NOTICE ACCOMPANYING THE ELECTRONIC PROSPECTUS OF KK MART RETAIL BERHAD ("KK MART" OR "COMPANY") DATED 26 NOVEMBER 2026 ("ELECTRONIC PROSPECTUS")

(Unless otherwise indicated, specified or defined in this notice, the definitions in the Electronic Prospectus shall apply throughout this notice)

Website

The Electronic Prospectus can be viewed or downloaded from Bursa Malaysia Securities Berhad's ("**Bursa Securities**") website at www.bursamalaysia.com ("**Website**").

Availability and Location of Printed Prospectus

Any applicant in doubt concerning the validity or integrity of the Electronic Prospectus should immediately request a paper/printed copy of the Prospectus directly from the Company or the Issuing House, AscendServ Capital Markets Services Sdn Bhd. Alternatively, the applicant may obtain a paper/printed copy of the Prospectus, subject to availability, from participating organisations of Bursa Securities, members of the Association of Banks in Malaysia and members of the Malaysian Investment Banking Association.

Prospective investors should note that the Application Forms are not available in electronic format.

Jurisdictional Disclaimer

The IPO and the distribution of the Electronic Prospectus are subject to the laws of Malaysia. The Electronic Prospectus will not be distributed outside Malaysia. Bursa Securities, the Company, the Promoters, the Selling Shareholders, the Principal Adviser, the Sole Bookrunner, the Sole Underwriter and the Sole Placement Agent named in the Electronic Prospectus have not authorised and take no responsibility for the distribution of the Electronic Prospectus outside Malaysia. No action has been taken to permit any offering of the IPO Shares based on the Electronic Prospectus in any jurisdiction other than Malaysia. The Electronic Prospectus may not be used for the purpose of and does not constitute an offer for the subscription or purchase of, or an invitation to subscribe for or purchase, the IPO Shares to any person outside Malaysia or in any jurisdiction or in any circumstance in which such an offer is not authorised or lawful or to any person to whom it is unlawful to make such offer or invitation. Prospective applicants who may be in possession of the Electronic Prospectus are required to take note, to inform themselves, and to observe such restrictions.

Close of Application

Applications for the Issue Shares offered under the Retail Offering will open at 10:00 a.m. on 26 November 2026 and will close at 5:00 p.m. on 2 December 2026. Any change to the timetable will be advertised by KK Mart in widely circulated English and Bahasa Malaysia daily newspapers within Malaysia. The Electronic Prospectus made available on the Website after the closing of the application period is made available solely for informational and archiving purposes. No securities will be allotted or issued on the basis of the Electronic Prospectus after the closing of the application period.

Persons Responsible for the Internet Site in which the Electronic Prospectus is Posted

The Electronic Prospectus which is accessible at the Website is owned by Bursa Securities, being the stock exchange the Company is seeking listing on. Users' access to the Website and the use of the contents of the Website and/or any information in whatsoever form arising from the Website shall be conditional upon acceptance of the terms and conditions of use as contained on the Website. The contents of the Electronic Prospectus as provided by the Company to Bursa Securities, are for informational and archiving purposes only and are not intended to provide investment advice of any form or kind, and shall not at any time be relied upon as such.





KK MART RETAIL BERHAD

PROSPECTUS

KK MART RETAIL BERHAD
(Registration No. 202301037992 (1531914-U))
(Incorporated in Malaysia under the Companies Act 2016)

PROSPECTUS

THIS PROSPECTUS IS DATED 26 NOVEMBER 2026

KK MART RETAIL BERHAD

(Registration No. 202301037992 (1531914-U))
(Incorporated in Malaysia under the Companies Act 2016)

INITIAL PUBLIC OFFERING ("IPO") OF UP TO 840,000,000 ORDINARY SHARES IN KK MART RETAIL BERHAD ("KK MART" OR "COMPANY") ("IPO SHARES") IN CONJUNCTION WITH THE LISTING OF AND QUOTATION FOR THE ENTIRE ENLARGED ISSUED ORDINARY SHARES IN KK MART ("SHARES") ON THE MAIN MARKET OF BURSA MALAYSIA SECURITIES BERHAD COMPRISING AN OFFER FOR SALE OF UP TO 630,000,000 EXISTING SHARES AND A PUBLIC ISSUE OF 210,000,000 NEW SHARES ("ISSUE SHARES") INVOLVING:

(I) INSTITUTIONAL OFFERING OF UP TO 735,000,000 IPO SHARES TO INSTITUTIONAL AND SELECTED INVESTORS INCLUDING BUMIPUTERA INVESTORS APPROVED BY THE MINISTRY OF INVESTMENT, TRADE AND INDUSTRY OF MALAYSIA AT THE INSTITUTIONAL PRICE TO BE DETERMINED BY WAY OF BOOKBUILDING ("INSTITUTIONAL PRICE"); AND

(II) RETAIL OFFERING OF 105,000,000 ISSUE SHARES TO THE DIRECTORS OF KK MART, ELIGIBLE EMPLOYEES OF KK MART AND ITS SUBSIDIARIES ("GROUP"), PERSONS WHO HAVE CONTRIBUTED TO THE SUCCESS OF THE GROUP AND THE MALAYSIAN PUBLIC AT THE RETAIL PRICE OF RM0.55 PER ISSUE SHARE ("RETAIL PRICE"), PAYABLE IN FULL UPON APPLICATION AND SUBJECT TO REFUND OF THE DIFFERENCE BETWEEN THE RETAIL PRICE AND THE FINAL RETAIL PRICE (AS DEFINED IN THIS PROSPECTUS) IN THE EVENT THAT THE FINAL RETAIL PRICE IS LESS THAN THE RETAIL PRICE,

SUBJECT TO THE CLAWBACK AND REALLOCATION PROVISIONS AND THE OVER-ALLOTMENT OPTION (AS DEFINED IN THIS PROSPECTUS). THE FINAL RETAIL PRICE WILL BE EQUAL TO THE LOWER OF:

(I) THE RETAIL PRICE; OR

(II) THE INSTITUTIONAL PRICE

Principal Adviser, Sole Bookrunner, Sole Underwriter and Sole Placement Agent

Maybank Investment Bank
Company Registration No. 197301002412
(A Participating Organisation of Bursa Malaysia Securities Berhad)

NO SECURITIES WILL BE ALLOTTED OR ISSUED BASED ON THIS PROSPECTUS AFTER SIX MONTHS FROM THE DATE OF THIS PROSPECTUS.

THE SECURITIES COMMISSION MALAYSIA ("SC") HAS APPROVED THE ISSUE, OFFER OR INVITATION FOR THE OFFERING UNDER SECTION 214(1) OF THE CAPITAL MARKETS AND SERVICES ACT 2007.

THIS PROSPECTUS HAS BEEN REGISTERED BY THE SC. THE APPROVAL OF OUR IPO AND REGISTRATION OF THIS PROSPECTUS, SHOULD NOT BE TAKEN TO INDICATE THAT THE SC RECOMMENDS OUR IPO OR ASSUMES RESPONSIBILITY FOR THE CORRECTNESS OF ANY STATEMENT MADE, OPINION EXPRESSED OR REPORT CONTAINED IN THIS PROSPECTUS. THE SC HAS NOT, IN ANY WAY, CONSIDERED THE MERITS OF OUR SHARES BEING OFFERED FOR INVESTMENT.

THE SC IS NOT LIABLE FOR ANY NON-DISCLOSURE ON THE PART OF OUR COMPANY AND TAKES NO RESPONSIBILITY FOR THE CONTENTS OF THIS PROSPECTUS, MAKES NO REPRESENTATION AS TO ITS ACCURACY OR COMPLETENESS, AND EXPRESSLY DISCLAIMS ANY LIABILITY FOR ANY LOSS THAT YOU MAY SUFFER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS PROSPECTUS.

INVESTORS ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THIS PROSPECTUS. IF IN DOUBT, PLEASE CONSULT A PROFESSIONAL ADVISER.

