



99 SPEED MART RETAIL HOLDINGS BERHAD

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

UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2024

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2024
CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	3 months ended		12 months ended	
		Restated		Restated
	31.12.2024	31.12.2023	31.12.2024	31.12.2023
	RM'000	RM'000	RM'000	RM'000
Revenue	2,584,653	2,408,308	9,981,642	9,214,110
Cost of sales	(2,320,181)	(2,141,087)	(8,877,310)	(8,184,553)
Gross profit ("GP")	264,472	267,221	1,104,332	1,029,557
Other operating income	235,723	188,386	814,770	665,752
Other income	12,303	4,370	30,424	21,282
Profit from operations	512,498	459,977	1,949,526	1,716,591
Administrative and other operating expenses	(335,259)	(304,250)	(1,245,903)	(1,134,349)
Finance costs	(11,701)	(12,262)	(45,032)	(44,030)
Profit before tax ("PBT")	165,538	143,465	658,591	538,212
Income tax expenses	(41,120)	(36,929)	(168,326)	(137,985)
Profit for the financial period ("PAT")	124,418	106,536	490,265	400,227
Other comprehensive income, net of tax:-				
<u>Item that may be reclassified subsequently to profit or loss</u>				
• Currency translation differences for foreign operations	(25)	(4)	(25)	(4)
Total comprehensive income for the financial period	124,393	106,532	490,240	400,223
Profit for the financial period attributable to owners of the Company	124,418	106,536	490,265	400,227
Total comprehensive income attributable to owners of the Company	124,393	106,532	490,240	400,223
Basic earnings per ordinary share (sen)	1.48	1.27	5.84	4.76

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.

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CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Uaudited As at 31.12.2024 RM'000	Audited As at 31.12.2023 RM'000
ASSETS		
NON-CURRENT ASSETS		
Property and equipment	576,280	479,445
Right-of-use assets	865,666	774,210
Intangible assets	7	5
Deferred tax assets	12,700	16,259
	<u>1,454,653</u>	<u>1,269,919</u>
CURRENT ASSETS		
Inventories	1,339,042	1,174,379
Trade receivables	15,344	41,906
Other receivables, deposits and prepayments	54,011	42,550
Cash and bank balances	698,100	137,571
	<u>2,106,497</u>	<u>1,396,406</u>
TOTAL ASSETS	<u>3,561,150</u>	<u>2,666,325</u>
EQUITY AND LIABILITIES		
EQUITY		
Share capital	1,121,667	474,506
Reserves	(457,035)	(457,010)
Retained profits	914,344	524,079
TOTAL EQUITY	<u>1,578,976</u>	<u>541,575</u>
LIABILITIES		
NON-CURRENT LIABILITIES		
Term loans	-	47,265
Lease liabilities	711,827	633,120
Provision for restoration costs	58,689	53,439
	<u>770,516</u>	<u>733,824</u>
CURRENT LIABILITIES		
Trade payables	936,319	982,140
Other payables and accruals	70,972	219,095
Contract liability	3,426	2,512
Term loans	3,429	4,670
Lease liabilities	172,638	154,909
Current tax liabilities	24,874	27,600
	<u>1,211,658</u>	<u>1,390,926</u>
TOTAL LIABILITIES	<u>1,982,174</u>	<u>2,124,750</u>
TOTAL EQUITY AND LIABILITIES	<u>3,561,150</u>	<u>2,666,325</u>
Net assets per share attributable to owners of the company (RM)	<u>0.1880</u>	<u>0.0645</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.

