



99 SPEED MART RETAIL HOLDINGS BERHAD

Registration No.: 202301017784 (1511706 - T)
(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024

99 SPEED MART RETAIL HOLDINGS BERHAD

Registration No.: 202301017784 (1511706 - T)
(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024
CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	3 months ended		9 months ended	
	30.09.2024	30.09.2023	30.09.2024	30.09.2023
	RM'000	RM'000	RM'000	RM'000
Revenue	2,550,210	2,343,804	7,393,950	6,803,141
Cost of sales	(2,330,474)	(2,126,905)	(6,700,977)	(6,173,406)
Gross profit ("GP")	219,736	216,899	692,973	629,735
Other operating income	252,194	219,107	725,934	609,967
Other income	6,926	4,804	18,121	16,912
Profit from operations	478,856	440,810	1,437,028	1,256,614
Administrative and other operating expenses *	(322,391)	(280,882)	(910,644)	(830,099)
Finance costs	(11,338)	(11,146)	(33,331)	(31,768)
Profit before tax ("PBT")	145,127	148,782	493,053	394,747
Income tax expenses	(37,967)	(37,726)	(127,206)	(101,056)
Profit for the financial period ("PAT")	107,160	111,056	365,847	293,691
Other comprehensive income, net of tax:-				
<u>Item that may be reclassified subsequently to profit or loss</u>				
• Currency translation differences for foreign operations	(42)	-	(42)	-
Total comprehensive income for the financial period	107,118	111,056	365,805	293,691
Profit for the financial period attributable to owners of the Company	107,160	111,056	365,847	293,691
Total comprehensive income attributable to owners of the Company	107,118	111,056	365,805	293,691
Basic earnings per ordinary share (sen)	1.28	1.32	4.36	3.50

* Included in "Administrative and other operating expenses" are one-off expenses of RM23.2 million for the current individual quarter and RM24.5 million for the current cumulative quarter. The normalised PBT excluding the one-off expenses for the current individual quarter and current cumulative quarter would be RM168.3 million and RM517.5 million respectively whereas the normalised PAT would be RM126.0 million and RM386.0 million respectively.

The condensed consolidated statements of profit or loss and other comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023 and the accompanying explanatory notes attached to this interim financial report.

99 SPEED MART RETAIL HOLDINGS BERHAD

Registration No.: 202301017784 (1511706 - T)
(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024
CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Unaudited As at 30.09.2024 RM'000	Audited As at 31.12.2023 RM'000
ASSETS		
NON-CURRENT ASSETS		
Property and equipment	549,491	479,445
Right-of-use assets	835,527	774,210
Intangible assets	7	5
Deferred tax assets	16,363	16,259
	<u>1,401,388</u>	<u>1,269,919</u>
CURRENT ASSETS		
Inventories	1,390,785	1,174,379
Trade receivables	19,854	41,906
Other receivables, deposits and prepayments	47,582	42,550
Cash and bank balances	692,970	137,571
	<u>2,151,191</u>	<u>1,396,406</u>
TOTAL ASSETS	<u>3,552,579</u>	<u>2,666,325</u>
EQUITY AND LIABILITIES		
EQUITY		
Share capital	1,122,093	474,506
Reserves	(457,048)	(457,010)
Retained profits	789,926	524,079
TOTAL EQUITY	<u>1,454,971</u>	<u>541,575</u>
LIABILITIES		
NON-CURRENT LIABILITIES		
Term loans	43,583	47,265
Lease liabilities	685,023	633,120
Provision for restoration costs	57,040	53,439
	<u>785,646</u>	<u>733,824</u>
CURRENT LIABILITIES		
Trade payables	1,045,867	982,140
Other payables and accruals	50,629	219,095
Contract liability	2,912	2,512
Term loans	4,765	4,670
Lease liabilities	167,874	154,909
Current tax liabilities	39,915	27,600
	<u>1,311,962</u>	<u>1,390,926</u>
TOTAL LIABILITIES	<u>2,097,608</u>	<u>2,124,750</u>
TOTAL EQUITY AND LIABILITIES	<u>3,552,579</u>	<u>2,666,325</u>
Net assets per share attributable to owners of the company (sen)	<u>17.32</u>	<u>6.45</u>

The condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023 and the accompanying explanatory notes attached to this interim financial report.