FOR INFORMATION CONCERNING RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, SEE "RISK FACTORS" COMMENCING ON PAGE 53.

LISTING SOUGHT: MAIN MARKET OF BURSA MALAYSIA SECURITIES BERHAD

THIS PROSPECTUS IS NOT TO BE DISTRIBUTED OUTSIDE MALAYSIA

All defined terms used in this Prospectus are defined under "Presentation of Financial and Other Information" and "Definitions" commencing on pages viii and xii of this Prospectus, respectively.

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 that there is no false or misleading statement or other facts which if omitted, would make any statement in this Prospectus false or misleading.

Maybank IB, being the Principal Adviser, Sole Bookrunner and Sole Placement Agent for the Institutional Offering, and Sole Underwriter for the Retail Offering, acknowledges that, based on all available information, and to the best of its knowledge and belief, this Prospectus constitutes a full and true disclosure of all material facts concerning our IPO.

STATEMENTS OF DISCLAIMER

Our Company has obtained the approval of Bursa Securities for our Listing. Admission to the Official List of Bursa Securities is not to be taken as an indication of the merits of our IPO, our Company or our Shares.

This Prospectus, together with the Application Forms have also been lodged with the Registrar of Companies, who takes no responsibility for its contents.

You should rely on your own evaluation to assess the merits and risks of your investment in our Shares. If you are in any doubt as to the action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional advisers immediately.

OTHER STATEMENTS

Investors should note that they may seek recourse under Sections 248, 249 and 357 of the CMSA for breaches of securities laws including any statement in this Prospectus that is false, misleading, or from which there is a material omission; or for any misleading or deceptive act in relation to this Prospectus or the conduct of any other person in relation to our Company.

Our Shares are offered to the public on the premise of full and accurate disclosure of all material information concerning our IPO, for which any person set out in Section 236 of the CMSA, is responsible.

Investors should not take the agreement by the Sole Underwriter named in this Prospectus to underwrite our Shares under the Retail Offering as an indication of the merits of our Shares being offered.

This Prospectus has been prepared in the context of an initial public offering under the laws of Malaysia. It does not comply with the laws of any jurisdiction other than Malaysia, and has not been and will not be lodged, registered or approved pursuant to or under any applicable securities or equivalent legislation or by any regulatory authority of any jurisdiction other than Malaysia.

This Prospectus is published solely in connection with our IPO. Our Shares are being offered solely in Malaysia on the basis of the information contained and representations made in this Prospectus. Our Company, our Promoters, the Selling Shareholders, the Principal Adviser, the Sole Bookrunner, the Sole Underwriter and the Sole Placement Agent have not authorised anyone to provide any information or to make any representation not contained in this Prospectus. Any information or representation not contained in this Prospectus must not be relied upon as having been authorised by our Company, our Promoters, the Selling Shareholders, the Principal Adviser, the Sole Bookrunner, the Sole Underwriter and the Sole Placement Agent or any of their respective directors, or any other persons involved in our IPO.

The distribution of this Prospectus and our IPO are subject to the laws of Malaysia. Accordingly, this Prospectus may not be used for the purpose of and does not constitute an offer for subscription or purchase or invitation to subscribe for or purchase of our Shares in any jurisdiction or in any circumstances in which such an offer is not authorised or is unlawful or to any person to whom it is unlawful to make such offer or invitation. The distribution of this Prospectus and the offering of our Shares in certain other jurisdictions may be restricted by law. Prospective investors who may be in possession of this Prospectus are required to inform themselves accordingly and to observe applicable restrictions.

We will not, prior to acting on any acceptance in respect of our IPO, make or be bound to make any enquiry as to whether you have a registered address in Malaysia and will not be deemed to accept any liability whether or not any enquiry or investigation is made in connection to it.

It will be your sole responsibility to ensure that your application for our IPO would be in compliance with the terms of our IPO and would not be in contravention of any laws of countries or jurisdictions other than Malaysia to which you may be subjected to. We will further assume that you had accepted our IPO in Malaysia and will be subject to the laws of Malaysia in connection to it.

However, we reserve the right, in our absolute discretion, to treat any acceptance as invalid if we believe that such acceptance may violate any law or applicable legal or regulatory requirements.

It will be your sole responsibility to consult your legal and/or other professional adviser on the laws to which our IPO or you are or might be subjected to. Neither we nor our Promoters, the Selling Shareholders, the Principal Adviser, the Sole Bookrunner, the Sole Underwriter and the Sole Placement Agent nor any other advisers in relation to our IPO will accept any responsibility or liability in the event that any application made by you shall become illegal, unenforceable, avoidable or void in any country or jurisdiction.

ELECTRONIC PROSPECTUS/INTERNET SHARE APPLICATION

This Prospectus can be viewed or downloaded from Bursa Securities' website at www.bursamalaysia.com. The contents of the Electronic Prospectus and the copy of this Prospectus registered with the SC are the same.

The internet is not a fully secure medium. Your Internet Share Application may be subject to risks of data transmission, computer security threats such as viruses, hackers and crackers, faults with computer software and other events beyond the control of the Internet Participating Financial Institutions or Participating Securities Firms. These risks cannot be borne by the Internet Participating Financial Institutions or Participating Securities Firms.

If you doubt the validity or integrity of the Electronic Prospectus, you should immediately request a paper/printed copy of this Prospectus from us or the Issuing House. If there is any discrepancy between the contents of the Electronic Prospectus and the contents of the paper/printed copy of this Prospectus, the contents of the paper/printed copy of this Prospectus which are identical to the copy of the Prospectus registered with the SC will prevail.

In relation to any reference in this Prospectus to third-party internet sites ("**Third-Party Internet Sites**"), whether by way of hyperlinks or by way of description of the Third-Party Internet Sites, you acknowledge and agree that:

(i) we do not endorse and are not affiliated in any way to the Third-Party Internet Sites. Accordingly, we are not responsible for the availability of, or the content or any data, information, file or other material provided on the Third-Party Internet Sites. You shall bear all risks associated with the access to or use of the Third-Party Internet Sites;

(ii) we are not responsible for the quality of products or services in the Third-Party Internet Sites, particularly in fulfilling any of the terms of your agreements with the Third-Party Internet Sites. We are also not responsible for any loss or damage or cost that you may suffer or incur in connection with or as a result of dealing with the Third-Party Internet Sites or the use of or reliance on any data, information, file or other material provided by the Third-Party Internet Sites; and

(iii) any data, information, file or other material downloaded from the Third-Party Internet Sites is done at your own discretion and risk. We are not responsible, liable or under obligation for any damage to your computer system or loss of data resulting from the downloading of any such data, information, file or other material.

Where an Electronic Prospectus is hosted on the website of the Internet Participating Financial Institution or Participating Securities Firm, you are advised that:

(i) the Internet Participating Financial Institution or Participating Securities Firm is only liable in respect of the integrity of the contents of the Electronic Prospectus, to the extent of the contents of the Electronic Prospectus on the web server of the Internet Participating Financial Institution or Participating Securities Firm which may be viewed via your web browser or other relevant software. The Internet Participating Financial Institution or Participating Securities Firm is not responsible for the integrity of the contents of the Electronic Prospectus which has been obtained from the web server of the Internet Participating Financial Institution or Participating Securities Firm and subsequently communicated or disseminated in any manner to you or other parties;

(ii) while all reasonable measures have been taken to ensure the accuracy and reliability of the information provided in an Electronic Prospectus, the accuracy and reliability of the Electronic Prospectus cannot be guaranteed because the internet is not a fully secure medium; and

(iii) the Internet Participating Financial Institution or Participating Securities Firm is not liable (whether in tort or contract or otherwise) for any loss, damage or costs that you or any other person may suffer or incur due to, as a consequence of or in connection with any inaccuracies, changes, alterations, deletions or omissions in respect of the information provided in the Electronic Prospectus which may arise in connection with or as a result of any fault with web browsers or other relevant software, any fault on your or any third party's personal computer, operating system or other software, viruses or other security threats, unauthorised access to information or systems in relation to the website of the Internet Participating Financial Institution or Participating Securities Firm, and/or problems occurring during data transmission which may result in inaccurate or incomplete copies of information being downloaded or displayed on your personal computer.