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CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	← Non-Distributable →			Distributable		
	Reserve					
	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 for the financial year	-	-	-	-	400,227	400,227
New shares issued from the effect of restructuring exercise	474,506	(17,500)	(457,006)	-	-	-
Foreign currency translation	-	-	-	(4)	-	(4)
Dividends	-	-	-	-	(490,500)	(490,500)
Balance at 31.12.2023 (Audited)	474,506	-	(457,006)	(4)	524,079	541,575
Balance at 1.1.2024	474,506	-	(457,006)	(4)	524,079	541,575
Profit for the financial year	-	-	-	-	490,265	490,265
New shares issued by the Company for the public issue	660,000	-	-	-	-	660,000
New shares issuance expenses for the public issue	(12,839)	-	-	-	-	(12,839)
Foreign currency translation	-	-	-	(25)	-	(25)
Dividends	-	-	-	-	(100,000)	(100,000)
Balance at 31.12.2024 (Unaudited)	1,121,667	-	(457,006)	(29)	914,344	1,578,976

Note:

- denotes RM100

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.

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2024
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	At 31.12.2024 RM'000	At 31.12.2023 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	658,591	538,212
Adjustments for:-		
Amortisation of trademarks	1	#
Depreciation of property and equipment	72,787	66,847
Depreciation of right-of-use assets	173,187	155,356
Equipment written off	@	8
Interest expense of financial liabilities that are not at fair value through profit or loss	2,956	3,093
Interest expense on lease liabilities	42,076	40,937
Inventories written off	18,389	14,335
Gain on derecognition due to lease termination	(812)	(113)
Gain on disposal of equipment	(815)	(348)
Interest income of financial assets that are not at fair value through profit or loss	(8,523)	(1,390)
Reversal of provision for restoration costs	(200)	(89)
Operating profit before working capital changes	<u>957,637</u>	<u>816,848</u>
Changes in working capital:-		
Changes in inventories	(183,052)	(95,688)
Changes in trade and other receivables	(12,290)	(6,880)
Changes in trade and other payables	(93,790)	224,429
Changes in contract liabilities	914	(215)
Changes in amount owing by related parties	28,341	(12,814)
Cash generated from operations	<u>697,760</u>	<u>925,680</u>
Interest paid	(44,250)	(43,356)
Income tax paid	(167,493)	(140,516)
Net cash generated from operating activities	<u>486,017</u>	<u>741,808</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of trademarks	(3)	(5)
Acquisition of right-of-use assets	(2,174)	(380)
Advances to related parties	(38)	(204)
Interest received	8,523	1,390
Placement of fixed deposit with tenure more than 3 months	(200,000)	-
Purchase of property and equipment	(170,733)	(160,209)
Proceeds from disposal of equipment	1,313	348
Net cash used in investing activities	<u>(363,112)</u>	<u>(159,060)</u>
Balance carried forward	<u>122,905</u>	<u>582,748</u>

Notes:

@ - denotes RM6

- denotes RM359

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.

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2024
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (CONT'D)

	At 31.12.2024 RM'000	At 31.12.2023 RM'000
Balance brought forward	122,905	582,748
CASH FLOWS FROM FINANCING ACTIVITIES		
(Repayment to)/Advances from related parties	(42)	3,996
(Repayment to)/Advances from a director	(411)	411
Dividends paid	(200,000)	(390,500)
Payment of shares issuance expenses	(12,839)	-
Proceeds from issuance of new shares	660,000	-
Repayment of lease liabilities	(160,553)	(139,540)
Repayment of term loans	(48,506)	(4,596)
Subscriber shares	-	^
Net cash generated from/(used in) financing activities	<u>237,649</u>	<u>(530,229)</u>
Net increase in cash and cash equivalents	360,554	52,519
Cash and cash equivalents at the beginning of financial period	137,571	85,056
Currency translation differences	(25)	(4)
Cash and cash equivalents at the end of financial period	<u>498,100</u>	<u>137,571</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 31.12.2024 RM'000	At 31.12.2023 RM'000
Cash and bank balances	219,094	137,571
Highly liquid investment	279,006	-
	<u>498,100</u>	<u>137,571</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.

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 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.

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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	-	(12,839)
As at 31 December 2024	8,400,000	1,121,667

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.

