

13. ACCOUNTANTS' REPORT

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

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

Dear Sir/Madam,

**REPORTING ACCOUNTANTS' OPINION ON THE CONSOLIDATED FINANCIAL STATEMENTS
CONTAINED IN THE ACCOUNTANTS' REPORT OF 99 SPEED MART RETAIL HOLDINGS
BERHAD**

OPINION

We have audited the financial information contained in the Accountants' Report of 99 Speed Mart Retail Holdings Berhad ("99 Holdings" or the "Company") and its subsidiaries (collectively known as the "Group"), which comprise of:-

- i) The combined statements of financial position as at 31 December 2021 and 31 December 2022, the combined statements of profit or loss and other comprehensive income, combined statements of changes in equity and combined statements of cash flows of the Group for the financial years then ended;
- ii) The consolidated financial statements of financial position as at 31 December 2023 and 31 March 2024, the consolidated statements of profit or loss and other comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows of the Group for the financial year/period then ended; and
- iii) Notes to the consolidated financial statements, including material accounting policies information, as set out from page 4 to 72.

The historical financial information has been prepared for inclusion in the prospectus of 99 Holdings in connection with the listing of and quotation for the entire enlarged issued share capital of 99 Holdings on the Main Market of Bursa Malaysia Securities Berhad. This report is required by the *Prospectus Guidelines issued by the Securities Commission Malaysia* (the "Prospectus Guidelines") and is given for the purpose of complying with Chapter 10 of the Prospectus Guidelines and for no other purpose.

In our opinion, the financial information contained in the Accountants' Report gives a true and fair view of the financial position of the Group as at 31 December 2021, 31 December 2022, 31 December 2023 and 31 March 2024, and of its financial performance and cash flows for the financial years/period then ended in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards ("IFRSs") and the Prospectus Guidelines.

BASIS FOR OPINION

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

13. ACCOUNTANTS' REPORT (Cont'd)**INDEPENDENCE AND OTHER ETHICAL RESPONSIBILITIES**

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

DIRECTORS' RESPONSIBILITIES FOR THE CONSOLIDATED FINANCIAL INFORMATION

The directors of the Company are responsible for the preparation of the consolidated financial statements of the Group that give a true and fair view in accordance with MFRSs and IFRSs. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

REPORTING ACCOUNTANTS' RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements of the Group, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

13. ACCOUNTANTS' REPORT (Cont'd)**REPORTING ACCOUNTANTS' RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)**

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the consolidated financial information of the Group or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of this report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements of the Group, including the disclosures, and whether the consolidated financial statements of the Group represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the consolidated financial statements of the entities or business activities within the Group to express an opinion on the consolidated financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

OTHER MATTERS

The significant events subsequent to the end of the financial period ended 31 March 2024 has been disclosed in Note 38 to this report.

The comparative information for the combined statements of profit or loss and other comprehensive income, combined statements of changes in equity and combined statements of cash flows and notes to the combined financial statements for the financial period ended 31 March 2023 has not been audited.

RESTRICTION ON DISTRIBUTION AND USE

Our report has been prepared for inclusion in the prospectus of the Company in connection with the listing of and quotation for the entire enlarged issued share capital of the Company on the Main Market of Bursa Malaysia Securities Berhad. As such, this report should not be used for any other purpose without our prior written consent. 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.

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

26 JUL 2024

Ong Beng Chooi
03155/05/2025 J
Chartered Accountant

Page 3

13. ACCOUNTANTS' REPORT (Cont'd)**99 SPEED MART RETAIL HOLDINGS BERHAD**

(Incorporated in Malaysia)

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

		Audited as at			
		31.12.2021	31.12.2022	31.12.2023	31.3.2024
		RM'000	RM'000	RM'000	RM'000
ASSETS					
NON-CURRENT ASSETS					
Property and equipment	4	353,210	386,091	479,445	501,179
Right-of-use assets	5	778,263	736,204	774,210	791,127
Intangible asset	6	5	-	5	8
Deferred tax assets	7	11,909	15,601	16,259	17,056
		<u>1,143,387</u>	<u>1,137,896</u>	<u>1,269,919</u>	<u>1,309,370</u>
CURRENT ASSETS					
Inventories	8	803,128	1,093,026	1,174,379	1,300,633
Trade receivables	9	17,287	27,778	41,906	23,556
Other receivables, deposits and prepayments	10	43,972	36,668	42,550	44,084
Current tax asset		-	-	-	1
Cash and cash equivalents	11	350,163	85,056	137,571	78,545
		<u>1,214,550</u>	<u>1,242,528</u>	<u>1,396,406</u>	<u>1,446,819</u>
TOTAL ASSETS		<u>2,357,937</u>	<u>2,380,424</u>	<u>2,666,325</u>	<u>2,756,189</u>

13. ACCOUNTANTS' REPORT (Cont'd)**99 SPEED MART RETAIL HOLDINGS BERHAD**
(Incorporated in Malaysia)**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONT'D)**

		Audited as at				
		31.12.2021	31.12.2022	31.12.2023	31.3.2024	
Note		RM'000	RM'000	RM'000	RM'000	
EQUITY AND LIABILITIES						
EQUITY						
	Share capital	12	-	-	474,506	474,506
	Invested equity	12	17,500	17,500	-	-
	Reserves	13	-	-	(457,010)	(457,008)
	Retained profits		719,487	614,352	524,079	657,233
	TOTAL EQUITY		<u>736,987</u>	<u>631,852</u>	<u>541,575</u>	<u>674,731</u>
NON-CURRENT LIABILITIES						
	Loans and borrowing	14	46,444	52,085	47,265	46,126
	Lease liabilities	15	669,372	603,555	633,120	648,644
	Provision for restoration costs	16	43,208	47,865	53,439	54,699
			<u>759,024</u>	<u>703,505</u>	<u>733,824</u>	<u>749,469</u>
CURRENT LIABILITIES						
	Trade payables	17	640,159	805,175	982,140	1,065,165
	Other payables and accruals	18	62,193	67,112	219,095	58,202
	Contract liability	19	3,798	2,727	2,512	3,310
	Loans and borrowing	14	9,319	4,446	4,670	4,639
	Lease liabilities	15	116,371	136,134	154,909	158,040
	Current tax liabilities		30,086	29,473	27,600	42,633
			<u>861,926</u>	<u>1,045,067</u>	<u>1,390,926</u>	<u>1,331,989</u>
	TOTAL LIABILITIES		<u>1,620,950</u>	<u>1,748,572</u>	<u>2,124,750</u>	<u>2,081,458</u>
	TOTAL EQUITY AND LIABILITIES		<u>2,357,937</u>	<u>2,380,424</u>	<u>2,666,325</u>	<u>2,756,189</u>

13. ACCOUNTANTS' REPORT (Cont'd)**99 SPEED MART RETAIL HOLDINGS BERHAD**

(Incorporated in Malaysia)

**CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME**

	Note	Audited			Unaudited	Audited
		FYE 31 December			FPE 31 March	
		2021	2022	2023	2023	2024
		RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	20	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)
Gross profit		756,039	741,311	841,447	223,327	239,244
Other operating income	21	685,239	742,858	853,862	198,646	236,387
Other income		22,037	22,499	21,282	4,150	5,605
		1,463,315	1,506,668	1,716,591	426,123	481,236
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)
Profit before taxation	22	561,816	484,113	538,212	143,264	178,470
Income tax expense	24	(142,722)	(157,448)	(137,985)	(36,114)	(45,316)
Profit for the financial year/period		419,094	326,665	400,227	107,150	133,154
Other comprehensive (expense)/income:-						
<i>Item that may be reclassified subsequently to profit or loss:</i>						
- Currency translation differences for foreign operations		-	-	(4)	-	2
Total comprehensive income for the financial year/period		419,094	326,665	400,223	107,150	133,156

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

Page 6

13. ACCOUNTANTS' REPORT (Cont'd)**99 SPEED MART RETAIL HOLDINGS BERHAD**
(Incorporated in Malaysia)**CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME (CONT'D)**

	Note	Audited			Unaudited	Audited
		FYE 31 December			FPE 31 March	
		2021 RM'000	2022 RM'000	2023 RM'000	2023 RM'000	2024 RM'000
Profit for the financial year/period attributable to owners of the Company		419,094	326,665	400,227	107,150	133,154
Total comprehensive income attributable to owners of the Company		419,094	326,665	400,223	107,150	133,156
Basic earnings per ordinary share (sen)						
Historical	25	2,853	1,867	84	612	28
Enlarged	25	88	69	84	23	28

13. ACCOUNTANTS' REPORT (Cont'd)

99 SPEED MART RETAIL HOLDINGS BERHAD
(Incorporated in Malaysia)

CONSOLIDATED STATEMENTS OF CHANGE IN EQUITY

	Note	Share capital RM'000	Invested equity RM'000	Merger deficit RM'000	Currency translation reserve RM'000	Distributable	Total equity RM'000
Balance at 1 January 2021		-	4,000	-	-	468,193	472,193
Profit (representing total comprehensive income) for the financial year		-	-	-	-	419,094	419,094
Allotment of bonus shares during the financial year		-	13,500	-	-	(13,500)	-
Dividends	26	-	-	-	-	(154,300)	(154,300)
		-	13,500	-	-	251,294	264,794
Balance at 31 December 2021/1 January 2022		-	17,500	-	-	719,487	736,987
Profit (representing total comprehensive income) for the financial year		-	-	-	-	326,665	326,665
Dividends	26	-	-	-	-	(431,800)	(431,800)
		-	-	-	-	(105,135)	(105,135)
Balance at 31 December 2022/1 January 2023		-	17,500	-	-	614,352	631,852
Profit for the financial year		-	-	-	-	400,227	400,227
Other comprehensive expense for the financial year:-							
Currency translation differences for foreign operations		-	-	-	(4)	-	(4)
Total comprehensive (expense)/income for the financial year		-	-	-	(4)	400,227	400,223
Issuance of shares		#	-	-	-	-	#
Effect of restructuring exercise	37(g)	474,506	(17,500)	(457,006)	-	-	-
Dividends		-	-	-	-	(490,500)	(490,500)
Total transactions with owners	26	474,506	(17,500)	(457,006)	-	(490,500)	(490,500)
Balance at 31 December 2023		474,506	-	(457,006)	(4)	524,079	541,575

- denotes RM100

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

13. ACCOUNTANTS' REPORT (Cont'd)

99 SPEED MART RETAIL HOLDINGS BERHAD
(Incorporated in Malaysia)

CONSOLIDATED STATEMENTS OF CHANGE IN EQUITY (CONT'D)

	Note	Share capital RM'000	Invested equity RM'000	Merger deficit RM'000	Distributable		Total equity RM'000
					<-----Non-Distributable -----> Currency translation reserve RM'000	Retained profits RM'000	
Balance at 1 January 2023		-	17,500	-	-	614,352	631,852
Profit (representing total comprehensive income) for the financial period		-	-	-	-	107,150	107,150
Dividends	26	-	-	-	-	(263,500)	(263,500)
Balance at 31 March 2023 (Unaudited)		-	17,500	-	-	458,002	475,502
Balance at 1 January 2024		474,506	-	(457,006)	(4)	524,079	541,575
Profit for the financial period		-	-	-	-	133,154	133,154
Other comprehensive income for the financial period:-		-	-	-	2	-	2
Currency translation differences for foreign operations		-	-	-	2	-	2
Total comprehensive income for the financial period		-	-	-	2	133,154	133,156
Balance at 31 March 2024		474,506	-	(457,006)	(2)	657,233	674,731

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

13. ACCOUNTANTS' REPORT (Cont'd)**99 SPEED MART RETAIL HOLDINGS BERHAD**

(Incorporated in Malaysia)

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Audited			Unaudited	Audited
	FYE 31 December			FPE 31 March	
	2021	2022	2023	2023	2024
	RM'000	RM'000	RM'000	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before taxation	561,816	484,113	538,212	143,264	178,470
Adjustments for:-					
Amortisation of trademarks	5	5	@	-	#
Depreciation of property and equipment	61,499	69,383	66,847	15,673	16,653
Depreciation of right-of-use assets	127,896	139,622	155,356	36,995	41,438
Equipment written off	-	-	8	-	^
Interest expense of financial liabilities that are not at fair value through profit or loss	2,154	2,535	3,093	717	760
Interest expense on lease liabilities	41,640	39,435	40,937	9,468	10,108
Inventories written off	7,301	10,685	14,335	3,345	4,069
COVID-19-related rent concessions	(55)	(63)	-	-	-
Gain on derecognition due to lease termination	-	-	(113)	-	(121)
Gain on disposal of equipment	(37)	(19)	(348)	(112)	(37)
Interest income of financial assets that are not at fair value through profit or loss	(4,612)	(3,053)	(1,390)	(318)	(271)
Reversal of provision for restoration costs	-	-	(89)	-	(44)
Operating profit before working capital changes	797,607	742,643	816,848	209,032	251,025
Increase in inventories	(83,636)	(300,583)	(95,688)	(47,819)	(130,323)
Increase in trade and other receivables	(14,103)	(5,794)	(6,880)	(116,887)	(2,110)
Increase in trade and other payables	64,136	174,483	224,429	110,022	19,351
Increase/(Decrease) in contract liability	1,611	(1,071)	(215)	(189)	798
Decrease/(Increase) in amount owing by related parties	1,478	(4,556)	(12,814)	1,324	21,082
Cash generated from operations and balance carried forward	767,093	605,122	925,680	155,483	159,823

@ - denotes RM359

- denotes RM399

^ - denotes RM1

13. ACCOUNTANTS' REPORT (Cont'd)**99 SPEED MART RETAIL HOLDINGS BERHAD**

(Incorporated in Malaysia)

CONSOLIDATED STATEMENTS OF CASH FLOWS (CONT'D)

	Audited			Unaudited	Audited
	FYE 31 December			FPE 31 March	
	2021	2022	2023	2023	2024
Note	RM'000	RM'000	RM'000	RM'000	RM'000
Cash generated from operations and balance brought forward	767,093	605,122	925,680	155,483	159,823
Interest paid	(43,484)	(41,496)	(43,356)	(10,054)	(10,691)
Income tax paid	(151,421)	(161,753)	(140,516)	(35,443)	(31,081)
Net cash generated from operating activities	<u>572,188</u>	<u>401,873</u>	<u>741,808</u>	<u>109,986</u>	<u>118,051</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Repayment from/(Advances to) related parties	962	(154)	(204)	(625)	(196)
Interest received	3,294	3,053	1,390	318	271
Purchase of property and equipment	27 (96,019)	(102,335)	(160,209)	(27,231)	(38,495)
Acquisition of right-of-use assets	27 -	(6,620)	(380)	-	-
Acquisition of trademarks	-	-	(5)	-	(3)
Proceeds from disposal of equipment	37	90	348	112	517
(Placement)/Withdrawal of fixed deposits with tenure more than 3 months	(320,000)	321,318	-	-	-
Net cash (used in)/generated from investing activities	<u>(411,726)</u>	<u>215,352</u>	<u>(159,060)</u>	<u>(27,426)</u>	<u>(37,906)</u>
Balance carried forward	<u>160,462</u>	<u>617,225</u>	<u>582,748</u>	<u>82,560</u>	<u>80,145</u>

13. ACCOUNTANTS' REPORT (Cont'd)**99 SPEED MART RETAIL HOLDINGS BERHAD**

(Incorporated in Malaysia)

CONSOLIDATED STATEMENTS OF CASH FLOWS (CONT'D)

	Audited			Unaudited	Audited
	FYE 31 December			FPE 31 March	
	2021	2022	2023	2023	2024
Note	RM'000	RM'000	RM'000	RM'000	RM'000
Balance brought forward	160,462	617,225	582,748	82,560	80,145
CASH FLOWS FROM FINANCING ACTIVITIES					
Advances from/(Repayment to) related parties	7,134	(7,600)	3,996	1,346	449
Advances from a director	-	-	411	-	-
Dividends paid	(154,300)	(431,800)	(390,500)	(62,100)	(100,000)
Drawdown of term loans	27 7,380	10,419	-	-	-
Repayment of lease liabilities	27 (106,060)	(122,382)	(139,540)	(33,693)	(38,452)
Repayment of term loans	27 (15,053)	(4,575)	(4,596)	(1,161)	(1,170)
Subscriber shares	-	-	#	-	-
Net cash used in financing activities	(260,899)	(555,938)	(530,229)	(95,608)	(139,173)
Net (decrease)/increase in cash and cash equivalents	(100,437)	61,287	52,519	(13,048)	(59,028)
Cash and cash equivalents brought forward	124,206	23,769	85,056	85,056	137,571
Currency translation differences	-	-	(4)	-	2
Cash and cash equivalents carried forward	11 23,769	85,056	137,571	72,008	78,545

- denotes RM100

13. ACCOUNTANTS' REPORT (Cont'd)**99 SPEED MART RETAIL HOLDINGS BERHAD**
(Incorporated in Malaysia)**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****1. GENERAL INFORMATION**

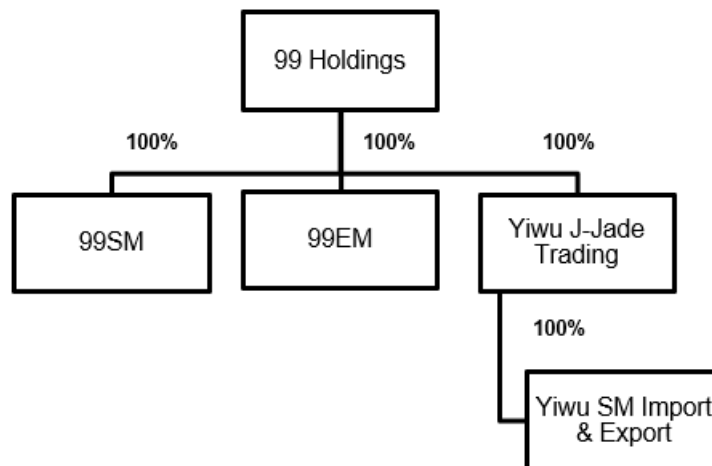
The Company was incorporated in Malaysia under Companies Act 2016 on 15 May 2023, as a private limited liability company to facilitate the initial public offering. On 10 July 2023, the Company changed its name from 99 Speed Mart Holdings Sdn. Bhd. to 99 Speed Mart Retail Holdings Sdn. Bhd. On 29 January 2024, the Company was converted to a public limited liability company and assumed its current name of 99 Speed Mart Retail Holdings Berhad.

The registered office of the Company is located at 12th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan and its principal place of business is located at Lot PT 2811, Jalan Angsa, Taman Berkeley, 41150 Klang, Selangor Darul Ehsan, Malaysia.

The Company is principally engaged in the business of investment holding and providing management services whilst the principal activities of its subsidiaries are disclosed in Note 33 to the consolidated financial statements. The holding company is Lee LYG Holdings Sdn. Bhd. (formerly known as 99 IMall Sdn. Bhd.), a company incorporated in Malaysia.

On 28 September 2023, the Group incorporated Yiwu J-Jade Trading Co., Ltd ("Yiwu J-Jade Trading") as an investment holding subsidiary in China to wholly own another subsidiary, Yiwu Speed Mart Import and Export Co., Ltd ("Yiwu SM Import & Export") which was incorporated on 19 October 2023.

As an integral part of listing the Company on Main Market of Bursa Malaysia Securities Berhad, the Company entered into a conditional share purchase agreement on 9 November 2023 to acquire the entire equity interest in 99 Speed Mart Sdn. Bhd. ("99SM") and 99 Speed Mart (East Malaysia) Sdn. Bhd. ("99EM") which were completed on 14 December 2023 (collectively known as "Acquisitions"). Upon completion of the Acquisitions, 99SM and 99EM became the subsidiaries of the Company.



The consolidated financial statements of the Group are presented in Ringgit Malaysia ("RM"), which is also the Group's functional currency and has been rounded to the nearest thousand (RM'000), unless otherwise stated.

13. ACCOUNTANTS' REPORT (Cont'd)**99 SPEED MART RETAIL HOLDINGS BERHAD**
(Incorporated in Malaysia)**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****2. MATERIAL ACCOUNTING POLICY INFORMATION****2.1 Basis of Preparation of Consolidated Financial Statements**

As the Acquisitions were only completed on 14 December 2023, there are no consolidated financial statements of the Group for financial years/period ended 31 December 2021, 31 December 2022 and 31 March 2023.

For the purpose of inclusion in the prospectus of 99 Holdings in connection with the listing of and quotation for the entire enlarged issued share capital of 99 Holdings on the Main Market of Bursa Malaysia Securities Berhad, the Group had prepared the consolidated financial statements which comprise of:-

- i) The combined statements of financial position as at 31 December 2021 and 31 December 2022, the combined statements of profit or loss and other comprehensive income, combined statements of changes in equity and combined statements of cash flows of the Group for the financial years then ended; and
- ii) The consolidated financial statements of financial position as at 31 December 2023 and 31 March 2024, the consolidated statements of profit or loss and other comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows of the Group for the financial year/period then ended.

The consolidated financial statements of the Group for the relevant period were prepared in a manner similar to the merger method, as if the entities within the Group were operating as a single economic entity from the beginning of the earliest comparative period covered by the relevant period or the dates of incorporation of entities within the Group, if later. Such manner of presentation reflects the economic substance of the companies, which are under common control throughout the relevant period.

Entities under common control are entities which are ultimately controlled by the same parties and that control is not transitory. Control exists when the same parties have, as a result of contractual agreements, ultimate collective power to govern the financial and operating policies of each of the subsidiaries and combining entities so as to obtain the benefits from their activities, and that ultimate collective power is not transitory. The financial statements of commonly controlled entities are included in the consolidated financial statements from the day that control commences until the date that control ceases.

The common control of the Group has been established since the set-up of the Group by virtue of Lee Thiam Wah (collectively referred to as the "Controlling Shareholder"), being the principal shareholder and promoter of the Group. Hence, the consolidated financial statements of the Group have been prepared as if the Group has been operated as a single economic entity throughout the financial years ended 31 December 2021, 31 December 2022, 31 December 2023 and financial periods ended 31 March 2023 and 31 March 2024.

13. ACCOUNTANTS' REPORT (Cont'd)**99 SPEED MART RETAIL HOLDINGS BERHAD**

(Incorporated in Malaysia)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)****2.1 Basis of Preparation of Consolidated Financial Statements (Cont'd)**

The consolidated financial statements of the Group are the combination of all of the financial statements of the entities of the Group and have been prepared in accordance with MFRSs, IFRSs and Prospectus Guidelines for the relevant financial years/periods as follows:-

Entities under common control	31 December 2021	31 December 2022	31 December 2023	31 March 2023	31 March 2024
99 Holdings	*	*	@	*	@
99SM	✓	✓	@	\$	@
99EM	✓	✓	@	\$	@
Yiwu J-Jade Trading	*	*	#	*	^
Yiwu SM Import & Export	*	*	#	*	^

* No financial statements are available for 99 Holdings, Yiwu J-Jade Trading and Yiwu SM Import & Export as the companies were incorporated on 15 May 2023, 28 September 2023 and 19 October 2023 respectively.

✓ The combined financial statements of the Group include the financial statements of its combined entities for the respective financial years and audited by Crowe Malaysia PLT.

@ The consolidated financial statements of the Group include the financial statements of its subsidiaries for the respective financial year/period and audited by Crowe Malaysia PLT.

The consolidated financial statements of the Group include the financial statements of its subsidiaries for the financial year and not audited by Crowe Malaysia PLT.

^ The subsidiaries have been consolidated based on the unaudited financial statements as the subsidiaries are not required to be audited for the financial period ended 31 March 2024 under local regulations. These subsidiaries are not material to the Group.

\$ The combined financial statements of the Group include the financial statements of its combined entities for the financial period have been prepared based on unaudited financial information and for comparison purpose only.

13. ACCOUNTANTS' REPORT (Cont'd)**99 SPEED MART RETAIL HOLDINGS BERHAD**
(Incorporated in Malaysia)**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)****2.1 Basis of Preparation of Consolidated Financial Statements (Cont'd)**

The financial statements of the Group for the financial year ended 31 December 2021 were previously prepared in accordance with the Malaysian Private Entities Reporting Standard ("MPERS"). During the financial year ended 31 December 2022, the Group adopted MFRSs for the first-time and the financial statements for the financial year ended 31 December 2022 are the first financial statements of the Group prepared in accordance with MFRSs. Accordingly, comparative information for the financial year ended 31 December 2021 has been restated retrospectively to give effect to these changes as disclosed in Note 2.2 to the financial statements.

The following MFRSs became effective for the financial year/period:-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)**Financial Year Ended 31 December 2023:-**

MFRS 17: Insurance Contracts

Amendments to MFRS 17: Insurance Contracts

Amendment to MFRS 17: Initial Application of MFRS 17 and MFRS 9 - Comparative Information

Amendments to MFRS 101: Disclosure of Accounting Policies

Amendments to MFRS 108: Definition of Accounting Estimates

Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction

Amendments to MFRS 112: International Tax Reform - Pillar Two Model Rules

Financial Period Ended 31 March 2024:-

Amendments to MFRS 16: Lease Liability in a Sale and Leaseback

Amendments to MFRS 101: Classification of Liabilities as Current or Non-current

Amendments to MFRS 101: Non-current Liabilities with Covenants

Amendments to MFRS 107 and MFRS 7: Supplier Finance Arrangements

13. ACCOUNTANTS' REPORT (Cont'd)**99 SPEED MART RETAIL HOLDINGS BERHAD**
(Incorporated in Malaysia)**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)****2.1 Basis of Preparation of Consolidated Financial Statements (Cont'd)**

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) did not have any material impact on the Group's financial statements, except for:-

Amendments to MFRS 101: Disclosure of Accounting Policies

The Amendments to MFRS 101 'Disclosure of Accounting Policies' did not result in any changes to the existing accounting policies of the Group. However, the amendments require the disclosure of 'material' rather than 'significant' accounting policies and provide guidance on how entities apply the concept of materiality in making decisions about the material accounting policy disclosures.

The amendments have had an impact on the Group's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Group financial statements.

Amendments to MFRS 107 and MFRS 7: Supplier Finance Arrangements

The Group has adopted the Amendments to MFRS 107 and MFRS 7 Supplier Finance Arrangements. The amendments introduce new disclosures relating to supplier finance arrangements that assist users of the financial statements to assess the effects of these arrangements on an entity's liabilities and cash flows and on an entity's exposure to liquidity risk.

The Group participates in a supplier financing arrangement for which the new disclosures will apply. The new disclosures are disclosed in Note 17 to the consolidated financial statements.

The Group has not applied the following MFRSs which have been issued as at the end of the reporting period but are not yet effective:-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)	Effective Date
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 121: Lack of Exchangeability	1 January 2025

Management foresees that the initial application of the above MFRSs will not have any significant impacts on the consolidated financial statements.

13. ACCOUNTANTS' REPORT (Cont'd)**99 SPEED MART RETAIL HOLDINGS BERHAD**

(Incorporated in Malaysia)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)****2.2 Transition to MFRSs and Comparative Figures**

As stated in Note 2.1 to the consolidated financial statements, the Group has adjusted certain amounts reported previously in financial statements prepared in accordance with MPERS. The financial impacts on the transition are as below:-

Reconciliation of Combined Statements of Financial Position

	Note	MPERS RM'000	Reclassification RM'000	Effect of Transition RM'000	MFRSs RM'000
Combined Statements of Financial Position as at 31 December 2021					
ASSETS					
NON-CURRENT ASSETS					
Property and equipment	2.2(a), (c)	397,308	(16,990)	(27,108)	353,210
Right-of-use assets	2.2(a)	-	-	778,263	778,263
Intangible asset		5	-	-	5
Deferred tax assets	2.2(a)	-	-	11,909	11,909
		<u>397,313</u>	<u>(16,990)</u>	<u>763,064</u>	<u>1,143,387</u>
CURRENT ASSETS					
Inventories		803,128	-	-	803,128
Trade receivables	2.2(c)	-	17,287	-	17,287
Other receivables, deposits and prepayments	2.2(a), (c)	49,430	(5,662)	204	43,972
Cash and cash equivalents		350,163	-	-	350,163
		<u>1,202,721</u>	<u>11,625</u>	<u>204</u>	<u>1,214,550</u>
TOTAL ASSETS		<u>1,600,034</u>	<u>(5,365)</u>	<u>763,268</u>	<u>2,357,937</u>
EQUITY AND LIABILITIES					
EQUITY					
Invested equity		17,500	-	-	17,500
Retained profits		785,287	-	(65,800)	719,487
TOTAL EQUITY		<u>802,787</u>	<u>-</u>	<u>(65,800)</u>	<u>736,987</u>

13. ACCOUNTANTS' REPORT (Cont'd)**99 SPEED MART RETAIL HOLDINGS BERHAD**

(Incorporated in Malaysia)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)****2.2 Transition to MFRSs and Comparative Figures (Cont'd)**Reconciliation of Combined Statements of Financial Position (Cont'd)

	Note	MPERS RM'000	Reclassification RM'000	Effect of Transition RM'000	MFRSs RM'000
Combined Statements of Financial Position as at 31 December 2021 (Cont'd)					
NON-CURRENT LIABILITIES					
Loans and borrowing		46,444	-	-	46,444
Lease liabilities	2.2(a)	-	-	669,372	669,372
Provision for restoration costs	2.2(a)	-	-	43,208	43,208
		<u>46,444</u>	<u>-</u>	<u>712,580</u>	<u>759,024</u>
CURRENT LIABILITIES					
Trade payables	2.2(c)	639,409	750	-	640,159
Other payables and accruals	2.2(a), (c)	71,989	(6,115)	(3,681)	62,193
Contract liability	2.2(b)	-	-	3,798	3,798
Loans and borrowing		9,319	-	-	9,319
Lease liabilities	2.2(a)	-	-	116,371	116,371
Current tax liabilities		30,086	-	-	30,086
		<u>750,803</u>	<u>(5,365)</u>	<u>116,488</u>	<u>861,926</u>
TOTAL LIABILITIES		<u>797,247</u>	<u>(5,365)</u>	<u>829,068</u>	<u>1,620,950</u>
TOTAL EQUITY AND LIABILITIES		<u>1,600,034</u>	<u>(5,365)</u>	<u>763,268</u>	<u>2,357,937</u>

13. ACCOUNTANTS' REPORT (Cont'd)**99 SPEED MART RETAIL HOLDINGS BERHAD**

(Incorporated in Malaysia)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)****2.2 Transition to MFRSs and Comparative Figures (Cont'd)**Reconciliation of Combined Statements of Profit or Loss and Other Comprehensive income

	Note	MPERS RM'000	Reclassification RM'000	Effect of Transition RM'000	MFRSs RM'000
Combined Statements of Profit or Loss and Other Comprehensive Income for the financial year ended 31 December 2021					
Revenue		7,836,756	-	-	7,836,756
Cost of sales	2.2(c)	(7,268,674)	187,957	-	(7,080,717)
Gross profit		568,082	187,957	-	756,039
Other operating income	2.2(c)	886,971	(201,732)	-	685,239
Other income	2.2(a), (c)	8,218	13,775	44	22,037
		1,463,271	-	44	1,463,315
Administrative and other operating expenses	2.2(a), (c)	(868,083)	(9,807)	20,185	(857,705)
Finance costs	2.2(a), (c)	(11,651)	9,807	(41,950)	(43,794)
Profit before taxation		583,537	-	(21,721)	561,816
Income tax expense	2.2(a)	(147,771)	-	5,049	(142,722)
Profit for the financial year		435,766	-	(16,672)	419,094
Other comprehensive income		-	-	-	-
Total comprehensive income for the financial year		435,766	-	(16,672)	419,094
Profit for the financial year attributable to owners of the Company		435,766	-	(16,672)	419,094
Total comprehensive income attributable to owners of the Company		435,766	-	(16,672)	419,094

13. ACCOUNTANTS' REPORT (Cont'd)**99 SPEED MART RETAIL HOLDINGS BERHAD**
(Incorporated in Malaysia)**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)****2.2 Transition to MFRSs and Comparative Figures (Cont'd)**Notes to reconciliation

(a) Right-of-use Assets

Under MPERS, the Group classified its leasehold land as property and equipment and measured the assets at cost. Upon transition to MFRSs, the Group reclassified the asset from property and equipment to right-of-use assets at the date of transition to MFRSs and elected to use the previous MPERS carrying amount as deemed cost under MFRSs.

