

6. INFORMATION ON OUR GROUP

6.1 OUR COMPANY

6.1.1 History and background

Our Company was incorporated in Malaysia under the Act on 15 May 2023 as a private limited company under the name of 99 Speed Mart Holdings Sdn Bhd. On 10 July 2023, our Company changed its name to 99 Speed Mart Retail Holdings Sdn Bhd and was subsequently converted into a public limited company on 29 January 2024 and assumed our current name of 99 Speed Mart Retail Holdings Berhad.

The principal activities of 99 Holdings are investment holding and provision of management services. The principal activities of our subsidiaries are as set out in Section 6.3 of this Prospectus.

The history of our Group can be traced back to 1987 when Lee Thiam Wah established a traditional sundry shop named “Pasar Raya Hiap Hoe” in Klang. In 1992, Lee Thiam Wah disposed of “Pasar Raya Hiap Hoe” and set up a mini-market chain business under the sole proprietorship of Ninety Nine Market operating under the trade name of “Pasar Mini 99”, which by the late 1990s operated 8 outlets in the Klang Valley. In 2000, Lee Thiam Wah incorporated 99SM and subsequently transferred the business of the mini-market outlets to 99SM. This mini-market chain business was rebranded under our current trade name and thereafter we expanded the number of outlets throughout Peninsular Malaysia under our operations in 99SM. In 2013, we expanded our business operations into East Malaysia with the incorporation of 99EM.

In September 2023, we incorporated Yiwu J-Jade Trading as an investment holding subsidiary in the PRC, to wholly-own another subsidiary, Yiwu SM Import and Export which was also incorporated in the PRC in October 2023 for the purpose of procuring selected merchandise items that are suitable for sale in our mini-market outlets in Malaysia, such as household products.

99SM and 99EM became wholly-owned subsidiaries of our Company in December 2023 pursuant to the completion of the 99SM and 99EM Share Sale Agreement, further details of which are as set out in Sections 6.1.2 and 14.6.4 of this Prospectus.

As at the LPD, our Group operates 2,542 outlets across Malaysia and operates a network of 19 DCs located in 9 different states of Malaysia.

6.1.2 Formation of our Group

To facilitate our Listing, we undertook the following to form our Group:

(i) Acquisition of 99SM and 99EM

On 9 November 2023, our Company entered into a conditional share sale agreement with Lee Thiam Wah and Ng Lee Tieng, for the acquisition of the entire equity interest in 99SM and 99EM, comprising 15,000,000 ordinary shares in 99SM and 2,500,000 ordinary shares in 99EM, respectively, for a total purchase consideration of RM474,506,302 to be satisfied via the issuance of new Shares to the vendors.

The purchase consideration of RM474,506,302 was arrived at after taking into consideration the NA of 99SM and 99EM as at 30 June 2023 of RM435,146,830 and RM39,359,472, respectively.

6. INFORMATION ON OUR GROUP (Cont'd)

On 14 December 2023, Lee Thiam Wah nominated Lee LYG Holdings to receive 256,589,283 new Shares from the 455,526,050 new Shares to be allotted to him. The acquisition of 99SM and 99EM was completed on 14 December 2023 and was wholly satisfied via the issuance of 474,506,302 new Shares at an issue price of RM1.00 each as fully paid-up directly to Lee LYG Holdings, Lee Thiam Wah and Ng Lee Tieng in the following proportions:

Name	Before the Acquisition		After the Acquisition	
	No. of Shares	%	No. of Shares	%
Lee LYG Holdings	-	-	256,589,283	54.1
Lee Thiam Wah	100	100.0	198,936,867	41.9
Ng Lee Tieng	-	-	18,980,252	4.0
Total	100	100.0	474,506,402	100.0

The 99SM Sale Shares and 99EM Sale Shares were acquired free from all encumbrances and with all rights, benefits and entitlements attaching thereto from the date of completion of the acquisition.

(ii) Subdivision

Following the completion of the 99SM and 99EM Share Sale Agreement, our Company undertook a subdivision of all our then existing Shares in issue of 474,506,402 Shares into 8,000,000,000 Shares. The Subdivision was completed on [●].

The Subdivision was undertaken to increase the number of our issued Shares in order to facilitate our IPO and Listing as well as to enhance the liquidity of our Shares at the time of our Listing.