INDICATIVE TIMETABLE

The following events are intended to take place on the following indicative time and/or date:

Event	Time and/or date
Opening of the Institutional Offering	26 November 2026
Issuance of the Prospectus/Opening of the Retail Offering	10:00 a.m., 26 November 2026
Closing of the Retail Offering	5:00 p.m., 2 December 2026
Closing of the Institutional Offering	2 December 2026
Price Determination Date	4 December 2026
Balloting of applications for our Issue Shares under the Retail Offering	4 December 2026
Allotment/Transfer of our IPO Shares to successful applicants	14 December 2026
Listing	15 December 2026

In the event there is any change to the timetable, 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.

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PRESENTATION OF FINANCIAL AND OTHER INFORMATION

All references to "our Company" or "KK Mart" are to KK Mart Retail Berhad. All references to "KK Mart Group" or "our Group" are to our Company and our subsidiaries taken as a whole. All references to "we", "us", "our" and "ourselves" are to our Company and where the context otherwise requires, our Group.

Unless the context otherwise requires, references to "management" are to our Key Senior Management as at the date of this Prospectus, and statements as to our beliefs, expectations, estimates and opinions are those of our Key Senior Management.

All references to the "Selling Shareholders" are to K8 Resources and Arus Sejahtera.

All references to the "Promoters" are to Datuk Seri Chai Kee Kan and K8 Resources.

All references to "you" are to our prospective investors.

All references to "Government" are to the Government of Malaysia.

Certain amounts and percentage figures included in this Prospectus have been subjected to rounding adjustments. As a result, any discrepancy in the tables or charts between the amounts listed and the totals in this Prospectus is due to rounding adjustments. Where information is presented in thousands or millions of units, amounts may have been rounded up or down.

Other abbreviations and acronyms used in this Prospectus are defined in the "Definitions" section. Words denoting the singular will, where applicable, include the plural and *vice versa* and words denoting the masculine gender will, where applicable, include the feminine and/or neuter genders and *vice versa*. Reference to persons will, where applicable, include companies and corporations.

Any reference to provisions of the statutes, rules, regulations, enactments or rules of the stock exchange shall (where the context admits), be construed as a reference to provisions of such statutes, rules, regulations, enactments or rules of the stock exchange (as the case may be) as modified by any written law or (if applicable) amendments or re-enactment to the statutes, rules, regulations, enactments or rules of the stock exchange for the time being in force and unless specified, is a reference to an enactment by Malaysia.

Any reference to a date and time shall be a reference to a date and time in Malaysia, unless otherwise stated.

All references to the "LPD" in this Prospectus are to 31 October 2026, being the latest practicable date prior to the registration of this Prospectus with the SC.

The information on our website or any website, directly or indirectly, linked to our website does not form part of this Prospectus and you should not rely on those information for the purposes of your decision whether or not to invest in our Shares. If there is any discrepancy between the contents of such website relating to our Company or Group and this Prospectus, the information contained in this Prospectus shall prevail.

This Prospectus includes statistical data provided by us and various third parties and cites third-party projections regarding the growth and performance of the industry in which we operate and our estimated market share. This data is taken or derived from information published by industry sources and from our internal data. In each of such case, the source is stated in this Prospectus, provided that where no source is stated, it can be assumed that the information originates from us or is extracted from the IMR Report as included in Section 8 of this Prospectus. We have appointed Frost & Sullivan to provide an independent market and industry review. In compiling its data for the review, Frost & Sullivan had relied on its research methodology, industry sources, published materials, its private databanks and direct contacts within the industry.

Further, third-party projections cited in this Prospectus are subject to significant uncertainties that could cause actual data to differ materially from the projected figures. We cannot give any assurance that the projected figures will be achieved and you should not place undue reliance on the statistical data and third-party projections cited in this Prospectus.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION *(Cont'd)*

For the purpose of this Prospectus, EBITDA is calculated as our profit for the relevant financial year or period plus (i) tax expense; (ii) finance costs; (iii) depreciation of PPE; (iv) depreciation of right-of-use assets; and (v) depreciation of investment properties, less (iv) finance income**.**

EBITDA and the related ratios presented in this Prospectus are supplemental measures of our performance and liquidity that are not required by or presented in accordance with the MFRS or IFRS. Furthermore, EBITDA is not a measure of our financial performance or liquidity under the MFRS or IFRS and should not be considered as alternatives to net income, operating income or any other performance measures derived in accordance with the MFRS or IFRS or as alternatives to cash flows from operating activities or as a measure of liquidity. In addition, EBITDA is not a standardised term, and hence, a direct comparison of EBITDA between companies may not be possible. Other companies may calculate EBITDA differently from us, limiting its usefulness as a comparative measure.

We believe that EBITDA may facilitate comparisons of operating performance from period to period and company to company by eliminating potential differences caused by variations in capital structures (affecting interest expense and finance charges), tax positions (such as the impact on periods or companies of changes in effective tax rates or net operating losses), the age and booked depreciation and amortisation of assets (affecting relative depreciation and amortisation expenses). EBITDA has been presented because we believe that it is frequently used by securities analysts, investors and other interested parties in evaluating similar companies, many of whom present such non-MFRS and non-IFRS financial measures when reporting their results. Finally, EBITDA is presented as a supplemental measure of our ability to service debt. Nevertheless, EBITDA has limitations as an analytical tool, and prospective investors should not consider it in isolation from or as a substitute for analysis of our financial condition or results of operations, as reported under the MFRS and IFRS. Due to these limitations, EBITDA should not be considered as a measure of discretionary cash available to invest in the growth of our business.

FORWARD-LOOKING STATEMENTS

This Prospectus contains forward-looking statements. All statements, other than statements of historical facts included in this Prospectus, including, without limitation, those regarding our financial position, business strategies and prospects are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements, or industry results to be materially different from any future results, performance or achievements, or industry results expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding our present and future business strategies and the environment in which we will operate in the future. Such forward-looking statements reflect our current view with respect to future events and do not guarantee future performance.

Forward-looking statements can be identified by the use of forward-looking terminologies such as the words "may", "will", "would", "could", "believe", "expect", "anticipate", "intend", "estimate", "aim", "plan", "forecast" or similar expressions, and include all statements that are not historical facts. Such forward-looking statements include, without limitation, statements relating to:

(i) demand for our products and general industry environment;

(ii) our business strategies, trends and competitive position;

(iii) our future financial position, earnings, cash flows and liquidity;

(iv) our ability to pay future dividends;

(v) potential growth opportunities;

(vi) regulatory environment and the effects of future regulation; and

(vii) our future plans and objectives.

Our actual results may differ materially from information contained in such forward-looking statements as a result of a number of factors beyond our control, including, but not limited to:

(i) activities and financial position of our customers, suppliers and other business partners;

(ii) delay in supply of goods and shortages in labour;

(iii) finance costs, interest income changes, interest rates, tax rates and foreign exchange rates;

(iv) future regulatory or government policy changes;

(v) delays or problems with the execution of our expansion plans;

(vi) any possible pandemic outbreak;

(vii) competitive environment of the industry in which we operate;

(viii) reliance on licences, permits and approvals;

(ix) changes in the general Malaysian economic, business, social, political and investment environment and retail market conditions;

(x) increases in employee expenses;

(xi) increases in utilities expenses;

(xii) increases in rental rates of our stores and DC; and

(xiii) other factors beyond our control.

FORWARD-LOOKING STATEMENTS *(Cont'd)*

Additional factors that could cause our actual results, performance or achievements to differ materially include, but are not limited to, those discussed in Section 5 of this Prospectus on "Risk Factors" and Section 12.2 of this Prospectus on "Management's Discussion and Analysis of Financial Condition and Results of Operations". We cannot give any assurance that the forward-looking statements made in this Prospectus will be realised. Such forward-looking statements are made only as at the LPD.