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8. DIVIDEND DECLARED

	RM'000
<u>In respect of the financial year ended 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

For the financial year ended 31 December 2024, the Group acquired property and equipment at costs of RM170.7 million (FYE2023: RM160.2 million). The assets acquired comprise of land and buildings, furniture, fittings and office equipment, racks, roll cages and shop equipment, renovation, signboard, solar system and motor vehicles.

b) Valuation

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

11. MATERIAL EVENT 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.

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The Group has bank guarantees of RM12,020,000 as at 31 December 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:

	31.12.2024	31.12.2023
	RM'000	RM'000
Contracted but not provided for:		
Acquisition of property and equipment	7,225	18,426
Construction of property	17,270	19,924
	<u>24,495</u>	<u>38,350</u>

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	INDIVIDUAL QUARTER 3 months ended		CUMULATIVE QUARTER 12 months ended	
	31.12.2024 RM'000	31.12.2023 RM'000	31.12.2024 RM'000	31.12.2023 RM'000
<u>Transactions with companies in which certain directors have substantial financial interests:</u>				
- Administrative expenses	3,325	1,351	9,953	5,361
- Promotion expenses	-	-	-	4
- Lease expense	381	304	1,399	1,183
- Maintenance and merchant charges expense	1,278	1,285	4,666	3,505
- Professional fees	-	38	12	38
- Purchase of equipment	408	1,186	4,009	2,351
- Purchase of goods	23,599	17,551	84,288	61,760
- Advertising, commission and incentives income received	(3,260)	(2,028)	(9,843)	(7,273)
- Disposal of equipment	-	-	(332)	-
- Operating lease income	(95)	(81)	(374)	(321)
- Sale of goods	(319)	(203)	(1,424)	(2,037)
- Sponsorship	(10)	-	(12)	(12)
<u>Transactions with companies in which certain directors' close family members have substantial financial interests:</u>				
- Administrative expenses	39	44	147	157
- Lease expense	20	20	80	80
- Maintenance expense	4	2	13	3
- Printing and stationery	156	189	559	492
- Purchase of equipment	1,636	513	3,333	1,547
- Purchase of goods	23,792	24,477	98,896	90,726
- Transportation charges	53	149	312	338
- Incentives income received	(664)	(124)	(1,734)	(197)
- Sale of goods	(6)	-	(16)	-
- Sponsorship	(26)	-	(26)	(36)
<u>Transactions with certain directors:</u>				
- Lease expense	68	68	271	271
- Disposal of equipment	-	-	(210)	-
- Sale of goods	(50)	-	(52)	-

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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-Q4 vs 2023-Q4)

The Group's revenue increased by RM176.3 million or 7.3% in 2024-Q4 primarily driven by the positive sales contributions from the outlet expansion, with a net total of 81 outlets opened in 2024-Q4. The beneficial impact of the bulk sales e-commerce platform has continued to grow since its launch in December 2023, with its expansion into both the southern and northern regions of Peninsular Malaysia in July and November 2024 respectively, it contributed to RM9.3 million incremental revenue in 2024-Q4. The increased revenue led to GP of RM264.5 million in 2024-Q4.

Correspondingly, the total sales transactions rose by 10.7% to 120.7 million transactions in 2024-Q4 compared to 2023-Q4. This was partially offset by a lower average basket size, which reduced by 3.0% to RM21.40, primarily driven by the increase of customers who opt for smaller, more frequent purchases, fueled by the convenience we deliver.

Other operating income mainly consists of products display fees, distribution centre ("DC") fees, advertising and promotional fees which rose by 25.1% to RM235.7 million in 2024-Q4 primarily due to an upward adjustment made on the DC fee rate charged to the suppliers for the handling of products starting from 2024-Q1. The increase in other income is mainly due to the interest income earned from the deposits placement using the IPO proceeds received in September 2024.