For leases that were classified as operating leases under MPERS, the Group measured the lease liabilities at the present value of the remaining lease payments at the date of transition to MFRSs, discounted using the Group's incremental borrowing rate at the date. The right-of-use assets were measured at the amount equal to the lease liabilities, adjusted by the amount of any prepaid or accrued lease payments relating to that lease.

The Group recognised the provision for restoration costs as the Group has the obligation to restore leased retail outlets to its original state upon the termination or non-renewal of tenancy agreement. The Group estimates provision for restoration costs based on the best estimate of future costs and the economic life of the affected assets. The estimated cost of restoration is discounted to its net present value. An amount equivalent to the discounted initial provision for restoration costs is capitalised and amortised over the lease term of the leased retail outlets. The unwinding of the discount applied to the provision for restoration costs is included under finance costs in profit or loss. The estimated interest rate used in discounting the cash flow is reviewed periodically.

The financial impacts arising from the change are summarised as follows:-

- (i) A decrease in property and equipment at 31 December 2021 of approximately RM27,108,000;
- (ii) An increase in right-of-use assets at 31 December 2021 of approximately RM778,263,000;
- (iii) An increase in deferred tax assets at 31 December 2021 of approximately RM11,909,000;
- (iv) An increase in other receivables, deposits and prepayments at 31 December 2021 of approximately RM204,000;
- (v) A decrease in other payables and accruals at 31 December 2021 of approximately RM3,681,000;

13. ACCOUNTANTS' REPORT (Cont'd)**99 SPEED MART RETAIL HOLDINGS BERHAD**
(Incorporated in Malaysia)**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)****2.2 Transition to MFRSs and Comparative Figures (Cont'd)**Notes to reconciliation (Cont'd)

(a) Right-of-use Assets (Cont'd)

The financial impacts arising from the change are summarised as follows (Cont'd):-

- (vi) An increase in lease liabilities at 31 December 2021 of approximately RM785,743,000;
- (vii) An increase in provision for restoration costs at 31 December 2021 of approximately RM43,208,000;
- (viii) An increase in other income for the financial year ended 31 December 2021 of approximately RM44,000;
- (ix) A decrease in administrative and other operating expenses for the financial year ended 31 December 2021 of approximately RM20,185,000;
- (x) An increase in finance costs for the financial year ended 31 December 2021 of approximately RM41,950,000; and
- (xi) A decrease in income tax expense for the financial year ended 31 December 2021 of approximately RM5,049,000.

Upon transition to MFRSs, the Group did not make any adjustments to the accounting for assets held as lessor under operating leases. The Group continues to classify leases as either finance leases or operating leases and to account them differently.

(b) Revenue Recognition

Revenue was recognised in accordance with the requirements of Section 23 under MPERS. Upon transition to MFRSs, the Group adopted MFRS 15 'Revenue from Contracts with Customers' ("MFRS 15"), requiring the Group to review the measurement and timing of when revenue shall be recognised. The new accounting policy on the revenue recognition has been applied retrospectively of which the Group identified separate performance obligations arising from its existing sale and deferred sale for performance obligations that are only satisfied on delivery to its customers.

The financial impact arising from the adoption of MFRS 15 is as follows:-

- (i) An increase in contract liability at 31 December 2021 of RM3,798,000.

13. ACCOUNTANTS' REPORT (Cont'd)**99 SPEED MART RETAIL HOLDINGS BERHAD**
(Incorporated in Malaysia)**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)****2.2 Transition to MFRSs and Comparative Figures (Cont'd)**Notes to reconciliation (Cont'd)**(c) Reclassifications**

The comparative figures for certain assets, liabilities, income and expenses have been reclassified to conform to the presentation of financial year ended 31 December 2022.

2.3 Basis of Combination/Consolidation

Combined financial statements of the Group for financial years ended 31 December 2021, 31 December 2022 and financial period ended 31 March 2023

(a) Basis of Combination

The combined financial statements comprise the financial statements of the Company and its combining entities as at the reporting dates. The financial statements of the Company and its combining entities used in the preparation of the combined financial statements are prepared as of the same reporting dates.

The combining entities are entities, including structured entities under common control of the Controlling Shareholder, and are accounted for as if the Company and the combining entities are a single economic entity at the date that common control was established. The assets and liabilities of the combining entities are recognised at the carrying amounts recognised in the respective combining entities' financial statements. The components of equity of the combining entities are added to the same components with the Group's entity and any resulting gain/loss is recognised directly in equity.

The Controlling Shareholder controls an entity when he is exposed, or has rights, to variable returns from his involvement with the entity and has the ability to affect those returns through his power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. The Controlling Shareholder also considers that he has de facto power over an investee when, despite not having the majority of voting rights, he has the current ability to direct the activities of the investee that significantly affect the investee's return.

(b) Transactions Eliminated on Combination

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the combined financial statements.

13. ACCOUNTANTS' REPORT (Cont'd)

99 SPEED MART RETAIL HOLDINGS BERHAD
(Incorporated in Malaysia)**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)**2.3 Basis of Combination/Consolidation (Cont'd)**

Consolidated financial statements of the Group for financial year ended 31 December 2023 and financial period ended 31 March 2024

(a) Basis of Consolidation

The Group applies the acquisition method of accounting for those subsidiaries acquired which have met the criteria for business combination for entities or businesses under common control.

Under the merger method of accounting, the assets and liabilities of the merger entities are reflected in the consolidated financial statements at their carrying amounts reported in the individual financial statements. The consolidated statement of profit or loss and other comprehensive income reflect the results of the merger entities for the full reporting period (irrespective of when the combination takes place) and comparatives are presented as if the entities had always been consolidated since the date for which the entities had come under common control.

The difference between the cost of the merger and the share capital of the merger entities is reflected within equity as merger reserve or merger deficit, as appropriate. The merger deficit is adjusted against suitable reserves of the merger entities to the extent that laws or status do not prohibit the use of such reserves.

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13. ACCOUNTANTS' REPORT (Cont'd)**99 SPEED MART RETAIL HOLDINGS BERHAD**
(Incorporated in Malaysia)**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)****2.4 Property and Equipment**

Property and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

Freehold land and capital work-in-progress are not depreciated. Other property and equipment are depreciated on a straight-line basis over the estimated useful lives of the assets using the following annual rates:-

Buildings	2%
Furniture, fittings and office equipment	10% - 33%
Motor vehicles	10% - 20%
Racks, roll cages and shop equipment	10% - 20%
Renovation	10% - 20%
Signboards	10%
Solar system	6% - 10%

The residual value, useful life and depreciation method of an asset are reviewed at least at the end of each reporting period and any changes in expectations from previous estimates are accounted for prospectively as changes in accounting estimates.

Fully depreciated equipment are retained in the financial statements until they are no longer in use in respect of these equipment.

2.5 Inventories

Inventories are valued at the lower of cost (determined principally on the first-in, first-out basis) and net realisable value. Cost consists of all costs of purchase, and incidentals incurred in bringing the inventories to their present location and condition.

2.6 Financial Assets

Financial assets of the Group consist of receivables and cash and cash equivalents.

Initial Recognition and Measurement

A financial asset is recognised in the statements of financial position when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. A regular way purchase or sale of financial assets is recognised or derecognised using settlement date accounting. Trade receivables that do not contain a significant financing component are initially recognised at their transaction price. Other financial assets are initially recognised at fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

13. ACCOUNTANTS' REPORT (Cont'd)

99 SPEED MART RETAIL HOLDINGS BERHAD
(Incorporated in Malaysia)**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)**2.6 Financial Assets (Cont'd)****Subsequent Measurement**

Financial assets are subsequently measured at amortised cost or fair value through profit or loss in accordance with their classification on the basis of both the business model within which they are held and their contractual cash flow characteristics.

Amortised Cost

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold financial assets to collect contractual cash flows and the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. All receivables and cash and cash equivalents are classified under this category. Any gain or loss is recognised in profit or loss when the financial asset is derecognised, reclassified, through the amortisation process or in order to recognise impairment gains or losses.

Impairment

At each reporting date, the Group recognises a loss allowance for expected credit losses on a financial asset measured at amortised cost. The loss allowance is measured at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If the credit risk has not increased significantly since initial recognition, the loss allowance is measured at an amount equal to 12-month expected credit losses. Any adjustment to the loss allowance is recognised in profit or loss as an impairment gain or loss.

Irrespective of whether there is any significant increase in credit risk since initial recognition, the loss allowance for trade receivables is always measured at an amount equal to lifetime expected credit losses using the simplified approach in accordance with MFRS 9 *Financial Instruments*. Such lifetime expected credit losses are calculated using a provision matrix based on historical credit loss experience and adjusted for reasonable and supportable forward-looking information that is available without undue cost or effort.

The expected credit losses for a credit-impaired financial asset are measured as the difference between the asset's gross carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The gross carrying amount of a credit-impaired financial asset is directly written off when there is no reasonable expectation of recovery.

13. ACCOUNTANTS' REPORT (Cont'd)

99 SPEED MART RETAIL HOLDINGS BERHAD
(Incorporated in Malaysia)**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)**2.6 Financial Assets (Cont'd)****Derecognition**

A financial asset is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or all the risks and rewards of ownership are substantially transferred. A direct write-off of gross carrying amount when there is no reasonable expectation of recovering a financial asset constitutes a derecognition event

2.7 Financial Liabilities

Financial liabilities of the Group consist of payables, loans and borrowing, lease liabilities and financial guarantee contracts.

Initial Recognition and Measurement

A financial liability is recognised in the consolidated statements of financial position when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. A financial liability is initially recognised at fair value minus, in the case of a financial liability not at fair value through profit or loss, transaction costs.

Subsequent Measurement

Financial liabilities are subsequently measured at amortised cost. Any gain or loss is recognised in profit or loss when the financial liability is derecognised and through the amortisation process.

Financial guarantee contracts are subsequently measured at the higher of the amount of loss allowance and the amount initially recognised less any cumulative income recognised.

Derecognition

A financial liability is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires.

2.8 Share Capital

Ordinary shares are classified as equity. Transaction costs that relate to the issue of new shares are accounted for as a deduction from equity. The ordinary shares are not remeasured subsequently.

13. ACCOUNTANTS' REPORT (Cont'd)**99 SPEED MART RETAIL HOLDINGS BERHAD**
(Incorporated in Malaysia)**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)****2.9 Right-of-use Assets And Lease Liabilities****Short-term Leases and Leases of Low-value Assets**

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

Right-of-use Assets

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

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

Lease Liabilities

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

2.10 Intangible Asset**Intangible Asset with Definite Useful Lives**

The intangible asset is initially measured at cost and amortised using the straight-line method to allocate its depreciable amount over the following period:-

Trademarks	3 - 9 years
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13. ACCOUNTANTS' REPORT (Cont'd)

99 SPEED MART RETAIL HOLDINGS BERHAD
(Incorporated in Malaysia)**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

3. JUDGEMENTS AND ESTIMATION UNCERTAINTY**Judgements Made in Applying Accounting Policies**

In the process of applying the accounting policies of the 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 amounts of assets and liabilities within the next financial year are discussed below:-

Impairment of Non-financial Assets

The Group reviewed its non-financial assets for indications of impairment and where such indications exist, the Group 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.

Provision for Restoration Costs

The Group estimates 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.

Discount Rates Used in Leases

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

13. ACCOUNTANTS' REPORT (Cont'd)

99 SPEED MART RETAIL HOLDINGS BERHAD

(Incorporated in Malaysia)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4. PROPERTY AND EQUIPMENT

Carrying Amount	At 1.1.2021 RM'000	Additions RM'000	Transfer RM'000	Disposal RM'000	Depreciation RM'000	At 31.12.2021 RM'000
Freehold land	45,773	4,667	-	-	-	50,440
Buildings	86,694	6,782	2,235	-	(2,103)	93,608
Furniture, fittings and office equipment	46,088	14,331	-	-	(15,127)	45,292
Motor vehicles	6,850	2,653	-	#	(3,192)	6,311
Racks, roll cages and shop equipment	56,567	26,440	-	-	(26,695)	56,312
Renovation	62,791	17,363	-	-	(12,247)	67,907
Signboards	10,979	2,908	-	-	(2,135)	11,752
Capital work-in-progress	2,948	20,875	(2,235)	-	-	21,588
	318,690	96,019	-	#	(61,499)	353,210

- denotes RM1

13. ACCOUNTANTS' REPORT (Cont'd)

99 SPEED MART RETAIL HOLDINGS BERHAD

(Incorporated in Malaysia)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4. PROPERTY AND EQUIPMENT (CONT'D)

Carrying Amount	At		Additions	Transfer	Disposal	Depreciation	At	
	1.1.2022	31.12.2022					RM'000	RM'000
Freehold land	50,440		636	3,445	-	-	54,521	
Buildings	93,608		10,322	24,153	-	(2,792)	125,291	
Furniture, fittings and office equipment	45,292		16,923	-	-	(16,750)	45,465	
Motor vehicles	6,311		4,798	-	(71)	(3,660)	7,378	
Racks, roll cages and shop equipment	56,312		35,022	-	-	(30,053)	61,281	
Renovation	67,907		18,762	-	-	(13,546)	73,123	
Signboards	11,752		3,289	-	-	(2,368)	12,673	
Solar system	-		1,068	-	-	(214)	854	
Capital work-in-progress	21,588		11,515	(27,598)	-	-	5,505	
	353,210		102,335	-	(71)	(69,383)	386,091	

13. ACCOUNTANTS' REPORT (Cont'd)

99 SPEED MART RETAIL HOLDINGS BERHAD

(Incorporated in Malaysia)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4. PROPERTY AND EQUIPMENT (CONT'D)

	At 1.1.2023 RM'000	Additions RM'000	Transfer RM'000	Disposal RM'000	Written off RM'000	Depreciation RM'000	At 31.12.2023 RM'000
Carrying Amount							
Freehold land	54,521	34,753	-	-	-	-	89,274
Buildings	125,291	11,318	12,889	-	-	(2,899)	146,599
Furniture, fittings and office equipment	45,465	23,115	-	-	-	(16,590)	51,990
Motor vehicles	7,378	7,954	-	@	(8)	(3,222)	12,102
Racks, roll cages and shop equipment	61,281	43,278	1,349	*	-	(27,469)	78,439
Renovation	73,123	20,422	-	-	-	(13,941)	79,604
Signboards	12,673	5,412	-	-	-	(2,518)	15,567
Solar system	854	1,523	682	-	-	(208)	2,851
Capital work-in-progress	5,505	12,434	(14,920)	-	-	-	3,019
	386,091	160,209	-	#	(8)	(66,847)	479,445

@ - denotes RM10

* - denotes RM1

- denotes RM11

13. ACCOUNTANTS' REPORT (Cont'd)

99 SPEED MART RETAIL HOLDINGS BERHAD
(Incorporated in Malaysia)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4. PROPERTY AND EQUIPMENT (CONT'D)

Carrying Amount	At	Additions	Transfer	Disposal	Written off	Depreciation	At
	1.1.2024						31.3.2024
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Freehold land	89,274	3,716	-	-	-	-	92,990
Buildings	146,599	-	-	-	-	(819)	145,780
Furniture, fittings and office equipment	51,990	7,485	-	-	-	(4,193)	55,282
Motor vehicles	12,102	6,914	-	(480)	#	(882)	17,654
Racks, roll cages and shop equipment	78,439	9,233	558	-	-	(6,310)	81,920
Renovation	79,604	4,550	-	-	-	(3,675)	80,479
Signboards	15,567	1,566	-	-	-	(690)	16,443
Solar system	2,851	362	-	-	-	(84)	3,129
Capital work-in-progress	3,019	5,041	(558)	-	-	-	7,502
	479,445	38,867	-	(480)	#	(16,653)	501,179

- denotes RM1

13. ACCOUNTANTS' REPORT (Cont'd)**99 SPEED MART RETAIL HOLDINGS BERHAD**
(Incorporated in Malaysia)**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****4. PROPERTY AND EQUIPMENT (CONT'D)**

	At cost RM'000	Accumulated depreciation RM'000	Carrying amount RM'000
At 31.12.2021			
Freehold land	50,440	-	50,440
Buildings	105,146	(11,538)	93,608
Furniture, fittings and office equipment	124,348	(79,056)	45,292
Motor vehicles	29,912	(23,601)	6,311
Racks, roll cages and shop equipment	196,023	(139,711)	56,312
Renovation	133,986	(66,079)	67,907
Signboards	23,712	(11,960)	11,752
Capital work-in-progress	21,588	-	21,588
	685,155	(331,945)	353,210
At 31.12.2022			
Freehold land	54,521	-	54,521
Buildings	139,621	(14,330)	125,291
Furniture, fittings and office equipment	141,271	(95,806)	45,465
Motor vehicles	34,214	(26,836)	7,378
Racks, roll cages and shop equipment	231,045	(169,764)	61,281
Renovation	152,748	(79,625)	73,123
Signboards	27,001	(14,328)	12,673
Solar system	1,068	(214)	854
Capital work-in-progress	5,505	-	5,505
	786,994	(400,903)	386,091
At 31.12.2023			
Freehold land	89,274	-	89,274
Buildings	163,828	(17,229)	146,599
Furniture, fittings and office equipment	164,386	(112,396)	51,990
Motor vehicles	40,616	(28,514)	12,102
Racks, roll cages and shop equipment	275,672	(197,233)	78,439
Renovation	173,170	(93,566)	79,604
Signboards	32,413	(16,846)	15,567
Solar system	3,273	(422)	2,851
Capital work-in-progress	3,019	-	3,019
	945,651	(466,206)	479,445

13. ACCOUNTANTS' REPORT (Cont'd)**99 SPEED MART RETAIL HOLDINGS BERHAD**
(Incorporated in Malaysia)**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****4. PROPERTY AND EQUIPMENT (CONT'D)**

	At cost RM'000	Accumulated depreciation RM'000	Carrying amount RM'000
At 31.3.2024			
Freehold land	92,990	-	92,990
Buildings	163,828	(18,048)	145,780
Furniture, fittings and office equipment	171,871	(116,589)	55,282
Motor vehicles	46,628	(28,974)	17,654
Racks, roll cages and shop equipment	285,463	(203,543)	81,920
Renovation	177,720	(97,241)	80,479
Signboards	33,979	(17,536)	16,443
Solar system	3,635	(506)	3,129
Capital work-in-progress	7,502	-	7,502
	<u>983,616</u>	<u>(482,437)</u>	<u>501,179</u>

The carrying amounts of properties pledged to licensed banks as security for credit facilities granted to the Group as disclosed in Note 14 to the consolidated financial statements are as follows:-

	Audited as at			
	31.12.2021 RM'000	31.12.2022 RM'000	31.12.2023 RM'000	31.3.2024 RM'000
Freehold land	36,653	36,653	31,315	31,315
Buildings	71,267	69,660	76,219	75,784
Capital work-in-progress	<u>47</u>	<u>165</u>	<u>1,877</u>	<u>5,925</u>

13. ACCOUNTANTS' REPORT (Cont'd)**99 SPEED MART RETAIL HOLDINGS BERHAD**

(Incorporated in Malaysia)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**5. RIGHT-OF-USE ASSETS**

	At 1.1.2021 RM'000	Addition RM'000	Depreciation RM'000	At 31.12.2021 RM'000
Carrying Amount				
Leasehold land	27,546	-	(437)	27,109
Retail outlets, hostels and warehouse	803,778	74,835	(127,459)	751,154
	<u>831,324</u>	<u>74,835</u>	<u>(127,896)</u>	<u>778,263</u>
	At 1.1.2022 RM'000	Additions RM'000	Depreciation RM'000	At 31.12.2022 RM'000
Carrying Amount				
Leasehold land	27,109	16,989	(620)	43,478
Retail outlets, hostels and warehouse	751,154	80,574	(139,002)	692,726
	<u>778,263</u>	<u>97,563</u>	<u>(139,622)</u>	<u>736,204</u>

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13. ACCOUNTANTS' REPORT (Cont'd)

99 SPEED MART RETAIL HOLDINGS BERHAD
(Incorporated in Malaysia)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

5. RIGHT-OF-USE ASSETS (CONT'D)

Carrying Amount	At 1.1.2023		Derecognition due to lease termination	Modification of lease liabilities	Depreciation	At 31.12.2023	
	RM'000	RM'000				RM'000	RM'000
Leasehold land	43,478	380	-	-	(610)	43,248	43,248
Retail outlets, hostels and warehouses	692,726	98,467	(1,065)	95,580	(154,746)	730,962	730,962
	<u>736,204</u>	<u>98,847</u>	<u>(1,065)</u>	<u>95,580</u>	<u>(155,356)</u>	<u>774,210</u>	<u>774,210</u>
Carrying Amount	At 1.1.2024		Derecognition due to lease termination	Modification of lease liabilities	Depreciation	At 31.3.2024	
	RM'000	RM'000				RM'000	RM'000
Leasehold land	43,248	-	-	-	(153)	43,095	43,095
Retail outlets, hostels and warehouses	730,962	19,212	(1,040)	40,183	(41,285)	748,032	748,032
	<u>774,210</u>	<u>19,212</u>	<u>(1,040)</u>	<u>40,183</u>	<u>(41,438)</u>	<u>791,127</u>	<u>791,127</u>

13. ACCOUNTANTS' REPORT (Cont'd)**99 SPEED MART RETAIL HOLDINGS BERHAD**

(Incorporated in Malaysia)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**5. RIGHT-OF-USE ASSETS (CONT'D)**

	At cost RM'000	Accumulated depreciation RM'000	Carrying amount RM'000
At 31.12.2021			
Leasehold land	29,647	(2,538)	27,109
Retail outlets, hostels and warehouse	1,026,803	(275,649)	751,154
	<u>1,056,450</u>	<u>(278,187)</u>	<u>778,263</u>
At 31.12.2022			
Leasehold land	46,636	(3,158)	43,478
Retail outlets, hostels and warehouse	1,107,377	(414,651)	692,726
	<u>1,154,013</u>	<u>(417,809)</u>	<u>736,204</u>
At 31.12.2023			
Leasehold land	47,016	(3,768)	43,248
Retail outlets, hostels and warehouses	1,299,004	(568,042)	730,962
	<u>1,346,020</u>	<u>(571,810)</u>	<u>774,210</u>
At 31.3.2024			
Leasehold land	47,016	(3,921)	43,095
Retail outlets, hostels and warehouses	1,355,841	(607,809)	748,032
	<u>1,402,857</u>	<u>(611,730)</u>	<u>791,127</u>

- (a) The Group has lease contracts for leasehold land, retail outlets, hostels and warehouses used in its operations. Their lease terms (include extension options) are appended below:-

	Audited as at			
	31.12.2021	31.12.2022	31.12.2023	31.3.2024
	Years	Years	Years	Years
Leasehold land	40 to 869	40 to 869	40 to 869	40 to 869
Retail outlets, hostels and warehouses	<u>2 to 10</u>	<u>2 to 10</u>	<u>2 to 10</u>	<u>2 to 10</u>

- (b) The Group also has leases with lease terms of 12 months or less and leases of office equipment with low value. The Group has applied the 'short-term lease' and 'leases of low-value assets' recognition exemptions for these leases.

13. ACCOUNTANTS' REPORT (Cont'd)**99 SPEED MART RETAIL HOLDINGS BERHAD**
(Incorporated in Malaysia)**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****5. RIGHT-OF-USE ASSETS (CONT'D)**

- (c) The Group has lease contracts that include extension options. These options are negotiated by management to provide flexibility in managing the portfolio of leased asset and align with the Group's business needs. Management exercises judgement in determining whether these extension options are reasonably certain to be exercised.
- (d) Included in leasehold land was a total carrying amount of RM30,703,663 (31.12.2023 - RM30,813,978; 31.12.2022 - RM31,255,240; 31.12.2021 - RM14,706,668) which has been pledged to licensed banks as security for credit facilities granted to the Group as disclosed in Note 14 to the consolidated financial statements.

6. INTANGIBLE ASSET

	Audited as at			
	31.12.2021 RM'000	31.12.2022 RM'000	31.12.2023 RM'000	31.3.2024 RM'000
Trademarks				
Cost:-				
At 1 January	100	100	100	5
Additions during the financial year/period	-	-	5	3
Write off during the financial year/period	-	-	(100)	-
At 31 December/31 March	100	100	5	8
Accumulated amortisation:-				
At 1 January	(90)	(95)	(100)	#
Amortisation for the financial year/period	(5)	(5)	#	@
Write off during the financial year/period	-	-	100	-
At 31 December/31 March	(95)	(100)	#	^
Carrying amount	5	-	5	8

- denotes RM359

@ - denotes RM399

^ - denotes RM758

13. ACCOUNTANTS' REPORT (Cont'd)**99 SPEED MART RETAIL HOLDINGS BERHAD**

(Incorporated in Malaysia)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**7. DEFERRED TAX ASSETS**

	At 1.1.2021 RM'000	Recognised in Profit or Loss (Note 24) RM'000	At 31.12.2021 RM'000
<u>Deferred Tax Assets</u>			
Property and equipment	1,861	257	2,118
Lease liabilities	197,056	(8,477)	188,579
	198,917	(8,220)	190,697
<u>Deferred Tax Liability</u>			
Right-of-use assets	(192,056)	13,268	(178,788)
	6,861	5,048	11,909
<u>Deferred Tax Assets</u>			
Property and equipment	2,118	217	2,335
Lease liabilities	188,579	(11,053)	177,526
	190,697	(10,836)	179,861
<u>Deferred Tax Liability</u>			
Right-of-use assets	(178,788)	14,528	(164,260)
	11,909	3,692	15,601
<u>Deferred Tax Assets</u>			
Property and equipment	2,335	(2,292)	43
Lease liabilities	177,526	11,601	189,127
	179,861	9,309	189,170
<u>Deferred Tax Liability</u>			
Right-of-use assets	(164,260)	(8,651)	(172,911)
	15,601	658	16,259

13. ACCOUNTANTS' REPORT (Cont'd)**99 SPEED MART RETAIL HOLDINGS BERHAD**

(Incorporated in Malaysia)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**7. DEFERRED TAX ASSETS (CONT'D)**

	At 1.1.2024 RM'000	Recognised in Profit or Loss (Note 24) RM'000	At 31.3.2024 RM'000
<u>Deferred Tax Assets</u>			
Property and equipment	43	299	342
Lease liabilities	189,127	4,477	193,604
	189,170	4,776	193,946
<u>Deferred Tax Liability</u>			
Right-of-use assets	(172,911)	(3,979)	(176,890)
	16,259	797	17,056

The deferred tax assets have been recognised by the Group on the basis of the Group's previous history of reporting profits and to the extent that it is probable that future profits will be available against which the temporary differences can be utilised.

8. INVENTORIES

	Audited as at			
	31.12.2021 RM'000	31.12.2022 RM'000	31.12.2023 RM'000	31.3.2024 RM'000
At cost:-				
Goods held for resale	803,128	1,093,026	1,174,215	1,300,633
Goods-in-transits	-	-	164	-
	803,128	1,093,026	1,174,379	1,300,633

	Audited			Unaudited	Audited
	FYE 31 December			FPE 31 March	
	2021 RM'000	2022 RM'000	2023 RM'000	2023 RM'000	2024 RM'000
Recognised in profit or loss:-					
Inventories written off	7,301	10,685	14,335	3,345	4,069
Inventories recognised as cost of sales	7,073,416	7,323,266	8,354,723	1,997,082	2,181,547

13. ACCOUNTANTS' REPORT (Cont'd)**99 SPEED MART RETAIL HOLDINGS BERHAD**

(Incorporated in Malaysia)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**9. TRADE RECEIVABLES**

	Audited as at			
	31.12.2021	31.12.2022	31.12.2023	31.3.2024
	RM'000	RM'000	RM'000	RM'000
Trade receivables:				
- Related parties ^(a)	11,918	19,532	32,458	13,708
- Unrelated parties	5,369	8,246	9,448	9,848
	<u>17,287</u>	<u>27,778</u>	<u>41,906</u>	<u>23,556</u>

^(a) being companies in which a director of the Group has a substantial financial interest.