In light of these uncertainties, the inclusion of such forward-looking statements should not be regarded as a representation or warranty by us or our advisers that such plans and objectives will be achieved.

Should we become aware of any subsequent material change or development affecting a matter disclosed in this Prospectus arising from the date of registration of this Prospectus but before the date of allotment/transfer of our IPO Shares, we will further issue a supplemental or replacement prospectus, as the case may be, in accordance with the provisions of Section 238(1) of the CMSA and Paragraph 1.02, Chapter 1 of Part II (Division 6 on Supplementary and Replacement Prospectus) of the Prospectus Guidelines.

DEFINITIONS

The following terms in this Prospectus bear the same meanings as set out below unless the term is defined otherwise or the context requires otherwise:

Act	:	Companies Act 2016
Acquisition of Central DC Land	:	Acquisition by KKSMST of the Central DC Land from K8 DC Management for a purchase consideration of RM43.0 million
ADA	:	Authorised Depository Agent
Admission	:	Admission of our Shares to the Official List of the Main Market of Bursa Securities
ADSS	:	Average daily store sales
AGM	:	Annual general meeting
Agnes Chan	:	Chan Kim Hong, the Independent Non-Executive Director of our Company
Application	:	Application for our Issue Shares under the Retail Offering by way of Application Form, Electronic Share Application or Internet Share Application
Application Form	:	Application form for the application of our Issue Shares under the Retail Offering accompanying this Prospectus
Arus Sejahtera	:	Arus Sejahtera Ltd. (Acting as a general partner for and on behalf of Arus Sejahtera L.P.). Arus Sejahtera is a special purpose vehicle incorporated to hold the investment of Dymon Asia Private Equity (S.E. Asia) Fund III, L.P., which is a private equity fund
ATM	:	Automated teller machine
Auditors or Reporting Accountants	:	Baker Tilly Monteiro Heng PLT
Authorised Financial Institution	:	Authorised financial institution participating in the Internet Share Application in respect of the payment for our IPO Shares
Balakong DC	:	Our distribution centre and warehouse known as Balakong Distribution Centre, which is located at Lot 3720, Kawasan Perindustrian Sg. Ramal, Balakong, 43300 Seri Kembangan, Selangor
Board	:	Board of Directors
Bomba	:	Fire and Rescue Department of Malaysia
Bonus Issue	:	Bonus issue of 3,030,536,385 Bonus Shares on the basis of approximately 12 Bonus Shares for every one existing Share held by the entitled shareholders of our Company
Bonus Shares	:	New Shares to be issued pursuant to the Bonus Issue
Bumiputera	:	In the context of: (i) individuals - Malays and the aborigines and the natives of Sabah and Sarawak as specified in the Federal Constitution of Malaysia;

		(ii) companies - companies which fulfil, among others, the following criteria or such other criteria as may be imposed by the MITI: (a) registered under the Act as a private company; (b) its shareholders are 100.0% Bumiputera; and (c) its board of directors (including its staff) are at least 51.0% Bumiputera; and (iii) cooperatives - cooperatives whose shareholders or cooperative members are at least 95.0% Bumiputera or such criteria as may be imposed by the MITI
Bursa Depository	:	Bursa Malaysia Depository Sdn Bhd
Bursa Securities	:	Bursa Malaysia Securities Berhad
Bylaws	:	Bylaws governing the ESOS
CAGR	:	Compound annual growth rate, computed through the formula: CAGR = (Ending amount / Beginning amount)$^{1/N}$ – 1 Ending amount is the amount at the end of the period; Beginning amount is the amount at the beginning of the period; and N is the number of years within the period
Candy Chai	:	Chai Oi Cheng, the Non-Independent Executive Director / Chief Commercial Officer of our Company
CCTV	:	Closed-circuit television systems
CDS	:	Central Depository System
Central DC	:	The new distribution centre to be developed by our Company on the Central DC Land
Central DC Land	:	All that piece of land held under title number H.S.(M) 29390, PT No. 88826, Locality of Sungai Keladi, Pekan Kajang, District of Hulu Langat, State of Selangor, measuring approximately 27,290.945 sq. m. in area and held in perpetuity
CF or CCC	:	Certificate of fitness or certificate of completion and compliance, or such certificate by any other name issued by the relevant authority under the SDBA; Building Ordinance 1994 of Sarawak and any bylaws made under it or such relevant legislation applicable at the material time
CMSA	:	Capital Markets and Services Act 2007
COA	:	Certificate of accommodation issued pursuant to the Employees' Minimum Standards of Housing, Accommodations and Amenities Act 1990
Constitution	:	Constitution of our Company
COVID-19	:	An infectious disease caused by severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2)

DEFINITIONS *(Cont'd)*

DC	:	Distribution centre
Directors	:	Directors of our Company
DSKK	:	Datuk Seri Chai Kee Kan
DSL	:	Datin Seri Loh Siew Mui
EA1976	:	Excise Act 1976
EBITDA	:	Earnings before interest, taxation, depreciation and amortisation
Electronic Prospectus	:	Copy of this Prospectus that is issued, circulated or disseminated via the internet and/or an electronic storage medium including but not limited to compact disc read only memory (CD-ROM)
Electronic Share Application	:	Application for our Issue Shares under the Retail Offering through a Participating Financial Institution's ATM
Eligible Persons	:	Collectively, the Directors, employees of our Group (including directors of our subsidiaries) and persons who have contributed to the success of our Group who are eligible to participate in the Retail Offering
EPF	:	Employees' Provident Fund Board
EPS	:	Earnings per Share
Equity Guidelines	:	Equity Guidelines issued by the SC
ESG	:	Environmental, social and governance
ESOS	:	Employees' share option scheme for the granting of ESOS Options to the eligible directors and employees of our Company and/or our subsidiaries (which are not dormant)
ESOS Committee	:	A committee comprising Directors and/or officers of our Group to be appointed and authorised by our Board in accordance with the Bylaws
ESOS Options	:	Right of a Grantee to subscribe for new Shares pursuant to the contract constituted by the acceptance of an offer made in accordance with the terms and conditions of the Bylaws
EV	:	Enterprise value
EV/EBITDA Multiple	:	EV-to-EBITDA multiple
F&B	:	Food and beverage
Final Retail Price	:	Final price per Issue Share to be paid by the Eligible Persons and investors under the Retail Offering, equivalent to the Retail Price or the Institutional Price, whichever is lower, to be determined on the Price Determination Date
Financial Years Under Review	:	Collectively, the FYEs 30 June 2024, 30 June 2025 and 30 June 2026
FMCG	:	Fast-moving consumer goods

DEFINITIONS *(Cont'd)*

Frost & Sullivan or IMR	:	Frost & Sullivan GIC Malaysia Sdn Bhd, the independent market researcher
FYE	:	Financial year ended or where the context otherwise requires, financial year ending
GDP	:	Gross domestic product
Government	:	Government of Malaysia
GP	:	Gross profit
Grantee	:	Eligible directors or employees of any company within our Group (which is not dormant) who have accepted the offer in accordance with the terms and conditions of the offer and the Bylaws
IFRS	:	International Financial Reporting Standards
IMR Report	:	Independent market research report dated 11 November 2026 prepared by Frost & Sullivan
Institutional Offering	:	Offering of 735,000,000 IPO Shares at the Institutional Price, subject to the clawback and reallocation provisions and the Over-allotment Option, to institutional and selected investors, including Bumiputera investors approved by the MITI
Institutional Price	:	Price per IPO Share to be paid by investors under the Institutional Offering which will be determined on the Price Determination Date by way of bookbuilding
Internal Restructuring	:	Corporate reorganisation exercises undertaken within our Group prior to our Listing, as set out in Section 6.1.2 of this Prospectus
Internet Participating Financial Institutions	:	Participating financial institutions for the Internet Share Application
Internet Share Application	:	Application for our Issue Shares under the Retail Offering through an Internet Participating Financial Institution or Participating Securities Firm
IPO	:	Initial public offering of 840,000,000 IPO Shares via the Offer for Sale and our Public Issue
IPO Shares	:	Collectively, our Issue Shares and the Offer Shares
Issue Shares	:	New Shares to be issued by our Company pursuant to our Public Issue
Issuing House	:	AscendServ Capital Markets Services Sdn Bhd
IT	:	Information technology
John Chai	:	Chai Kee Mal, the Director of Outlet Operation of our Company
K8 Resources	:	K8 Resources Sdn Bhd (*formerly known as KK2 Resources Sdn Bhd*)
Key Senior Management	:	Key senior management of our Group, whose profiles are set out in Section 9.3.2 of this Prospectus
km	:	Kilometre(s)