99 SPEED MART RETAIL HOLDINGS BERHAD

Registration No.: 202301017784 (1511706 - T)

(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

	Share capital RM'000	Invested equity RM'000	Merger deficit RM'000	Currency translation reserve RM'000	Retained profits RM'000	Total equity RM'000
Balance at 1.1.2023	-	17,500	-	-	614,352	631,852
Profit (representing total comprehensive income) for the financial period	-	-	-	-	293,691	293,691
Dividends	-	-	-	-	(340,500)	(340,500)
Balance at 30.9.2023 (Audited)	-	17,500	-	-	567,543	585,043
Balance at 1.1.2024	474,506	-	(457,006)	(4)	524,079	541,575
Profit (representing total comprehensive income) for the financial period	-	-	-	-	365,847	365,847
New shares issued by the Company for the public issue	660,000	-	-	-	-	660,000
New shares issuance expenses for the public issue	(12,413)	-	-	-	-	(12,413)
Foreign currency translation	-	-	-	(38)	-	(38)
Dividends	-	-	-	-	(100,000)	(100,000)
Balance at 30.9.2024 (Unaudited)	1,122,093	-	(457,006)	(42)	789,926	1,454,971

The condensed consolidated statements of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023 and the accompanying explanatory notes attached to this interim financial report.

99 SPEED MART RETAIL HOLDINGS BERHAD

Registration No.: 202301017784 (1511706 - T)
(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	At 30.09.2024 RM'000	At 30.09.2023 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	493,053	394,747
Adjustments for:-		
Amortisation of trademarks	1	-
Depreciation of property and equipment	53,003	52,370
Depreciation of right-of-use assets	127,851	114,184
Equipment written off	@	-
Interest expense of financial liabilities that are at fair value through profit or loss	2,176	2,325
Interest expense on lease liabilities	31,156	29,443
Inventories written off	13,408	9,911
Gain on derecognition due to lease termination	(289)	(88)
Gain on disposal of equipment	(784)	(217)
Interest income of financial assets that are not at fair value through profit or loss	(894)	(1,142)
Reversal of provision for restoration costs	(133)	(66)
Operating profit before working capital changes	<u>718,548</u>	<u>601,467</u>
Changes in working capital:-		
Changes in inventories	(229,814)	(115,805)
Changes in trade and other receivables	(5,858)	(10,832)
Changes in trade and other payables	(10,159)	175,876
Changes in contract liabilities	400	(577)
Changes in amount owing by related parties	26,587	2,819
Cash generated from operations	<u>499,704</u>	<u>652,948</u>
Interest paid	(32,763)	(31,306)
Income tax paid	(114,995)	(113,143)
Net cash generated from operating activities	<u>351,946</u>	<u>508,499</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of trademarks	(3)	-
Acquisition of right-of-use assets	(2,365)	(380)
Advances to related parties	(35)	(207)
Interest received	894	1,142
Placement of fixed deposit with tenure more than 3 months	(200,000)	-
Purchase of property and equipment	(123,207)	(75,154)
Proceeds from disposal of equipment	1,314	217
Net cash used in investing activities	<u>(323,402)</u>	<u>(74,382)</u>
Balance carried forward	<u>28,544</u>	<u>434,117</u>

@ - denotes RM1

The condensed consolidated statements of cash flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023 and the accompanying explanatory notes attached to this interim financial report.

99 SPEED MART RETAIL HOLDINGS BERHAD

Registration No.: 202301017784 (1511706 - T)
(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (CONT'D)

	At 30.09.2024 RM'000	At 30.09.2023 RM'000
Balance brought forward	28,544	434,117
CASH FLOWS FROM FINANCING ACTIVITIES		
Advances from related parties	1,785	953
Advances from/(Repayment to) a director	(411)	211
Dividends paid	(200,000)	(340,500)
Payment of shares issuance expenses	(12,413)	-
Proceeds from issuance of new shares	660,000	-
Repayment of lease liabilities	(118,481)	(103,657)
Repayment of term loans	(3,587)	(3,440)
Subscriber shares	-	^
Net cash generated from/(used in) financing activities	<u>326,893</u>	<u>(446,433)</u>
Net increase/(decrease) in cash and cash equivalents	355,437	(12,316)
Cash and cash equivalents at the beginning of financial period	137,571	85,056
Currency translation differences	(38)	-
Cash and cash equivalents at the end of financial period	<u>492,970</u>	<u>72,740</u>

Note:

^ - denotes RM100

For the purpose of statements of cash flows, cash and cash equivalents are presented net of fixed deposit with tenure more than three months as follows: -

	At 30.09.2024 RM'000	At 30.09.2023 RM'000
Cash and bank balances	42,970	72,740
Highly liquid investment	450,000	-
	<u>492,970</u>	<u>72,740</u>

The condensed consolidated statements of cash flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023 and the accompanying explanatory notes attached to this interim financial report.