The currency profile of trade receivables is as follows:-

	Audited as at			
	31.12.2021	31.12.2022	31.12.2023	31.3.2024
	RM'000	RM'000	RM'000	RM'000
Ringgit Malaysia	<u>17,287</u>	<u>27,778</u>	<u>41,906</u>	<u>23,556</u>

The trade receivables represent amount owing from corporate customers and transactions conducted with business associates which are generally from 1 to 30 days (31.12.2023 - 1 to 30 days; 31.12.2022 - 1 to 30 days; 31.12.2021 - 1 to 30 days) terms.

The Group uses past due information to assess the credit risk of trade receivables. The analysis by past due status (stated at gross) is as follows:-

	Audited as at			
	31.12.2021	31.12.2022	31.12.2023	31.3.2024
	RM'000	RM'000	RM'000	RM'000
Not past due	16,914	20,581	41,906	23,368
1 to 30 days past due	183	619	-	104
31 to 90 days past due	190	6,578	-	84
	<u>17,287</u>	<u>27,778</u>	<u>41,906</u>	<u>23,556</u>

The Group determines that a trade receivable is credit-impaired when the customer is experiencing significant financial difficulty and has defaulted in payments. Unless otherwise demonstrated, the Group generally considers a default to have occurred when the trade receivable is more than 180 days past due. The gross carrying amount of a credit-impaired trade receivable is directly written off when there is no reasonable expectation of recovery. This normally occurs when there is reasonable proof of customer insolvency.

The Group measures the loss allowance for trade receivables at an amount equal to lifetime expected credit losses using the simplified approach in accordance with MFRS 9. Based on the low historical observed default rates (adjusted for forward-looking estimates), the expected credit losses on trade receivables are not considered to be material and hence, have not been recognised.

13. ACCOUNTANTS' REPORT (Cont'd)**99 SPEED MART RETAIL HOLDINGS BERHAD**

(Incorporated in Malaysia)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**10. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS**

	Audited as at			
	31.12.2021 RM'000	31.12.2022 RM'000	31.12.2023 RM'000	31.3.2024 RM'000
Other receivables:				
- Related parties ^(a)	11	165	369	565
- Unrelated parties	1,035	932	1,684	1,698
	1,046	1,097	2,053	2,263
Deposits	42,750	35,273	40,074	40,819
Prepayments	176	298	423	1,002
	<u>43,972</u>	<u>36,668</u>	<u>42,550</u>	<u>44,084</u>

^(a) being companies in which certain directors of the Group or their close family members have substantial financial interests.

The currency profile of other receivables, deposits and prepayments is as follows:-

	Audited as at			
	31.12.2021 RM'000	31.12.2022 RM'000	31.12.2023 RM'000	31.3.2024 RM'000
Chinese Yuan	-	-	116	200
Ringgit Malaysia	43,972	36,668	42,434	43,884
	<u>43,972</u>	<u>36,668</u>	<u>42,550</u>	<u>44,084</u>

Other Receivables

The amount owing by related parties is unsecured, interest-free and repayable on demand. The amount owing is to be settled in cash.

Deposits

Included in deposits as at 31 December 2023 was an amount of RM371,553 for the purchase of freehold land. As at 31 March 2024, the said deposit has been transferred into property and equipment upon the fulfilment of condition precedent stated in the Sale and Purchase Agreement dated 14 December 2023 (Note 37 (h)).

Included in deposits as at 31 December 2021 was an amount of RM10,368,764 for the purchase of leasehold land. The leasehold land has been pledged to a licensed bank as security for credit facilities granted to the Group as disclosed in Note 14 to the consolidated financial statements.

Prepayments

Included in prepayments as at 31 March 2024 and 31 December 2022 were advance payments made to suppliers amounting to RM147,239 and RM70,314 respectively, and as at 31 December 2021 was an advance payment made to a related party amounting to RM5,869 which are unsecured, non-interest bearing and will be offset against future purchases.

13. ACCOUNTANTS' REPORT (Cont'd)**99 SPEED MART RETAIL HOLDINGS BERHAD**
(Incorporated in Malaysia)**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****11. CASH AND CASH EQUIVALENTS**

	Audited as at			
	31.12.2021 RM'000	31.12.2022 RM'000	31.12.2023 RM'000	31.3.2024 RM'000
Cash and bank balances	28,845	85,056	137,571	78,545
Fixed deposits with licensed banks	321,318	-	-	-
	<u>350,163</u>	<u>85,056</u>	<u>137,571</u>	<u>78,545</u>

The effective interest rates of fixed deposits with licensed banks as at 31 December 2021 ranged from 2.28% to 2.30% per annum.

The currency profile of cash and cash equivalents is as follows:-

	Audited as at			
	31.12.2021 RM'000	31.12.2022 RM'000	31.12.2023 RM'000	31.3.2024 RM'000
Chinese Yuan	-	-	371	749
Ringgit Malaysia	350,163	85,056	137,200	77,796
	<u>350,163</u>	<u>85,056</u>	<u>137,571</u>	<u>78,545</u>

For the purpose of consolidated statements of cash flows, cash and cash equivalents comprise the followings:-

	Audited as at			
	31.12.2021 RM'000	31.12.2022 RM'000	31.12.2023 RM'000	31.3.2024 RM'000
Cash and bank balances	28,845	85,056	137,571	78,545
Fixed deposits with licensed banks	321,318	-	-	-
	<u>350,163</u>	<u>85,056</u>	<u>137,571</u>	<u>78,545</u>
Less:				
- Fixed deposits with tenure of more than 3 months	(321,318)	-	-	-
- Bank overdrawn (Note 14)	(5,076)	-	-	-
Cash and cash equivalents	<u>23,769</u>	<u>85,056</u>	<u>137,571</u>	<u>78,545</u>

Cash and cash equivalents are placed with reputable financial institutions with low credit risk. Accordingly, their expected credit losses are not considered to be material and hence, have not been recognised.

13. ACCOUNTANTS' REPORT (Cont'd)

99 SPEED MART RETAIL HOLDINGS BERHAD
(Incorporated in Malaysia)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

12. SHARE CAPITAL AND INVESTED EQUITY

(a) Share capital

	Audited as at		Audited as at					
	31.12.2021	31.12.2022	31.12.2023	31.3.2024	31.12.2021	31.12.2022	31.12.2023	31.3.2024
No. of Ordinary Shares ('000)					RM'000	RM'000	RM'000	RM'000
At 1 January/date of incorporation	-	-	@	474,506	-	-	#	474,506
Issuance of new shares:								
- acquisition of subsidiaries	-	-	474,506	-	-	-	474,506	-
At 31 December/31 March	-	-	474,506	474,506	-	-	474,506	474,506

@ - denotes 100

- denotes RM100

(i) On 14 December 2023, the Company increased its issued and paid-up share capital from RM100 to RM474,506,402 by way of issuance of 474,506,302 new ordinary shares for a total consideration of RM474,506,302 as full payment for the acquisition of its subsidiaries, 99SM and 99EM. The new ordinary shares issued rank equally in all respects with the existing ordinary shares of the Company.

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

13. ACCOUNTANTS' REPORT (Cont'd)

99 SPEED MART RETAIL HOLDINGS BERHAD
(Incorporated in Malaysia)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

12. SHARE CAPITAL AND INVESTED EQUITY (CONT'D)

(b) Invested equity

Issued and fully paid-up shares with no par value of the combined entities classified as equity instruments:

	Audited as at			Audited as at			
	31.12.2021	31.12.2022	31.12.2023	31.3.2024	31.12.2022	31.12.2023	31.3.2024
	No. of Ordinary Shares ('000)				RM'000	RM'000	RM'000
At 1 January	4,000	17,500	17,500	-	4,000	17,500	17,500
Adjustment on acquisition of subsidiaries	-	-	(17,500)	-	-	-	(17,500)
Issuance of bonus shares	13,500	-	-	-	13,500	-	-
At 31 December/31 March	17,500	17,500	-	-	17,500	17,500	-

- (i) For the purpose of the combined financial statements, the invested equity at the end of the respective financial years ended 31 December 2021 and 31 December 2022 is the aggregate of the share capital of the combining entities constituting the Group.
- (ii) The holders of ordinary shares of combined entities of the Group were entitled to receive dividends as and when declared by the respective combined entities of the Group and were entitled to one vote per ordinary share at meetings of the Company. The ordinary shares have no par value.
- (iii) During the financial year ended 31 December 2021, 99SM increased its issued and paid-up share capital from RM2,500,000 to RM15,000,000 by way of bonus issue of 12,500,000 new ordinary shares of RM1 each in the ratio of five bonus shares for every one existing ordinary share held. The bonus shares were issued by way of capitalisation of RM12,500,000 from retained profits.

13. ACCOUNTANTS' REPORT (Cont'd)**99 SPEED MART RETAIL HOLDINGS BERHAD**

(Incorporated in Malaysia)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**12. SHARE CAPITAL AND INVESTED EQUITY (CONT'D)**

(b) Invested equity (Cont'd)

- (iv) During the financial year ended 31 December 2021, 99EM increased its issued and paid-up capital from RM1,500,000 to RM2,500,000 by the way of bonus issue of 1,000,000 new ordinary shares of RM1 each in the ratio of two bonus shares for every three existing ordinary shares held. The bonus shares were issued by way of capitalisation of RM1,000,000 from retained profits.
- (v) The new ordinary shares issued rank pari passu in all respects with the existing shares of the combined entities.

13. RESERVES

	Audited as at			
	31.12.2021	31.12.2022	31.12.2023	31.3.2024
	RM'000	RM'000	RM'000	RM'000
Merger deficit	-	-	(457,006)	(457,006)
Currency translation reserve	-	-	(4)	(2)
	-	-	<u>(457,010)</u>	<u>(457,008)</u>

Merger Deficit

The merger deficit represents the excess of the carrying value of the investment in subsidiaries over the share capital of the Company's subsidiaries upon consolidation under the merger accounting principle.

The merger deficit arising from the acquisition of 99SM and 99EM at the acquisition date was derived as follows:-

	Audited as at
	31.12.2023
	RM'000
Total consideration via issuance of shares of the Company	474,506
Less: Nominal value of the subsidiaries' share capital	<u>(17,500)</u>
	<u>457,006</u>

13. ACCOUNTANTS' REPORT (Cont'd)**99 SPEED MART RETAIL HOLDINGS BERHAD**

(Incorporated in Malaysia)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**13. RESERVES (CONT'D)****Currency Translation Reserve**

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

14. LOANS AND BORROWING

	Audited as at			
	31.12.2021 RM'000	31.12.2022 RM'000	31.12.2023 RM'000	31.3.2024 RM'000
<u>Secured</u>				
Term loans (floating rate)	50,687	56,531	51,935	50,765
<u>Unsecured</u>				
Bank overdrawn (floating rate)	5,076	-	-	-
	<u>55,763</u>	<u>56,531</u>	<u>51,935</u>	<u>50,765</u>
Disclosed as:				
- Current liabilities	9,319	4,446	4,670	4,639
- Non-current liabilities	46,444	52,085	47,265	46,126
	<u>55,763</u>	<u>56,531</u>	<u>51,935</u>	<u>50,765</u>

The term loans are secured by ways of:-

- (i) first party legal charges over certain properties and right-of-use assets belonging to the Group as disclosed in Notes 4 and 5 to the consolidated financial statements;
- (ii) a corporate guarantee issued by 99SM;
- (iii) personal guarantee by a director of the Group; and
- (iv) a joint and several guarantee by certain directors of the Group.

The effective interest rates of loans and borrowing as at 31 March 2024 are 4.20% to 5.35% (31.12.2023 - 4.20% to 5.35%; 31.12.2022 - 4.20% to 5.35%; 31.12.2021 - 3.20% to 4.35%) per annum.

13. ACCOUNTANTS' REPORT (Cont'd)**99 SPEED MART RETAIL HOLDINGS BERHAD**
(Incorporated in Malaysia)**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****14. LOANS AND BORROWING (CONT'D)****Term Loans**

Term loans are repayable over 8 to 15 years. The repayment analysis is as follows:-

	Audited as at			
	31.12.2021 RM'000	31.12.2022 RM'000	31.12.2023 RM'000	31.3.2024 RM'000
Gross loan instalments:				
- Within 1 year	5,931	6,266	6,350	6,285
- Later than 1 year and not later than 2 years	5,931	6,266	6,350	6,285
- Later than 2 years and not later than 5 years	17,793	18,681	18,794	18,377
- Later than 5 years	29,531	34,580	28,731	27,864
Total contractual undiscounted cash flows	59,186	65,793	60,225	58,811
Future finance charges	(8,499)	(9,262)	(8,290)	(8,046)
Present value of term loans:				
- Within 1 year	4,243	4,446	4,670	4,639
- Later than 1 year and not later than 2 years	4,375	4,580	4,814	4,783
- Later than 2 years and not later than 5 years	13,532	14,037	14,635	14,419
- Later than 5 years	28,537	33,468	27,816	26,924
	50,687	56,531	51,935	50,765

The fair value of term loans is measured using present value technique by discounting the expected future cash flows using observable current market interest rates for similar liabilities (i.e. Level 2 of the fair value hierarchy). The fair value measured is considered to be reasonably close to the carrying amounts reported as the observable current market interest rates also approximated to the effective interest rates of term loans.

13. ACCOUNTANTS' REPORT (Cont'd)**99 SPEED MART RETAIL HOLDINGS BERHAD**

(Incorporated in Malaysia)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**15. LEASE LIABILITIES**

	Audited as at			
	31.12.2021 RM'000	31.12.2022 RM'000	31.12.2023 RM'000	31.3.2024 RM'000
Gross lease liabilities:				
- Within 1 year	154,540	171,358	191,703	196,060
- Later than 1 year and not later than 5 years	744,934	662,617	694,903	712,000
- Later than 5 years	14,866	7,062	3,505	2,837
Total contractual undiscounted cash flows	914,340	841,037	890,111	910,897
Future finance charges	(128,597)	(101,348)	(102,082)	(104,213)
Present value of lease liabilities:				
- Within 1 year	116,371	136,134	154,909	158,040
- Later than 1 year and not later than 5 years	655,631	597,267	629,691	645,885
- Later than 5 years	13,741	6,288	3,429	2,759
	<u>785,743</u>	<u>739,689</u>	<u>788,029</u>	<u>806,684</u>
Disclosed as:				
- Current liabilities	116,371	136,134	154,909	158,040
- Non-current liabilities	669,372	603,555	633,120	648,644
	<u>785,743</u>	<u>739,689</u>	<u>788,029</u>	<u>806,684</u>

The movements of lease liabilities are as follows:-

	Audited as at			
	31.12.2021 RM'000	31.12.2022 RM'000	31.12.2023 RM'000	31.3.2024 RM'000
At 1 January	821,063	785,743	739,689	788,029
Additions during the financial year/period	70,795	76,391	93,478	18,085
Changes due to lease modification	-	-	95,580	40,183
Changes due to lease termination	-	-	(1,178)	(1,161)
Interest expense recognised in profit or loss	41,640	39,435	40,937	10,108
Repayment of principal	(106,060)	(122,382)	(139,540)	(38,452)
COVID-19-related rent concessions	(55)	(63)	-	-
Repayment of interest expense	(41,640)	(39,435)	(40,937)	(10,108)
At 31 December/31 March	<u>785,743</u>	<u>739,689</u>	<u>788,029</u>	<u>806,684</u>

The incremental borrowing rate applied to lease liabilities as at 31 March 2024 is 5.15% (31.12.2023 - 5.15%; 31.12.2022 - 5.15%; 31.12.2021 - 5.15%) per annum.

13. ACCOUNTANTS' REPORT (Cont'd)**99 SPEED MART RETAIL HOLDINGS BERHAD**

(Incorporated in Malaysia)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**16. PROVISION FOR RESTORATION COSTS**

	Audited as at			
	31.12.2021	31.12.2022	31.12.2023	31.3.2024
	RM'000	RM'000	RM'000	RM'000
At 1 January	38,858	43,208	47,865	53,439
Provision made during the financial year/period	4,040	4,183	4,989	1,127
Provision reversed during the financial year/period	-	-	(89)	(44)
Unwinding of discount factor	310	474	674	177
At 31 December/31 March	<u>43,208</u>	<u>47,865</u>	<u>53,439</u>	<u>54,699</u>

Under lease arrangements, the Group has an obligation to dismantle and restore those leased retail outlets at the end of the lease terms to an acceptable condition consistent with the lease agreements.

The provisions are estimated using the assumption that removal and restoration will only take place upon expiry of the lease term of 6 years (31.12.2023 - 6 years; 31.12.2022 - 6 years; 31.12.2021 - 6 years). The discount rate and inflation rate used to determine the obligation as at the reporting date were 3.60% and 2.70% (31.12.2023 - 3.60% and 2.70%; 31.12.2022 - 3.60% and 2.70%; 31.12.2021 - 3.60% and 2.70%) respectively.

While the provisions are based on the best estimate of future costs and the economic life of the affected assets, there is uncertainty regarding both the amount and timing of incurring these costs. All the estimates are reviewed on an annual basis or more frequently, when there is indication of a material change.

17. TRADE PAYABLES

	Audited as at			
	31.12.2021	31.12.2022	31.12.2023	31.3.2024
	RM'000	RM'000	RM'000	RM'000
Trade payables:				
- Related parties ^(a)	10,029	13,081	13,193	15,525
- Unrelated parties	630,130	792,094	968,947	1,049,640
	<u>640,159</u>	<u>805,175</u>	<u>982,140</u>	<u>1,065,165</u>

^(a) being companies in which a director of the Group or close family members of certain directors of the Group have substantial financial interests.

13. ACCOUNTANTS' REPORT (Cont'd)**99 SPEED MART RETAIL HOLDINGS BERHAD**
(Incorporated in Malaysia)**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****17. TRADE PAYABLES (CONT'D)**

The currency profile of trade payable is as follows:-

	Audited as at			
	31.12.2021 RM'000	31.12.2022 RM'000	31.12.2023 RM'000	31.3.2024 RM'000
Ringgit Malaysia	640,159	805,175	982,140	1,065,165

The normal trade credit terms granted to the Group range from 7 to 90 days (31.12.2023 - 7 to 90 days; 31.12.2022 - 14 to 90 days; 31.12.2021 - 14 to 90 days).

Supplier Financing Arrangement

The Group participates in a supplier financing arrangement ("arrangement") whereby a supplier may elect to receive early payment of its invoice from a bank. Under the arrangement, the bank agrees to pay amounts to a participating supplier in respect of invoices owed by the Group and receives settlement from the Group at a later date.

The Group has not derecognised the original liabilities to which the arrangement applies because neither a legal release was obtained nor the original liability was substantially modified on entering into the arrangement. From the Group's perspective, the arrangement does not extend payment terms beyond the normal terms agreed with other suppliers that are not participating. The Group does not incur any additional interest towards the bank on the amount due to the supplier. The Group therefore discloses the amount under the supplier financing arrangement within trade payables because the nature and function of the financial liability remain the same as those of other trade payables but discloses the disaggregated amount in the notes. The payable under the supplier financing arrangement is classified as current.

	Audited as at			
	31.12.2021 RM'000	31.12.2022 RM'000	31.12.2023 RM'000	31.3.2024 RM'000
Trade payable under a supplier financing arrangement	53,749	58,569	70,982	92,986
Amount not yet paid by finance provider	107	1,206	-	150
Amount paid by finance provider	53,642	57,363	70,982	92,836

13. ACCOUNTANTS' REPORT (Cont'd)**99 SPEED MART RETAIL HOLDINGS BERHAD**

(Incorporated in Malaysia)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**17. TRADE PAYABLES (CONT'D)****Supplier Financing Arrangement (Cont'd)**

Range of payment due dates (after invoice date)	Audited as at			
	31.12.2021 RM'000	31.12.2022 RM'000	31.12.2023 RM'000	31.3.2024 RM'000
Trade payable under a supplier financing arrangement	60	60	60	60
Comparable trade payables that are not under part of supplier financing arrangement	14 - 90	14 - 90	7 - 90	7 - 90

The payments to the bank are included within operating cash flows because they continue to be part of the normal operating cycle of the Group and their principal nature remains operating. The payments to a supplier by the bank are considered non-cash transactions and amount to RM257,250,953 (31.12.2023 - RM1,155,981,231; 31.12.2022 - RM1,027,623,867; 31.12.2021 - RM943,237,935).

18. OTHER PAYABLES AND ACCRUALS

	Audited as at			
	31.12.2021 RM'000	31.12.2022 RM'000	31.12.2023 RM'000	31.3.2024 RM'000
Other payables:				
- Director	-	-	411	411
- Related parties ^(a)	7,989	389	4,385	4,834
- Unrelated parties	27,145	32,769	42,181	33,058
- Deposits received	4,625	3,889	-	-
- Dividend payable	-	-	100,000	-
	39,759	37,047	146,977	38,303
Accruals	22,434	30,065	72,118	19,899
	62,193	67,112	219,095	58,202

^(a) being companies in which certain directors of the Group or their close family members have substantial financial interests.

13. ACCOUNTANTS' REPORT (Cont'd)**99 SPEED MART RETAIL HOLDINGS BERHAD**
(Incorporated in Malaysia)**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****18. OTHER PAYABLES AND ACCRUALS (CONT'D)**

The currency profile of other payables and accruals is as follows:-

	Audited as at			
	31.12.2021 RM'000	31.12.2022 RM'000	31.12.2023 RM'000	31.3.2024 RM'000
Chinese Yuan	-	-	39	12
Ringgit Malaysia	62,193	67,112	219,056	58,190
	<u>62,193</u>	<u>67,112</u>	<u>219,095</u>	<u>58,202</u>

The amount owing to related parties represents unsecured, interest-free advances granted to the Group. The amount is repayable on demand and is to be settled in cash.

19. CONTRACT LIABILITY

	Audited as at			
	31.12.2021 RM'000	31.12.2022 RM'000	31.12.2023 RM'000	31.3.2024 RM'000
Unutilised vouchers	3,798	2,727	2,512	3,310

The contract liability primarily relates to the unutilised cash vouchers as at end of each reporting period which revenue is recognised at a point in time upon redemption.

The following table shows reconciliation from the opening balance to the closing balance for unutilised vouchers:-

	Audited as at			
	31.12.2021 RM'000	31.12.2022 RM'000	31.12.2023 RM'000	31.3.2024 RM'000
At 1 January	2,187	3,798	2,727	2,512
Additions during the financial year/period	8,044	4,117	7,332	3,049
Redemption/Expiry	(6,433)	(5,188)	(7,547)	(2,251)
At 31 December/31 March	<u>3,798</u>	<u>2,727</u>	<u>2,512</u>	<u>3,310</u>

13. ACCOUNTANTS' REPORT (Cont'd)**99 SPEED MART RETAIL HOLDINGS BERHAD**

(Incorporated in Malaysia)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**20. REVENUE**

	Audited			Unaudited	Audited
	FYE 31 December			FPE 31 March	
	2021	2022	2023	2023	2024
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue from contracts with customers:-					
<u>Revenue recognised at a point in time</u>					
- Sale of goods	7,836,756	8,075,262	9,210,505	2,223,754	2,424,860

Revenue from sale of goods is recognised at a point in time when control of the goods has been transferred to customer, which coincides with the delivery of goods and acceptance by customers.

Information about disaggregation of revenue has not been disclosed as the Group derives revenue mainly from retail sales.

21. OTHER OPERATING INCOME

	Audited			Unaudited	Audited
	FYE 31 December			FPE 31 March	
	2021	2022	2023	2023	2024
	RM'000	RM'000	RM'000	RM'000	RM'000
Product display fees	412,536	441,914	507,592	119,740	142,892
Target incentives	154,139	163,347	184,505	41,195	42,260
Distribution centre fees	110,150	121,937	145,193	34,348	48,257
Advertising and promotional fees	4,514	12,396	12,953	2,491	1,978
Others	3,900	3,264	3,619	872	1,000
	685,239	742,858	853,862	198,646	236,387

13. ACCOUNTANTS' REPORT (Cont'd)**99 SPEED MART RETAIL HOLDINGS BERHAD**

(Incorporated in Malaysia)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**22. PROFIT BEFORE TAXATION**

Profit before taxation is arrived at after charging/(crediting):-

	Audited			Unaudited	Audited
	FYE 31 December			FPE 31	March
	2021	2022	2023	2023	2024
	RM'000	RM'000	RM'000	RM'000	RM'000
Amortisation of trademarks	5	5	#	-	@
Auditors' remuneration:					
- audit fee:					
- current financial year/period	160	500	535	130	268
- overprovision in the previous financial year	(5)	-	-	-	-
- non-audit fee	-	-	400	-	200
Depreciation of property and equipment	61,499	69,383	66,847	15,673	16,653
Depreciation of right-of-use assets	127,896	139,622	155,356	36,995	41,438
Equipment written off	-	-	8	-	^
Interest expense of financial liabilities that are not at fair value through profit or loss:					
- banker acceptance	-	-	32	-	-
- term loans	1,842	2,058	2,385	586	581
- unwinding of discount on provision for restoration costs	310	474	674	131	177
- others	2	3	2	-	2
Interest expense on lease liabilities	41,640	39,435	40,937	9,468	10,108
Inventories written off	7,301	10,685	14,335	3,345	4,069
Lease expense relating to:					
- short-term leases	15	9	96	4	57
- leases of low-value assets	71	90	109	27	27
Personnel expenses (Note 23)	474,896	543,849	663,676	160,493	167,240
COVID-19-related rent concessions	(55)	(63)	-	-	-
Gain on derecognition due to lease termination	-	-	(113)	-	(121)
Gain on disposal of equipment	(37)	(19)	(348)	(112)	(37)
Interest income of financial assets that are not at fair value through profit or loss	(4,612)	(3,053)	(1,390)	(318)	(271)
Operating lease income	(458)	(531)	(595)	(140)	(157)
Reversal of provision for restoration costs	-	-	(89)	-	(44)

- denotes RM359

@ - denotes RM399

^ - denotes RM1

13. ACCOUNTANTS' REPORT (Cont'd)**99 SPEED MART RETAIL HOLDINGS BERHAD**
(Incorporated in Malaysia)**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****23. PERSONNEL EXPENSES**

	Audited			Unaudited	Audited
	FYE 31 December			FPE 31	March
	2021	2022	2023	2023	2024
	RM'000	RM'000	RM'000	RM'000	RM'000
Directors of the Company:					
- Fee	1,460	1,775	1,813	450	186
- Other short-term employee benefits	682	772	817	138	478
- Defined contribution plan	72	71	81	13	50
	2,214	2,618	2,711	601	714
Employees:					
- Short-term employee benefits	432,484	494,102	603,824	147,141	151,576
- Defined contribution plan	40,198	47,129	57,141	12,751	14,950
	472,682	541,231	660,965	159,892	166,526
	474,896	543,849	663,676	160,493	167,240

Included in the employee benefits expense were the remuneration paid to key management personnel amounting to RM518,991 (31.12.2023 - RM2,046,765; 31.12.2022 - RM1,295,310; 31.12.2021 - RM1,231,792; 31.3.2023 - RM302,321).

The estimated monetary value of benefits received or receivable by certain directors and key management personnel otherwise than in cash amounted to RM21,750 (31.12.2023 - RM66,150; 31.12.2022 - RM62,900; 31.12.2021 - RM62,900; 31.3.2023 - RM16,538).

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13. ACCOUNTANTS' REPORT (Cont'd)**99 SPEED MART RETAIL HOLDINGS BERHAD**

(Incorporated in Malaysia)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**24. INCOME TAX EXPENSE**

	Audited			Unaudited	Audited
	FYE 31 December			FPE 31 March	
	2021	2022	2023	2023	2024
	RM'000	RM'000	RM'000	RM'000	RM'000
Current tax:					
- for the financial year/period	147,737	161,941	138,643	36,996	46,113
- under/(over)provision of tax in the previous financial year	33	(801)	-	-	-
	147,770	161,140	138,643	36,996	46,113
Deferred tax:					
- for the financial year/period	(5,048)	(3,692)	(679)	(903)	(825)
- underprovision of tax in the previous financial year	-	-	21	21	28
	(5,048)	(3,692)	(658)	(882)	(797)
Income tax expense	142,722	157,448	137,985	36,114	45,316

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

	Audited			Unaudited	Audited
	FYE 31 December			FPE 31 March	
	2021	2022	2023	2023	2024
	RM'000	RM'000	RM'000	RM'000	RM'000
Profit before taxation	561,816	484,113	538,212	143,264	178,470
Tax at the statutory tax rate of 24%	134,836	116,187	129,171	34,383	42,833
Incremental effect of Cukai Makmur at the tax rate of 33% ^(a)	-	35,043	-	-	-
Non-deductible expenses	7,940	7,155	9,138	1,740	2,504
Non-taxable income	(87)	(136)	(345)	(30)	(49)
Under/(Over)provision of tax in the previous financial year:					
- current tax	33	(801)	-	-	-
- deferred tax	-	-	21	21	28
Income tax expense for the financial year/period	142,722	157,448	137,985	36,114	45,316

^(a) Effect arising from the one-off prosperity tax measure proposed by the Government of Malaysia in Budget 2022, whereby chargeable income above the RM100 million will be taxed at an enhanced rate of 33%, instead of 24% for the year of assessment 2022.

13. ACCOUNTANTS' REPORT (Cont'd)**99 SPEED MART RETAIL HOLDINGS BERHAD**

(Incorporated in Malaysia)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**24. INCOME TAX EXPENSE (CONT'D)**

Domestic income tax is calculated at the Malaysian statutory tax of 24% of the estimated assessable profit for the financial year/period. The taxation of other jurisdictions is calculated at the rates prevailing in respective jurisdiction.