DEFINITIONS *(Cont'd)*

KPI	:	Key performance indicator
KK Mart or Company	:	KK Mart Retail Berhad
KK Mart Group or Group	:	Collectively, our Company and our subsidiaries
KK Rewards App	:	KK Rewards Mobile Application which hosts KK Mart customer loyalty programme, developed and launched by KKSMST
Laurelcap	:	Laurelcap Sdn Bhd, an independent firm of registered valuers appointed by our Company to conduct the valuation on the Central DC Land
Listing	:	Listing of and quotation for the entire enlarged issued Shares on the Main Market of Bursa Securities
Listing Requirements	:	Main Market Listing Requirements of Bursa Securities
LPD	:	31 October 2026, being the latest practicable date prior to the registration of this Prospectus with the SC
MAICSA	:	Malaysian Institute of Chartered Secretaries and Administrators
Malaysian Public	:	Malaysian citizens, companies, cooperatives, societies and institutions incorporated or organised under the laws of Malaysia
Maybank IB or Principal Adviser or Sole Bookrunner or Sole Underwriter or Sole Placement Agent	:	Maybank Investment Bank Berhad
Market Day	:	A day on which Bursa Securities is open for trading in securities
MCCG	:	Malaysian Code on Corporate Governance issued by the SC
MDTCL	:	Ministry of Domestic Trade and Costs of Living of Malaysia
MFRS	:	Malaysian Financial Reporting Standards
MIA	:	Malaysian Institute of Accountants
MITI	:	Ministry of Investment, Trade and Industry of Malaysia
MOH	:	Ministry of Health Malaysia
N/A	:	Not applicable
NA	:	Net assets
NBV	:	Net book value
OEM	:	Original equipment manufacturer
Offer for Sale	:	Offer for sale of 630,000,000 Offer Shares by the Selling Shareholders
Offer Shares	:	Existing Shares to be offered by the Selling Shareholders pursuant to the Offer for Sale
Official List	:	A list specifying all securities listed on Bursa Securities

DEFINITIONS *(Cont'd)*

Over-allotment Option	:	The over-allotment option to be granted by the Over-allotment Option Provider to the Stabilising Manager (on behalf of the Sole Bookrunner) for up to 70,000,000 Shares, representing approximately 8.3% of the total number of IPO Shares offered
Over-allotment Option Provider	:	K8 Resources
Participating Financial Institution	:	A participating financial institution for the Electronic Share Application
Participating Securities Firm	:	A participating securities firm for the Internet Share Application
PAT	:	Profit after taxation
PATAMI	:	PAT attributable to the owners of the company
PBT	:	Profit before taxation
PDPA	:	Personal Data Protection Act 2010
Personal Data Protection Principles	:	Personal data protection principles as established under section 5 of the PDPA
Pink Application Form	:	Application form for the application of our Issue Shares under the Retail Offering by the Eligible Persons accompanying this Prospectus
Pink Form Allocation	:	The allocation of 35,000,000 Issue Shares to the Eligible Persons under the Retail Offering
Placement Agreement	:	Placement agreement to be entered into between our Company, the Selling Shareholders, the Sole Bookrunner and the Sole Placement Agent in respect of such number of IPO Shares to be offered under the Institutional Offering
POS	:	Point of sale
PPE	:	Property, plant and equipment
Price Determination Date	:	The date on which the Institutional Price and Final Retail Price will be determined
Promoters	:	Collectively, DSKK and K8 Resources
Prospectus	:	This Prospectus dated 26 November 2026 issued by our Company
Prospectus Guidelines	:	Prospectus Guidelines issued by the SC
Public Issue	:	Public issue of 210,000,000 Issue Shares by our Company
R&D	:	Research and development
RCPS	:	Redeemable convertible preference shares in our Company
RCPS Conversion	:	Conversion of the RCPS held by Arus Sejahtera into 12,844,733 new Shares which was completed on 27 March 2026
RCPS Interest and Dividend	:	Interest expense on RCPS and accrual of RCPS dividend

DEFINITIONS *(Cont'd)*

Record of Depositors	:	A record of securities holders established by Bursa Depository in accordance with the Rules of Bursa Depository
Retail Offering	:	Offering of 105,000,000 Issue Shares at the Retail Price, subject to the clawback and reallocation provisions, to be allocated in the following manner: (i) 35,000,000 Issue Shares reserved for application by the Eligible Persons; and (ii) 70,000,000 Issue Shares for application by the Malaysian Public, via balloting
Retail Price	:	Initial price of RM0.55 per Issue Share to be fully paid upon application under the Retail Offering, subject to adjustment as detailed in Section 4.4.1 of this Prospectus
Retail Underwriting Agreement	:	Retail underwriting agreement dated 6 November 2026 between our Company and the Sole Underwriter for the underwriting of our Issue Shares under the Retail Offering
Robert Chai	:	Chai Che Hiung, the Director of Procurement of our Company
RTE	:	Ready-to-Eat
Rules of Bursa Depository	:	The rules of Bursa Depository as issued under the SICDA
Sandwich Incident	:	The incident where in January 2025, sandwiches labelled as "Ham and Cheese Sandwich" and bearing a Halal logo were offered for sale at our Universiti Malaya store
SARA	:	Sumbangan Asas Rahmah
SC	:	Securities Commission Malaysia
SDBA	:	Street, Drainage and Building Act 1974
Selling Shareholders	:	Collectively, K8 Resources and Arus Sejahtera
Share Lending Agreement	:	The agreement to be entered into by the Over-allotment Option Provider and the Stabilising Manager under which the Over-allotment Option Provider will lend our Shares to the Stabilising Manager to cover over-allotments, if any, under the Over-allotment Option
Share Registrar	:	Ascendserv Capital Markets Services Sdn Bhd
Share(s)	:	Ordinary share(s) in our Company
Sherman Lam	:	Sherman Lam Yuen Suen, the Non-Independent Non-Executive Director of our Company
SICDA	:	Securities Industry (Central Depositories) Act 1991
SKAS	:	Sumbangan Keperluan Asas Sarawak
SKU	:	Stock keeping unit
SME	:	Small and medium-sized enterprises

DEFINITIONS *(Cont'd)*

Socks Incident	:	The incident where in March 2024, socks bearing the word "Allah" were offered for sale at our Bandar Sunway store
SOCSO/PERKESO	:	Social Security Organisation of Malaysia
SOP	:	Standard operating procedures
sq. ft.	:	Square feet
sq. m.	:	Square metre(s)
SSM	:	Suruhanjaya Syarikat Malaysia
SSPA	:	The subscription and share purchase agreement dated 9 November 2023 between Arus Sejahtera, K8 Resources, DSKK, DSL and our Company in respect of our Shares and our redeemable convertible preference shares (as supplemented by the supplemental agreements dated 5 February 2024, 8 March 2024, 12 April 2024 and 5 July 2024 respectively)
SSSG	:	Same store sales growth, a sales performance measure calculated as the percentage difference in sales generated in a given period as compared to a comparable prior period, for outlets which have been in operation since the beginning of the comparable prior period
SST	:	Sales and Service Tax
Stabilising Manager	:	Maybank IB
U.S. or United States	:	United States of America its territories and possessions, any state of the United States and the District of Columbia
White Application Form	:	Application form for the application of our Issue Shares under the Retail Offering by the Malaysian Public accompanying this Prospectus