The completion of the Subdivision resulted in the same effective shareholdings for our shareholders before and after the Subdivision as follows:

Name	Before the Subdivision		After the Subdivision	
	No. of Shares	%	No. of Shares	%
Lee LYG Holdings	256,589,283	54.1	4,325,999,092	54.1
Lee Thiam Wah	198,936,867	41.9	3,354,000,977	41.9
Ng Lee Tieng	18,980,252	4.0	319,999,931	4.0
Total	474,506,402	100.0	8,000,000,000	100.0

6.1.3 Share capital

Our issued share capital is RM474,506,402, comprising [8,000,000,000] Shares as at the date of this Prospectus. Save as disclosed below, there have been no changes in our issued share capital since incorporation of our Company and up to the LPD:

Date of allotment/ Subdivision	No. of Shares allotted	No. of cumulative Shares	Cumulative issued share capital (RM)
15 May 2023	100	100	100
14 December 2023	⁽¹⁾ 474,506,302	474,506,402	474,506,402
[●]	⁽²⁾ [7,525,493,598]	⁽²⁾ [8,000,000,000]	⁽²⁾ 474,506,402

Notes:

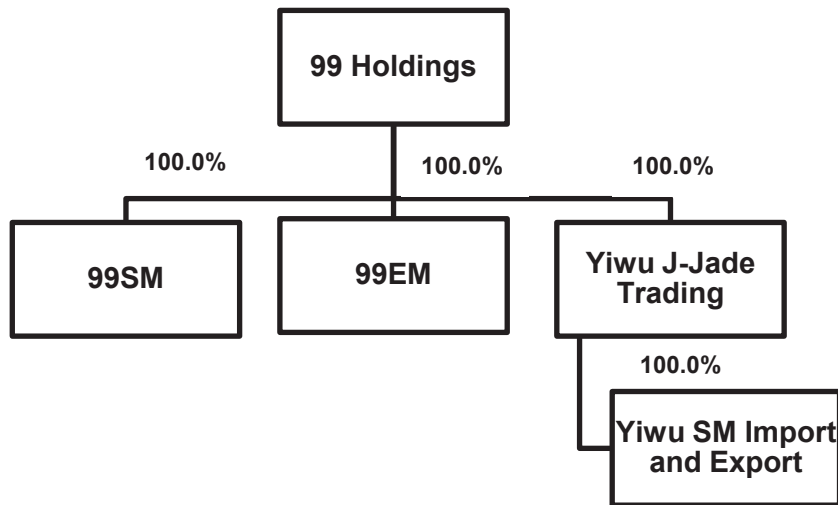
- (1) Shares issued as consideration shares pursuant to the completion of 99SM and 99EM Share Sale Agreement.
- (2) Pursuant to the Subdivision.

Our Company does not have any treasury shares as at the LPD.

6. INFORMATION ON OUR GROUP (Cont'd)

6.2 OUR GROUP STRUCTURE

Our Group structure as at the LPD is as follows:



6.3 OUR SUBSIDIARIES

As at the LPD, our Company has 3 direct subsidiaries and 1 indirect subsidiary and does not have any associates or joint ventures.

The details of our subsidiaries as at the LPD are as follows:

Name and registration number of the company	Date and country of incorporation	Share capital/ Registered capital	Our effective equity interest (%)	Principal activities
99SM 200001016930 (519537-X)	10 July 2000 (Malaysia)	RM15,000,000	100.0	Retail of consumable merchandise and other household products via its network of "mini-market" outlets
99EM 201301011044 (1040881-M)	2 April 2013 (Malaysia)	RM2,500,000	100.0	Retail of consumable merchandise and other household products via its network of "mini-market" outlets
Yiwu J-Jade Trading (91330782MAD0P P1D8Q)	28 September 2023 (PRC)	RMB500,000	100.0	Investment holding
Yiwu SM Import and Export (91330782MAD23X Q98W)	19 October 2023 (PRC)	RMB500,000	100.0	Exporting of consumable merchandise and household products

6. INFORMATION ON OUR GROUP (Cont'd)**6.3.1 99SM**

99SM was incorporated in Malaysia under the Companies Act 1965 on 10 July 2000 and deemed registered under the Act as a private limited company under its present name.

99SM is principally engaged in the retailing of daily necessities which mainly comprises FMCG through its network of mini-market outlets in Peninsular Malaysia. The principal place of business of 99SM is at Lot PT 2811, Jalan Angsa Taman Berkeley, 41150 Klang, Selangor, Malaysia.