25. EARNINGS PER SHARE

	Audited			Unaudited	Audited
	FYE 31 December			FPE 31 March	
	2021	2022	2023	2023	2024
	RM'000	RM'000	RM'000	RM'000	RM'000
Profit for the financial years/ periods attributable to the owners of the Company	419,094	326,665	400,227	107,150	133,154
Weighted average number of ordinary shares in issue:- At 1 January ('000)	4,000	17,500	17,500	17,500	474,506
Adjustment on acquisition of subsidiaries ('000)	-	-	(17,500)	-	-
Issuance of shares ('000)	10,689	-	474,506	-	-
Weighted average number of ordinary shares at 31 December/31 March (historical) ('000)	14,689	17,500	474,506	17,500	474,506
Weighted average number of ordinary shares at 31 December/31 March (enlarged) ('000)	474,506	474,506	474,506	474,506	474,506
Basic earnings per ordinary share (historical) (sen)	2,853	1,867	84	612	28
Basic earnings per ordinary share (enlarged) (sen)	88	69	84	23	28

The diluted earnings per ordinary share is not applicable as there are no dilutive potential ordinary shares existing throughout the relevant reporting periods.

13. ACCOUNTANTS' REPORT (Cont'd)**99 SPEED MART RETAIL HOLDINGS BERHAD**

(Incorporated in Malaysia)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**26. DIVIDENDS**

	Audited			Unaudited	Audited
	FYE 31 December			FPE 31 March	
	2021 ^(a)	2022 ^(a)	2023 ^(a)	2023 ^(a)	2024 ^(b)
	RM'000	RM'000	RM'000	RM'000	RM'000
<u>99 Speed Mart Sdn. Bhd.</u>					
<u>In respect of the financial year ended</u>					
<u>31 December 2021</u>					
First interim dividend of approximately RM8.80 per ordinary share	22,000	-	-	-	-
Second interim dividend of approximately RM1.42 per ordinary share	21,300	-	-	-	-
Third interim dividend of approximately RM377 for every 150 ordinary shares	37,700	-	-	-	-
Fourth interim dividend of approximately RM733 for every 150 ordinary shares	73,300	-	-	-	-
<u>In respect of the financial year ended</u>					
<u>31 December 2022</u>					
First interim dividend of approximately RM15.74 per ordinary share	-	236,124	-	-	-
Second interim dividend of approximately RM2.73 per ordinary share	-	40,880	-	-	-
Third interim dividend of approximately RM1.65 per ordinary share	-	24,685	-	-	-
Fourth interim dividend of approximately RM8.67 per ordinary share	-	130,111	-	-	-
Dividends carried forward	154,300	431,800	-	-	-

^(a) The dividends were declared to the shareholders of subsidiaries prior to the restructuring exercise.

^(b) First interim dividend amounting RM100,000,000 in respect of the financial year ending 31 December 2024 was declared and paid on 10 June 2024 (Note 38(c)).

13. ACCOUNTANTS' REPORT (Cont'd)**99 SPEED MART RETAIL HOLDINGS BERHAD**

(Incorporated in Malaysia)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**26. DIVIDENDS (CONT'D)**

	Audited			Unaudited	Audited
	FYE 31 December			FPE 31 March	
	2021 ^(a)	2022 ^(a)	2023 ^(a)	2023 ^(a)	2024 ^(b)
	RM'000	RM'000	RM'000	RM'000	RM'000
Dividends brought forward	154,300	431,800	-	-	-
<u>99 Speed Mart Sdn. Bhd.</u>					
<u>In respect of the financial year ended</u>					
<u>31 December 2023</u>					
First interim dividend of RM621 for every 150 ordinary shares	-	-	62,100	62,100	-
Second interim dividend of RM2,014 for every 150 ordinary shares	-	-	201,400	201,400	-
Third interim dividend of RM10 per ordinary share	-	-	150,000	-	-
<u>99 Speed Mart (East Malaysia) Sdn. Bhd.</u>					
<u>In respect of the financial year ended</u>					
<u>31 December 2023</u>					
First interim dividend of RM30.80 per ordinary share	-	-	77,000	-	-
	<u>154,300</u>	<u>431,800</u>	<u>490,500</u>	<u>263,500</u>	<u>-</u>

^(a) The dividends were declared to the shareholders of subsidiaries prior to the restructuring exercise.

^(b) First interim dividend amounting RM100,000,000 in respect of the financial year ending 31 December 2024 was declared and paid on 10 June 2024 (Note 38(c)).

13. ACCOUNTANTS' REPORT (Cont'd)**99 SPEED MART RETAIL HOLDINGS BERHAD**

(Incorporated in Malaysia)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**27. NOTES TO CONSOLIDATED STATEMENTS OF CASH FLOWS**

	Audited			Unaudited	Audited
	FYE 31 December			FPE 31 March	
	2021	2022	2023	2023	2024
	RM'000	RM'000	RM'000	RM'000	RM'000
Acquisition of Property and Equipment					
Cost of property and equipment acquired	96,019	102,335	160,209	27,231	38,867
Deposit paid in previous financial year	-	-	-	-	(372)
Net cash disbursed	<u>96,019</u>	<u>102,335</u>	<u>160,209</u>	<u>27,231</u>	<u>38,495</u>
Acquisition of Right-of-use Assets					
Cost of right-of-use assets acquired	74,835	97,563	98,847	20,995	19,212
Acquisition of new leases	(70,795)	(76,391)	(93,478)	(19,849)	(18,085)
Provision of restoration costs	(4,040)	(4,183)	(4,989)	(1,146)	(1,127)
Deposit paid in previous financial year	-	(10,369)	-	-	-
Net cash disbursed	<u>-</u>	<u>6,620</u>	<u>380</u>	<u>-</u>	<u>-</u>
Short-term Loans and Borrowing					
At 1 January	5,937	5,076	-	-	-
Net cash flow changes	(861)	(5,076)	-	-	-
At 31 December/31 March	<u>5,076</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Represented by:					
- Bank overdrawn	<u>5,076</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Term Loans					
At 1 January	58,360	50,687	56,531	56,531	51,935
Drawdown	7,380	10,419	-	-	-
Repayments	(15,053)	(4,575)	(4,596)	(1,161)	(1,170)
At 31 December/31 March	<u>50,687</u>	<u>56,531</u>	<u>51,935</u>	<u>55,370</u>	<u>50,765</u>

13. ACCOUNTANTS' REPORT (Cont'd)**99 SPEED MART RETAIL HOLDINGS BERHAD**
(Incorporated in Malaysia)**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****27. NOTES TO CONSOLIDATED STATEMENTS OF CASH FLOWS (CONT'D)**

	Audited			Unaudited	Audited
	FYE 31 December			FPE 31 March	
	2021	2022	2023	2023	2024
	RM'000	RM'000	RM'000	RM'000	RM'000
Lease Liabilities					
At 1 January	821,063	785,743	739,689	739,689	788,029
Additions during the financial year/period	70,795	76,391	93,478	19,849	18,085
Changes due to lease modification	-	-	95,580	8,480	40,183
Changes due to lease termination	-	-	(1,178)	-	(1,161)
COVID-19-related rent concessions	(55)	(63)	-	-	-
Repayments	(106,060)	(122,382)	(139,540)	(33,693)	(38,452)
At 31 December/31 March	<u>785,743</u>	<u>739,689</u>	<u>788,029</u>	<u>734,325</u>	<u>806,684</u>
The total cash outflow for the leases is as follows:-					
Operating Activities					
Lease expense recognised in profit or loss (Note 22):					
- short-term leases	15	9	96	4	57
- leases of low-value assets	71	90	109	27	27
Interest portion of lease liabilities (Note 22)	41,640	39,435	40,937	9,468	10,108
Investing Activities					
Acquisition of right-of-use assets	-	6,620	380	-	-
Financing Activities					
Principal portion of lease liabilities	106,060	122,382	139,540	33,693	38,452
	<u>147,786</u>	<u>168,536</u>	<u>181,062</u>	<u>43,192</u>	<u>48,644</u>

13. ACCOUNTANTS' REPORT (Cont'd)**99 SPEED MART RETAIL HOLDINGS BERHAD**
(Incorporated in Malaysia)**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****28. RELATED PARTY DISCLOSURES**

Transactions with related parties during the financial years/periods other than those disclosed elsewhere in the consolidated financial statements are as follows:-

	Audited			Unaudited	Audited
	FYE 31 December			FPE 31 March	
	2021	2022	2023	2023	2024
	RM'000	RM'000	RM'000	RM'000	RM'000
<u>Transactions with companies in which certain directors have substantial financial interests:</u>					
- Administrative expenses	2,494	2,856	5,361	1,559	3,261
- Lease expense	1,327	1,076	1,183	31	325
- Maintenance expense	490	186	393	108	42
- Merchant fee charges	1,712	2,217	3,112	603	1,067
- Professional fee	1,003	-	38	-	-
- Promotion expenses	78	109	4	-	-
- Purchase of goods	49,386	49,091	64,137	16,003	22,433
- Purchase of property and equipment	8,903	2,500	2,351	148	288
- Advertising income	(890)	(1,460)	(1,118)	(229)	(230)
- Block display incentive received	(1,551)	(1,283)	(1,500)	(219)	(411)
- Delivery point commission	(46)	(20)	(14)	(4)	-
- Disposal of equipment	(37)	-	-	-	(290)
- Distribution center rebate	(1,004)	(1,271)	(1,444)	(385)	(510)
- E-pay commission	(3,449)	(2,828)	(3,197)	(770)	(858)
- Operating lease income	(278)	(292)	(321)	(80)	(89)
- Prompt payment charge	(547)	(565)	(748)	(169)	(240)
- Sale of goods	(1,515)	(7,470)	(2,037)	(724)	(382)
- Sponsorship	(7)	(124)	(12)	-	-
- Supplier fund	(1,062)	(701)	(744)	(73)	(152)
- Target incentive received	(668)	(622)	(885)	-	(260)

13. ACCOUNTANTS' REPORT (Cont'd)**99 SPEED MART RETAIL HOLDINGS BERHAD**

(Incorporated in Malaysia)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**28. RELATED PARTY DISCLOSURES (CONT'D)**

Transactions with related parties during the financial years/periods other than those disclosed elsewhere in the consolidated financial statements are as follows (Cont'd):-

	Audited			Unaudited	Audited
	FYE 31 December			FPE 31 March	
	2021	2022	2023	2023	2024
	RM'000	RM'000	RM'000	RM'000	RM'000
<u>Transactions with companies in which certain directors' close family members have substantial financial interests:</u>					
- Administrative expenses	45	154	157	42	34
- Lease expense	78	80	80	20	20
- Maintenance expense	-	2	3	-	5
- Printing and stationery	95	496	492	161	150
- Purchase of equipment	72	642	1,547	148	385
- Purchase of goods	59,343	78,936	91,049	22,931	29,312
- Transportation charges	227	306	338	74	42
- Block display incentive received	-	-	(197)	-	(461)
- Sponsorship	(10)	(26)	(36)	-	-
- Supplier fund	(45)	(62)	(323)	(3)	(94)
<u>Transaction with certain directors:</u>					
- Lease expense	148	169	271	68	68
- Disposal of equipment	-	-	-	-	(210)

29. OPERATING SEGMENT AND GEOGRAPHICAL INFORMATION

Information about operating segment has not been reported separately as the Group's revenue, profit or loss, assets and liabilities are mainly confined to a single operating segment, namely retail of consumable merchandise and other household products.

Information about geographical areas has not been reported separately as the Group is primarily involved in business operations in Malaysia.

13. ACCOUNTANTS' REPORT (Cont'd)**99 SPEED MART RETAIL HOLDINGS BERHAD**

(Incorporated in Malaysia)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**30. FINANCIAL GUARANTEE CONTRACTS**

99SM has entered into financial guarantee contracts to provide financial guarantees to financial institutions for credit facilities granted to 99EM up to a total limit of RM10,350,000 (31.12.2023 - RM10,350,000; 31.12.2022 - RM10,350,000; 31.12.2021 - RM10,350,000). The total utilisation of these credit facilities as at 31 March 2024 amounted to RM4,771,820 (31.12.2023 - RM4,873,137; 31.12.2022 - RM5,271,529; 31.12.2021 - RM5,697,602). No maturity analysis is presented for the financial guarantee contracts as the entire amount could be recalled at any time in the event of default by 99EM.

The aforementioned financial guarantee contracts should have been recognised in the statement of financial position in accordance with the recognition and measurement policies as stated in Note 2.7. After considering that the probability of 99EM defaulting on the credit lines is remote, the financial guarantee contracts have not been recognised as the fair value on initial recognition is not expected to be material.

	Audited as at			
	31.12.2021	31.12.2022	31.12.2023	31.3.2024
	RM'000	RM'000	RM'000	RM'000
Contractual undiscounted cash flows - on demand or within one year	5,698	5,272	4,873	4,772

31. CAPITAL COMMITMENT

	Audited as at			
	31.12.2021	31.12.2022	31.12.2023	31.3.2024
	RM'000	RM'000	RM'000	RM'000
Acquisition of property and equipment	6,620	-	18,426	16,286
Construction of property	13,881	7,889	19,924	15,837

32. CONTINGENT LIABILITIES

The Group has bank guarantees of RM18,040,400 as at 31 March 2024 (31.12.2023 - RM18,020,400; 31.12.2022 - RM17,020,400; 31.12.2021 - RM15,000,000) as security deposits in favour of utility provider, town council and supplier.

13. ACCOUNTANTS' REPORT (Cont'd)

99 SPEED MART RETAIL HOLDINGS BERHAD
(Incorporated in Malaysia)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

33. SUBSIDIARIES

Details of the subsidiaries are as follows:-

Name of subsidiaries	Note	Country of incorporation/ Principal place of business		Effective ownership interest and voting interest		Principal activities
		31.12.2021	31.12.2022	31.12.2023	31.3.2024	
		%	%	%	%	
Subsidiaries						
99 Speed Mart Sdn. Bhd.	37(g)	100*	100*	100*	100*	Retail of consumable merchandise and other household products via its network of "mini mart" outlets
99 Speed Mart (East Malaysia) Sdn. Bhd.	37(g)	100*	100*	100*	100*	Retail of consumable merchandise and other household products via its network of "mini mart" outlets
Yiwu J-Jade Trading Co., Ltd.		#	#	100	100	Investment holding
Subsidiary of Yiwu J-Jade Trading						
Yiwu Speed Mart Import And Export Co., Ltd.		#	#	100	100	Exporting of consumable merchandise and other household products

* As an integral part of listing the Company on Main Market of Bursa Malaysia Securities Berhad, the Company entered into a conditional share purchase agreement on 9 November 2023 to acquire the entire equity interest in 99SM and 99EM which were completed on 14 December 2023. Upon completion of the Acquisitions, 99SM and 99EM became the subsidiaries of the Company.

Not applicable since Yiwu J-Jade Trading and Yiwu SM Import & Export were incorporated on 28 September 2023 and 19 October 2023 respectively.

13. ACCOUNTANTS' REPORT (Cont'd)

99 SPEED MART RETAIL HOLDINGS BERHAD
(Incorporated in Malaysia)**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

34. FINANCIAL RISK MANAGEMENT

The activities of the Group are exposed to certain financial risks, including credit risk, liquidity risk, currency risk and interest rate risk. The overall financial risk management objective of the Group is to ensure that adequate financial resources are available for business development whilst minimising the potential adverse impacts of financial risks on its financial position, performance and cash flows.

The aforementioned financial risk management objective and its related policies and processes explained below have remained unchanged throughout the respective financial years/periods.

Credit Risk

The Group's exposure to credit risk arises mainly from receivables and deposits placed with financial institutions. The maximum credit risk exposure of these financial assets is best represented by their respective carrying amounts in the consolidated statements of financial position. The Group is also exposed to credit risk in respect of its financial guarantees provided for credit facilities granted to a subsidiary. The maximum credit risk exposure of these financial guarantees is the total utilisation of the credit facilities granted as disclosed in Note 30.

The Group manages its credit risk exposure of receivables by assessing counterparties financial standings on an on-going basis, setting and monitoring counterparties limits and credit terms. The quantitative information about such credit risk exposure is disclosed in Notes 9 and 10.

Liquidity Risk

The Group's exposure to liquidity risk relates to its ability to meet obligations associated with financial liabilities as and when they fall due. The remaining contractual maturities of financial liabilities are disclosed in their respective notes.

The Group practises prudent liquidity risk management to minimise the mismatch of financial assets and liabilities whilst maintaining sufficient cash and the availability of funding through standby credit facilities.

Currency Risk

The Group is exposed to currency risk arises mainly from transactions and balances that are denominated in currencies other than the respective functional currencies of entities within the Group. The major foreign currencies within the Group are Ringgit Malaysia ("RM") and Chinese Yuan ("RMB"), whereas the major foreign currency transacted is Chinese Yuan ("RMB").

The Group observes the movements in exchange rates and acts accordingly to minimise its exposure to currency risk.

Any reasonably possible change in the foreign currency exchange rates at the end of the financial years/period against its functional currency does not have a material impact on the profit after taxation and equity of the Group and hence, no sensitivity analysis is presented.

13. ACCOUNTANTS' REPORT (Cont'd)**99 SPEED MART RETAIL HOLDINGS BERHAD**

(Incorporated in Malaysia)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**34. FINANCIAL RISK MANAGEMENT (CONT'D)****Interest Rate Risk**

The Group's exposure to interest rate risk arises mainly from interest-bearing financial instruments, namely fixed deposits, loans and borrowing and lease liabilities.

The Group observes the movements in interest rates and always strives to obtain the most favourable rates available for new financing or during repricing. It is also the Group's policy to maintain a mix of fixed and floating rate financial instruments as follows:-

	Audited as at			
	31.12.2021 RM'000	31.12.2022 RM'000	31.12.2023 RM'000	31.3.2024 RM'000
Fixed rate instruments				
Financial assets	321,318	-	-	-
Financial liabilities	785,743	739,689	788,029	806,684
Floating rate instrument				
Financial liabilities	55,763	56,531	51,935	50,765

For floating rate financial instrument measured at amortised cost, the following table demonstrates the sensitivity of profit or loss and equity to changes in interest rates that were reasonably possible at the end of the reporting period, with all other variables held constant:-

	(Decrease)/Increase in Profit After Taxation			
	Audited as at			
	31.12.2021 RM'000	31.12.2022 RM'000	31.12.2023 RM'000	31.3.2024 RM'000
Increase in interest rates by 100 basis points	(424)	(430)	(395)	(386)
Decrease in interest rates by 100 basis points	424	430	395	386

13. ACCOUNTANTS' REPORT (Cont'd)**99 SPEED MART RETAIL HOLDINGS BERHAD**

(Incorporated in Malaysia)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**35. CAPITAL MANAGEMENT**

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

The Group manages its capital based on debt-to-equity ratio. The debt-to-equity ratio of the Group at the end of the reporting period is not presented as its cash and cash equivalents exceeded the total external borrowings.

There was no change in the approach to capital management during the financial years/periods.

36. FINANCIAL INSTRUMENTS**36.1 Classification of Financial Instruments**

	Audited as at			
	31.12.2021	31.12.2022	31.12.2023	31.3.2024
	RM'000	RM'000	RM'000	RM'000
Financial Assets				
<u>Amortised Cost</u>				
Trade receivables	17,287	27,778	41,906	23,556
Other receivables	1,046	1,097	2,053	2,263
Cash and cash equivalents	350,163	85,056	137,571	78,545
	<u>368,496</u>	<u>113,931</u>	<u>181,530</u>	<u>104,364</u>
Financial Liabilities				
<u>Amortised Cost</u>				
Trade payables	640,159	805,175	982,140	1,065,165
Other payables and accruals	62,193	67,112	219,095	58,202
Loans and borrowing	55,763	56,531	51,935	50,765
Lease liabilities	785,743	739,689	788,029	806,684
	<u>1,543,858</u>	<u>1,668,507</u>	<u>2,041,199</u>	<u>1,980,816</u>

13. ACCOUNTANTS' REPORT (Cont'd)**99 SPEED MART RETAIL HOLDINGS BERHAD**
(Incorporated in Malaysia)**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****36. FINANCIAL INSTRUMENTS (CONT'D)****36.2 Fair Value Information**

At the end of each reporting period, there were no financial instruments carried at fair values in the consolidated statements of financial position.

The carrying amounts of the financial assets and financial liabilities are reasonable approximation of fair values due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the reporting date.

The fair values of the term loans and lease liabilities are estimated by discounting expected future cash flows at market incremental lending rate for similar types of borrowings or leasing arrangements at reporting date.

37. SIGNIFICANT EVENTS DURING THE FINANCIAL YEARS/PERIOD

- (a) On 2 July 2021, 99SM entered into a Sale and Purchase Agreement with a third party to acquire a piece of leasehold land for a total purchase consideration of RM16,332,431. The acquisition was completed on 6 January 2022;
- (b) On 16 July 2021, 99SM entered into a Sale and Purchase Agreement with a third party to acquire a piece of freehold land for a total purchase consideration of RM4,466,588. The acquisition was completed on 30 December 2021;
- (c) On 8 December 2021, 99SM entered into a Sale and Purchase Agreement with a related party to acquire a piece of freehold land with a single storey warehouse and an annexed four storey office for a total purchase consideration of RM7,270,000. The acquisition was completed on 7 March 2022;
- (d) On 14 September 2023, 99SM entered into a Sale and Purchase Agreement with a third party to acquire a freehold land cum warehouse for a total purchase consideration of RM43,000,000. The acquisition was completed on 6 November 2023;
- (e) On 28 September 2023, the Company incorporated a new subsidiary, Yiwu J-Jade Trading Co., Ltd. under the Company Law of 2018 of the People's Republic of China;
- (f) On 19 October 2023, a wholly-owned subsidiary, Yiwu J-Jade Trading Co., Ltd. incorporated a new wholly-owned subsidiary, Yiwu Speed Mart Import And Export Co., Ltd. under the Company Law of 2018 of the People's Republic of China;
- (g) On 9 November 2023, the Company entered into a Conditional Share Purchase Agreement with the existing shareholders of 99SM and 99EM for the acquisition of the entire equity interest in 99SM and 99EM comprising 15,000,000 and 2,500,000 ordinary shares respectively for a total purchase consideration of RM474,506,302 which will be satisfied by way of issuance of 474,506,302 new ordinary shares in the Company at an issue price of RM1.00 each to the existing shareholders of 99SM and 99EM. The acquisition of 99SM and 99EM was completed on 14 December 2023; and

13. ACCOUNTANTS' REPORT (Cont'd)

99 SPEED MART RETAIL HOLDINGS BERHAD
(Incorporated in Malaysia)**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

37. SIGNIFICANT EVENTS DURING THE FINANCIAL YEARS/PERIOD (CONT'D)

- (h) On 14 December 2023, 99SM entered into a Sale and Purchase Agreement with a third party to acquire a piece of freehold land for a total purchase consideration of RM3,715,530. The acquisition was completed on 15 February 2024.

38. SIGNIFICANT EVENTS OCCURRING AFTER THE REPORTING PERIOD

- (a) On 13 May 2024, 99EM entered into a Sale and Purchase Agreement with a third party to acquire a piece of leasehold land with a double storey detached industrial building for a total purchase consideration of RM6,820,000. The completion of acquisition is subject to fulfilment of the terms and conditions stipulated in the Sale and Purchase Agreement;
- (b) On 20 May 2024, the Company has subdivided every 1 existing ordinary share into approximately 16.859625 ordinary shares. The issued shares of the Company have increased from 474,506,402 ordinary shares to 8,000,000,000 ordinary shares;
- (c) On 10 June 2024, the Company had declared and paid the first interim dividend amounting to RM100,000,000 in respect of the financial year ending 31 December 2024; and
- (d) On 12 July 2024, 99SM entered into a Sale and Purchase Agreement with third parties to acquire a piece of freehold land for a total purchase consideration of RM4,000,000. The completion of acquisition is subject to fulfilment of the terms and conditions stipulated in the Sale and Purchase Agreement.

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13. ACCOUNTANTS' REPORT (Cont'd)

99 SPEED MART RETAIL HOLDINGS BERHAD

(Incorporated in Malaysia)

STATEMENTS BY DIRECTORS

We, Lee Thiam Wah and Ng Lee Tieng, being two of the directors of 99 Speed Mart Retail Holdings Berhad, state that, in the opinion of the directors, the consolidated financial statements set out on pages 4 to 72 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the Prospectus Guidelines issued by the Securities Commission Malaysia so as to give a true and fair view of the financial position of the Group as at 31 December 2021, 31 December 2022, 31 December 2023 and 31 March 2024 and of their financial performance and cash flows for the relevant reporting periods ended on those dates.

Signed in accordance with a resolution of the directors dated **26 JUL 2024**

For and on behalf of the Board of Directors of 99 Speed Mart Retail Holdings Berhad



Lee Thiam Wah



Ng Lee Tieng

14. ADDITIONAL INFORMATION

14.1 SHARE CAPITAL

- (i) Save as disclosed in this Prospectus, no securities will be allotted or issued on the basis of this Prospectus later than 6 months after the date of issue of this Prospectus.
- (ii) As at the LPD, we have only 1 class of shares in our Company, namely ordinary shares, all of which rank equally with one another. There are no special rights attached to our Shares.
- (iii) Save as disclosed in Section 6.1.3 of this Prospectus, our Company has not issued or proposed to issue any shares, stocks or debentures as fully or partly paid-up in cash or otherwise, within the Periods Under Review and up to the LPD.
- (iv) As at the date of this Prospectus, save for our Issue Shares reserved for subscription by the Eligible Persons as disclosed in Section 4.2.2 of this Prospectus, there is currently no other scheme involving our employees and Directors in the share capital of our Company or any of our subsidiaries.
- (v) We have not agreed, conditionally or unconditionally, to put the share capital of our Company or any of our subsidiaries under option.
- (vi) As at the date of this Prospectus, neither we nor our subsidiaries have any outstanding warrants, options, convertible securities or uncalled capital.
- (vii) Save as disclosed in Sections 2.2 and 12.4 of this Prospectus and save as provided for under our Constitution as reproduced in Section 14.2 below and the Act, there are no other restrictions upon the holding or voting or transfer of our Shares or the interests in our Company or any of our subsidiaries or upon the declaration or payment of any dividend or distribution thereon.

14.2 EXTRACTS OF OUR CONSTITUTION

The following provisions are reproduced from our Constitution and are qualified in its entirety by reference to our Constitution and by applicable law. The words, terms and expressions appearing in the following provisions shall bear the same meanings used in our Constitution unless they are otherwise defined or the context otherwise requires.

Words	Meaning
Act	: The Companies Act 2016 and any statutory modification, amendment or re-enactment thereof for the time being in force
Applicable Laws	: All laws, bye-laws, regulations, rules, orders and/or official directions for the time being in force affecting the Company and its subsidiaries, including but not limited to the Act, the Central Depositories Act, the Securities Laws, the Listing Requirements, Rules of the Depository and every other law for the time being in force concerning companies and affecting the Company and any other directives or requirements imposed on the Company by the relevant regulatory bodies and/or authorities
Bursa Depository	: Bursa Malaysia Depository Sdn. Bhd. including any further change of name, or its successor in title or any entity that owns or operates the central depository system of the Exchange

14. ADDITIONAL INFORMATION (Cont'd)

Words	Meaning
Central Depositories Act	: Securities Industry (Central Depositories) Act 1991, and any statutory modification, amendment or re-enactment thereof for the time being in force
Company	: 99 SPEED MART RETAIL HOLDINGS BERHAD (Formerly known as "99 SPEED MART HOLDINGS SDN. BHD.") (Registration No. 202301017784 (1511706-T), or such other name which may be adopted from time to time
Constitution	: This Constitution as originally framed or as altered from time to time by Special Resolution and this "Constitution" means any 1 of them
Deposited Security	: A security in the Company standing to the credit of a Securities Account of a Depositor and includes securities in the Securities Account that is in suspense subject to the provisions of the Central Depositories Act and the Rules
Directors	: The Directors for the time being of the Company (inclusive of alternate or nominee directors) and as defined in Section 2(1) of the CMSA
Exchange	: Bursa Malaysia Securities Berhad (Registration No.: 200301033577 (635998-W)) or such other name as it may assume from time to time and its successors-in-title and permitted assigns and/or any other Exchange on which the Securities of the Company are listed
General Meeting	: means a general meeting and/or an extraordinary general meeting, as the context shall require
Listing Requirements	: Main Market Listing Requirements of the Exchange including the guidance notes, directives, circulars, and appendices that may be issued thereunder and any modifications or amendments thereto that may be made from time to time
Market Day	: A day on which the stock market of the Exchange is open for trading in securities, which may include a Surprise Holiday
Month	: Calendar month
Record of Depositors	: A record provided by the Bursa Depository to the Company or its Registrar(s) pursuant to an application under the Rules
Register	: The Register of Members to be kept pursuant to the Act, and unless otherwise expressed to the contrary, includes the Record of Depositors
Rules	: The Rules of the Bursa Depository as defined under the Central Depositories Act and any appendices thereto, as amended, modified and supplemented from time to time
Security(ies)	: Security(ies) as defined in Section 2(1) of the CMSA

14. ADDITIONAL INFORMATION (Cont'd)

Words	Meaning
Share(s)	: Issued shares in the capital of a corporation and includes stock except where a distinction between stock and shares is expressed or implied
Special Resolution	: has the meaning assigned thereto by Section 292 of the Act

14.2.1 Remuneration of Directors**Annual shareholder approval for directors' fees and benefits****Clause 109**

"The fees and any benefits payable to the Directors of the Company and its subsidiaries including any compensation for loss of employment of Director or former Director shall from time to time be determined by the Company in General Meeting and such remuneration shall be divided among the Directors in such proportions and manner as the Directors may determine, provided always that:

- (a) fee payable to non-executive Directors shall be by a fixed sum, and not by a commission on or percentage of profits or turnover and which shall not exceed the amount approved by shareholders in General Meeting;
- (b) remuneration and other emoluments (including salary, bonus, benefits or any other elements) payable to executive Directors who hold an executive office in the Company pursuant to a contract of service need not be determined by the Company in General Meeting but such salaries and emoluments may not include a commission on or percentage of turnover. Nothing herein shall prejudice the powers of the Directors to appoint any of their members to be the employee or agent of the Company at such remuneration and upon such terms as they think fit provided that such remuneration shall not include commission on or percentage of turnover;
- (c) fees of Directors and any benefits payable to Directors shall be subject to annual approval at a General Meeting;
- (d) any fee paid to an alternate Director shall be agreed between himself and the Director nominating him and shall be paid out of the remuneration of the latter; and
- (e) the monetary fees and/or benefits payable to non-executive Directors of the Company, including those who are also Director of the subsidiaries includes fees, meeting allowances, travelling allowances, benefits, gratuity and compensation for loss of employment of Director or former Director of the Company provided by the Company and subsidiaries, but does not include insurance premium or any issue of securities."

