee Thiam Wah
Director


Ng Lee Tieng
Director

Initialed For Identification Purposes Only
 Crowe
Crowe Malaysia PLT
201906000005 (LLP0018817-LCA) & AF 1018
Chartered Accountants