Administrative and other operating expenses increased by 10.2% to RM335.3 million in 2024-Q4 mainly associated with higher staff costs, utility expenses, lease expenses and depreciation of assets which is in tandem with the Group's outlet network expansion. Included in the administrative and other operating expenses is an amount of approximately RM2.0 million of one-off IPO listing expenses, by excluding this one-off expenses, the normalised administrative and other operating expenses in 2024-Q4 would be RM333.3 million.

As a result of the foregoing, the Group recorded PBT and PAT of RM165.5 million and RM124.4 million respectively in 2024-Q4, representing an increase of 15.4% and 16.8% respectively. The PBT margin and PAT margin for 2024-Q4 stood at 6.4% and 4.8% respectively. By excluding the abovementioned one-off IPO listing expenses, the normalised PBT and normalised PAT would be RM167.5 million and RM126.4 million respectively; and the normalised PBT margin and normalised PAT margin would be 6.5% and 4.9% respectively.

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	12 months ended		Movement	
	31.12.2024	31.12.2023	'000	%
PBT	658,591	538,212	120,379	22.4%
<i>Add:</i>				
<i>Administrative and other operating expenses</i>				
- Employees' special bonus and related statutory contributions	18,164	-	18,164	-
- IPO listing expenses *	8,322	895	7,427	829.8%
	26,486	895	25,591	2859.3%
Normalised PBT	685,077	539,107	145,970	27.1%
Normalised income tax expenses ^	(172,685)	(137,985)	34,700	25.1%
Normalised PAT	512,392	401,122	111,270	27.7%
PBT %	6.6%	5.8%		0.8%
PAT %	4.9%	4.3%		0.6%
Normalised PBT %	6.9%	5.9%		1.0%
Normalised PAT %	5.1%	4.4%		0.7%

Notes:

* 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.

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

16.2 Review of 12 Months Period Performance versus Corresponding Period Last Year (FYE2024 vs FYE2023) (Cont'd)

The Group registered a revenue of RM9,981.6 million for the financial year ended 31 December 2024 ("FYE2024"), which represents an increase of RM767.5 million or 8.3% as compared to RM9,214.1 million for the financial year ended 31 December 2023 ("FYE2023"). The Group established a net addition of 252 outlets in FYE2024 and bringing the total outlet count as at 31 December 2024 to 2,778 outlets, representing a 10% year-on-year growth, which positively contributed to the Group's revenue. Apart from that, the bulk sales e-commerce platform has also contributed to the Group approximately RM23.1 million of incremental revenue in FYE2024. The increased revenue led to a corresponding increase in GP by 7.3% to RM1,104.3 million as well as a consistent GP margin of 11.1% in FYE2024.

Correspondingly, the total sales transactions rose by 12.6% to 465.5 million transactions in FYE2024. This was partially offset by a lower average basket size, which reduced by 3.8% to RM21.40, primarily driven by the increase of customers who opt for smaller, more frequent purchases, fueled by the convenience we deliver.

Other operating income increased by 22.4% to RM814.8 million in FYE2024 which is mainly contributed by the higher DC fee received from the suppliers for products handlings which is resulted from the upward adjustment made on the DC fee rate, as well as the higher products display fees which aligns with the outlet expansion. Other income increased by 43.0% to RM30.4 million mainly attributed to the interest income earned from the deposits placement using the IPO proceeds as well as the sale income of recycle packaging waste.

Administrative and other operating expenses stood at RM1,245.9 million in FYE2024, mainly consists of staff costs, utility expenses, lease expenses and depreciation of assets. It is also attributed to the one-off special bonus and related statutory contributions paid to the employees as well as IPO listing expenses of RM18.2 million and RM8.3 million respectively. Excluding these one-off expenses, the normalised administrative and other operating expenses stand at RM1,219.4 million, represents 12.2% of revenue, which is broadly consistent with FYE 2023 of 12.3%.