Clause 110

- (1) "The Directors shall be paid or reimbursed for all their travelling, hotel and other expenses properly and necessarily expended by them in and about the business of the Company including their travelling and other expenses incurred in attending meetings of the Directors or any committee of the Directors or General Meetings or otherwise in the course of the performance of their duties as Directors.

14. ADDITIONAL INFORMATION (Cont'd)

- (2) If any Director being willing shall be called upon to perform extra services or to make any special exertions in going or residing away from his usual place of business or residence for any of the purposes of the Company or in giving special attention to the business of the Company as a member of a committee of Directors, the Company may remunerate the Director so doing either by a fixed sum or otherwise (other than by a sum to include a commission on or percentage of turnover) as may be determined by the Board provided that in the case of non-executive Directors, the said remuneration shall not include a commission on or percentage of profits or turnover. In the case of an executive Director, such fee may be either in addition to or in substitution for his share in the fee from time to time provided for the Directors.”

Alternate Director**Clause 142**

- (1) “A Director may from time to time nominate any person to act as his alternate Director and at his discretion remove such alternate Director, provided that:
- (d) any fee paid by the Company to the alternate Director shall be deducted from that the appointing Director’s remuneration.
- (2) An alternate Director shall not be entitled to receive remuneration otherwise than out of the remuneration of the Director who appoint him.”

Managing and/or executive directors**Clause 144**

“The remuneration of the Directors appointed to an executive position pursuant to this Constitution shall and subject to the terms of any agreement entered into in any particular case shall be fixed by the Board and may be by way of salary or commission or participation in profits or otherwise or by any or all of these modes but such remuneration shall not include a commission on or percentage of turnover but it may be a term of their appointment that they shall receive pension, gratuity or other benefits upon their retirement. The remuneration of the Director(s) appointed to an executive position shall, subject to under Clause 109, be determined by the Board or any committee authorised by the Board and can either be in addition to or in lieu of his/their fees as a Director.”

14.2.2 Voting and borrowing powers of Directors**Voting powers****Clause 134**

“Subject to this Constitution, any question arising at any meeting of Directors shall be decided by a majority of votes and a determination by a majority of Directors shall for all purposes be deemed a determination of the Directors. In case of an equality of votes, the Chairman of the meeting shall have a second or casting vote. The Chairman of the meeting shall however not have a second or casting vote where 2 Directors form a quorum and only such a quorum is present at the meeting or only 2 Directors are competent to vote on the question at issue. A Director present at a meeting of the Directors is presumed to have agreed to, and to have voted in favour of, a resolution of the Directors unless he expressly dissents from or votes to object against the resolution at the meeting.”

14. ADDITIONAL INFORMATION (Cont'd)

Clause 138

“A Director shall not participate in any discussion or vote in regard to any contract or proposed contract or arrangement in which he has, directly or indirectly, an interest (and if he shall do so his vote shall not be counted).”

Clause 140

“A Director may vote in respect of:-

- (a) any arrangement for giving the Director himself or any other Directors any security or indemnity in respect of money lent by him to or obligations undertaken by him for the benefit of the Company; and
- (b) any arrangement for the giving by the Company of any security to a third party in respect of a debt or obligation of the Company for which the Director himself or any other Director has assumed responsibility in whole or in part, under a guarantee or indemnity or by the deposit of a security”.

Clause 142(2)

“An alternate Director shall (except as regards the power to appoint an alternate Director and remuneration) be subject in all respects to the terms and conditions existing with reference to the other Directors, and shall be entitled to receive notices of all meetings of the Directors and to attend, speak and vote at any such meeting at which his appointor is not present.”

Borrowing powers**Clause 114**

“The Directors may exercise all the powers of the Company to borrow money, raised funds, accept credit facilities and to mortgage or charge its undertaking, property and uncalled capital, or any part thereof and to issue debentures and other Securities whether outright or as security for any debt, liability or obligation of the Company or subsidiary company or associate company or any related third party subject to the law including but not limited to the provisions of the Act and the Listing Requirements, as they may think fit.”

Clause 115

“The Director shall cause a proper register to be kept in accordance with Section 362 of the Act, of all mortgages and charges specifically affecting the property of the Company and shall duly comply with the requirement of Section 352 of the Act in regard to the registration of mortgages and charges therein specified and otherwise.”

Clause 116

“The Directors shall not borrow any money or mortgage or charge any of the Company’s or its subsidiaries’ undertaking, property or uncalled capital, or issue debentures or other securities, whether outright or as security, for any debt, liability or obligation of an unrelated third party.”

14. ADDITIONAL INFORMATION (Cont'd)

14.2.3 Alteration of capital**Clause 62**

"The Company may by ordinary resolution:

- (a) consolidate and divide all or any of its share capital, the proportion between the amount paid and the amount, if any, unpaid on each subdivided Share shall be the same as it was in the case of the Shares from which the subdivided Share is derived; or
- (b) subject to the provisions of this Constitution and the Act, convert and/or reclassify any class of Shares into another class of Shares; or
- (c) subdivide its share capital or any part thereof, whatever is in the subdivision, the proportion between the amount paid and the amount, if any, unpaid on each subdivided Share shall be the same as it was in the case of the Shares from which the subdivided Share is derived; or
- (d) cancel any Shares which at the date of the passing of the resolution which resolution in that behalf have not been taken or agreed to be taken by any person or which have been forfeited and diminish the amount of its Share capital by the amount of the Shares so cancelled."

Clause 63

"The Company may reduce its share capital by:

- (a) a Special Resolution and confirmation by the Court in accordance with Section 116 of the Act; or
- (b) a Special Resolution supported by a solvency statement in accordance with Section 117 of the Act."

Clause 64

"Subject to any direction by the Company in General Meeting, if any consolidation and/or subdivision of Shares results in members being entitled to any issued Shares of the Company in fractions, the Directors may deal with such fractions as they may determine including (without limitation), selling the Shares to which members are so entitled for such price as the Directors may determine and paying and distributing to the members entitled to such Shares in due proportions the net proceeds of such sale."

14.2.4 Transfer of securities**Clause 35**

"The instrument of transfer of any Securities lodged with the Company shall be in writing and in the form approved in the Rules and shall be executed by or on behalf of the transferor and transferee, and the transferor shall be deemed to remain the holder of the securities until the name of the transferee is entered in the Record of Depositors in respect thereof. The transfer of any listed securities or class of listed securities of the Company, shall be made by way of book entry by the Bursa Depository in accordance with the Rules and, notwithstanding Sections 105, 106 and 110 of the Act, but subject to Section 148(2) of the Act and any exemption that may be made from compliance with Section 148(1) of the Act, the Company shall be precluded from registering and effecting any transfer of such listed securities."

14. ADDITIONAL INFORMATION (Cont'd)

Clause 36

“Subject to the Applicable Laws, the registration of transfer of any Securities may be suspended at such times and for such periods as the Directors may from time to time determine. At least 10 Market Days’ notice, or such other period as may from time to time be specified by the Exchange governing the Register concerned, of intention to close the Register shall be given to the Exchange. At least 3 Market Days’ prior notice shall be given to the Bursa Depository to prepare the appropriate Record of Depositors.”

Clause 37

“The Bursa Depository may, in its absolute discretion, refuse to register any transfer of Deposited Security that does not comply with the Central Depositories Act and the Rules. No Securities shall in any circumstances be transferred to any infant, bankrupt or person of unsound mind.”

Clause 38

“Subject to the provisions of this Constitution, the Directors may at any time after the allotment of any Share but before any person has been entered in the Register as the holder recognise a renunciation of such Share by the allottee thereof in favour of some other person and may accord to any allottee of a Share a right to effect such renunciation on such terms and conditions as the Directors may determine.”

Clause 39

“Subject to any law in Malaysia for the time being in force, neither the Company nor the Directors nor any of its officers shall incur any liability for the act of the Bursa Depository in registering or acting upon a transfer of Securities although the same may, by reason of any fraud or other causes not known to the Company or the Directors or other of its officers, be legally inoperative or insufficient to pass the property in the Securities proposed or professed to be transferred, and although the transfer may, as between the transferor and the transferee, be liable to be set aside and notwithstanding that the Company may have noticed that such instrument or transfer was signed or executed and delivered by the transferor in the blank as to the name of the transferee, of the particulars of the Securities transferred or otherwise in defective manner. And in every case, the person registered as transferee, his executors, administrators and assignees alone shall be entitled to be recognised as the holder of such Securities and the previous holder shall, so far as the Company is concerned, be deemed to have transferred his whole title thereto.”

14.2.5 Changes in capital and variation of class rights, preferences and restrictions attached to each class of securities relating to voting, dividend, liquidation and any rights**Clause 13**

“Subject to the provisions of Sections 71 and 91 of the Act, if at any time the share capital is divided into different classes of Shares, the rights attached to Shares in any class of Shares (unless otherwise provided by the terms of issue of the shares of that class) may, whether or not the Company is being wound up, be varied with:

- (a) a Special Resolution passed at a separate meeting of the shareholders of that class; or

14. ADDITIONAL INFORMATION (Cont'd)

- (b) where necessary majority of such a Special Resolution is not obtained at the meeting, consent in writing if obtained from the holders of not less than seventy-five per centum (75%) of the total voting rights of the shareholders of that class within 2 Months of the meeting,

shall be as valid and effectual as a Special Resolution carried at the meeting. To every such separate General Meeting, the provisions of this Constitution relating to General Meetings shall mutatis mutandis apply, but so that the necessary quorum shall be at least 2 persons who are shareholders present in person or represented by proxy holding at least one-third (1/3) of the number of issued Shares of the class, excluding any Shares of that class held as treasury Shares and that any holder of Shares of the class present in person or by proxy may demand a poll.

If that class of Shares only has 1 holder, a quorum is constituted by 1 person present holding Shares of such class. For adjourned meeting, quorum is 1 person present holding Shares of such class. To every such Special Resolution, the provisions of Section 292 of the Act shall with such adaptations as are necessary, apply.”

14.3 DEPOSITED SECURITIES AND RIGHTS OF DEPOSITORS

As our Shares are proposed for quotation on the Official List, such Shares must be prescribed as shares required to be deposited with Bursa Depository. Upon such prescription, a holder of our Shares must deposit his Shares with Bursa Depository on or before the date is fixed, failing which our Share Registrar will be required to transfer his Shares to the Minister of Finance and such Shares may not be traded on Bursa Securities.

Dealing in our Shares deposited with Bursa Depository may only be effected by a person having a securities account with Bursa Depository (“**Depositor**”) by means of entries in the securities account of that Depositor.

A Depositor whose name appears in the Record of Depositors maintained by Bursa Depository in respect of our Shares shall be deemed to be a shareholder of our Company and shall be entitled to all rights, benefits, powers and privileges and be subject to all liabilities, duties and obligations in respect of, or arising from, such Shares.

14.4 LIMITATION ON THE RIGHT TO HOLD SECURITIES AND/OR EXERCISE VOTING RIGHTS

Subject to Section 14.3 above, there is no limitation on the right to own our Shares, including any limitation on the right of a non-resident or non-Malaysian shareholder to hold or exercise voting rights on our Shares, which is imposed by Malaysian law or by our Constitution.

14.5 REPATRIATION OF CAPITAL, REMITTANCE OF PROFIT AND TAXATION

As at the LPD, save as disclosed below, there are no governmental decrees, regulations or other legislations that may affect the repatriation of capital and the remittance of profits by us or our material foreign subsidiaries to Malaysia:

(i) Malaysia

All corporations in Malaysia are required to adopt a single-tier dividend. All dividends distributed by Malaysian resident companies under a single-tier dividend are not taxable. Further, the Government does not levy withholding tax on dividend payment. Therefore, there is no withholding tax imposed on dividends paid to non-residents by Malaysian resident companies. There is no Malaysian capital gains tax arising from the disposal of listed shares.

14. ADDITIONAL INFORMATION (Cont'd)

(ii) The PRC

The principal regulations governing foreign currency exchange in the PRC are the Foreign Exchange Administration Regulations of the PRC, which was promulgated by the State Council on 29 January 1996 and was most recently amended on 5 August 2008. Pursuant to these regulations and other PRC rules and regulations on currency conversion, RMB is freely convertible into other currencies for payments of current account items, such as trade-related and service-related foreign exchange transactions and dividend payments, but not freely convertible into other currencies for capital account items, such as direct investment, repatriation or remittance of capital invested in the PRC, loan or investment in securities outside the PRC unless prior approval of the State Administration of Foreign Exchange, or the SAFE, or its local counterpart is obtained.

The Circular on Further Simplifying and Improving the Foreign Currency Management Policy on Direct Investment, or SAFE Circular 13, which became effective on 1 June 2015 and was amended on 30 December 2019, cancels the administrative approvals of foreign exchange registration of foreign direct investment and simplifies the procedure of foreign exchange-related registration. Pursuant to SAFE Circular 13, local banks, under the supervision and guidance of SAFE or its local counterparts, shall review and handle foreign exchange registration for foreign direct investment.

Regulation related to dividend distribution

The principal laws governing dividend distributions by our PRC subsidiaries include the Company Law of the PRC which was promulgated on 29 December 1993 and latest amended on 29 December 2023, the Foreign Investment Law of the PRC which was promulgated on 15 March 2019 and became effective on 1 January 2020, and its implementation regulations were promulgated on 26 December 2019 and became effective on 1 January 2020.

PRC companies may pay dividends only out of their accumulated profits, if any, which are determined in accordance with the PRC accounting standards. In addition, PRC companies are required to set aside each year at least 10% of their after-tax profit based on the PRC accounting standards to their statutory general reserve fund until the cumulative amount of such reserve fund reaches 50% of their registered capital. These reserves are not distributable as cash dividends. A PRC company shall not distribute any profits until any losses from prior fiscal years have been offset.

Under The Enterprise Income Tax Law of the PRC which was enacted on 16 March 2007 and amended on 24 February 2017 and 29 December 2018, and its Implementing Rules, an enterprise established outside China with a “de facto management body” within China is considered a “resident enterprise”, which means it can be treated as domestic enterprise for enterprise income tax purposes. A non-resident enterprise that does not have an establishment or place of business in China, or has an establishment or place of business in China but the income of which has no actual relationship with such establishment or place of business, shall pay enterprise income tax on its income deriving from inside China at the reduced rate of 10%. Dividends generated after January 1, 2008 and payable by a foreign-invested enterprise in China to its foreign enterprise investors are subject to a 10% withholding tax, unless any such foreign investor’s jurisdiction of incorporation has a tax treaty with China that provides for a preferential withholding arrangement.

14. ADDITIONAL INFORMATION (Cont'd)

14.6 MATERIAL CONTRACTS

Save as disclosed below, our Group has not entered into any material contracts that are not in the ordinary course of our Group's business during the Periods Under Review and up to the date of this Prospectus:

14.6.1 Sale and purchase agreement dated 2 July 2021 in respect of the acquisition of property under Pajakan Negeri 117751, Lot 115195, Mukim Dengkil, Daerah Sepang, Negeri Selangor

On 2 July 2021, 99SM entered into a sale and purchase agreement with Dynasynergy Technology Sdn Bhd to acquire a piece of vacant land known as Pajakan Negeri 117751, Lot 115195, Mukim Dengkil, Daerah Sepang, Negeri Selangor measuring approximately 15,483.0 square metres for a total cash consideration of RM16.3 million. The sale and purchase agreement was completed on 6 January 2022. The property has been earmarked for the development of a new 120,000 sq. ft. DC located in Selangor. For further details on the development of this new DC and the property, see Section 7.9.4 and Annexure A of this Prospectus.

14.6.2 Sale and purchase agreement dated 14 September 2023 in respect of the acquisition of property under Geran 53981, No. Lot 40374, Pekan Hicom, Daerah Petaling, Negeri Selangor

On 14 September 2023, 99SM entered into a sale and purchase agreement with Eight Development (M) Sdn Bhd to acquire a piece of land with a warehouse erected thereon known as Geran 53981, No. Lot 40374, Pekan Hicom, Daerah Petaling, Negeri Selangor measuring approximately 13,062.0 square metres for a total cash consideration of RM43.0 million. The sale and purchase agreement was completed on 6 November 2023. For more details of the property, see Annexure A of this Prospectus.

14.6.3 Deeds of Assignment for the assignments of the Trademarks by Lee Intellectual Properties to 99SM

On 11 September 2023, Lee Intellectual Properties has assigned to 99SM the benefits, rights, title and interests in the trademarks that we use in our Group's business in Malaysia and Singapore under the Deeds of Assignment for a nominal consideration of RM10.00 and SGD10.00 respectively.

Thereafter, Lee Intellectual Properties also executed Deeds of Assignment to assign the benefits, rights, title and interests in the trademarks registered in Thailand, the Philippines, Indonesia and China, to 99SM on 20 September 2023, 2 October 2023, 6 January 2023 and 12 September 2023, respectively.

For more details of the trademarks which are subject to the Deeds of Assignment described above, see Annexure B of this Prospectus.

14. ADDITIONAL INFORMATION (Cont'd)**14.6.4 99SM and 99EM Share Sale Agreement**

To establish our Group, on 9 November 2023, our Company entered into the 99SM and 99EM Share Sale Agreement to acquire from Lee Thiam Wah and Ng Lee Tieng:

- (i) the 99SM Sale Shares, representing 100.0% equity interest in 99SM for a total consideration of RM435,146,830; and
- (ii) the 99EM Sale Shares, representing 100.0% equity interest in 99EM for a total consideration of RM39,359,472.

The consideration for the 99SM Sale Shares and the 99EM Sale Shares was to be fully settled via the issuance and allotment of 455,526,050 new Shares to Lee Thiam Wah and 18,980,252 new Shares to Ng Lee Tieng at an issue price of RM1.00 each. On 14 December 2023, Lee Thiam Wah nominated Lee YG Holdings to receive 256,589,283 new Shares from the 455,526,050 new Shares to be allotted to him. The 99SM and 99EM Share Sale Agreement was completed on 14 December 2023.

14.6.5 Master Cornerstone Placement Agreement dated 26 July 2024

Master Cornerstone Placement Agreement dated 26 July 2024 entered into between our Company, the Selling Shareholders, the Sole Bookrunner and the Cornerstone Investors, under which the Cornerstone Investors agree to acquire an aggregate of 786,000,000 IPO Shares, representing approximately 9.4% of the enlarged issued share capital of our Company, pursuant to the Institutional Offering at the Institutional Price on the terms and subject to the conditions as set out in the Master Cornerstone Placement Agreement and the relevant individual cornerstone placement agreements.

14.6.6 Retail Underwriting Agreement dated 26 July 2024

Retail Underwriting Agreement dated 26 July 2024 entered into between our Company, the Sole Managing Underwriter and the Joint Underwriters to underwrite 210,000,000 Issue Shares under the Retail Offering at an underwriting commission calculated at the rate of up to 1.25% (exclusive of applicable tax) of the Retail Price, multiplied by the number of Issue Shares underwritten.

14.6.7 Lock-up letter dated 26 July 2024 in relation to our IPO and Listing

Lock-up letters dated 26 July 2024 issued by our Company, the Selling Shareholders, Lee YG Holdings, Lee Lay Liang, Lee Yan Zhong, Lee Lai Lee, Lee Lay Wan, Lee Leong Tek, Lee Lay Hong, Lee Lay Sin, Tan Suah Teng and Lee Leong Yew to the Sole Bookrunner in relation to the lock-up arrangement for our IPO and Listing, details of which are set out in Section 4.8.3 of this Prospectus.

14.7 MATERIAL LITIGATIONS

As at the LPD, our Group is not engaged in any governmental, legal or arbitration proceedings, including those relating to bankruptcy, receivership or similar proceedings which may have or have had, material or significant effects on our financial position or profitability in the 12 months immediately preceding the date of this Prospectus.

14. ADDITIONAL INFORMATION (Cont'd)

14.8 CONSENTS

The written consents of the Principal Adviser, Sole Managing Underwriter, Sole Bookrunner, Stabilising Manager, Joint Underwriters, Legal Advisers, Share Registrar, Issuing House and company secretaries as listed in the Corporate Directory of this Prospectus for the inclusion in this Prospectus of their names in the form and context in which such names appear have been given before the issue of this Prospectus and have not subsequently been withdrawn.

The written consent of the Reporting Accountants for the inclusion of its name, the Accountants' Report and the Reporting Accountants' Letter on the Pro Forma Consolidated Statements of Financial Position and all references thereto in the form and context in which they are included in this Prospectus has been given before the issue of this Prospectus and has not subsequently been withdrawn.

The written consent of Frost & Sullivan for the inclusion of its name, the IMR Report and all references thereto in the form and context in which they are included in this Prospectus has been given before the issue of this Prospectus and has not subsequently been withdrawn.

14.9 DOCUMENTS AVAILABLE FOR INSPECTION

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

- (i) our Constitution;
- (ii) our material contracts as referred to in Section 14.6 of this Prospectus;
- (iii) our Company's audited consolidated financial statements for the FYE 2023 and FPE 31 March 2024;
- (iv) the audited financial statements for 99SM and 99EM for the FYE 2021, FYE 2022, FYE 2023 and FPE 31 March 2024;
- (v) the Reporting Accountants' Letter on the Pro Forma Consolidated Statements of Financial Position as included in Section 12.5 of this Prospectus;
- (vi) the Accountants' Report as included in Section 13 of this Prospectus;
- (vii) the IMR Report as included in Section 8 of this Prospectus; and
- (viii) the letters of consent referred to in Section 14.8 of this Prospectus.

14. ADDITIONAL INFORMATION *(Cont'd)*

14.10 RESPONSIBILITY STATEMENTS

Our Directors, our Promoters and the Selling Shareholders have seen and approved this Prospectus. They collectively and individually accept full responsibility for the accuracy of the information. Having made all reasonable enquiries, and to the best of their knowledge and belief, they confirm there is no false or misleading statement or other facts which if omitted, would make any statement in this Prospectus false or misleading.

CIMB, being our Principal Adviser, Sole Bookrunner for the Institutional Offering, and the Sole Managing Underwriter, Joint Underwriter for the Retail Offering and Stabilising Manager in relation to our IPO, acknowledges that, based on all available information, and to the best of their knowledge and belief, this Prospectus constitutes a full and true disclosure of all material facts concerning our IPO.

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15. PROCEDURES FOR APPLICATION

THIS SUMMARY OF PROCEDURES FOR APPLICATION AND ACCEPTANCE DOES NOT CONTAIN THE DETAILED PROCEDURES AND FULL TERMS AND CONDITIONS AND YOU CANNOT RELY ON THIS SUMMARY FOR PURPOSES OF ANY APPLICATION FOR OUR IPO SHARES. YOU MUST REFER TO THE DETAILED PROCEDURES AND TERMS AND CONDITIONS AS SET OUT IN THE “DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE” ACCOMPANYING THE ELECTRONIC COPY OF OUR PROSPECTUS ON THE WEBSITE OF BURSA SECURITIES. YOU SHOULD ALSO CONTACT THE ISSUING HOUSE FOR FURTHER ENQUIRIES.

Unless otherwise defined, all words and expressions used in this Section shall carry the same meaning as ascribed to them in our Prospectus.

Unless the context otherwise requires, words used in the singular include the plural, and vice versa.

15.1 OPENING AND CLOSING OF APPLICATION

OPENING OF THE APPLICATION PERIOD : 10:00 A.M., 15 August 2024

CLOSING OF THE APPLICATION PERIOD : 5:00 P.M., 23 August 2024

In the event there is any change to the dates and times stated above, we will advertise the notice of changes in widely circulated English and Bahasa Malaysia daily newspapers within Malaysia and make an announcement on the website of Bursa Securities.

Late Applications will not be accepted.

15.2 METHODS OF APPLICATION

15.2.1 Application of our IPO Shares under the Retail Offering

Application must accord with our Prospectus and our Constitution. The submission of an Application Form does not mean that the Application will succeed. You agree to be bound by our Constitution.

<u>Types of Application and category of investors</u>	<u>Application method</u>
Applications by the Eligible Persons	Pink Application Form only
Applications by the Malaysian Public:	
(i) Individuals	Application Form or Electronic Share Application or Internet Share Application
(ii) Non-individuals	Application Form only

15.2.2 Application of our IPO Shares under the Institutional Offering

Institutional and selected investors (other than Bumiputera investors approved by the MITI) who have been allocated our IPO Shares under the Institutional Offering will be contacted directly by the Sole Bookrunner and should follow the instructions as communicated by the Sole Bookrunner.

Bumiputera investors approved by the MITI who have been allocated our IPO Shares will be contacted directly by the MITI and should follow the instructions as communicated by the MITI.

15. PROCEDURES FOR APPLICATION *(Cont'd)*

15.3 ELIGIBILITY

15.3.1 General

You must have a CDS account and a correspondence address in Malaysia. If you do not have a CDS account, you may open a CDS account by contacting any of the ADAs set out in the list of ADAs accompanying the electronic copy of our Prospectus on the website of Bursa Securities. The CDS account must be in your own name. Invalid, nominee or third party CDS accounts will not be accepted for the Applications.

Only 1 Application Form for each category from each applicant will be considered and **APPLICATIONS MUST BE FOR AT LEAST 100 IPO SHARES OR MULTIPLES OF 100 IPO SHARES.**

MULTIPLE APPLICATIONS WILL NOT BE ACCEPTED UNLESS EXPRESSLY ALLOWED IN THESE TERMS AND CONDITIONS. AN APPLICANT WHO SUBMITS MULTIPLE APPLICATIONS IN HIS OWN NAME OR BY USING THE NAME OF OTHERS, WITH OR WITHOUT THEIR CONSENT, COMMITS AN OFFENCE UNDER SECTION 179 OF THE CMSA AND IF CONVICTED, MAY BE PUNISHED WITH A MINIMUM FINE OF RM1,000,000 AND A JAIL TERM OF UP TO 10 YEARS UNDER SECTION 182 OF THE CMSA.

AN APPLICANT IS NOT ALLOWED TO SUBMIT MULTIPLE APPLICATIONS IN THE SAME CATEGORY OF APPLICATION.

AN APPLICANT WHO WISHES TO APPLY FOR IPO SHARES USING A JOINT BANK ACCOUNT SHOULD COMMUNICATE WITH THE FINANCIAL INSTITUTION IN CHARGE OF IPO APPLICATION TO PROVIDE THE MATCHING NAME IN THE JOINT BANK ACCOUNT AGAINST HIS/ HER CDS ACCOUNT TO ISSUING HOUSE. THIS IS TO ENSURE THAT ISSUING HOUSE RECEIVES IPO APPLICATION WHERE THE NAME IN THE JOINT BANK ACCOUNT MATCHES AGAINST THE NAME IN THE CDS ACCOUNT AND TO MINIMISE THE INCIDENT OF REJECTED IPO APPLICATION DUE TO "CDS ACCOUNT BELONGS TO OTHER PERSON". COMPANY, PRINCIPAL ADVISER AND ISSUING HOUSE ARE NOT RESPONSIBLE FOR ANY ISSUE ARISING THEREAFTER.

15.3.2 Application by the Malaysian Public

You can only apply for our IPO Shares if you fulfil all of the following:

- (i) you must be one of the following:
 - (a) a Malaysian citizen who is at least 18 years old as at the date of the Application; or
 - (b) a corporation/institution incorporated in Malaysia with a majority of Malaysian citizens on your board of directors/trustees and if you have a share capital, more than half of the issued share capital, excluding preference share capital, is held by Malaysian citizens; or
 - (c) a superannuation, co-operative, foundation, provident, pension fund established or operating in Malaysia;
- (ii) you must not be a director or employee of the Issuing House or an immediate family member of a director or employee of the Issuing House; and

15. PROCEDURES FOR APPLICATION (Cont'd)

- (iii) you must submit the Application by using only one of the following methods:
- (a) Application Form;
 - (b) Electronic Share Application; or
 - (c) Internet Share Application.

15.3.3 Application by the Eligible Persons

The Eligible Persons will be provided with Pink Application Forms and letters from us detailing their respective allocation. The applicants must follow the notes and instructions in the said document and where relevant, in this Prospectus.

15.4 PROCEDURES FOR APPLICATION BY WAY OF AN APPLICATION FORM

The Application Form must be completed in accordance with the notes and instructions contained in the respective category of the Application Form. Applications made on the incorrect type of Application Form or which do not conform **STRICTLY** to the terms of our Prospectus or the respective category of Application Form or notes and instructions or which are illegible will not be accepted.

The FULL amount payable is RM1.65 for each IPO Share.

Payment must be made out in favour of “**MIH SHARE ISSUE ACCOUNT NO. 640**” and crossed “**A/C PAYEE ONLY**” and endorsed on the reverse side with your name and address.

Each completed Application Form, accompanied by the appropriate remittance and legible photocopy of the relevant documents may be submitted using one of the following methods:

- (i) despatch by **ORDINARY POST** in the official envelopes provided to the following address:-

MALAYSIAN ISSUING HOUSE SDN BHD
(Registration No. 199301003608 (258345-X))
11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13, 46200 Petaling Jaya
Selangor Darul Ehsan

OR

P.O. Box 00010
Pejabat Pos Jalan Sultan
46700 Petaling Jaya
Selangor Darul Ehsan

- (ii) **DELIVER BY HAND AND DEPOSIT** in the drop-in boxes provided at the front portion of Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan,

so as to arrive not later than 5.00 p.m. on 23 August 2024 or such other time and date as our Directors and the Joint Underwriters may, in their absolute discretion, mutually decide as the date or time for closing.

We, together with the Issuing House, will not issue any acknowledgement of the receipt of your Application Form or Application monies. Please direct all enquiries in respect of the Application Form to the Issuing House.