99 SPEED MART RETAIL HOLDINGS BERHAD

Registration No.: 202301017784 (1511706 - T)
(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024

NOTES TO THE INTERIM FINANCIAL REPORT

1. BASIS OF PREPARATION

The interim financial report of 99 Speed Mart Retail Holdings Berhad ("99 Holdings" or the "Company") and its subsidiaries (collectively, "the Group") is unaudited and has been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS") 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board, Paragraph 9.22 and Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

The interim financial report should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023 and the accompanying notes attached to the interim financial report.

The interim financial report is presented in Ringgit Malaysia ("RM") and all values are rounded to the nearest thousand ("RM'000") except when otherwise indicated.

2. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted by the Group in the preparation of this interim financial report are consistent with those used in the audited financial statements for the financial year ended 31 December 2023 except for the adoption of the new standards and amendments to the MFRSs as disclosed below:

New MFRS adopted during the financial period:

<i>Title</i>	<i>Effective Date</i>
Amendments to MFRS 16: <i>Lease Liability in a Sale and Leaseback</i>	1 January 2024
Amendments to MFRS 101: <i>Classification of Liabilities as Current or Non-current</i>	1 January 2024
Amendments to MFRS 101: <i>Non-current Liabilities with Covenants</i>	1 January 2024
Amendments to MFRS 107 and MFRS 7: <i>Supplier Finance Arrangements</i>	1 January 2024

The adoption of the above amendments to MFRSs do not have a material impact on the financial statements of the Group.

99 SPEED MART RETAIL HOLDINGS BERHAD

Registration No.: 202301017784 (1511706 - T)
(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024

NOTES TO THE INTERIM FINANCIAL REPORT

3. AUDITOR'S REPORT

The audited consolidated financial statements for the financial year ended 31 December 2023 was not subject to any qualifications.

4. SEASONALITY OR CYCLICALITY

The business of the Group typically experiences higher customer traffic and sales revenue during weekends, festive and promotional periods.

5. UNUSUAL ITEMS AFFECTING ASSETS, LIABILITIES, EQUITY, NET INCOME OR CASH FLOWS

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group during the current quarter and financial period under review.

6. SIGNIFICANT ESTIMATES AND MATERIAL CHANGES IN ESTIMATES

There were no changes in estimates that have had any material effect for the financial period under review.

7. DEBT AND EQUITY SECURITIES

	Number of ordinary shares '000	Amount RM'000
Issued share capital:		
As at 1 January 2024	474,506	474,506
Subdivision of 1 existing ordinary share to 16.859625 new ordinary shares	7,525,494	-
After the subdivision	8,000,000	474,506
Public issue	400,000	660,000
New share issuance expenses	-	(12,413)
As at 30 September 2024	8,400,000	1,122,093

The Company had carried out a subdivision of 1 existing ordinary share in the Company to 16.859625 new ordinary shares in the Company ("Subdivision") on 20 May 2024. Upon the completion of the Subdivision, the total number of ordinary shares in the Company increased to 8,000,000,000 shares.

On 9 September 2024, the Company had a public issue of 400,000,000 new ordinary shares at the issue price of RM1.65 per issue share in conjunction with the Initial Public Offering ("IPO") of the Company.

99 SPEED MART RETAIL HOLDINGS BERHAD

Registration No.: 202301017784 (1511706 - T)
(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024

NOTES TO THE INTERIM FINANCIAL REPORT

8. DIVIDEND PAID

	RM'000
<u>In respect of the financial year ending 31 December 2024:</u>	
First interim dividend of RM0.0125 per ordinary share, paid on 10 June 2024	<u>100,000</u>

9. SEGMENT 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.

10. PROPERTY AND EQUIPMENT

a) Acquisitions and disposals

During the 9 months ended 30 September 2024, the Group acquired fixed assets at costs of RM123.6 million (2023-9M: RM75.2 million). The assets acquired comprise mainly of furniture, fittings and office equipment, racks, roll cages and shop equipment, renovation and motor vehicles.

b) Valuation

There was no valuation of the property and equipment for the financial period under review.

11. SIGNIFICANT EVENTS SUBSEQUENT TO THE REPORTING PERIOD

There was no material event subsequent to the end of the current quarter up to the date of the interim financial report.

12. CHANGES IN THE COMPOSITION OF THE GROUP

There were no changes in the composition of the Group during the current financial period under review.