The issued share capital of 99SM is RM15,000,000 comprising 15,000,000 ordinary shares. Save as disclosed below, there has been no change in the issued share capital of 99SM during the Periods Under Review and up to LPD:

<u>Date of allotment</u>	<u>No. of ordinary shares</u>	<u>Consideration</u>	<u>Cumulative issued share capital (RM)</u>
18 March 2021	12,500,000	Otherwise than cash	15,000,000

99SM is a wholly-owned subsidiary of our Company. As at the LPD, 99SM does not have any subsidiary, associate or joint venture companies.

6.3.2 99EM

99EM was incorporated in Malaysia under the Companies Act 1965 on 2 April 2013 and is deemed registered under the Act as a private limited company under its present name.

99EM is principally engaged in the retailing of daily necessities which mainly comprises FMCG through its network of mini-market outlets in East Malaysia. The principal place of business of 99EM is at No. 6, Lot 12, KKIP Industrial Zone 7 (IZ 7), Phase 1, Lorong 2A, KKIP Timur, 88450 Kota Kinabalu, Sabah, Malaysia.

The issued share capital of 99EM is RM2,500,000 comprising 2,500,000 ordinary shares. Save as disclosed below, there has been no change in the issued share capital of 99EM during the Periods Under Review and up to LPD:

<u>Date of allotment</u>	<u>No. of ordinary shares</u>	<u>Consideration</u>	<u>Cumulative issued share capital (RM)</u>
18 March 2021	1,000,000	Otherwise than cash	2,500,000

99EM is a wholly-owned subsidiary of our Company. As at the LPD, 99EM does not have any subsidiary, associate or joint venture companies.

6. INFORMATION ON OUR GROUP (Cont'd)

6.3.3 Yiwu J-Jade Trading

Yiwu J-Jade Trading was incorporated in the PRC under Company Law of the PRC on 28 September 2023 as a limited liability company under its present name.

Yiwu J-Jade Trading is principally engaged in investment holding. The registered address of business of Yiwu J-Jade Trading is at Room 403, Unit 3, Building 60, Lower Wangsan District, Jiangdong Street, Yiwu City, Jinhua City, Zhejiang Province, China.

The registered capital of Yiwu J-Jade Trading is RMB500,000. As at the LPD, the registered capital has been fully contributed. There has been no change in the registered capital of Yiwu J-Jade Trading since its incorporation.

Yiwu J-Jade Trading is a wholly-owned subsidiary of our Company and is the sole shareholder of Yiwu SM Import and Export. As at the LPD, Yiwu J-Jade Trading does not have any other subsidiary, associate or joint venture companies.

6.3.4 Yiwu SM Import and Export

Yiwu SM Import and Export was incorporated in the PRC under Company Law of the PRC on 19 October 2023 as a limited liability company under its present name.

Yiwu SM Import and Export is principally engaged in exporting of consumable merchandise and household products to our Group. The registered address of business of Yiwu SM Import and Export is at Room 5203, Unit 2, Building 3, World Trade Center, Futian Street, Yiwu City, Jinhua City, China (Zhejiang) Pilot Free Trade Zone, Zhejiang Province, China.

The registered capital of Yiwu SM Import and Export is RMB500,000. As at the LPD, the registered capital has not been fully contributed, which is in compliance with the period stipulated within the Articles of Association of Yiwu SM Import and Export. There has been no change in the registered capital of Yiwu SM Import and Export since its incorporation.

Yiwu SM Import and Export is a wholly-owned subsidiary of Yiwu J-Jade Trading. As at the LPD, Yiwu SM Import and Export does not have any subsidiary, associate or joint venture companies.

As at the LPD, neither our Company nor any of our subsidiaries have any outstanding warrants, options, convertible securities or uncalled capital.

None of our Shares and share capital in our subsidiaries were issued and allotted at a discount or have any special terms or instalment payment term. Save for Yiwu SM Import and Export, our issued Shares and the issued shares or registered capital of our subsidiaries are fully paid-up.

As at the LPD, neither our Company nor our subsidiaries are involved in any bankruptcy, receivership or similar proceedings.

During the last financial year and up to the LPD, there were no:

- (i) public take-over offers by third parties in respect of our Shares; and
- (ii) public take-over offers by our Company in respect of other companies' securities.