15. PROCEDURES FOR APPLICATION *(Cont'd)*

Please refer to the detailed procedures and terms and conditions of the Application Forms set out in the "**Detailed Procedures for Application and Acceptance**" accompanying the electronic copy of this Prospectus on the website of Bursa Securities or contact the Issuing House for further enquiries.

15.5 PROCEDURES FOR APPLICATION BY WAY OF ELECTRONIC SHARE APPLICATION

Only Malaysian individuals may apply for our IPO Shares offered to the Malaysian Public by way of Electronic Share Application.

Electronic Share Applications may be made through the ATM of the following Participating Financial Institutions and their branches, namely, Affin Bank Berhad, Alliance Bank Malaysia Berhad, AmBank (M) Berhad, CIMB Bank Berhad, Malayan Banking Berhad, Public Bank Berhad and RHB Bank Berhad. A processing fee will be charged by the respective Participating Financial Institutions (unless waived) for each Electronic Share Application.

The exact procedures, terms and conditions for Electronic Share Application are set out on the ATM screens of the relevant Participating Financial Institutions.

Please refer to the detailed procedures and terms and conditions of Electronic Share Application set out in the "**Detailed Procedures for Application and Acceptance**" accompanying the electronic copy of this Prospectus on the website of Bursa Securities or contact the relevant Participating Financial Institution for further enquiries.

15.6 PROCEDURES FOR APPLICATION BY WAY OF INTERNET SHARE APPLICATION

Only Malaysian individuals may use the Internet Share Application to apply for our IPO Shares offered to the Malaysian Public.

Internet Share Applications may be made through an internet financial services website of the Internet Participating Financial Institutions, namely, Affin Bank Berhad, Alliance Bank Malaysia Berhad, CGS International Securities Malaysia Sdn Bhd (*formerly known as CGS-CIMB Securities Sdn Bhd*), Malacca Securities Sdn Bhd, Malayan Banking Berhad, Moomoo Securities Malaysia Sdn Bhd and Public Bank Berhad. A processing fee will be charged by the respective Internet Participating Financial Institutions (unless waived) for each Internet Share Application.

The exact procedures, terms and conditions for Internet Share Application are set out on the internet financial services website of the respective Internet Participating Financial Institutions.

Please refer to the detailed procedures and terms and conditions of Internet Share Application set out in the "**Detailed Procedures for Application and Acceptance**" accompanying the electronic copy of this Prospectus on the website of Bursa Securities or contact the relevant Participating Financial Institution for further enquiries.

15. PROCEDURES FOR APPLICATION (Cont'd)**15.7 AUTHORITY OF OUR BOARD AND THE ISSUING HOUSE**

The Issuing House, on the authority of our Board, reserves the right to:

- (i) reject the Applications which:
 - (a) do not conform to the instructions of our Prospectus, Application Forms, Electronic Share Application and Internet Share Application (where applicable); or
 - (b) are illegible, incomplete or inaccurate; or
 - (c) are accompanied by an improperly drawn up, or improper form of, remittance; or
- (ii) reject or accept any Application, in whole or in part, on a non-discriminatory basis without the need to give any reason; and
- (iii) bank in all Application monies (including those from unsuccessful/partially successful applicants) which would subsequently be refunded, where applicable (without interest), in accordance with Section 15.9 of this Prospectus.

If you are successful in your Application, our Board reserves the right to require you to appear in person at the registered office of the Issuing House at any time within 14 days of the date of the notice issued to you to ascertain that your Application is genuine and valid. Our Board shall not be responsible for any loss or non-receipt of the said notice nor shall it be accountable for any expenses incurred or to be incurred by you for the purpose of complying with this provision.

15.8 OVER/UNDER-SUBSCRIPTION

In the event of over-subscription for the Retail Offering, the Issuing House will conduct a ballot in the manner approved by our Directors to determine the acceptance of Applications in a fair and equitable manner. In determining the manner of balloting, our Directors will consider the desirability of allotting and allocating our IPO Shares to a reasonable number of applicants for the purpose of broadening the shareholding base of our Company and establishing a liquid and adequate market for our Shares.

The basis of allocation of shares and the balloting results in connection therewith will be furnished by the Issuing House to the SC, Bursa Securities, all major Bahasa Malaysia and English newspapers as well as posted on the Issuing House's website at www.mih.com.my within 1 business day after the balloting event.

Bursa Securities has, via its letter dated 2 May 2024, resolved to accept a lower public shareholding spread of 15.0% upon our Listing, as in compliance with Paragraph 8.02(1) of the Listing Requirements. In addition, pursuant to the Listing Requirements, we are required to have at least 1,000 public shareholders holding not less than 100 Shares each upon our Listing. We expect to achieve this at the point of our Listing. In the event the above requirement is not met, we may not be allowed to proceed with our Listing. In the event thereof, monies paid in respect of all Applications will be returned in full (without interest).

In the event of an under-subscription of our IPO Shares by the Malaysian Public and/or Eligible Persons, subject to the clawback and reallocation as set out in Section 4.2.3 of our Prospectus, any of the abovementioned IPO Shares not applied for will then be subscribed by the Joint Underwriters based on the terms of the Retail Underwriting Agreement.

15. PROCEDURES FOR APPLICATION (Cont'd)

In the event that the Final Retail Price is lower than the Retail Price, the difference will be refunded to you without any interest thereon. The refund will be credited into your bank account for purposes of cash dividend/distribution if you have provided such bank account information to Bursa Depository or despatched, in the form of cheques, by ordinary post to your address maintained with Bursa Directory if you have not provided such bank account information to Bursa Depository, or by crediting into your account with the Electronic Participating Financial Institutions for applications made via the Electronic Share Application or by crediting into your account with the Internet Participating Financial Institutions for applications made via the Internet Share Application, within 10 Market Days from the date of final ballot of application, at your own risk.

15.9 UNSUCCESSFUL/PARTIALLY SUCCESSFUL APPLICANTS

If you are unsuccessful/partially successful in your Application, your Application monies (without interest) will be refunded to you in the following manner.

15.9.1 For applications by way of Application Form

- (i) The Application monies or the balance of it, as the case may be, will be returned to you through the self-addressed and stamped Official "A" envelope you provided by ordinary post (for fully unsuccessful Applications) or by crediting into your bank account (the same bank account you have provided to Bursa Depository for the purposes of cash dividend/distribution) or if you have not provided such bank account information to Bursa Depository, the balance of Application monies will be refunded via banker's draft sent by ordinary/registered post to your last address maintained with Bursa Depository (for partially successful Applications) within 10 Market Days from the date of the final ballot at your own risk.
- (ii) If your Application is rejected because you did not provide a CDS account number, your Application monies will be refunded via banker's draft sent by ordinary/registered post to your address as stated in the National Registration Identity Card or any official valid temporary identity document issued by the relevant authorities from time to time or the authority card (if you are a member of the armed forces or police) at your own risk.
- (iii) A number of Applications will be reserved to replace any successfully balloted Applications that are subsequently rejected. The Application monies relating to these Applications which are subsequently rejected or unsuccessful or only partly successful will be refunded (without interest) by the Issuing House as per items (i) and (ii) above (as the case may be).
- (iv) The Issuing House reserves the right to bank into its bank account all Application monies from unsuccessful applicants. These monies will be refunded (without interest) within 10 Market Days from the date of the final ballot by crediting into your bank account (the same bank account you have provided to Bursa Depository for the purposes of cash dividend/distribution) or by issuance of banker's draft sent by registered post to your last address maintained with Bursa Depository if you have not provided such bank account information to Bursa Depository or as per item (ii) above (as the case may be).

15. PROCEDURES FOR APPLICATION (Cont'd)**15.9.2 For applications by way of Electronic Share Application and Internet Share Application**

- (i) The Issuing House shall inform the Participating Financial Institutions or Internet Participating Financial Institutions of the unsuccessful or partially successful Applications within 2 Market Days after the balloting date. The full amount of the Application monies or the balance of it will be credited without interest into your account with the Participating Financial Institution or Internet Participating Financial Institution (or arranged with the Authorised Financial Institutions) within 2 Market Days after the receipt of confirmation from the Issuing House.
- (ii) You may check your account on the 5th Market Day from the balloting date.
- (iii) A number of Applications will be reserved to replace any successfully balloted Applications that are subsequently rejected. The Application monies relating to these Applications which are subsequently rejected will be refunded (without interest) by the Issuing House by crediting into your account with the Participating Financial Institution or Internet Participating Financial Institution (or arranged with the Authorised Financial Institutions) not later than 10 Market Days from the date of the final ballot. For Applications that are held in reserve and which are subsequently unsuccessful or partially successful, the relevant Participating Financial Institution will be informed of the unsuccessful or partially successful Applications within 2 Market Days after the final balloting date.

The Participating Financial Institution will credit the Application monies or any part thereof (without interest) within 2 Market Days after the receipt of confirmation from the Issuing House.

15.10 SUCCESSFUL APPLICANTS

If you are successful in your Application:

- (i) Our IPO Shares allotted to you will be credited into your CDS account.
- (ii) A notice of allotment will be despatched to you at your last address maintained with the Bursa Depository, at your own risk, before our Listing. This is your only acknowledgement of acceptance of your Application.
- (iii) In accordance with Section 14(1) of the SICDA, Bursa Securities has prescribed our Shares as Prescribed Securities. As such, our IPO Shares issued/offered through our Prospectus will be deposited directly with Bursa Depository and any dealings in these Shares will be carried out in accordance with the SICDA and Rules of Bursa Depository.
- (iv) In accordance with Section 29 of the SICDA, all dealings in our Shares will be by book entries through CDS accounts. No physical share certificates will be issued to you and you shall not be entitled to withdraw any deposited securities held jointly with Bursa Depository or its nominee as long as our Shares are listed on Bursa Securities.

15. PROCEDURES FOR APPLICATION (Cont'd)

15.11 ENQUIRIES

Enquiries in respect of the Applications may be directed as follows:

Mode of application	Parties to direct the queries
Application Form	Issuing House Enquiry Services Telephone at +603-7890 4700
Electronic Share Application	The relevant Participating Financial Institutions
Internet Share Application	The relevant Internet Participating Financial Institutions or Authorised Financial Institutions

You may also check the status of your Application at the Issuing House's website at www.mih.com.my, by entering your CDS Account Number on the site on the allotment date, after 3:00 PM. Alternatively, you may contact any of the ADAs set out in Section 12 of the Detailed Procedures for Application and Acceptance accompanying the Electronic Prospectus on the website of Bursa Securities.

ANNEXURE A: OUR MATERIAL PROPERTIES

A.1 MATERIAL PROPERTIES OWNED BY OUR GROUP

As at the LPD, details of the material properties owned by our Group are as follows:

No.	Registered owner/ Beneficial owner/ Title Lot. no./ Postal address/ Tenure	Description of property/ Existing use	Date of issuance of CCC or equivalent	Built-up area/ Land area (approximate) (sq. metres unless otherwise stated)	Category of land use/ Express condition/ Restriction in interest	Encumbrances on property	NBV as at 31 March 2024 (RM'000)
1.	99SM / H.S.(D) 110331 PT 2811 Sekyem 24, Bandar Klang, Daerah Klang, Negeri Selangor / Lot PT 2811, Jalan Angsa, Taman Berkeley, 41150 Klang, Selangor / Leasehold for the period of 99 years expiring on 17 August 2104	12-storey office building consisting of 1 storey semi-basement, 1 storey business space, 4 storeys car park and 7 storeys office space / Headquarters of the Company known as "Wisma 99 Speedmart"	11 February 2016	4,316 / 1,439	<u>Category of land use</u> Building ("Bangunan") <u>Express condition</u> Business building ("Bangunan Perniagaan") <u>Restriction in interest</u> The land held under this title shall not be transferred, leased or charged without prior consent from the State Authority.	This land was charged to CIMB Bank Berhad vide No. Perserahan 47797/2020 on 14 August 2020 and is still subsisting	16,017
2.	99SM / Geran Mukim 22377, Lot 103609, Mukim Kapar, Daerah Klang, Negeri Selangor / PT 33198, Batu 4, Jalan Kapar, 42100 Klang, Selangor / Freehold	Single storey detached warehouse with an annexed 4 storey office building/ DC known as "Jalan Kapar DC"	30 April 2004	3,650 / 5,326	<u>Category of land use</u> Industrial ("Perusahaan/ Perindustrian") <u>Express condition</u> Industrial ("Perusahaan") <u>Restriction in interest</u> Nil	Nil	7,431

ANNEXURE A: OUR MATERIAL PROPERTIES (Cont'd)

No.	Registered owner/ Beneficial owner/ Title Lot. no./ Postal address/ Tenure	Description of property/ Existing use	Date of issuance of CCC or equivalent	Built-up area/ Land area (approximate) (sq. metres unless otherwise stated)	Category of land use/ Express condition/ Restriction in interest	Encumbrances on property	NBV as at 31 March 2024 (RM'000)
3.	99SM / H.S(D) 136784 PT 129950, Mukim Klang, Daerah Klang, Negeri Selangor / Lot 201, 202, 203, Jalan Seri Gambut 3, Kawasan 7 Bandar Putra Klang, 41100 Klang, Selangor / Freehold	Single storey detached warehouse with a double storey office, guardhouse, waste chamber and electrical substation / DC known as "Jalan Kebun DC"	6 March 2009	4,510 / 9,776	<u>Category of land use</u> Industrial ("Perusahaan") <u>Express condition</u> Industrial ("Perusahaan") <u>Restriction in interest</u> Nil	Nil	7,619
4.	99SM / Geran Mukim 916 Lot 5203, Mukim Kajang, Daerah Hulu Langat, Negeri Selangor / Lot 5203, Jalan Perindustrian Balakong Jaya 1/3, Kawasan Perindustrian Balakong, 43300 Seri Kembangan, Selangor / Freehold	Single storey detached warehouse with a double storey office, electrical substation and guardhouse / DC known as "Balakong DC"	12 April 2012	6,037 / 9,991	<u>Category of land use</u> Industrial ("Perusahaan/ Perindustrian") <u>Express condition</u> Light Industrial ("Industri Ringan") <u>Restriction in interest</u> The land shall only be transferred to a Chinese.	Nil	10,242

ANNEXURE A: OUR MATERIAL PROPERTIES (Cont'd)

No.	Registered owner/ Beneficial owner/ Title Lot. no./ Postal address/ Tenure	Description of property/ Existing use	Date of issuance of CCC or equivalent	Built-up area/ Land area (approximate) (sq. metres unless otherwise stated)	Category of land use/ Express condition/ Restriction in interest	Encumbrances on property	NBV as at 31 March 2024 (RM'000)
5.	99SM / Geran 40102 Lot 4326, Mukim Serendah, Daerah Ulu Selangor, Negeri Selangor / Lot 4326, Jalan Kampung Mohd Taib, Kawasan Industri Sungai Choh, 48000 Sungai Choh, Selangor /	Single detached storey warehouse with mezzanine storage space / DC known as "Sungai Choh DC"	30 September 2014	6,111 / 9,066	Category of land use Industrial (" <i>Perusahaan</i> ") Express condition Industrial (" <i>Perusahaan</i> ") Restriction in interest Nili	This land was charged to Hong Leong Bank Berhad vide No. Perserahan 37792/2014 on 10 April 2014 and is still subsisting	12,600
6.	Freehold 99SM / Pajakan Negeri 713 Lot 1616, Pekan Chembong, Daerah Rembau, Negeri Sembilan / Lot 1616 PN 713, Jalan Perusahaan 1, Kawasan Perindustrian Chembong, Pekan Chembong, Daerah Rembau, Negeri Sembilan / Leasehold for the period of 99 years expiring on 4 February 2084	Single detached storey warehouse with a double storey office, guardhouse, waste chamber, electrical substation and other support facilities buildings/ DC known as "Chembong DC"	10 June 2016	9,323 / 67,938	Category of land use Industrial (" <i>Perusahaan/ Perindustrian</i> ") Express condition The land to be used for industrial purposes only Restriction in interest The land held under this title shall not be transferred, leased or charged without prior consent from the State Authority.	This land was charged to Hong Leong Bank Berhad vide No. Perserahan 22177/2015 on 4 August 2015 and is still subsisting	14,275

ANNEXURE A: OUR MATERIAL PROPERTIES (Cont'd)

No.	Registered owner/ Beneficial owner/ Title Lot. no./ Postal address/ Tenure	Description of property/ Existing use	Date of issuance of CCC or equivalent	Built-up area/ Land area (approximate) (sq. metres unless otherwise stated)	Category of land use/ Express condition/ Restriction in interest	Encumbrances on property	NBV as at 31 March 2024 (RM'000)
7.	99SM / Pajakan Negeri 214561 Lot 213095, Mukim Sungai Raya, Daerah Kinta, Negeri Perak / Lot 213095, Jalan Industri 1/1, Kawasan Perindustrian Gopeng, 31600 Gopeng, Perak / Leasehold for the period of 60 years expiring on 28 September 2055	Single storey detached warehouse with a double storey office, guardhouse, waste chamber, electrical substation and other support facilities buildings / DC known as "Gopeng DC"	30 November 2016	4,243 / 7,215	Category of land use Industrial ("Perusahaan") Express condition Industrial ("Perusahaan") Restriction in interest The land held under this title shall not be transferred or leased without prior consent from the Chief Minister of Perak. The land shall not be subdivided in accordance with Section 135 of the National Land Code without prior consent from the Chief Minister of Perak.	This land was charged to RHB Bank Berhad vide No. Perserahan 55666/2015 on 21 December 2015 and is still subsisting	8,167

ANNEXURE A: OUR MATERIAL PROPERTIES (Cont'd)

No.	Registered owner/ Beneficial owner/ Title Lot. no./ Postal address/ Tenure	Description of property/ Existing use	Date of issuance of CCC or equivalent	Built-up area/ Land area (approximate) (sq. metres unless otherwise stated)	Category of land use/ Express condition/ Restriction in interest	Encumbrances on property	NBV as at 31 March 2024 (RM'000)
8.	99SM / Geran 560954, Lot 31723, Mukim Tanjung Sembrong, Daerah Batu Pahat, Negeri Johor / Lot 31723, Mukim Tanjung Sembrong, 83700 Daerah Batu Pahat, Johor / Freehold	Single detached warehouse with a double storey office, guardhouse, waste chamber and other support facilities buildings / DC known as "Yong Peng DC"	8 March 2018	6,228 / 9,885	Category of land use Industrial ("Perusahaan/ Perindustrian") Express condition (i) The land to be used as factory for the purpose of medium industry and other related usage, shall be built according to the plan approved by the relevant Local Authority (ii) All dirt and pollutants resulting from these activities to be channelled or disposed to areas designated by the Local Authority (iii) All terms and conditions determined and enforced from time to time by the relevant authority shall be complied with	This land was charged to CIMB Bank Berhad vide Perserahan 28521/2015 on 15 April 2015 and is still subsisting	9,302
					Restriction in interest The land held under the title provisioned for Bumiputera once transferred to a Bumiputera individual or company, the land cannot later be sold, leased, or transferred in any manner to a non-Bumiputera individual or company without prior consent from the State Authority.		

ANNEXURE A: OUR MATERIAL PROPERTIES (Cont'd)

No.	Registered owner/ Beneficial owner/ Title Lot. no./ Postal address/ Tenure	Description of property/ Existing use	Date of issuance of CCC or equivalent	Built-up area/ Land area (approximate) (sq. metres unless otherwise stated)	Category of land use/ Express condition/ Restriction in interest	Encumbrances on property	NBV as at 31 March 2024 (RM'000)
9.	99SM / Geran Mukim 433 Lot 46222, Mukim Batu, Daerah Gombak, Negeri Selangor / Lot 46222, Batu 9, Jalan Sungai Tua, Kg. Sungai Tua, 68100 Batu Caves, Selangor / Freehold	Single storey detached warehouse with 3 storey office, guardhouse, waste chamber, electrical substation and pumphouse / DC known as "Sungai Tua DC"	Nil ⁽¹⁾	3,930 / 6,437	<u>Category of land use</u> Industrial ("Perusahaan/ Perindustrian") <u>Express condition</u> Industrial ("Perusahaan") <u>Restriction in interest</u> Nil	This land was charged to RHB Bank Berhad vide No. Penserahan 3523/2018 on 18 July 2018 and is still subsisting	20,162

ANNEXURE A: OUR MATERIAL PROPERTIES (Cont'd)

No.	Registered owner/ Beneficial owner/ Title Lot. no./ Postal address/ Tenure	Description of property/ Existing use	Date of issuance of CCC or equivalent	Built-up area/ Land area (approximate) (sq. metres unless otherwise stated)	Category of land use/ Express condition/ Restriction in interest	Encumbrances on property	NBV as at 31 March 2024 (RM'000)
10.	99SM / Pajakan Negeri 11945, Lot 20969, Mukim 13, Daerah Seberang Perai Tengah, Negeri Pulau Pinang / Plot 22A, Taman Industri Bukit Minyak, 14100 Simpang Ampat, Pulau Pinang / Leasehold for the period of 60 years expiring on 12 June 2079	Single detached warehouse with a double storey office, guardhouse, waste chamber and electrical substation / DC known as "Batu Kawan DC"	9 December 2019	5,177 / 10,129	Category of land use Industrial ("Perusahaan/ Perindustrian") Express condition (i) The land comprised in this title to be used for the purpose of distribution centre (logistic) and warehouse for all sundries goods / household items, including repacking of all sundries goods only (ii) The first proprietor after the Penang Development Corporation shall, within 2 years from the date of registration of transfer or within a timeframe approved by the State Authority, erect a factory building or buildings on the land in accordance with the plan approved by the Local Authority	Nil	11,062

Restriction in interest

The land held under this title shall not be transferred, charged, leased or sub-leased, tenanted or involved in any transaction without prior written consent from the State Authority.

ANNEXURE A: OUR MATERIAL PROPERTIES (Cont'd)

No.	Registered owner/ Beneficial owner/ Title Lot. no./ Postal address/ Tenure	Description of property/ Existing use	Date of issuance of CCC or equivalent	Built-up area/ Land area (approximate) (sq. metres unless otherwise stated)	Category of land use/ Express condition/ Restriction in interest	Encumbrances on property	NBV as at 31 March 2024 (RM'000)
11.	99SM / Geran Mukim 1184 Lot 6942, Mukim Tebrau, Daerah Johor Bahru, Negeri Johor / Lot 6942, Jalan Seelong Jaya 6, Kampung Seelong Jaya, 81400 Seelong, Johor/ Freehold	Single storey detached warehouse, double storey office, guardhouse, waste chamber and other support facilities buildings / DC known as "Senai DC"	20 April 2021	8,285 / 12,350	Category of land use Industrial ("Perusahaan/ Perindustrian") Express condition (i) The land to be used as medium industrial area for the purposes of metal engineering industry and other related usage, shall be built according to the plan approved by the relevant Local Authority. On 16 May 2022, Johor Bahru Land Office approved the inclusion of usage of the land for storage warehouse ("Gudang Simpanan Barang-Barang") in the express condition of the land title. (ii) All dirt and pollutants resulting from these activities to be channelled or disposed to areas designated by the Local Authority (iii) All terms and conditions determined and enforced from time to time by the relevant authority shall be complied with	This land was charged to CIMB Bank Berhad vide Perserahan 16/19/2015 on 20 December 2015 and is still subsisting	13,984

Restriction in interest
Nil

ANNEXURE A: OUR MATERIAL PROPERTIES (Cont'd)

No.	Registered owner/ Beneficial owner/ Title Lot. no./ Postal address/ Tenure	Description of property/ Existing use	Date of issuance of CCC or equivalent	Built-up area/ Land area (approximate) (sq. metres unless otherwise stated)	Category of land use/ Express condition/ Restriction in interest	Encumbrances on property	NBV as at 31 March 2024 (RM'000)
12.	99SM / (H.S.(D) 23594, PT 12077, Mukim Hutan Melintang, Daerah Bagan Datuk, Negeri Perak (an amalgamation of Geran No. 97909 Lot 12408, Geran No. 97910 Lot 12409 and Geran Mukim 97911 Lot 12410 / Lot 12408, 12409 & 12410, Jalan Hutan Melintang Batu 9, 36400 Hutan Melintang, Perak / Freehold	Single detached warehouse with a double storey office, guardhouse, waste chamber, electrical substation, pumphouse and sprinkler tank / DC known as "Hutan Melintang DC"	23 December 2022	3,306 / 5,700	<u>Category of land use</u> Industrial <i>Perindustrian</i>) <u>Express condition</u> Light Industrial (" <i>Industri Ringan</i> ") <u>Restriction in interest</u> Nil	Nil	8,192
13.	99SM / Pajakan Negeri 5500 Lot 74384, Mukim Kuala Kuantan, Daerah Kuantan, Negeri Pahang / Lot 74384, Jalan Bandar Gambang Perdana 3, Gambang, 26300 Kuantan, Pahang / Leasehold for the period of 99 years expiring on 19 August 2101	Single detached warehouse with a double storey office, guardhouse, waste chamber and pumphouse / DC known as "Gambang DC"	22 December 2022	9,111 / 26,500	<u>Category of land use</u> Industrial <i>Perindustrian</i>) <u>Express condition</u> The land to be used as industrial site only <u>Restriction in interest</u> The land held under this title shall not be transferred, leased or charged without prior written consent from the State Authority.	Nil	15,368

ANNEXURE A: OUR MATERIAL PROPERTIES (Cont'd)

No.	Registered owner/ Beneficial owner/ Title Lot. no./ Postal address/ Tenure	Description of property/ Existing use	Date of issuance of CCC or equivalent	Built-up area/ Land area (approximate) (sq. metres unless otherwise stated)	Category of land use/ Express condition/ Restriction in interest	Encumbrances on property	NBV as at 31 March 2024 (RM'000)
14.	99SM / Pajakan Mukim 1934 Lot 2111, Mukim Merlimau, Daerah Jasin, Negeri Melaka / Lot 5399 & 5400, Jalan Usaha 1, Fasa 3, Kawasan Perindustrian Merlimau, 77300 Merlimau, Melaka / Leasehold for the period of 99 years expiring on 20 July 2096	Single storey detached warehouse, single storey office, single storey store and waste chamber / DC known as "Merlimau DC"	12 October 2022	5,496 / 9,587	Category of land use Industrial ("Perusahaan") Express condition The land to be used for industrial purpose only Restriction in interest The land held under this title shall not be transferred or leased without prior consent from the State Authority. This restriction in interest is exempted for first-time purchaser.	Nil	9,851
15.	99SM / Geran 95705 Lot 26267, Bandar Sungai Petani, Daerah Kuala Muda, Negeri Kedah / Plot 27, Kawasan Perindustrian Bukit Makmur, Sungai Lalang, 08000 Sungai Petani, Kedah / Freehold	Single storey detached warehouse, single storey office and other support facilities buildings / DC known as "Sungai Petani DC"	25 September 2023	6,780 / 10,920	Category of land use Light Industrial ("Perusahaan Ringan") Express condition The land held under this title to be used as building site for purposes of industry and other industry related usage. Prohibited from erecting building for residential purpose on the land	This land was charged to CIMB Bank Berhad vide Perserahan No. 21822/2021 on 21 December 2021 and is still subsisting	16,961
					Restriction in interest Nil		

ANNEXURE A: OUR MATERIAL PROPERTIES (Cont'd)

No.	Registered owner/ Beneficial owner/ Title Lot. no./ Postal address/ Tenure	Description of property/ Existing use	Date of issuance of CCC or equivalent	Built-up area/ Land area (approximate) (sq. metres unless otherwise stated)	Category of land use/ Express condition/ Restriction in interest	Encumbrances on property	NBV as at 31 March 2024 (RM'000)
16.	99SM / Geran 53981 Lot 40374, Pekan Hicom, Daerah Petaling, Negeri Selangor / No. 12(34), Persiaran Sabak Bernam, Seksyen 26, 40400 Shah Alam, Selangor / Freehold	Single detached storey warehouse with single storey office space, guardhouse, electric substation, pumphouse and waste chamber / DC known as "Shah Alam DC"	5 March 2009	7,137 / 13,062	<u>Category of land use</u> Industrial ("Perusahaan") <u>Express condition</u> Industrial ("Perusahaan") <u>Restriction in interest</u> Nil	Nil	44,684

ANNEXURE A: OUR MATERIAL PROPERTIES (Cont'd)

No.	Registered owner/ Beneficial owner/ Title Lot. no./ Postal address/ Tenure	Description of property/ Existing use	Date of issuance of CCC or equivalent	Built-up area/ Land area (approximate) (sq. metres unless otherwise stated)	Category of land use/ Express condition/ Restriction in interest	Encumbrances on property	NBV as at 31 March 2024 (RM'000)
17.	K.K.I.P. Sdn Bhd ⁽²⁾ / 99EM ⁽²⁾ / Master Title Country Lease 015582153, Locality of Teilpok, District of Kota Kinabalu, Sabah / Lot No. 12, KKIP Industrial Zone 7 (IZ 7), Off Jalan 1 KKIP Timur, Kota Kinabalu Industrial Park, 88460 Kota Kinabalu, Sabah / Leasehold for the period of 99 years expiring on 31 December 2096	Single detached warehouse with annexed 3-storey office / Headquarters of 99EM and DC known as "Kota Kinabalu Industrial Park DC"	19 November 2018	4,800 / 8,130	Category of land use Nil Special Terms (i) The said land is demised herein expressly and only for the purpose of erecting thereon for use as such industrial and commercial. Transfer, charge or sublease of this title is prohibited before fulfilment of the covenant therein or without the written permission from the Director of Lands and Surveys who shall charge additional premium and enhanced rent and any other conditions thereof when granting such permission. (ii) (iii) Subdivision of this title is prohibited without the written permission from the director of lands and surveys who shall charge additional premium and enhanced rent and any other conditions thereof when granting such permission.	The Kota Kinabalu Industrial Park DC is currently assigned to CIMB Bank Berhad vide a Deed of Assignment dated 8 August 2014	9,019

ANNEXURE A: OUR MATERIAL PROPERTIES (Cont'd)

No.	Registered owner/ Beneficial owner/ Title Lot. no./ Postal address/ Tenure	Description of property/ Existing use	Date of issuance of CCC or equivalent	Built-up area/ Land area (approximate) (sq. metres unless otherwise stated)	Category of land use/ Express condition/ Restriction in interest	Encumbrances on property	NBV as at 31 March 2024 (RM'000)
18.	99EM / Master Title Country Lease 075396048, Locality of Mile 8, Labuk Road, District of Sandakan, Sabah / Lot 075396048, batu 8, Kampung Melayu, Jalan Labuk, 90000 Sandakan, Sabah / Leasehold for the period of 999 years expiring on 9 July 2887	Single storey detached warehouse with a 3-storey office / DC known as "Sandakan DC"	30 November 2022	2,515 / 5,640	<u>Category of land use</u> Nil <u>Special Terms</u> Nil	Nil	11,075
19.	99SM / Pajakan Negeri 117751 Lot 115195, Mukim Dengkil, Daerah Sepang, Negeri Selangor / N/A / Leasehold for the period of 99 years expiring on 18 August 2114	Proposed DC, the construction of which is in progress and expected to commence operation in Q4 2025	N/A	N/A / 15,483	<u>Category of land use</u> Industrial ("Perusahaan") <u>Express condition</u> Industrial ("Perusahaan") <u>Restriction in interest</u> The land held under this title shall not be transferred, leased or charged without prior consent from the State Authority.	This land was charged to Alliance Bank Malaysia Berhad vide No. Perserahan 3532/2022 on 11 January 2022 and is still subsisting	16,574

ANNEXURE A: OUR MATERIAL PROPERTIES (Cont'd)

Notes:

- (1) *The CCC or equivalent has yet to be obtained for the Sungai Tua DC. We have submitted the application for CCC to the local authorities and is currently pending approval. We expect to obtain the CCC for the Sungai Tua DC by the end of 2024.*
- (2) *This land is currently held under Master Title where the registered owner is K.K.I.P. Sdn Bhd. However, pursuant to a sale and purchase agreement dated 27 December 2013, 99EM purchased the land from Yong & Sons Enterprise Sdn Bhd, who purchased the land from K.K.I.P. Sdn Bhd pursuant to a sale and purchase agreement dated 30 November 2010. 99EM is the beneficial owner of the property pending the issuance of the individual title.*

Save as disclosed above, none of the properties are in breach of any land use conditions and/or are in non-compliance with current statutory requirements, land rules or building regulations which will have a material adverse impact on our operations or the utilisation of our assets on the said properties. No valuations have been conducted on any of the properties disclosed above.