Currency

RM and sen	:	Ringgit Malaysia and sen, the lawful currency of Malaysia

Subsidiaries

KK Mega Hugo	:	KK Mega Hugo Sdn Bhd
KK Megamart	:	KK Megamart Sdn Bhd
KK Supermart	:	KK Supermart Sdn Bhd
KKSMST	:	KK Supermart & Superstore Sdn Bhd

Other companies referred to in this Prospectus

88C Bakery Cafe	:	88C Bakery Cafe Sdn Bhd
K3 Systems	:	K3 Systems Sdn Bhd
K8 DC Management	:	K8 DC Management Sdn Bhd *(formerly known as KK2 DC Management Sdn Bhd)*
K8 Kopitiam (S)	:	K8 Kopitiam (S) Sdn Bhd *(formerly known as KK2 Kopitiam (S) Sdn Bhd)*

DEFINITIONS *(Cont'd)*

K8 Supermart Holdings	:	K8 Supermart Holdings Sdn Bhd *(formerly known as KK2 Supermart Holdings Sdn Bhd)*
Supergold Development	:	Supergold Development Sdn Bhd
SKCC Laboratories	:	SKCC Laboratories Sdn Bhd

1. CORPORATE DIRECTORY

BOARD OF DIRECTORS

Name	Designation	Nationality	Address
Tan Sri Abd Rahman Bin Mamat (M)	Independent Non-Executive Chairperson	Malaysian	3-11-1, The Residence Jalan Wan Kadir 5 Taman Tun Dr. Ismail 60000 Kuala Lumpur Wilayah Persekutuan Kuala Lumpur
Datuk Seri Chai Kee Kan (M)	Non-Independent Executive Director / Group Managing Director	Malaysian	No. 7, Jalan 5/155A Bukit Jalil Golf & Country Resort 57000 Kuala Lumpur Wilayah Persekutuan Kuala Lumpur
Chai Oi Cheng (Candy) (F)	Non-Independent Executive Director / Chief Commercial Officer	Malaysian	82-12-36, De Tropicana Condominium Kuchai Entrepreneurs Park Off Jalan Kuchai Lama 58200 Kuala Lumpur Wilayah Persekutuan Kuala Lumpur
Sherman Lam Yuen Suen (M)	Non-Independent Non-Executive Director	Malaysian	39, Jalan Puncak Desa Taman Desa Off Jalan Klang Lama 58100 Kuala Lumpur Wilayah Persekutuan Kuala Lumpur
Chan Kim Hong (Agnes) (F)	Independent Non-Executive Director	Malaysian	140E, Jalan Tasek 58100 Kuala Lumpur Wilayah Persekutuan Kuala Lumpur
Chin Wei Min (M)	Independent Non-Executive Director	Malaysian	1253, Jalan 17/31 46400 Petaling Jaya Selangor Darul Ehsan
Chin Shih Hui (F)	Independent Non-Executive Director	Malaysian	No. 18, Jalan Seri Jalil Seri Jalil, Bandar Bukit Jalil 57000 Kuala Lumpur Wilayah Persekutuan Kuala Lumpur

Notes:

(M) denotes male

(F) denotes female

1. CORPORATE DIRECTORY *(Cont'd)*

AUDIT COMMITTEE

Name	Designation	Directorship
Chin Shih Hui	Chairperson	Independent Non-Executive Director
Chan Kim Hong (Agnes)	Member	Independent Non-Executive Director
Chin Wei Min	Member	Independent Non-Executive Director

NOMINATION AND REMUNERATION COMMITTEE

Name	Designation	Directorship
Chan Kim Hong (Agnes)	Chairperson	Independent Non-Executive Director
Sherman Lam Yuen Suen	Member	Non-Independent Non-Executive Director
Chin Wei Min	Member	Independent Non-Executive Director
Chin Shih Hui	Member	Independent Non-Executive Director

SUSTAINABILITY AND RISK MANAGEMENT COMMITTEE

Name	Designation	Directorship
Chin Wei Min	Chairperson	Independent Non-Executive Director
Chai Oi Cheng (Candy)	Member	Non-Independent Executive Director / Chief Commercial Officer
Sherman Lam Yuen Suen	Member	Non-Independent Non-Executive Director
Chan Kim Hong (Agnes)	Member	Independent Non-Executive Director
Chin Shih Hui	Member	Independent Non-Executive Director

1. CORPORATE DIRECTORY *(Cont'd)*

COMPANY SECRETARIES	:	**Yeng Shi Mei** Office Suite No. 603 Block C Pusat Dagangan Phileo Damansara 1 No. 9, Jalan 16/11, Off Jalan Damansara 46350 Petaling Jaya Selangor Darul Ehsan Professional qualification: MAICSA (Membership No.: 7059759) (SSM Practising Certificate No.: 202008001282)
		Cynthia Gloria Louis Office Suite No. 603 Block C Pusat Dagangan Phileo Damansara 1 No. 9, Jalan 16/11, Off Jalan Damansara 46350 Petaling Jaya Selangor Darul Ehsan Professional qualification: MAICSA (Membership No.: 7008306) (SSM Practising Certificate No.: 201908003061)
REGISTERED OFFICE	:	Office Suite No. 603 Block C Pusat Dagangan Phileo Damansara 1 No. 9, Jalan 16/11, Off Jalan Damansara 46350 Petaling Jaya Selangor Darul Ehsan Tel. No.: +603 7931 7015
HEAD/MANAGEMENT OFFICE	:	**Menara KK** T6-01-03, Tower 6 Maju Link, Jalan Lingkaran Tengah 2 Bandar Tasik Selatan 57000 Kuala Lumpur Wilayah Persekutuan Kuala Lumpur Tel. No.: +603 9057 3308 Email: enquiry@kkgroup.my Website: https://www.kkmartretail.my
SELLING SHAREHOLDERS	:	**K8 Resources Sdn Bhd** ***(formerly known as KK2 Resources Sdn Bhd)*** Menara KK, T6-01-03, Tower 6 Maju Link, Jalan Lingkaran Tengah 2 Bandar Tasik Selatan 57000 Kuala Lumpur Wilayah Persekutuan Kuala Lumpur **Arus Sejahtera Ltd.** **(Acting as a general partner for and on behalf of Arus Sejahtera L.P.)** PO Box 309, Ugland House Grand Cayman KY1-1104, Cayman Islands
AUDITORS AND REPORTING ACCOUNTANTS	:	**Baker Tilly Monteiro Heng PLT** **(201906000600 (LLP0019411-LCA) & AF 0117)** Baker Tilly Tower Level 10, Tower 1, Avenue 5 Bangsar South City 59200 Kuala Lumpur Wilayah Persekutuan Kuala Lumpur Tel. No.: +603 2297 1000 Partner-in-charge: Paul Tan Hong (License No.: 03459/11/2027 J) Professional qualification: Chartered Accountant of the MIA and Fellow Member of the Association of Chartered Certified Accountants

1. CORPORATE DIRECTORY *(Cont'd)*

PRINCIPAL ADVISER, SOLE BOOKRUNNER, SOLE PLACEMENT AGENT AND SOLE UNDERWRITER	:	**Maybank Investment Bank Berhad** Level 70, Menara Merdeka Maybank Presint Merdeka 118 50118 Kuala Lumpur Wilayah Persekutuan Kuala Lumpur
LEGAL ADVISERS	:	*To our Company as to Malaysian law* **Abdullah Chan & Co** 31st Floor, UBN Tower 10, Jalan P. Ramlee 50250 Kuala Lumpur Wilayah Persekutuan Kuala Lumpur Tel. No.: +603 2300 0610 *To the Sole Bookrunner, Sole Placement Agent and Sole Underwriter as to Malaysian law* **Christopher & Lee Ong** Level 22, Axiata Tower No. 9, Jalan Stesen Sentral 5 Kuala Lumpur Sentral 50470 Kuala Lumpur Wilayah Persekutuan Kuala Lumpur Tel. No.: +603 2273 1919
INDEPENDENT MARKET RESEARCHER	:	**Frost & Sullivan GIC Malaysia Sdn Bhd** Level 6.06, KPMG Tower 8 First Avenue Bandar Utama 47800 Petaling Jaya Selangor Darul Ehsan Tel. No.: +603 2023 2000 Name of signing partner: Narciso Podda *(See Section 8 of this Prospectus for the profile of the firm and the signing partner)*
INTERNAL CONTROL CONSULTANT	:	**Axcelasia ESG Sdn Bhd** Unit 301, Level 3, Block E Pusat Dagangan Phileo Damansara 1 No. 9, Jalan 16/11, Off Jalan Damansara 46350 Petaling Jaya Selangor Darul Ehsan Tel. No.: +603 2028 7450
SHARE REGISTRAR AND ISSUING HOUSE	:	**AscendServ Capital Markets Services Sdn Bhd** Unit 705 Block G Pusat Dagangan Phileo Damansara 1 No. 9, Jalan 16/11, Off Jalan Damansara 46350 Petaling Jaya Selangor Darul Ehsan Tel. No.: +603 7890 0238
LISTING SOUGHT	:	Main Market of Bursa Securities