99 SPEED MART RETAIL HOLDINGS BERHAD

Registration No.: 202301017784 (1511706 - T)
(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024**NOTES TO THE INTERIM FINANCIAL REPORT****13. CONTINGENT LIABILITIES**

The Group has bank guarantees of RM12,020,000 as at 30 September 2024 (31.12.2023 - RM18,020,400) as security deposits in favour of an utility provider.

14. CAPITAL COMMITMENTS

The Group's capital commitments (being the contracted capital expenditures) are as follows:

	30.09.2024	30.09.2023
	RM'000	RM'000
Contracted but not provided for:		
Acquisition of property and equipment	10,435	44,278
Construction of property	8,165	21,833
	<u>18,600</u>	<u>66,111</u>

The rest of this page has been intentionally left blank

99 SPEED MART RETAIL HOLDINGS BERHAD

Registration No.: 202301017784 (1511706 - T)
(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024**NOTES TO THE INTERIM FINANCIAL REPORT****15. SIGNIFICANT RELATED PARTY TRANSACTIONS**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	3 months ended		9 months ended	
	30.09.2024	30.09.2023	30.09.2024	30.09.2023
	RM'000	RM'000	RM'000	RM'000
<u>Transactions with companies in which certain directors have substantial financial interests:</u>				
- Administrative expenses	1,910	737	6,757	4,010
- Promotion expenses	-	4	-	4
- Lease expense	357	306	1,018	879
- Maintenance and merchant charges expense	1,183	851	3,259	2,220
- Professional fees	-	-	12	-
- Purchase of equipment	885	741	3,602	1,165
- Purchase of goods	20,223	17,346	61,205	44,839
- Advertising, commission and incentives income received	(2,357)	(2,074)	(7,099)	(5,875)
- Disposal of equipment	-	-	(332)	-
- Operating lease income	(95)	(80)	(279)	(240)
- Sale of goods	(342)	(601)	(1,105)	(1,834)
- Sponsorship	(2)	(12)	(2)	(12)
<u>Transactions with companies in which certain directors' close family members have substantial financial interests:</u>				
- Administrative expenses	39	33	108	113
- Lease expense	20	20	60	60
- Maintenance expense	4	-	9	1
- Printing and stationery	141	54	402	303
- Purchase of equipment	519	187	1,697	1,034
- Purchase of goods	23,652	21,595	75,104	66,249
- Transportation charges	129	42	259	189
- Incentives income received	(481)	(73)	(1,070)	(73)
- Sale of goods	(7)	-	(10)	-
- Sponsorship	-	(36)	-	(36)
<u>Transactions with certain directors:</u>				
- Lease expense	68	67	203	203
- Disposal of equipment	-	-	(210)	-
- Sale of goods	#	-	(2)	-

Note:

- denotes RM250

99 SPEED MART RETAIL HOLDINGS BERHAD

Registration No.: 202301017784 (1511706 - T)
(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024**NOTES TO THE INTERIM FINANCIAL REPORT****16. REVIEW OF PERFORMANCE OF THE GROUP****16.1 Review of Current Quarter Performance versus Corresponding Quarter Last Year
(2024-Q3 vs 2023-Q3)**

	3 months ended		Movement	
	30.9.2024	30.9.2023	'000	%
Revenue	2,550,210	2,343,804	206,406	8.8%
Cost of sales	(2,330,474)	(2,126,905)	203,569	9.6%
GP	219,736	216,899	2,837	1.3%
Other operating income	252,194	219,107	33,087	15.1%
Other income	6,926	4,804	2,122	44.2%
Profit from operations	478,856	440,810	38,046	8.6%
Administrative and other operating expenses	(322,391)	(280,882)	41,509	14.8%
Finance costs	(11,338)	(11,146)	192	1.7%
PBT	145,127	148,782	(3,655)	-2.5%
Income tax expenses	(37,967)	(37,726)	241	0.6%
PAT	107,160	111,056	(3,896)	-3.5%

Financial performance excluding one-off expenses in 2024-Q3 and 2023-Q3

	3 months ended		Movement	
	30.9.2024	30.9.2023	'000	%
PBT	145,127	148,782	(3,655)	-2.5%
<u>Add:</u>				
<u>Administrative and other operating expenses</u>				
- Employees' special bonus and related statutory contributions	18,164	-	18,164	-
- IPO listing expenses *	5,035	214	4,821	2252.8%
	23,199	214	22,985	10740.7%
Normalised PBT	168,326	148,996	19,330	13.0%
Normalised income tax expenses ^	(42,326)	(37,726)	4,600	12.2%
Normalised PAT	126,000	111,270	14,730	13.2%
GP %	8.6%	9.3%		-0.6%
PBT %	5.7%	6.3%		-0.7%
PAT %	4.2%	4.7%		-0.5%
Normalised PBT %	6.6%	6.4%		0.2%
Normalised PAT %	4.9%	4.7%		0.2%

* This represents the remaining IPO listing expenses after accounting for the share issuance expenses recorded under equity.