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ANNEXURE A: OUR MATERIAL PROPERTIES (Cont'd)

A.2 MATERIAL PROPERTIES LEASED/TENANTED BY OUR GROUP

As at the LPD, details of the material properties leased/tenanted by our Group are as follows:

No.	Name of lessor/lessee or landlord/tenant or tenant or sub-tenant/ Title Lot No./ Postal address	Description of property/ Existing use	Date of issuance of CCC or equivalent	Built-up area / Land area (approximate) (sq. metres unless otherwise stated)	Period of tenancy or lease	Annual rental (RM unless otherwise stated)
1.	Sri Sipitang Enterprise (landlord) / 99EM (tenant) Lot No. 193074234 (Remr of 193061344(19124982), Locality of Mile 1, DC" Jalan Mesapoi, District of Sipitang, Sabah NT. 1844, Batu 1 Jalan Mesapoi, 89850 Sipitang, Sabah	2 blocks single storey detached warehouse / DC known as "Sipitang DC"	Nil ⁽¹⁾	3,809 / 8,984	From 1 October 2017 to 30 November 2019 and further renewed to 30 November 2024	264,000
2.	Nelson Chong Huong Chun (landlord) / 99EM (tenant) Country Lease 135406138, Locality of Jalan Masak, District of Keningau, Sabah Lot 3, Borneo Commercial Centre, 3KM, Jalan Ulu Masak, 89000 Keningau, Sabah	Single storey detached warehouse and office / DC known as "Keningau DC"	16 December 2015	1,289 / 1,867	From 1 September 2023 to 31 August 2028	114,000

Note:

(1) We have yet to obtain the CCC for the Sipitang DC. See Section 7.12.1(2)(ii) of this Prospectus for further details of this non-compliance.

Save as disclosed above, none of the properties disclosed are in breach of any land use conditions and/or are in non-compliance with current statutory requirements, land rules or building regulations which will have a material adverse impact on our operations or the utilisation of our assets on the said properties. No valuations have been conducted on any of the properties disclosed above.

ANNEXURE B: OUR TRADEMARKS, BRAND NAMES AND OTHER INTELLECTUAL PROPERTY RIGHTS




Save as disclosed below, as at the LPD, we do not have any patents, trademarks, brand names, technical assistance agreements, franchises and other intellectual property rights which our Group's business or profitability is materially dependent on:

TRADEMARKS



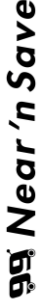

Please note that the trademarks listed below have been transferred to 99SM pursuant to the Deeds of Assignment mentioned in Section 14.6.3 of this Prospectus. As at the LPD, the registration of all the trademarks has been completed.

We have the following material trademarks in Malaysia, being the principal market that we operate in.






Malaysia

No.	Trademark ⁽¹⁾	Registered owner / Applicant	Registration / Application no.	Place of registration	Expiry / Application date	Class/ Description of trademark
1.		99SM	08019035 00011343 2017060273 TM2024003367 ⁽¹²⁾	Malaysia Malaysia Malaysia Malaysia	22 September 2028 18 August 2030 6 June 2027 2 February 2024	16 ⁽²⁾ 35 ⁽³⁾ 38 ⁽⁴⁾ 35 ⁽¹³⁾
2.		99SM	07019326 2017060293 TM2024003370 ⁽¹²⁾	Malaysia Malaysia Malaysia	21 September 2027 7 June 2027 2 February 2024	35 ⁽⁶⁾ 38 ⁽⁴⁾ 35 ⁽¹³⁾
3.		99SM	07019325 2017060292 TM2024003387 ⁽¹²⁾	Malaysia Malaysia Malaysia	2 October 2027 7 June 2027 2 February 2024	35 ⁽¹⁰⁾ 38 ⁽⁴⁾ 35 ⁽¹³⁾

ANNEXURE B: OUR TRADEMARKS, BRAND NAMES AND OTHER INTELLECTUAL PROPERTY RIGHTS (Cont'd)

No.	Trademark ⁽¹⁾	Registered owner / Applicant	Registration / Application no.	Place of registration	Expiry / Application date	Class/ Description of trademark
4.		99SM	08019032 07020887 2017060268 TM2024003389 ⁽¹²⁾	Malaysia Malaysia Malaysia Malaysia	22 September 2028 25 October 2027 6 June 2027 2 February 2024	16 ⁽²⁾ 35 ⁽¹⁰⁾ 38 ⁽⁴⁾ 35 ⁽¹³⁾
5.		99SM	08019033 07019327 2017060271 TM2024003390 ⁽¹²⁾	Malaysia Malaysia Malaysia Malaysia	22 September 2028 2 October 2027 6 June 2027 2 February 2024	16 ⁽²⁾ 35 ⁽¹⁰⁾ 38 ⁽⁴⁾ 35 ⁽¹³⁾
6.		99SM	08019036 2017060264 08019031	Malaysia Malaysia Malaysia	22 September 2028 6 June 2027 22 September 2028	16 ⁽²⁾ 38 ⁽⁴⁾ 16 ⁽²⁾
7.		99SM	08019030 2017060272 TM2024003369 ⁽¹²⁾	Malaysia Malaysia Malaysia	22 September 2028 6 June 2027 2 February 2024	35 ⁽¹¹⁾ 38 ⁽⁴⁾ 35 ⁽¹³⁾
8.		99SM	2011014687	Malaysia	15 August 2031	35 ⁽⁶⁾

ANNEXURE B: OUR TRADEMARKS, BRAND NAMES AND OTHER INTELLECTUAL PROPERTY RIGHTS (Cont'd)

No.	Trademark ⁽¹⁾	Registered owner / Applicant	Registration / Application no.	Place of registration	Expiry / Application date	Class/ Description of trademark
9.		99SM	2017060261	Malaysia	6 June 2027	38 ⁽⁴⁾
		99SM	2011014686	Malaysia	15 August 2031	35 ⁽⁶⁾
			2017060255	Malaysia	6 June 2027	38 ⁽⁴⁾
10.		99SM	08019034	Malaysia	22 September 2028	16 ⁽²⁾
			02009022	Malaysia	30 July 2032	35 ⁽³⁾
			2017060270	Malaysia	6 June 2027	38 ⁽⁴⁾
11.		99SM	TM2024003368 ⁽¹²⁾	Malaysia	2 February 2024	35 ⁽¹³⁾
			2017067439	Malaysia	11 September 2027	16 ⁽²⁾
			2017067442	Malaysia	11 September 2027	35 ⁽⁶⁾
			2017067447	Malaysia	11 September 2027	38 ⁽⁴⁾
12.		99SM	TM2024003392 ⁽¹²⁾	Malaysia	2 February 2024	36 ⁽¹⁴⁾
			TM2023035735 ⁽¹²⁾	Malaysia	24 November 2023	16 ⁽⁷⁾
			TM2023035738 ⁽¹²⁾	Malaysia	24 November 2023	35 ⁽⁸⁾
			TM2023035739 ⁽¹²⁾	Malaysia	24 November 2023	38 ⁽⁹⁾

ANNEXURE B: OUR TRADEMARKS, BRAND NAMES AND OTHER INTELLECTUAL PROPERTY RIGHTS (Cont'd)

Notes:

- (1) *Trademarks 2 (07019326), 3 (07019325), 5 (07019327) and 7 (08019030) & (08019031) are in colour.*
- (2) *Logo (company-), paper, cardboards and goods made from these materials, printed matter, photographs, stationery, packaging boxes, labels (not of textile), stickers, signboards of paper or cardboards, placards of paper or cardboard, advertisement boards of paper or cardboard, copying paper, postcard, ledgers (book), memo paper, name cards, index cards, envelopes, voucher slips, pens, pencils, letterheads, brochures, advertising materials, corrugated cardboard boxes, paper boxes, check writers, calendars, printed matters, diaries, invoices, receipt, newsletter, pamphlets, posters, magazines, periodicals, promotional materials (paper-), announcement cards, catalogues, handbooks, manuals, printed publications, plastic materials for packaging; all included in Class 16.*
- (3) *Mini market (franchise) included in Class 35.*
- (4) *Telecommunication services; electronic message transmission; audio and video broadcasting services over the Internet or other communications network, namely, uploading, posting, showing, displaying, tagging and electronically transmitting information, audio, and video clips; providing access to databases for information, audio, and video via website, online forums, chat rooms, discussion groups and blogs over the Internet; providing on-line chat rooms and electronic bulletin boards for transmission of messages among users in the field of general interest; providing discussion services on-line; transmission of news; rental of telecommunication apparatus namely telephones; providing information about telecommunication; all the aforesaid relating to finance, investments and investment funds and investment portfolios, insurance and insurance policies, pensions and pension funds and pension schemes and wrappers, collective investment schemes, unit trusts, open-ended investment companies, individual savings accounts; all included in Class 38.*
- (5) *Supermarket, wholesaler, mini mart; included in Class 35.*
- (6) *Business advice relating to franchising; business management and organisation consultancy; the bringing together, for the benefit of others, of a variety of goods (excluding the transport thereof), including fresh and prepared foodstuffs, milk products, eggs, meat, poultry, game, fish, meat extracts, meat or fish products, live fish, fresh garden herbs, preserved, frozen, dried and cooked fruits and vegetables, fresh fruit and vegetables, fresh mushrooms, natural and dried flowers, hazelnuts, peanuts, almonds, sweetmeats and cake additives, jellies, jams, compotes, honey, treacle, yeast, baking powder, bread, biscuits, desserts, tea, coffee, cocoa, chocolate, sugar, salt, mustard, vinegar, sauces (condiments), tapioca, sago, artificial coffee, spices, flour and preparations made from cereals, pasta, groats, rice, sweets and snacks, ice-cream, ice, fruit drinks and fruit juices, mineral and aerated waters and other non-alcoholic drinks, syrups and other preparations for making beverages, edible fats and oils, canned food, frozen food, dietetic foods, food for babies, alcoholic beverages and beer, stimulants, cigarettes and tobacco, smoking accessories, sanitary products, perfumes and cosmetics, hair tonics, dentifrices, essential oils, toiletries, not for medical purposes, soaps, cleaning, polishing, scouring and abrasive preparations, bleaching preparations and other substances for laundry use, lighters, barbecue lighters, sets and accessories, medicines, parapharmaceuticals and pharmaceuticals, sanitary materials and preparations, disposable table napkins and babies' napkins, knives and forks and cutlery, discs, tapes, computer software, lighting apparatus, clocks and watches, stationery, writing materials, newspapers, magazines, maps and books, bags, kitchen and household appliances, packaging and bags, packaging for food, glass and china, brushes and cleaning equipment and materials, maintenance and preservation products, candles and votive lights, games and playthings, clothing, footwear, headgear, jewellery, textiles, haberdashery, goods of leather, office equipment, decorative goods, sports goods, products for recreation, gardening tools, products for interior and exterior decoration of surfaces, home furnishings, electric household appliances, babies' napkins of paper and cellulose (disposable), goods and food for animals, automotive goods, enabling customers to conveniently view and purchase those goods from retail outlet and from a general merchandise web site in the global communications network; all included in Class 35.*

ANNEXURE B: OUR TRADEMARKS, BRAND NAMES AND OTHER INTELLECTUAL PROPERTY RIGHTS (Cont'd)

- (7) *Paper and cardboard; printed matter; photographs; stationery; packaging boxes of cardboard; labels, not of textile, for bar codes; stickers; signboards of paper or cardboard; placards of paper or cardboard; advertisement boards of paper or cardboard; copying paper; postcards; ledgers (books); memo pads; index cards; envelopes; voucher books; pens; pencils; letterhead paper; brochures; corrugated cardboard boxes; paper boxes; office check writing and engraving machines; calendars; diaries; receipt books; newsletters; pamphlets; posters; magazines [periodicals]; printed promotional materials; announcement cards; catalogues; handbooks; manuals; printed publications; plastic materials for packaging.*
- (8) *Advertising; advertising of business web sites; providing business information via a web site; direct mail advertising; marketing research; marketing; marketing assistance; online advertising on a computer network; provision of information and advisory services relating to e-commerce; consultancy services relating to publicity; online marketing; presentation of goods on communication media, for retail purposes; provision of an online marketplace for buyers and sellers of goods and services; sales promotion for others; retail or wholesale services for pharmaceutical, veterinary and sanitary preparations and medical supplies.*
- (9) *Telecommunication services; transmission of electronic messages; providing access to databases and information via global computer networks; audio and video broadcasting services over the internet; video broadcasting via the internet and other communications networks; providing on-line chat rooms and electronic bulletin boards for transmission of messages among users in the field of general interest; providing on-line discussion services; transmission of news; rental of telecommunication apparatus and installations; providing information in the field of telecommunications.*
- (10) *Supermarket, retail outlets, wholesaler, mini mart; all included in Class 35.*
- (11) *Supermarket; mini market; sundry shop; wholesaler; grocery shop; all included in Class 35.*
- (12) *The registration of the said trademark is expected to be completed within 6 to 12 months from the date of application.*

ANNEXURE B: OUR TRADEMARKS, BRAND NAMES AND OTHER INTELLECTUAL PROPERTY RIGHTS (Cont'd)

(13)




Business management of retail outlets; Administration of business affairs; Advertising; Advertising and commercial information services provided via the internet; Advertising in periodicals, brochures and newspapers; Advertising of business websites; Advertising services for the promotion of goods; Advertising services relating to the sale of goods; Advertising the goods and services of online vendors via a searchable online guide; Advertising via electronic media; Advertising via the internet; Advisory and consultancy services relating to business management; Advisory services for business management; Advisory services relating to business management; Advisory services relating to business management and business operations; Advisory services relating to business organization; Advisory services relating to business organization and management; Business development; Business marketing; Business planning; Business strategic planning; Computerized inventory control; Computerized inventory management; Computerized inventory preparation; Creating advertising material; Creating and updating advertising purposes; Demonstration of advertising material; Demonstration of goods; Demonstration of goods and services by electronic means; Demonstration of goods for advertising purposes; Demonstration of products; Direct advertising; Direct marketing; Direct mail advertising to attract new customers and to maintain the existing customer base; Dissemination of advertisements; Dissemination of advertisements and of advertising material [flyers, brochures, leaflets and samples]; Dissemination of advertisements via the internet; Dissemination of advertising and promotional materials; Dissemination of advertising material [leaflets, brochures and printed matter]; Dissemination of advertising material online; Dissemination of advertising via online communications networks; Dissemination of orders; Dissemination of advertising, marketing and publicity materials; Dissemination of advertising contracts relating to the purchase and sale of goods; On-line advertising; Electronic order processing; Electronic publication of printed matter for advertising purposes; Negotiation of contracts relating to the purchase and sale of goods; On-line advertising on computer communication networks; On-line advertising on computer networks; On-line promotion of computer networks and websites; Online advertising; Online advertising on a computer network; Online advertising on computer communication networks; Online advertising on computer networks; Online marketing; Organisation and conducting of product presentations; Product marketing; Promotion, advertising and marketing of online websites; Promotional marketing; Providing business information in the field of social media; Providing business information via a website; Providing business information via the internet; Providing consumer product information; Providing consumer product information via the internet; Providing searchable online advertising guides; Provision of an online marketplace for buyer and sellers of goods and services; Publicity and sales promotion relating to goods and services; Promoting the goods and services of others through advertisements on internet websites; Publicity and sales promotion relating to goods and services available online; Retail services provided by convenience stores; Retail services featuring a wide variety of consumer goods; Sales promotion using audiovisual media; The bringing together, for the benefit of others, of a variety of goods, excluding the transport thereof, enabling customers to conveniently view and purchase those goods.

ANNEXURE B: OUR TRADEMARKS, BRAND NAMES AND OTHER INTELLECTUAL PROPERTY RIGHTS (Cont'd)



- (14) *Acceptance of bill payments; Arranging financial transactions; Banking and financial services; Banking services provided via cellular phone; Banking services provided via mobile phone; Bill payment services; Bill payment services provided through a website; Computerized banking services; Computerized financial services; Conducting cashless payment transactions; Conducting of financial transactions; Conducting of financial transactions online; Contactless payment services; Domestic remittance services; Domestic remittance services provided on-line; E-wallet payment services; Electronic banking; Electronic banking via a global computer network [internet banking]; Electronic bill payment services; Electronic commerce payment services; Electronic funds transfer and payment services; Electronic payment services; Electronic payment services involving electronic processing and subsequent transmission of bill payment data; Electronic processing of electronic payments via a global computer network; Electronic processing of payments; Electronic wallet payment services; Financial and monetary transaction services; Financial and monetary transactions; Financial services provided by electronic means; Financial services provided over the internet; Financial services provided over the internet and telephone ;Financial transaction services; Financial transfer services; Monetary transfer services; Monetary transfers; On-line banking services accessible by means of downloadable mobile applications; On-line banking services; On-line bill payment services; On-line financial transaction services; On-line financial transactions; Online bill payment services; Payment processing services; Payment services provided via wireless telecommunications apparatus and devices; Processing electronic payments made through prepaid cards; Processing of bank transfer transactions; Processing of electronic bill payments; Processing of electronic cash transactions; Processing of electronic debit transactions; Processing of electronic payments; Processing of store card transactions; Providing financial information and financial advice via a website; Providing financial information by electronic means; Providing financial information online; Providing financial information via a website.*

ANNEXURE B: OUR TRADEMARKS, BRAND NAMES AND OTHER INTELLECTUAL PROPERTY RIGHTS (Cont'd)

China

No.	Trademark ⁽¹⁾	Registered owner	Registration no.	Place of registration	Expiry date	Class/Description of trademark
1.		99SM	32489568	China	20 April 2029	16: Copy paper (stationery); posters; tapes and cards for recording computer programs; business cards; pamphlets; posters; seals (seals); paper; 35: Public relations; advertising; outdoor advertising; drawing bills and account statements; computer document management; import and export agency; invoicing; personnel recruitment; business management assistance; word processing;
2.		99SM	7023287	China	13 June 2030	16: copy paper (stationery); paper tape and card for recording computer programs; paper; paper (stationery); business cards; posters; billboards made of paper or cardboard; brochures; posters; seals (seals); 35: Public relations; advertising; outdoor advertising; drawing bills and account statements; computer document management; import and export agency; invoicing; personnel recruitment; business management assistance; word processing;
3.		99SM	32494821	China	20 April 2029	16: Copy paper (stationery); posters; tapes and cards for recording computer programs; business cards; brochures; posters; seals (seals); paper; billboards made of paper or cardboard; paper (stationery); 35: Public relations; advertising; outdoor advertising; drawing bills and account statements;

ANNEXURE B: OUR TRADEMARKS, BRAND NAMES AND OTHER INTELLECTUAL PROPERTY RIGHTS (Cont'd)

No.	Trademark ⁽¹⁾	Registered owner	Registration no.	Place of registration	Expiry date	Class/ Description of trademark
4.		99SM	32512503	China	20 April 2029	computer document management; import and export agency; invoicing; personnel recruitment; business management assistance; word processing; 16: Copy paper (stationery); posters; tapes and cards for recording computer programs; business cards; pamphlets; brochures; posters; seals (seals); paper; billboards made of paper or cardboard; paper (stationery);
			32499786	China	20 April 2029	35: Public relations; advertising; outdoor advertising; drawing bills and account statements; computer document management; import and export agency; invoicing; personnel recruitment; business management assistance; word processing;
5.		99SM	7023291	China	13 June 2030	16: Copy paper (stationery); paper tape and cards for recording computer programs; paper; paper (stationery); business cards; posters; billboards made of paper or cardboard; brochures; posters; seals (seals);
			7023301	China	6 July 2032	35: Public relations; advertising; outdoor advertising; drawing of bills and account statements; computer document management; import and export agency; invoicing; personnel recruitment; business management assistance; word processing.

ANNEXURE B: OUR TRADEMARKS, BRAND NAMES AND OTHER INTELLECTUAL PROPERTY RIGHTS (Cont'd)


No.	Trademark ⁽¹⁾	Registered owner	Registration no.	Place of registration	Expiry date	Class/Description of trademark
6.	Near 'n Save	99SM	7023274	China	13 June 2030	16: Copy paper (stationery); tapes/paper tape and cards for recording computer programs; paper; paper (stationery); business cards; posters; billboards made of paper or paperboard; pamphlets; cardboard; brochures; posters; seals (seals)
			7023305	China	27 August 2030	35: Advertising; business management assistance; public relations; import and export agency; personnel recruitment; invoicing; computer document management; drawing of bills and account statements; outdoor advertising; word processing;
7.	U 近又便宜	99SM	7040282	China	13 September 2030	16: Paper; copy paper (stationery); paper tape and cards for recording computer programs; paper or cardboard billboards; brochures; paper (stationery); business cards; posters; seals (seals);
			7040285	China	20 August 2030	35: Advertising; business management assistance; public relations; import and export agency; personnel recruitment; invoicing; computer document management; drawing of bills and account statements; outdoor advertising; word processing;

Note:

(1) Trademarks 2 (7023287), 5 and 7 are in colour.


ANNEXURE B: OUR TRADEMARKS, BRAND NAMES AND OTHER INTELLECTUAL PROPERTY RIGHTS (Cont'd)

Indonesia

No.	Trademark ⁽¹⁾	Registered owner	Registration no.	Place of registration	Expiry date	Class/Description of trademark
1.		99SM	IDM000313998	Indonesia	4 February 2030	16: printed materials, brochures, bags [covers] of paper or plastic, billboards of paper or cardboard; announcement card (stationery); cardboard items; cards; catalogs (printed materials); flag (from paper); brochure; folders for paper (printed materials); folders/folders (stationery); forms (printed items); fountain pen; newspapers; notebook; paper; taking pictures; Images; paper or cardboard plaques; posters; printed goods; calendar, calendar, publication [printed].
2.	Dekat lagi Murah	99SM	IDM000313719	Indonesia	4 February 2030	35: Mini market services (franchise). 16: brochures, paper or plastic bags, catalogues, printed materials, billboards and paper or cardboard, calendars, publications (printed).

ANNEXURE B: OUR TRADEMARKS, BRAND NAMES AND OTHER INTELLECTUAL PROPERTY RIGHTS (Cont'd)

Philippines





No.	Trademark	Registered owner / Applicant	Registration no.	Place of registration	Expiry date	Class/ Description of trademark
1.		99SM	4-2022-520528	Philippines	19 January 2033	16: Letterhead: paper, cardboards and goods made from these materials, printed matter, photographs, stationery, packaging boxes, labels (not of textile), stickers, signboards of paper or cardboards, placards of paper or cardboard, advertisement boards of paper or cardboards, copying paper, postcard, ledgers (book), memo paper, name cards, index cards, envelopes, voucher slips, pens, pencils, letterheads, brochures, advertising materials, corrugated cardboard boxes, paper boxes, check writers, calendars, printed matters, diaries, invoices, receipt, newsletter, pamphlets, posters, magazines, periodicals, promotional materials (paper-), announcement cards, catalogues, handbooks, manuals, printed publications, plastic materials for packaging, as far as included in Class 16 and not in other classes.
2.	Near 'n Save	99SM	4-2022-520534	Philippines	19 January 2033	35: Supermarket, retail outlets, wholesaler, mini mart, as far as included in Class 35 and not in other classes. 16: Letterhead: cardboards and goods made from these materials, printed matter, photographs, stationery, packaging boxes, labels (not of textile), stickers, signboards of paper or cardboards, placards of paper or cardboard, advertisement boards of paper or cardboard, copying paper, postcard, ledgers (book), memo paper, name cards, index cards, envelopes, voucher slips,

ANNEXURE B: OUR TRADEMARKS, BRAND NAMES AND OTHER INTELLECTUAL PROPERTY RIGHTS (Cont'd)




No.	Trademark	Registered owner / Applicant	Registration no.	Place of registration	Expiry date	Class/ Description of trademark
3.	Dekat lagi Murah	99SM	4-2022-520532	Philippines	19 January 2033	pens, pencils, letterheads, brochures, advertising materials, corrugated cardboard boxes, paper boxes, check writers, calendars, printed matters, diaries, invoices, receipt, newsletter, pamphlets, posters, magazines, periodicals, promotional materials (paper-), announcement cards, catalogues, handbooks, manuals, printed publications, plastic materials for packaging, as far as included in Class 16 and not in other classes. 16: Letterhead: paper, cardboards and goods made from these materials, printed matter, photographs, stationery, packaging boxes, labels (not of textile), stickers, signboards of paper or cardboards, placards of paper or cardboard, advertisement boards of paper or cardboards, copying paper, postcard, ledgers (book), memo paper, name cards, index cards, envelopes, voucher slips, pens, pencils, letterheads, brochures, advertising materials, corrugated cardboard boxes, paper boxes, check writers, calendars, printed matters, diaries, invoices, receipt, newsletter, pamphlets, posters, magazines, periodicals, promotional materials (paper-), announcement cards, catalogues, handbooks, manuals, printed publications, plastic materials for packaging, as far as included in Class 16 and not in other classes.

ANNEXURE B: OUR TRADEMARKS, BRAND NAMES AND OTHER INTELLECTUAL PROPERTY RIGHTS (Cont'd)

Singapore

No.	Trademark	Registered owner	Registration no.	Place of registration	Expiry date	Class/ Description of trademark
1.		99SM	T1002106D	Singapore	19 February 2030	16: Advertisement boards of paper or cardboard; bags [envelopes, pouches] of paper or of plastics, for packaging; calendar; catalogues; printed matter; publications (printed); brochures; all included in Class 16.
2.		99SM	40201915968T	Singapore	23 July 2029	35: Retail services; supermarket retailing; retail store services; supermarket retailing; online retail services; online retail store services; retailing of goods by any means; provision of business advice relating to franchising.
3.		99SM	40202108567Y	Singapore	12 April 2031	16: Advertisement boards of paper or cardboard; catalogues; printed matter; brochures; envelope paper; plastic envelopes; paper envelopes for packaging; calendars; printed publications.
4.		99SM	40202108568W	Singapore	12 April 2031	35: Retail services; supermarket retailing; retail store services; supermarket retailing; online retail services; online retail store services; retailing of goods by any means; provision of business advice relating to franchising.
						16: Advertisement boards of paper or cardboard; catalogues; printed matter; brochures; envelope paper; plastic envelopes; paper envelopes for packaging; calendars; printed publications.

ANNEXURE B: OUR TRADEMARKS, BRAND NAMES AND OTHER INTELLECTUAL PROPERTY RIGHTS (Cont'd)



No.	Trademark	Registered owner	Registration no.	Place of registration	Expiry date	Class/ Description of trademark
5.		99SM	40201915957S	Singapore	23 July 2029	16: Advertisement boards of paper or cardboard; catalogues; printed matter; brochures; envelope paper; plastic envelopes; paper envelopes for packaging; calendars; printed publications.
6.		99SM	40201915955W	Singapore	23 July 2029	35: Retail services; supermarket retailing; retail store services; supermarket retailing; online retail services; online retail store services; retailing of goods by any means; provision of business advice relating to franchising.
7.		99SM	T1002105F	Singapore	19 February 2030	16: Advertisement boards of paper or cardboard; bags of paper or of plastics; calendar; catalogues; printed matter; publications (printed); brochures; all included in Class 16.

ANNEXURE B: OUR TRADEMARKS, BRAND NAMES AND OTHER INTELLECTUAL PROPERTY RIGHTS (Cont'd)

No.	Trademark	Registered owner	Registration no.	Place of registration	Expiry date	Class/ Description of trademark
			40201915972Y	Singapore	23 July 2029	35: Retail services; hypermarket retailing; retail store services; supermarket retailing; online retail services; online retail store services; retailing of goods by any means; provision of business advice relating to franchising.