As a result of the foregoing, the Group reported PBT and PAT of RM658.6 million and RM490.3 million respectively in FYE2024, representing an increase of 22.4% and 22.5% respectively, which in tandem with the higher revenue and other operating income. The PBT margin and PAT margin for 2024-Q4 stood at 6.6% and 4.9% respectively. In assessing the financial performance, the Group computed the normalised PBT and normalised PAT excluding the one-off expenses. For FYE2024, the Group would report a normalised PBT of RM685.1 million, reflecting an increase of RM146.0 million or 27.1%; while the normalised PAT would be RM512.4 million, represents an increase of RM111.3 million or 27.7%. Accordingly, the normalised PBT margin and normalised PAT margin stand at 6.9% and 5.1% respectively in FYE2024, reflecting 1.0% and 0.7% increase compared to FYE2023.

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NOTES TO THE INTERIM FINANCIAL REPORT

17. COMPARISON WITH IMMEDIATE PRECEDING QUARTER'S RESULTS (2024-Q4 vs 2024-Q3)

The Group achieved revenue of RM2,584.7 million in 2024-Q4 which is 1.3% higher than the preceding quarter. The rise in revenue is primarily contributed by the retail outlet expansion coupled with the strengthened performance in e-commerce bulk sales platform. The increased revenue led to GP of RM264.5 million in 2024-Q4.

Correspondingly, the PBT stood at RM165.5 million, 14.1% higher than the preceding quarter mainly attributed to the higher other operating income and other income in 2024-Q4 compared to 2024-Q3.

18. PROSPECTS FOR THE GROUP

The Group continues to expand steadily, with the goal of opening at least 250 outlets in year 2025 with an immediate target to have a total of approximately 3,000 outlets operating nationwide by end of year 2025. We will also expand our bulk sales e-commerce platform to serve customers across the East Coast region of Peninsular Malaysia, as well as other regions where we operate. At the same time, we will increase the product range available on the platform to better meet customer needs. These are expected to drive revenue growth and sustained profitability.

The cascading impact of the minimum wage adjustment is anticipated to enhance consumers' purchasing power and stimulate household consumption. As disposable income rises, we anticipate a shift towards premium products, particularly among higher-income groups. In response, we will continue to assess our product mix more frequently, ensuring a curated selection that meets the diverse needs of all income groups. This approach will enhance the shopping experience by offering a wider variety of options that cater to different consumer preferences, ultimately boosting sales opportunities.

Additionally, we are expanding our presence to Miri of Sarawak, where we expect to have our Miri DC and several Miri outlets operational in March 2025. The Miri DC, with a built-up area of approximately 15,000 sq. ft., is expected to support about 60 to 80 outlets in and surrounding Miri.

We will also continue to drive our Environmental, Social and Governance (ESG) strategy in the coming year. We have been actively upgrading our outlets and DC with the energy efficient equipment including LED lighting and air circulators, inverter air-conditioning units, non-heated glass freezers and solar photovoltaic systems. In 2025, we also intend to accelerate the installation of solar photovoltaic systems to more of our retail outlets. The installation of these energy efficient equipment is to support our carbon reduction efforts whilst enabling us to reduce our electricity expenses. Compared to the early years, despite the increasing in the number of outlets opening, the rise in electricity expenses has gradually decreased. The year-on-year outlet growth in 2024 is 10% while the rise in electricity expenses of the same year is merely approximately 5%. We believe that the integration of these sustainable practices into the operations would bring us more cost savings, deliver long-term sustainable growth and enhancing shareholders' value.

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2024**NOTES TO THE INTERIM FINANCIAL REPORT****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.