^ The normalised income tax expenses are computed by adding back the employees' special bonus and related statutory contributions to the income tax provision calculation.

99 SPEED MART RETAIL HOLDINGS BERHAD

Registration No.: 202301017784 (1511706 - T)
(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024

NOTES TO THE INTERIM FINANCIAL REPORT

16. REVIEW OF PERFORMANCE OF THE GROUP (CONT'D)

16.1 Review of Current Quarter Performance versus Corresponding Quarter Last Year (2024-Q3 vs 2023-Q3) (Cont'd)

The Group registered revenue of RM2,550.2 million for 2024-Q3, representing an increase of RM206.4 million or 8.8% compared to 2023-Q3, primarily driven by the expansion of the outlets network. The Group grew its outlets by net addition of 51 new outlets in 2024-Q3, bringing the total to 2,697 outlets as of 30 September 2024. Correspondingly, total sales transactions rose by 11.9% to 120.2 million transactions in 2024-Q3 compared to 2023-Q3. This was partially offset by a lower average basket size, which reduced by 2.8% to RM21.20.

The Group's bulk sales online platform, launched in December 2023, was rolled out beyond the Klang Valley to the southern region of Peninsular Malaysia in July 2024. This expansion has further strengthened the positive impact of the platform, contributing approximately RM7.4 million in incremental revenue during 2024-Q3.

The increased revenue resulted in a 1.3% rise in GP, reaching RM219.7 million. However, the GP margin for 2024-Q3 declined by 0.6% to 8.6% compared to 2023-Q3, primarily due to inventory loss adjustments made during the routine semi-annual inventory count in July 2024. For reference, the semi-annual inventory count for FYE 2023 was conducted in June 2023, with a GP margin of 8.5% in 2023-Q2.

Other operating income, which includes product display fees, incentive fees, DC fees, and advertising and promotional fees, increased by 15.1% to RM252.2 million in 2024-Q3. This growth is primarily driven by an upward adjustment in the DC fee rate charged to suppliers for products handling, effective from 2024-Q1.

Administrative and other operating expenses rose by 14.8%, reaching RM322.4 million in 2024-Q3. This figure includes one-off special bonus and related statutory contributions for employees to reward their commitment, as well as IPO listing expenses, totalling RM23.2 million for 2024-Q3 and RM0.2 million for 2023-Q3. Excluding these one-off expenses, the normalised administrative and other operating expenses would be RM299.2 million for 2024-Q3, up from RM280.7 million in 2023-Q3, represents an increase of RM18.5 million or 6.6%. This rise is primarily attributed to higher staff costs, utility expenses, lease expenses, and asset depreciation, which aligns with the growth in the number of outlets.

Despite the increase in revenue and GP, the PBT and PAT declined by RM3.7 million and RM3.9 million respectively in 2024-Q3. The PBT margin and PAT margin were 5.7% and 4.2% respectively, mainly due to the abovementioned one-off expenses totalling RM23.2 million incurred in 2024-Q3.

99 SPEED MART RETAIL HOLDINGS BERHAD

Registration No.: 202301017784 (1511706 - T)
(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024**NOTES TO THE INTERIM FINANCIAL REPORT****16. REVIEW OF PERFORMANCE OF THE GROUP (CONT'D)****16.1 Review of Current Quarter Performance versus Corresponding Quarter Last Year
(2024-Q3 vs 2023-Q3) (Cont'd)**

To provide a clearer view of the Group's financial performance, the Group computed the normalised PBT and normalised PAT excluding the one-off expenses. The Group would record a normalised PBT of RM168.3 million and a normalised PAT of RM126.0 million in 2024-Q3, rose by 13.0% and 13.2% respectively compared with 2023-Q3. The normalised PBT margin stands at 6.6% while the normalised PAT margin is 4.9%, both reflecting marginal increases from 2023-Q3. These are primarily attributed to higher DC fee income which offset inventory loss adjustments in 2024-Q3.