ANNEXURE B: OUR TRADEMARKS, BRAND NAMES AND OTHER INTELLECTUAL PROPERTY RIGHTS (Cont'd)

Thailand

No.	Trademark	Registered owner	Registration no.	Place of registration	Expiry date	Class/ Description of trademark
1.		99SM	Kor332855	Thailand	5 May 2030	16: Advertising board made of paper or cardboard; paper bag or plastic bag; annual calendar; catalog; newspaper; magazine; advertising publication; brochures; stationery set for writing desk.
2.		99SM	Bor51763 Kor334762	Thailand Thailand	5 May 2030 11 May 2030	35: Mini market (franchise). 16: Advertising board made of paper or cardboard; paper bag or plastic bag; annual calendar; catalog; newspaper; magazine; advertising publication; brochures; stationery set for writing desk.

ANNEXURE C: DETAILS OF OUR GOVERNING LAWS AND REGULATIONS

Our business is regulated by, and in some instances required to be licensed under specific laws of Malaysia. The relevant laws and regulations governing our Group which do not purport to be an exhaustive description of all laws and regulations of which our business is subject to are summarised below. Non-compliance with the relevant laws and regulations below may result in monetary and/or custodial penalties and/or any other orders being made including those that may disrupt the operations of our Group.

Governing laws and regulations relating to Malaysia**(a) Food Act 1983 and its Subsidiary Legislation**

The Food Act 1983 and its subsidiary legislation, particularly the Food Regulations 1985, regulate the quality and integrity of food distributed in Malaysia and prescribes the nature, substance and quality of articles which may be qualified as food. The Food Regulations 1985 also requires that every package containing food for sale shall be appropriately labelled and provides for the general requirement and prohibitions of any such label.

Any person who sells any food which is not of the nature, substance nor quality as specified in the Food Act commits an offence and is liable, on conviction, to imprisonment for a term not exceeding 5 years or to fine or both, whereas any person who sells any food in a manner that is false, misleading or deceptive as regards its character, nature, value, substance, quality, composition, merit or safety, strength, purity, weight, origin, age or proportion or in contravention of any regulation made under the Food Act 1983 commits an offence and is liable, on conviction, to imprisonment for a term not exceeding 3 years or to fine or both.

The Control of Tobacco Product Regulations 2004 ("**Tobacco Regulations**") regulates, amongst others, the sale of tobacco products to minor, minimum price, advertising, packaging, labelling and promotion of tobacco products. Any person who sells tobacco product is required to display at the counter where the tobacco product is displayed or offered for sale, a sign with regards to the prohibition of sale of tobacco products to minors.

Any person who contravenes any regulation under the Tobacco Regulations commits an offence and is liable, on conviction, to imprisonment for a term ranging from 6 months to 2 years, or to a fine ranging from RM1,000 to a maximum of RM10,000 or to both imprisonment and fine.

(b) Consumer Protection Act 1999

The Consumer Protection Act 1999 ("**CPA**") governs the protection of consumers. Under the Consumer Protection (Safety Standards for Primary Batteries) Regulations 2013 and Consumer Protection (Safety Standards for Toys) Regulations 2009, which were issued pursuant to the CPA, non-rechargeable batteries and toys must adhere to the prescribed safety standards.

Any supplier or importer of such goods has to ensure that the goods have been tested by an accredited laboratory and is in compliance with the prescribed safety standards and shall affix onto such goods the conformity mark in accordance with the Consumer Protection (Certificate of Conformance and Conformity Mark and Safety Standards) Regulations 2010 issued pursuant to the CPA.

A body corporate, who fails to comply with the safety standard requirements prescribed by the CPA and its regulations, commits an offence, and shall be on conviction, liable to a fine not exceeding RM250,000, and for a second or subsequent offence, to a fine not exceeding RM500,000. A person, who is not a body corporate, shall be liable to a fine not exceeding RM100,000 or to imprisonment for a term not exceeding 3 years or both, and for a second or subsequent offence, to a fine not exceeding RM250,000 or to imprisonment for a term not exceeding 6 years or both. The person or body corporate, will in addition, be liable to a fine not exceeding RM1,000 for each day or part of a day during which the offence continues after conviction.

ANNEXURE C: DETAILS ON OUR GOVERNING LAWS AND REGULATIONS (Cont'd)

The Consumer Protection Regulations (Electronic Trade Transactions) 2012 issued pursuant to the CPA, prescribes that any person operating a business through a website or marketplace must make certain minimum disclosures which include the name of the business operator, registration number of the business or company, email address and telephone number, or the address of the business operator, a description of the main characteristics of the goods or services, the full price of the goods or services including transportation costs, taxes and other costs, the method of payment, the terms and conditions and the estimated time of delivery.

A body corporate, who fails to comply with the Consumer Protection Regulations (Electronic Trade Transactions) 2012, commits an offence, and shall be on conviction, liable to a fine not exceeding RM100,000, and for a second or subsequent offence, to a fine not exceeding RM200,000. A person, who is not a body corporate, shall be liable to a fine not exceeding RM50,000 or to imprisonment for a term not exceeding 3 years or both, and for a second or subsequent offence, to a fine not exceeding RM100,000 or to imprisonment for a term not exceeding 5 years or both. The person or body corporate, will in addition, be liable to a fine not exceeding RM1,000 for each day or part of a day during which the offence continues after conviction.

(c) Control of Supplies Act 1961

The Control of Supplies Act 1961 ("**CSA**") is enforced by the MDTCL and it provides for the control and rationing of supplies in Malaysia. Under the CSA, our outlets are required to have licence to sell controlled articles. Under the Control of Supplies Regulations 1974, which was issued pursuant to the CSA, goods such as wheat flour, sugar, cooking oil are classified as controlled articles whereby the dealing in such controlled articles in wholesale or retail is subject to the provisions of the CSA.

Any person, including a director of a body corporate, who fails to comply with the CSA and/or its regulations, shall be guilty of an offence and on conviction, be liable to a fine not exceeding RM1,000,000 or to imprisonment for a term not exceeding 3 years or both, and for a second or subsequent offence, to a fine not exceeding RM3,000,000 or to imprisonment for a term not exceeding 5 years or both. Any body corporate which commits an offence against the CSA shall, on conviction, be liable to a fine not exceeding RM2,000,000 and, for a second or subsequent offence, to a fine not exceeding RM5,000,000.

(d) Price Control and Anti-Profiteering Act 2011

The Price Control and Anti-Profiteering Act 2011 ("**PCAPA**") empowers the MDTCL to determine the maximum, minimum or fixed price for the manufacturing, producing, wholesaling or retaining of goods.

Any person who sells or offers to sell any price-controlled goods (such as wheat flour, cooking oil and sugar) not in accordance with the prices determined by the MDTCL commits an offence under the PCAPA.

Any person who, in the course of trade of business who makes an unreasonably high profit in selling or offering to sell or supplying or offering to supply goods also commits an offence under the PCAPA. The mechanism to determine whether profit is unreasonably high is determined by the MDTCL.

A body corporate who fails to comply with the PCAPA commits an offence, and on conviction will be liable to a fine not exceeding RM500,000 and, for a second or subsequent offence, to a fine not exceeding RM1,000,000. A person who is not a body corporate, will be liable to a fine not exceeding RM100,000 or to imprisonment for a term not exceeding 3 years or both and, for a second or subsequent offence, to a fine not exceeding RM250,000 or to imprisonment for a term not exceeding 5 years or both.

ANNEXURE C: DETAILS ON OUR GOVERNING LAWS AND REGULATIONS (Cont'd)**(e) Control of Padi and Rice Act 1994**

The Control of Padi and Rice Act 1994 (“**CPRA**”) and its subsidiary legislations regulates the paddy and rice industry. Pursuant to the Control of Padi and Rice (Licensing of Wholesalers and Retailers) Regulations 1996 (“**CPRR**”), any person shall not sell rice by wholesale or retail except with a Rice Licence. The CPRR prohibits the licensee to outlet or permit to outlet any rice except at the business premises specified in the licence. The CPRR also imposed a general obligation of a licensee not to hoard, conceal or destroy rice.

Pursuant to the CPRA, contravention of any conditions and provisions of the CPRR by a company shall, upon conviction, be liable to a fine not exceeding RM25,000 and, for a second or subsequent offence, to a fine not exceeding RM50,000. Any person other than a company but including a director or officer of a company who fails to comply with any conditions and provisions of the CPRR shall, on conviction, be liable to a fine not exceeding RM15,000 or to imprisonment for a term not exceeding 2 years or both and, for a second or subsequent offence, to a fine not exceeding RM25,000 or to imprisonment for a term not exceeding 5 years or both.

(f) Sale of Drugs Act 1952 and Control of Drugs and Cosmetics Regulations 1984

Cosmetic products in Malaysia are regulated under the Control of Drugs and Cosmetics Regulation 1984 which was issued pursuant to the Sale of Drugs Act 1952 (“**SDA**”), and stipulates that no person shall manufacture, sell, supply, import, possess or administer any cosmetic unless it has been notified to the Director of Pharmaceutical Services.

Any person who commits an offence against the SDA or any regulation made under the SDA, shall be liable, on conviction, to a fine not exceeding RM25,000 or to imprisonment for a term not exceeding 3 years or both, and for a second or subsequent offence, to a fine not exceeding RM50,000 or to imprisonment for a term not exceeding 5 years or both. Any body corporate who commits an offence against the SDA or any regulation made under the SDA, shall be liable, on conviction, to a fine not exceeding RM50,000, and for a second or subsequent offence, to a fine not exceeding RM100,000.

(g) Electricity Supply Act 1990 and the Electricity Regulations 1994

Importers, manufacturers, exhibitors, sellers and advertisers of electrical equipment (such as adaptor ports, light bulbs and extension cords) are required to apply for a certificate of approval from the Energy Commission of Malaysia pursuant to the Electricity Regulations 1994, which was issued pursuant to the Electricity Supply Act 1990.

All regulated electrical equipment approved by the Energy Commission of Malaysia must be labelled or marked in accordance with the Electricity Regulations 1994.

The potential penalty for not complying with the Energy Commission of Malaysia’s requirement to obtain a certificate of approval, in addition to its power to seize, remove, or prohibit the manufacturer, import, display, advertisement or sale of the regulated electrical equipment, is a fine not exceeding RM5,000 and/or imprisonment not exceeding 1 year under the Electricity Regulations Act 1994 and/or in respect of non-compliance with codes, guidelines, or directions of the Energy Commission of Malaysia, a maximum RM200,000 fine and/or imprisonment for a term of not exceeding 2 years pursuant to the Electricity Supply Act 1990, which also provides for stricter penalties of RM1,000,000 million and/or imprisonment for term of not exceeding 10 years, only in the event where the equipment is determined to be likely to cause injury.

ANNEXURE C: DETAILS ON OUR GOVERNING LAWS AND REGULATIONS (Cont'd)

(h) Trade Description Act 2011

The Trade Description Act 2011 is enforced by the MDTCL and provides protection for traders and consumers from unhealthy trade practices.

The act aims to facilitate good trade practices and protect the interest of consumers by eliminating false trade descriptions and false or misleading statements, conducts and practices in relation to the supply of goods and services.

By providing false trade descriptions, a company commits an offence and shall, on conviction, be liable to a fine not exceeding RM250,000, and for a second or subsequent offence, to a fine not exceeding RM500,000. A person, not a body corporate, will be liable to a fine not exceeding RM100,000 or to imprisonment for a term not exceeding 3 years or both, and for a second or subsequent offence, to a fine not exceeding RM250,000 or to imprisonment for a term not exceeding 5 years or both.

By providing misleading statements, a company commits an offence and shall, on conviction, be liable to a fine not exceeding RM500,000, and for a second or subsequent offence, to a fine not exceeding RM1,000,000. A person, not a body corporate, will be liable to a fine not exceeding RM250,000 or to imprisonment for a term not exceeding 3 years or both, and for a second or subsequent offence, to a fine not exceeding RM500,000 or to imprisonment for a term not exceeding 5 years or both.

(i) Occupational Safety and Health Act 1994

Under the Occupational Safety and Health Act 1994 (“**OSHA**”), we have a general duty to our employees to provide and maintain the plants and systems of work that are, so far as is practicable, safe and without risks to health, provide information, instruction, training and supervision to ensure, in so far as is practicable, the safety and health of our employees at work, and to provide a working environment, which is as far as possible safe, without risks to health, and adequate as regards to facilities for their welfare at work. We also have a duty to ensure, in so far as is practicable, that other persons, not being our employees, who may be affected, are not exposed to risks to their safety or health.

A person, who fails to comply with the general duties, shall be guilty of an offence and shall, on conviction, be liable to a fine not exceeding RM50,000 or to imprisonment for a term not exceeding 2 years or both.

(j) Personal Data Protection Act 2010

The PDPA governs the laws on processing personal data in commercial transactions to protect personal data of common interest and to ensure information security, network reliability and integrity. Any person or body corporate involved in the processing of personal data by a data user must comply with the Personal Data Protection Principles set by the PDPA. Our Group is identified as a data user under Section 9(b) of the Personal Data Protection (Class of Data Users) Order 2013 as a company registered under the Act who conducts retail dealing and wholesale dealing as defined under the CSA. Any person who contravenes any of the Personal Data Protection Principles will be subjected to a fine not exceeding RM300,000 or to imprisonment for a term not exceeding 2 years or to both.

ANNEXURE C: DETAILS ON OUR GOVERNING LAWS AND REGULATIONS (Cont'd)**(k) Communications and Multimedia Act 1998**

The Communications and Multimedia Act 1998 (“**CMA**”) provides for the powers and functions of the Malaysian Communications and Multimedia Commission (“**MCMC**”) to regulate the converging communications and multimedia industries in Malaysia. Under the Communications and Multimedia (Technical Standards) Regulations 2000 (“**CMTS**”) which are issued pursuant to the CMA, certification is required where any person who uses, offers for sale, sells or has in his possession with a view to sell, any communications equipment.

All communications equipment that are certified by the MCMC or a registered certifying agency must bear the certification mark or label as prescribed in the CMTS. Unless expressly stated otherwise, the general penalty for an offence committed under the CMTS in respect of failure to certify communications equipment is a fine of not exceeding RM100,000 and/or imprisonment of not exceeding 6 months; and/or the penalty in the event that the communications equipment does not comply with applicable standards under the CMA, is a fine of not exceeding RM300,000 and/or imprisonment not exceeding 3 years.

(l) Excise Act 1976

The Excise Act 1976 and its subsidiary legislations regulate and govern the licensing for the manufacture, distribution and sale of excise goods. Pursuant to the Excise Act 1976, any person shall not sell any intoxicating liquor except with a licence issued by the Excise Licensing Board (“**liquor licence**”). However, the sale by retail of beer or toddy in unopened bottles or cans is exempt from this requirement.

The Excise (Sale of Intoxicating Liquors) Regulations 1977 further regulates matters relating to licences for retail shops and wholesale dealers. The Excise (Sale of Intoxicating Liquors) Regulations 1977 prescribes the form of liquor licences and sets out regulations on the sale of liquors which include, amongst others, prohibiting the supply or sale of liquors to persons under the age of 21 years and prohibiting the sale of intoxicating liquors by any retail shop between the hours of 9.00 p.m. to 7.00 a.m.

Any person who sells intoxicating liquors without a licence or fails to comply with the conditions of a liquor licence shall, on conviction, be liable to a fine not exceeding RM50,000.

(m) SDBA, Building By-laws 1951 and Buildings Ordinance 1994SDBA

The SDBA is enforced by the local authorities of Peninsular Malaysia and it provides for the requirement of having a CCC or CF for the occupation of any building or any part thereof.

Under the Uniform Building By-Laws 1984 (“**UBBL**”) which was issued pursuant to the SDBA, a CCC will only be issued by the local authority upon receipt of certification in relevant forms by a qualified person i.e., an architect, registered building draughtsman or engineer.

A qualified person must be satisfied that, to their best knowledge: (i) the relevant building has been constructed in accordance with UBBL; (ii) any conditions imposed by the local authority have been satisfied; (iii) all essential services have been provided; and (iv) responsibilities have been accepted for the portions that are being concerned with.

A person who occupies a premise without a CCC or CF is subject to a fine of up to RM250,000, imprisonment for a term of up to 10 years, or both, under the SDBA.

ANNEXURE C: DETAILS ON OUR GOVERNING LAWS AND REGULATIONS (Cont'd)Uniform Building By-laws 2022

The Uniform Building By-laws 2022, as adopted and issued by the respective local governments in Sabah, governs the issuance of an occupation certificate (the CCC or CF equivalent in Sabah). No person shall occupy or permit to be occupied any building unless an occupation certificate, partial occupation certificate or temporary occupation certificate has been issued under the Uniform Building By-laws 2022 for such building.

Any person who occupies a premise without an occupation certificate, partial occupation certificate or temporary occupation certificate shall be guilty of an offence and shall, on conviction, be liable to a fine not exceeding RM100,000 or imprisonment for a term not exceeding 1 year or to both and in the case of a continuing offence, to a further fine not exceeding RM5,000 for every day during which the offence continues after conviction.

Buildings Ordinance 1994

In Sarawak, the issuance of an occupation permit (the CCC or CF equivalent in Sarawak) is governed under the Buildings Ordinance 1994. No person shall occupy or permit to be occupied any building unless an occupation permit, partial occupation permit or temporary occupation permit has been issued for such building. A person who occupies a building without an occupation permit shall, on conviction, be liable to a fine of up to RM10,000 and in the case of a continuing offence to a further fine of not exceeding RM300 per day during which the offence is continued after notice to cease occupying the building has been issued on such person.

(n) Employment Act 1955, Labour Ordinance 1958 of Sarawak and Labour Ordinance 1950 of Sabah

The Employment Act 1955 governs the law on the employment contracts entered into between employer and employee in Peninsular Malaysia and the Federal Territory of Labuan, Malaysia while the Labour Ordinance 1958 and Labour Ordinance 1950 governs the labour laws in Sarawak and Sabah respectively. Our Group employs a large number of workers in management as well as at operational level. Our Group also employs a significant number of foreign nationals to maintain an efficient operation. As such, the Employment Act 1955, Labour Ordinance 1958 of Sarawak and Labour Ordinance 1950 of Sabah are important as they stipulate the laws on foreign nationals.

The Employment Act 1955 requires employers to obtain approval from the Director General of Labour to employ a foreign employee. An employer who contravenes this requirement commits an offence and shall, on conviction, be liable to a fine not exceeding RM100,000 or to imprisonment for a term not exceeding 5 years or both.

Pursuant to the National Wages Consultative Council Act 2011, an employer who fails to pay the basic wages, as specified in the minimum wages order, to his employees commits an offence and shall, on conviction, be liable to a fine of not more than RM10,000 for each employee. In accordance with the Minimum Wages Order 2022, minimum wage, effective from 1 May 2022, is RM1,500 monthly and RM7.21 hourly for employers who employ 5 or more employees.

The Employment (Part-Time Employees) Regulations 2010 governs the overtime pay, holidays, annual leave, sick leave, and rest day for part-time employees. Any employer who contravenes the regulation commits an offence and shall, on conviction, be liable to a fine not exceeding RM10,000.

ANNEXURE C: DETAILS ON OUR GOVERNING LAWS AND REGULATIONS (Cont'd)**(o) Sales Tax Act 2018**

Sales tax administered in Malaysia is a single-stage tax charged and levied on taxable goods imported to Malaysia at the point of entry. Taxable goods are goods of a class or kind not for the time being exempted from sales tax. General rule is tax is levied on imported goods (except those exempted by the Ministry of Finance, Malaysia).

As our Group imports goods into Malaysia, our Group is bound by the provisions of the Sales Tax Act 2018.

A person who evades sales tax commits an offence, and shall, on conviction, be liable for the first offence, to a fine of not less than 10 times and not more than 20 times the amount of sales tax or to imprisonment for a term not exceeding 5 years or both, and a second or subsequent offence, to a fine of not less than 20 times and not more than 40 times the amount of sales tax or to imprisonment for a term not exceeding 7 years or both.

(p) Local Government Act 1976, Local Authorities Ordinance 1996 and Businesses, Professions and Trades Licensing Ordinance 1958 of Sarawak, and Local Government Ordinance 1961 of Sabah and Trades Licensing Ordinance 1949 of Sabah

Under the Local Government Act 1976, the Local Authorities Ordinance 1996 and Businesses, Professions and Trades Licensing Ordinance 1958 in Sarawak, the Trades Licensing Ordinance 1949 in Sabah, and the by-laws of the respective local councils and authorities, our outlets are required to have business and signboard/advertising licences, display the licences at the outlet premises, and produce the licences upon request.

Pursuant to the Local Government Act 1976, any person who fails to exhibit or produce his licences on the premises shall be liable to a fine not exceeding RM500 or imprisonment for a term not exceeding 6 months or both. A similar penalty provision can also be found in the Local Authorities Ordinance 1996 of Sarawak save for the exception that in Sarawak, an absolute fine of RM2,000 will be imposed on those who are found guilty of such offence. In Sarawak, the Business Professions & Trade Licensing Ordinance 1958 imposes an absolute fine of RM1,000 on persons who carry on any business without a valid business licence and The Local Authorities (Advertisements) By-Laws 2012 provides for a fine of not more than RM5,000 and imprisonment of not more than 6 months for not having a signboard licence. In Sabah, the Trades Licensing Ordinance 1949 imposes on such persons, a fine of 4 times the amount of the licence fee and a further fine of RM10 for each day or part of a day during the period in which the contravention continues.

(q) National Land Code 2020

The National Land Code 2020 governs land matters within Peninsular Malaysia, where our material properties are situated. Pursuant to the National Land Code 2020, the state authority may alienate land subject to such express conditions and restrictions in interest which shall be determined by the state authority at the time when the land is approved for alienation and every condition or restriction in interest imposed under this section shall be endorsed on or referred to in the document of title to the land.

(r) Fire Services Act 1988

The Fire Services Act 1988 (“FSA”) provides for the effective and efficient functioning of the Fire and Rescue Department of Malaysia, for the protection of persons and property from fire risks or emergencies. The FSA provides, amongst other matters, that a fire certificate be issued only after the designated premises have been inspected and the Fire and Rescue Department of Malaysia is satisfied that there are adequate facilities for life safety, fire prevention, fire protection and fire-fighting.

ANNEXURE C: DETAILS ON OUR GOVERNING LAWS AND REGULATIONS (Cont'd)

Where there is no fire certificate in force, the owners of such premises may become subject to a fine of up to RM50,000 and/or imprisonment of up to 5 years (or both) and such owners may also be required to cease the use of such premises, including by any tenants of such premises.

(s) Employees' Minimum Standards of Housing, Accommodations and Amenities Act 1990 ("Employees' Accommodation Act") and Employees' Minimum Standards of Housing, Accommodations and Amenities (Accommodation and Centralized Accommodation) Regulations 2020 ("Employees' Accommodation Regulations")

The Employees' Accommodation Act prescribes, among other things, the minimum standards for accommodations for employees and centralised accommodations and requires employers to provide health, hospital, medical and social amenities.

The Employees' Accommodation Act imposes the duty and responsibility on employers or centralised accommodation providers to, amongst others, ensure that: (i) every accommodation provided for employees complies with the minimum standards required under the Employees' Accommodation Act and any regulations made thereunder; (ii) no employee accommodation will be provided to an employee unless certified with a CFA; (iii) any accommodation that is unfit for human habitation in accordance with the relevant written laws are not to be used to accommodate employees; (iv) the employee accommodation has decent and adequate amenities in accordance with the Employees' Accommodation Act and any regulations made thereunder; (v) necessary preventive measures are taken to ensure employees' safety and well-being; (vi) the employees receive the necessary medical assistance; and (vii) preventive measures are taken to contain the spread of infectious diseases as ordered by the Medical Officer of Health in accordance with the relevant laws where the employer will, at his own expense, make arrangements as ordered by the Medical Officer of Health so that all or any of the employees be given immunisation against any infectious disease.

Further, the Employees' Accommodation Regulations, enacted pursuant to the Employees' Accommodation Act, imposes among other things the minimum requirements for employee accommodations including the size of floor area for bedrooms and sleeping areas, the obligation on employers or centralised accommodation providers to ensure the provision of water and electricity supply as well as basic amenities which will not be shared in the employee accommodations. Any employer who contravenes the Employees' Accommodation Regulations commits an offence.

An employer who fails to obtain the CFA or fails to ensure the employee accommodation is fit for human habitation in accordance with the relevant written laws, commits an offence and will on conviction, be liable to a fine not exceeding RM50,000. Any employer who contravenes any other provision of the Employees' Accommodation Act or any regulation made thereunder or fails to carry out any order made by the Director General of Labour, will be guilty of an offence under such provision, and if no penalty is expressly provided for the offence will, on conviction, be liable to a fine not exceeding RM50,000 and to a further fine not exceeding RM1,000 a day for each day during which the offence continues.

ANNEXURE C: DETAILS ON OUR GOVERNING LAWS AND REGULATIONS (Cont'd)**Governing laws and regulations relating to the PRC****(a) Laws and Regulations in Relation to Exportation of Goods****i. Foreign Trade Law**

According to the Foreign Trade Law of the PRC, or the Foreign Trade Law, promulgated by the Standing Committee of the National People's Congress on 12 May 1994 and amended on 30 December 2022, no registration of foreign trade operators is required since 30 December 2022. As at the LPD, unless otherwise provide by laws and administrative regulations, the PRC government allows the free import and export of goods and technologies. Before 30 December 2022, pursuant to the pre-amendment Foreign Trade Law, unless otherwise provided by the laws, administrative regulations and requirements of the foreign trade authority under the State Council of PRC, a foreign trade operator who is engaged in the import and export of goods or technologies shall process the filing and registration with the foreign trade authority under the State Council of PRC or its entrusted agencies. Where a foreign trade operator fails to do so, customs of the PRC ("**PRC Customs**") shall not handle the formalities for declaration and clearance of the goods imported or exported by the operator.

ii. Customs Law

According to the Customs Law of the PRC, adopted by the Standing Committee of the National People's Congress on 22 January 1987, recently amended on 29 April 2021 and effective on the same date, the PRC Customs is the entry and exit customs supervision and administration authority of the PRC. According to the relevant laws and administrative regulations, the PRC Customs supervises the transportation vehicles, goods, luggage, postal articles and other articles entering and leaving the country, collects customs duties and other taxes and fees, prevents and counters smuggling, compiles customs statistics and handles other customs operations.

iii. Regulations of PRC Customs on Administration of Recordation of Declaration Entities

According to the Regulations of PRC Customs on Administration of Recordation of Declaration Entities, adopted by the General Administration of Customs on 19 November 2021 and effective on 1 January 2022, customs declaration entities refer to the consignees and consignors of import and export goods and customs declaration enterprises recorded with the PRC Customs. If the consignees and consignors of import and export goods and customs declaration enterprises apply for recordation, they shall obtain the qualification of market entities; among them, if the consignees and consignors of import and export goods apply for recordation, they shall also obtain the recordation of the foreign trade operators. The recordation of the customs declaration entities is valid for a long period of time, while the temporary recordation is valid for 1 year, after the expiry reapplication of recordation can be made.

Recently, our PRC-incorporated subsidiary, Yiwu SM Import and Export, undertakes export activities as a consignor. It has registered itself with the PRC Customs and has a valid recordation for 45 years.

(b) The PRC Company Law

The PRC Company Law was passed by the Standing Committee of the National People's Congress on 29 December 1993 and came into effect on 1 July 1994. It was successively amended on 25 December 1999, 28 August 2004, 27 October 2005, 28 December 2013, 26 October 2018 and 29 December 2023.

ANNEXURE C: DETAILS ON OUR GOVERNING LAWS AND REGULATIONS (Cont'd)

Under the PRC Company Law, a limited liability company is a corporate legal person incorporated under the PRC Company Law. The liability of its shareholders is limited to the extent of the registered capital that they subscribe, and the liability of the company is limited to the full amount of all the assets it owns.

A company must conduct its business in accordance with laws as well as public and commercial ethics. A company may invest in other limited liability companies. The liabilities of the company to such invested companies are limited to the amount invested.

The company's articles of association set forth the rights and duties of its shareholders, which are binding on all shareholders. Pursuant to the PRC Company Law, the rights of shareholders include:

- the right to attend shareholders' general meetings in person or by proxy and to vote in respect of the equity interests held;
- the right to transfer their equity interests in accordance with the applicable laws, regulations and the company's articles of association;
- the right to inspect and duplicate the company's articles of association, register of shareholders, minutes of shareholders' general meetings, resolutions of board meetings, resolutions of meetings of the board of supervisors and financial and accounting reports;
- where a resolution passed by shareholders' general meetings or the board of directors violates the articles of association or infringe the lawful rights and interests of shareholders, the right to institute an action in a people's court demanding the cessation of such unlawful infringement;
- the right to receive dividends based on the equity interests held; and
- any other rights of shareholders specified in the company's articles of association.

The obligations of shareholders include the obligation to abide by the company's articles of association, to pay the contribution monies in respect of the equity interests subscribed for, to be liable for the company's debts and liabilities to the extent of the amount of subscription monies agreed to be paid in respect of the equity interests taken up by them and any other shareholder obligation specified in the articles of association.

(c) Laws and Regulations in Relation to Labour Protection

Labour contracts must be concluded in writing if labour relationships are to be or have been established between enterprises, individual economic organizations, private non-enterprise entities, etc. and the employees under the Labour Contract Law of the PRC promulgated on June 29, 2007 and last amended on December 28, 2012. Employers are forbidden to force employees to work overtime or to do so in a disguised manner and employers must pay employees overtime wages in accordance with national regulations. In addition, wages may not be lower than local standards on minimum wages and must be paid to the employees timely.

According to the Labour Law of the PRC promulgated on July 5, 1994 and last amended on December 29, 2018, employers shall establish and improve a system of labour safety and sanitation and shall strictly abide by national rules and standards on labour safety and sanitation as well as educate employees on labour safety and sanitation so as to prevent accidents during work and reduce occupational hazards. Labour safety and sanitation facilities shall comply with national standards. The employers must also provide employees with labour safety and sanitation conditions that are in compliance with national standards and necessary articles for labour protection.