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		12 months ended	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023
	RM'000	RM'000	RM'000	RM'000
Amortisation of trademarks	-	#	1	#
Depreciation of property and equipment	19,784	14,477	72,787	66,847
Depreciation of right-of-use assets	45,336	41,172	173,187	155,356
Equipment written off	^	8	@	8
Interest expense of financial liabilities that are not at fair value through profit or loss	781	768	2,956	3,093
Interest expense on lease liabilities	10,920	11,494	42,076	40,937
Inventories written off	4,981	4,424	18,389	14,335
Gain on derecognition due to lease termination	(523)	(25)	(812)	(113)
Gain on disposal of equipment	(31)	(131)	(815)	(348)
Interest income of financial assets that are not at fair value through profit or loss	(7,629)	(248)	(8,523)	(1,390)
Reversal of provision for restoration costs	(67)	(23)	(200)	(89)

Notes:

^ - denotes RM5

- denotes RM359

@ - denotes RM6

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2024**NOTES TO THE INTERIM FINANCIAL REPORT****21. TAXATION**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	3 months ended		12 months ended	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023
	RM'000	RM'000	RM'000	RM'000
Current tax:				
- for the financial period	38,094	39,756	165,404	138,643
- overprovision of tax in the previous financial year	(741)	-	(741)	-
	37,353	39,756	164,663	138,643
Deferred tax:				
- for the financial period	3,295	(2,832)	3,191	(679)
- underprovision of tax in the previous financial year	472	5	472	21
	3,767	(2,827)	3,663	(658)
Income tax expense	41,120	36,929	168,326	137,985

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 was completed on 9 September 2024.

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2024**NOTES TO THE INTERIM FINANCIAL REPORT****23. UTILISATION OF PROCEEDS FROM THE PUBLIC ISSUE**

The status of utilisation of proceeds from the public issue as at 31 December 2024 is as follows:

Details of use of proceeds	Estimated timeframe for use of proceeds from date of listing	Initial	Actual	Deviation ⁽¹⁾	Balance
		proposed	utilisation		unutilised
		utilisation	RM		RM
		RM	RM	RM	RM
		'000	'000	'000	'000
Outlet and distribution centres expenditure					
(i) Expansion of network of outlets	Within 36 months	389,000	(43,000)	-	346,000
(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	(45,000)	-	-
Defray fees and expenses for the public issue	Within 6 months	23,400	(21,183)	(2,217)	-
		<u>660,000</u>	<u>(109,183)</u>	<u>(2,217)</u>	<u>548,600</u>

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

Note:

(1) The actual listing expenses are lower than budgeted, hence the excess amount not utilised for listing expenses were used to fund general working capital requirements.

24. MATERIAL LITIGATION

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

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2024**NOTES TO THE INTERIM FINANCIAL REPORT****25. EARNINGS PER SHARE**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	3 months ended		12 months ended	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023
Profit for the financial period attributable to owners of the Company (RM'000)	124,418	106,536	490,265	400,227
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)	1.48	1.27	5.84	4.76

Note:

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

26. COMPARATIVE FIGURES

The following comparative figures have been reclassified to conform with the presentation of the current quarter and current financial year: -

Group	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	3 months ended		12 months ended	
	As previously reported RM'000	As restated RM'000	As previously reported RM'000	As restated RM'000
For the year ended 31 December 2023				
<u>Statements of Profit and Loss</u>				
<u>and Other Comprehensive Income</u>				
Revenue	2,407,364	2,408,308	9,210,505	9,214,110
Cost of sales	(2,195,652)	(2,141,087)	(8,369,058)	(8,184,553)
Other operating income	243,895	188,386	853,862	665,752

Notes:

(1) For the fourth quarter of financial year ended 2023, both e-pay commission and target incentives amounted to RM0.9 million and RM54.6 million respectively were recognised as other operating income. These amounts have been reclassified to revenue and offset against the cost of sales respectively, to be in line with the current quarter's presentation.

(2) For the financial year ended 31 December 2023, both e-pay commission and target incentives amounted to RM3.6 million and RM184.5 million respectively were recognised as other operating income. These amounts have been reclassified to revenue and offset against the cost of sales respectively, to be in line with the current year's presentation.