The rest of this page has been intentionally left blank

99 SPEED MART RETAIL HOLDINGS BERHAD

Registration No.: 202301017784 (1511706 - T)
(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024**NOTES TO THE INTERIM FINANCIAL REPORT****16. REVIEW OF PERFORMANCE OF THE GROUP (CONT'D)****16.2 Review of 9 Months Period Performance versus Corresponding Period Last Year (2024-9M vs 2023-9M)**

	9 months ended		Movement	
	30.9.2024 '000	30.9.2023 '000	'000	%
Revenue	7,393,950	6,803,141	590,809	8.7%
Cost of sales	(6,700,977)	(6,173,406)	527,571	8.5%
GP	692,973	629,735	63,238	10.0%
Other operating income	725,934	609,967	115,967	19.0%
Other income	18,121	16,912	1,209	7.1%
Profit from operations	1,437,028	1,256,614	180,414	14.4%
Administrative and other operating expenses	(910,644)	(830,099)	80,545	9.7%
Finance costs	(33,331)	(31,768)	1,563	4.9%
PBT	493,053	394,747	98,306	24.9%
Income tax expenses	(127,206)	(101,056)	26,150	25.9%
PAT	365,847	293,691	72,156	24.6%

Financial performance excluding one-off expenses in 2024-9M and 2023-9M

	9 months ended		Movement	
	30.9.2024 '000	30.9.2023 '000	'000	%
PBT	493,053	394,747	98,306	24.9%
<u>Add:</u>				
<u>Administrative and other operating expenses</u>				
- Employees' special bonus and related statutory contributions	18,164	-	18,164	-
- IPO listing expenses *	6,318	391	5,927	1515.9%
	24,482	391	24,091	6161.4%
Normalised PBT	517,535	395,138	122,397	31.0%
Normalised income tax expenses ^	(131,565)	(101,056)	30,509	30.2%
Normalised PAT	385,970	294,082	91,888	31.2%
GP %	9.4%	9.3%		0.1%
PBT %	6.7%	5.8%		0.9%
PAT %	4.9%	4.3%		0.6%
Normalised PBT %	7.0%	5.8%		1.2%
Normalised PAT %	5.2%	4.3%		0.9%

* This represents the remaining IPO listing expenses after accounting for the share issuance expenses recorded under equity.

^ The normalised income tax expenses are computed by adding back the employees' special bonus and related statutory contributions to the income tax provision calculation.

99 SPEED MART RETAIL HOLDINGS BERHAD

Registration No.: 202301017784 (1511706 - T)
(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024

NOTES TO THE INTERIM FINANCIAL REPORT

16. REVIEW OF PERFORMANCE OF THE GROUP (CONT'D)

16.2 Review of 9 Months Period Performance versus Corresponding Period Last Year (2024-9M vs 2023-9M) (Cont'd)

Cumulative revenue for 2024-9M was RM7,394 million, reflecting an increase of RM590.8 million or 8.7% compared with 2023-9M. This growth was primarily driven by the expansion of the outlet network, with the Group adding a net total of 177 new outlets during 2024-9M, significantly enhancing revenue. In tandem with this, the total sales transactions rose by 13.4% to 344.8 million transactions in 2024-9M. This was partially offset by a lower average basket size, which reduced by 4.1% to RM21.40.

Additionally, the launch of the bulk sales e-commerce platform, which expanded into the southern region of Peninsular Malaysia in July 2024, contributed approximately RM13.8 million to the Group's revenue in 2024-9M.

The revenue increase resulted in a 10.0% rise in GP, reaching RM693.0 million for 2024-9M, while the GP margin increased by 0.1% to 9.4% in 2024-9M.

Other operating income increased by 19.0% to RM726.0 million in 2024-9M primarily driven by the increased DC fees received from suppliers for products handling, as well as higher product display and incentive fees. This growth aligns with the increase in the number of outlets and higher purchase volumes.

Administrative and other operating expenses rose by 9.7%, reaching RM910.6 million in 2024-9M, mainly attributable to the one-off expenses mentioned in above. After excluding these one-off expenses of RM24.5 million for 2024-9M and RM0.4 million for 2023-9M, the normalised administrative and other operating expenses stand at RM886.2 million for 2024-9M, compared to RM829.7 million for 2023-9M, reflecting a 6.8% increase between the two nine-month periods. This rise is mainly attributed to higher staff costs, utility expenses, lease expenses, and asset depreciation, which correlate with the growth in the number of outlets.

As a result of the foregoing, the Group recorded a PBT of RM493.1 million and a PAT of RM365.9 million for 2024-9M, marking increases of 24.9% and 24.6% respectively. In assessing the financial performance, the Group computed the normalised PBT and normalised PAT excluding the one-off expenses. For 2024-9M, the Group would report a normalised PBT of RM517.5 million, reflecting an increase of RM122.4 million or 31.0%; while the normalised PAT would be RM386.0 million, represents an increase of RM91.9 million or 31.2%. Accordingly, the normalised PBT margin and normalised PAT margin stand at 7.0% and 5.2% respectively in 2024-9M, reflecting 1.2% and 0.9% increase compared to 2023-9M.