2. INTRODUCTION

2.1 APPROVALS AND CONDITIONS

2.1.1 SC

The SC, via its letter dated 22 September 2026, approved our IPO and our Listing under Section 214(1) of the CMSA, subject to compliance with the following conditions:

No.	Details of condition imposed	Status of compliance
(i)	Maybank IB and our Company to fully comply with the requirements of the Equity Guidelines and Prospectus Guidelines pertaining to the implementation of our Listing	To be complied

The SC has also, via the same letter, approved our application under the Bumiputera equity requirement for public listed companies pursuant to our Listing, subject to our Company allocating Shares equivalent to 12.5% of the enlarged issued Shares upon our listing to Bumiputera investors to be approved by the MITI. In addition, we are required to make available at least 50.0% of the Shares offered to the Malaysian public investors via balloting to Bumiputera public investors.

2.1.2 MITI

MITI has, via its letter dated 29 June 2026, stated that it has agreed to our Listing.

2.1.3 Bursa Securities

Bursa Securities has, via its letter dated 26 October 2026, approved our Admission, our Listing, and the listing of and quotation for the new Shares to be issued upon exercise of the ESOS Options, subject to compliance with the following conditions:

No.	Details of condition imposed	Status of compliance
(i)	Make the relevant announcements pursuant to Paragraphs 8.1 and 8.2 of Practice Note 21 of the Listing Requirements. In this respect, we are advised to include the stock code, stock short name and International Securities Identification Number (ISIN) Code upon making the announcement on the timetable for our IPO.	To be complied
(ii)	Make an immediate announcement upon the closing date of the offer that our IPO is subject to stabilisation action.	To be complied

2. INTRODUCTION *(Cont'd)*

No.	Details of condition imposed	Status of compliance
(iii)	To furnish Bursa Securities with the following:	To be complied
	(a) a letter of notification by Maybank IB for the appointment of stabilising manager pursuant to item (1)(k), Part B of Annexure Practice Note 21-A of the Listing Requirements as soon as the stabilising manager is appointed;	
	(b) a copy of the schedule of distribution showing compliance with the public share spread requirements based on our entire issued share capital on the first day of our Listing;	
	(c) confirmation on the full compliance of the ESOS pursuant to Paragraph 6.43(1) of the Listing Requirements together with the disclosure on the effective date of implementation; and	
	(d) summary of the total number of Shares listed on a quarterly basis pursuant to the ESOS as at the end of each quarter together with a detailed computation of listing fees payable.	

2.2 MORATORIUM ON OUR SHARES

In accordance with the Equity Guidelines, our Shares held by K8 Resources, DSKK, DSL, Candy Chai, Robert Chai and John Chai (collectively, "**Moratorium Providers**") as at the date of our Listing will be placed under moratorium. In this respect, our Shares that are subject to moratorium are set out below:

	Assuming the Over-allotment Option is not exercised				Assuming the Over-allotment Option is fully exercised			
	Direct		Indirect		Direct		Indirect	
Name	No. of Shares ('000)	(1)%	No. of Shares ('000)	(1)%	No. of Shares ('000)	(1)%	No. of Shares ('000)	(1)%
K8 Resources	2,584,629	73.85	-	-	2,514,629	71.85	-	-
DSKK	-	-	2,584,629(2)	73.85	-	-	2,514,629(2)	71.85
DSL	-	-	2,584,629(2)	73.85	-	-	2,514,629(2)	71.85
Candy Chai(3)	500	*	-	-	500	*	-	-
Robert Chai(3)	1,000	*	-	-	1,000	*	-	-
John Chai(3)	1,000	*	-	-	1,000	*	-	-

Notes:

* *Negligible.*

(1) Based on our enlarged issued Shares of 3,500,000,000 upon our Listing.

(2) Deemed interested by virtue of his and her shareholding in K8 Resources pursuant to Sections 8(4) and 59(11) of the Act.

*(3) Assuming full subscription of our Issue Shares allocated to them in respect of the Retail Offering. Candy Chai, Robert Chai and John Chai are persons connected to DSKK. They have been allocated 500,000, 1,000,000 and 1,000,000 Issue Shares under the Pink Form Allocation respectively ("**Pink Form Shares**"). Accordingly, they are not allowed to sell, transfer or assign any Pink Form Shares or any additional Issue Shares which they may subscribe under the Retail Offering for a period of six months from the date of our Listing.*

2. INTRODUCTION *(Cont'd)*

The Moratorium Providers have fully accepted the moratorium. They are not allowed to sell, transfer or assign any part of its holding in our Shares as at the date of our Listing, for a period of six months from the date of our Listing.

Additionally, the direct shareholders of K8 Resources, being DSKK and DSL, are not allowed to sell, transfer or assign any part of their respective holding in K8 Resources for a six months period beginning from the date of our Listing.

The above restrictions do not apply:

(a) in respect of our Shares that may be sold pursuant to the Over-allotment Option to be granted by the Over-allotment Option Provider to the Stabilising Manager (on behalf of the Sole Bookrunner); and

(b) to the transfer of our Shares by the Over-allotment Option Provider as contemplated under the Share Lending Agreement, provided that the restriction will apply to our Shares returned to the Over-allotment Option Provider pursuant to the Share Lending Agreement.

The above moratorium restrictions are specifically endorsed on the share certificates representing our Shares held by the Moratorium Providers which are under moratorium to ensure that our Share Registrar does not register any transfer that contravenes such restrictions.

3. PROSPECTUS SUMMARY

This Prospectus Summary only highlights the key information from other parts of this Prospectus. It does not contain all the information that may be important to you. You should read and understand the contents of the whole Prospectus prior to deciding whether to invest in our Shares.

3.1 PRINCIPAL DETAILS OF OUR IPO

3.1.1 Institutional Offering

The Institutional Offering involves the offering of up to 735,000,000 IPO Shares, representing up to 21.0% of our enlarged issued Shares, subject to the clawback and reallocation provisions and the Over-allotment Option as set out in Sections 4.2.4 and 4.2.5 of this Prospectus, respectively, at the Institutional Price in the following manner:

(i) 437,500,000 Offer Shares, representing approximately 12.5% of our enlarged issued Shares, to Bumiputera investors approved by the MITI; and

(ii) up to 297,500,000 IPO Shares, representing up to 8.5% of our enlarged issued Shares, to institutional and selected investors (other than Bumiputera investors approved by the MITI).

3.1.2 Retail Offering

The Retail Offering involves the offering of 105,000,000 Issue Shares, representing 3.0% of our enlarged issued Shares, subject to the clawback and reallocation provisions as set out in Section 4.2.4 of this Prospectus, at the Retail Price in the following manner:

(i) Allocation to the Eligible Persons

35,000,000 Issue Shares, representing 1.0% of our enlarged issued Shares, are reserved for application by the Eligible Persons.