99 SPEED MART RETAIL HOLDINGS BERHAD

Registration No.: 202301017784 (1511706 - T)
(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024

NOTES TO THE INTERIM FINANCIAL REPORT

17. COMPARISON WITH IMMEDIATE PRECEDING QUARTER'S RESULTS (2024-Q3 vs 2024-Q2)

	3 months ended		Movement	
	30.9.2024	30.6.2024	'000	%
	'000	'000		
Revenue	2,550,210	2,418,880	131,330	5.4%
Cost of sales	(2,330,474)	(2,184,887)	145,587	6.7%
GP	219,736	233,993	(14,257)	-6.1%
Other operating income	252,194	237,353	14,841	6.3%
Other income	6,926	5,590	1,336	23.9%
Profit from operations	478,856	476,936	1,920	0.4%
Administrative and other operating expenses	(322,391)	(296,355)	26,036	8.8%
Finance costs	(11,338)	(11,125)	213	1.9%
PBT	145,127	169,456	(24,329)	-14.4%
Income tax expenses	(37,967)	(43,923)	(5,956)	-13.6%
PAT	107,160	125,533	(18,373)	-14.6%

Financial performance excluding one-off expenses in 2024-Q3 and 2024-Q2

	3 months ended		Movement	
	30.9.2024	30.6.2024	'000	%
	'000	'000		
PBT	145,127	169,456	(24,329)	-14.4%
<u>Add:</u>				
<u>Administrative and other operating expenses</u>				
- Employees' special bonus and related statutory contributions	18,164	-	18,164	-
- IPO listing expenses *	5,035	548	4,487	818.8%
	23,199	548	22,651	4133.4%
Normalised PBT	168,326	170,004	(1,678)	-1.0%
Normalised income tax expenses ^	(42,326)	(43,923)	(1,597)	-3.6%
Normalised PAT	126,000	126,081	(81)	-0.1%
GP %	8.6%	9.7%		-1.1%
PBT %	5.7%	7.0%		-1.3%
PAT %	4.2%	5.2%		-1.0%
Normalised PBT %	6.6%	7.0%		-0.4%
Normalised PAT %	4.9%	5.2%		-0.3%

* This represents the remaining IPO listing expenses after accounting for the share issuance expenses recorded under equity.

^ The normalised income tax expenses are computed by adding back the employees' special bonus and related statutory contributions to the income tax provision calculation.

99 SPEED MART RETAIL HOLDINGS BERHAD

Registration No.: 202301017784 (1511706 - T)
(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024

NOTES TO THE INTERIM FINANCIAL REPORT

17. COMPARISON WITH IMMEDIATE PRECEDING QUARTER'S RESULTS (2024-Q3 vs 2024-Q2) (CONT'D)

The Group's revenue in 2024-Q3 was RM131.3 million or 5.4% higher than the immediate preceding quarter. This growth was primarily contributed by the expansion of retail outlets along with enhanced performance in e-commerce bulk sales platform.

The decrease in GP and PAT is primarily attributable to inventory loss adjustments and the one-off expenses incurred in 2024-Q3, as explained above. Notwithstanding this, when comparing the normalised PAT for 2024-Q3 with that for 2024-Q2, both periods yield comparable results of RM126.0 million.

18. PROSPECTS FOR THE GROUP

The Group remains steadfast in its strategic endeavor to expand its outlet network throughout Malaysia, with a particular emphasis on optimising revenue streams and enhancing operational efficiency. These factors are essential in driving robust financial performance and augmenting shareholder value.

The Group's bulk sales e-commerce platform was officially launched in December 2023 in the Klang Valley region and was expanded to the southern region in July 2024. It is encouraging to see that the platform has received a positive response, which has contributed incremental revenue since its early stages. Consequently, the Group has expanded the bulk sales online platform to the northern region in November of this year. This proactive approach in leveraging e-commerce capabilities highlights the Group's strategic agility and responsiveness to market dynamics, further solidifying its position as a leader in the industry. As we continue to navigate the complexities of the marketplace, the focus remains on fostering innovation and enhancing customer engagement to drive sustained growth.

19. PROFIT FORECAST AND PROFIT GUARANTEE

The Group has not issued any profit forecast or profit guarantee in any form of public documentation and announcement.

99 SPEED MART RETAIL HOLDINGS BERHAD

Registration No.: 202301017784 (1511706 - T)
(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024**NOTES TO THE INTERIM FINANCIAL REPORT****20. PROFIT BEFORE TAX**

Profit before tax for the current quarter and current financial period is arrived at after charging/(crediting): -

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	3 months ended		9 months ended	
	30.09.2024	30.09.2023	30.09.2024	30.09.2023
	RM'000	RM'000	RM'000	RM'000
Amortisation of trademarks	^	-	1	-
Depreciation of property and equipment	18,741	19,167	53,003	52,370
Depreciation of right-of-use assets	43,788	39,154	127,851	114,184
Equipment written off	-	-	@	-
Interest expense of financial liabilities that are not at fair value through profit or loss	654	840	2,176	2,325
Interest expense on lease liabilities	10,682	10,306	31,156	29,443
Inventories written off	5,340	3,518	13,408	9,911
Gain on derecognition due to lease termination	(71)	(76)	(289)	(88)
Gain on disposal of equipment	(359)	(45)	(784)	(217)
Interest income of financial assets that are not at fair value through profit or loss	(379)	(218)	(894)	(1,142)
Reversal of provision for restoration costs	(66)	(66)	(133)	(66)

Note:

^ - denotes RM436

@ - denotes RM1

21. TAXATION

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	3 months ended		9 months ended	
	30.09.2024	30.09.2023	30.09.2024	30.09.2023
	RM'000	RM'000	RM'000	RM'000
Current tax:				
- for the financial period	37,046	36,434	127,310	98,887
Deferred tax:				
- for the financial period	743	1,276	(104)	2,153
- underprovision of tax in the previous financial year	178	16	-	16
	921	1,292	(104)	2,169
Income tax expense	37,967	37,726	127,206	101,056

99 SPEED MART RETAIL HOLDINGS BERHAD

Registration No.: 202301017784 (1511706 - T)
(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024

NOTES TO THE INTERIM FINANCIAL REPORT

22. STATUS OF CORPORATE PROPOSAL

Save as disclosed below, there were no other corporate proposals announced by the Company but not completed as at the date of this interim report.

On 15 August 2024, the Company issued the Prospectus in relation to the IPO in conjunction with the listing of and quotation for the entire enlarged issued Shares in 99 Holdings on the Main Market of Bursa Securities comprising the public issue of 400,000,000 new ordinary shares in 99 Holdings (“Offer Shares”) at an issue/offer price of RM1.65 per Issue Share/Offer Share.

The listing of and quotation for the Company’s entire issued share capital on the Main Market of Bursa Securities is completed on 9 September 2024.

23. UTILISATION OF PROCEEDS FROM THE PUBLIC ISSUE

The status of utilisation of proceeds from the public issue as at 30 September 2024 is as follows:

Details of use of proceeds	Estimated timeframe for use of proceeds from date of listing	Proposed utilisation	Actual utilisation	Balance unutilised
		RM '000	RM '000	RM '000
Outlet and distribution centres expenditure				
(i) Expansion of network of outlets	Within 36 months	389,000	(7,253)	381,747
(ii) Establishment of new distribution centres	Within 36 months	100,000	-	100,000
(iii) Purchase of delivery trucks	Within 36 months	55,000	-	55,000
(iv) Upgrading of existing outlets	Within 36 months	47,600	-	47,600
Repayment of existing bank borrowings	Within 6 months	45,000	(581)	44,419
Defray fees and expenses for the public issue	Within 6 months	23,400	(19,626)	3,774
		<u>660,000</u>	<u>(27,460)</u>	<u>632,540</u>

The utilisation of proceeds as disclosed above should be read in conjunction with the Prospectus of the Company dated 15 August 2024.

99 SPEED MART RETAIL HOLDINGS BERHAD

Registration No.: 202301017784 (1511706 - T)
(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024**NOTES TO THE INTERIM FINANCIAL REPORT****24. MATERIAL LITIGATION**

There is no material litigation for the current financial period to date.

25. EARNINGS PER SHARE

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	3 months ended		9 months ended	
	30.09.2024	30.09.2023	30.09.2024	30.09.2023
Profit for the financial period attributable to owners of the Company (RM'000)	107,160	111,056	365,847	293,691
Weighted average number of ordinary shares ('000) ⁽¹⁾	8,400,000	8,400,000	8,400,000	8,400,000
Basic earnings per ordinary share (sen)	1.28	1.32	4.36	3.50

(1) Based on number of ordinary shares of 8,400,000,000 after completion of the IPO of the Company.