(ii) Allocation via balloting to the Malaysian Public

70,000,000 Issue Shares, representing 2.0% of our enlarged issued Shares, are reserved for application by the Malaysian Public, of which 35,000,000 Issue Shares have been set aside for application by Bumiputera citizens, companies, co-operatives, societies and institutions.

3.1.3 Moratorium on our Shares

In accordance with the Equity Guidelines, the Moratorium Providers are not allowed to sell, transfer or assign any part of their respective holding in our Shares as at the date of our Listing, for a period of six months from the date of our Listing. DSKK and DSL, being the direct shareholders of K8 Resources, are also not allowed to sell, transfer or assign any part of their respective holding in K8 Resources for a period of six months from the date of our Listing.

Our Public Issue is expected to raise gross proceeds amounting to RM115.5 million to our Company, while the Offer for Sale is expected to raise gross proceeds of up to approximately RM346.5 million, which will accrue entirely to the Selling Shareholders.

For further details on our IPO, plan of distribution and moratorium on our Shares, see Sections 4.2 and 2.2 of this Prospectus, respectively.

3.2 OUR BUSINESS

Our Company was incorporated in Malaysia under the Act on 27 September 2023 as a private limited company under the name of KK Supergold Sdn Bhd. On 13 February 2025, our Company changed its name to KK Mart Retail Sdn Bhd and was converted into a public limited company on 25 March 2026.

Our Company is an investment holding company. Through our subsidiaries, we are principally involved in the retail business. We operate the well-known "KK Super Mart" chain of 24-hour convenience marts involved in the retailing of daily necessities, with 1,106 stores located across the states of (1) the Federal Territories (excluding Labuan); (2) Selangor; (3) Negeri Sembilan; (4) Melaka; (5) Johor; (6) Pahang; (7) Perak; (8) Pulau Pinang; (9) Kedah; and (10) Sarawak as at the LPD. The majority of our stores operate 24 hours a day, seven days a week, to maximise convenience for customers, with the exception of eight stores which are located in buildings such as universities, shopping malls or at transportation hub.

Our convenience marts are typically located at high foot traffic retail locations such as high street locations, transportation hubs, shopping malls and commercial spaces within residential developments. These strategically located stores are designed to offer convenience and cater to "on-the-go" and impulse purchases by a diverse range of end consumers. Presently, our growing network of stores is mainly concentrated in Kuala Lumpur and Selangor where 67.3% of our stores are located.

Additionally, we offer online sales through our own website, complemented by delivery services both via our website and through partnerships with third-party delivery aggregator platforms, namely GrabMart, ShopeeFood and Foodpanda to fulfil customer doorstep requests. KK Super Mart also carries 182 house brand products to build a strong brand identity, fostering customer loyalty and providing more options to customers.

For further details on our history, group structure and business, see Sections 6 and 7 of this Prospectus.

3.3 COMPETITIVE STRENGTHS

Our competitive strengths are as follows:

(i) We are the leading player in Malaysia's convenience mart segment, which is poised for robust growth with the potential for further expansion

We are the leading convenience mart in Malaysia by number of stores as at the LPD and revenue in 2025. We held a 14.9% market share by revenue among convenience retailers in Malaysia in 2025 and were the fastest-growing among the selected convenience retailers in Malaysia, by number of stores, from 2022 to 2025, according to the IMR Report. In addition, we are a home-grown brand with full ownership of our brand, giving us complete autonomy over every aspect of our business.

(ii) We cater to the needs of modern consumers who prioritise convenience and speed

We are recognised as a convenient one-stop destination with extended operating hours of up to 24 hours, providing more options to our customers for daily and/or urgent necessities. Our 24-7 community proximity store format is designed to serve specific residential communities across urban, suburban, and rural areas in addition to our doorstep delivery services. In addition, our KK Concept Store features a refreshment and snack station offering RTE meals, providing a welcoming space for customers to grab a quick bite and connect in a relaxed, social atmosphere, thereby elevating their shopping experience.

(iii) We provide a curated range of products and offer a competitive price-value proposition

By offering a carefully curated selection of products within the daily necessities category including our constantly refreshed product offerings, all with an attractive price-to-quality value proposition, we are well-positioned to capitalise on consumer demand. Consequently, we recorded strong growth in our revenue from RM1,454.9 million for the FYE 30 June 2024 to RM1,774.6 million for the FYE 30 June 2026, representing a CAGR of 10.4%.

(iv) Effective cost, quality and supply management through a differentiated procurement strategy and lean operating structure

Our success is driven by the scale and strength of our procurement and bulk sourcing processes, which allow us to source competitively priced products, maintain better control over product quality and ensure reliable supply. We also maximise GP margins through strategic introduction of house brand products for essential and high-demand items. Operating under a lean and asset-light business model, we minimise costs while maintaining operational agility. As a result, we are able to achieve attractive store economics and healthy EBITDA margins of 13.8%, 13.5% and 13.2% for the FYEs 30 June 2024, 30 June 2025 and 30 June 2026, respectively.

(v) Tech-driven company delivering unique value proposition to customers

We elevate customer acquisition and retention with our KK Rewards App, providing a convenient, personalised shopping experience. Our data-driven insights, powered by our in-house business intelligence and analytics system, allow us to continuously adapt and optimise our offerings to meet evolving customer needs.

(vi) Scalable and proven platform that can be leveraged for future growth

Our modular store design and compact format, supported by standardised store opening procedures and operational processes, ensures consistency as we scale our retail network. This streamlined approach enables us to optimise resources, maintain a uniform customer experience across all locations and accelerate our expansion efficiently.

(vii) Efficient capital turnover and cash conversion

Leveraging on our proven operating model, we are able to achieve an average payback period of approximately two years for both of our new KK Super Mart stores and KK Concept Stores opened in the Financial Years Under Review. Additionally, we also benefit from a short cash conversion cycle of 23 days for the FYE 30 June 2026. Further, according to the IMR Report, our revenue CAGR of 12.2% from the FYE 30 June 2023 to the FYE 30 June 2026 was among the fastest revenue CAGR within the selected grocery-based retailers in Malaysia and our PBT margin of 7.9% for the FYE 30 June 2026 also indicated our efficient operational performance. Our GP margin of 29.0% for the FYE 30 June 2026 is also above the average reported by these retailers. This reflects our financial strength and effective financial management.

(viii) Founder-led experienced management team with proven track record and industry expertise

Our Group is led by a highly experienced senior management team comprising several industry professionals. At the helm is our founder, DSKK, whose leadership has been pivotal in shaping our growth and strategy since the early years. Our Key Senior Management team consists of individuals with extensive experience in retail operations, with the majority having been part of our Group for over 12 years.

For further details on our competitive strengths, see Section 7.2 of this Prospectus.

3.4 FUTURE PLANS AND STRATEGIES

Our future plans and strategies are as follows:

(i) Continue our store expansion in Malaysia

We have established a strong track record of expanding our store network across Malaysia. We believe there is untapped potential outside the Central region of Peninsular Malaysia where we can increase our per-capita penetration.

In addition to expanding our store network in Kuala Lumpur and Selangor, we plan to grow further in the Southern and Northern regions, particularly Johor and Pulau Pinang, where our per-capita penetration is lower than in the Central region of Peninsular Malaysia. In addition, we also aim to establish our presence in new markets where we currently do not operate, namely Terengganu, Perlis and Kelantan as well as Sabah in East Malaysia by June 2027.

As part of our growth strategy, we aim to surpass 1,500 stores by the FYE 30 June 2028, opening an average of 20 and 24 stores per month in the FYEs 30 June 2027 and 30 June 2028 respectively.

(ii) Grow our "KK Concept Store" format

We see significant growth opportunities in our "KK Concept Store" format which focuses on RTE meals and fresh food offering. We believe there is substantial demand for this communal concept, particularly in locations like universities, airports, transportation hubs and small residential neighbourhoods like condominium and townships.

(iii) Continue to enhance our product mix and expand house brand offerings to improve customer value proposition and profitability

Our Group remains focused on strengthening and optimising our product offerings to enhance customer experience, increase basket size and improve overall store profitability. This includes expanding our product mix across both essential and discretionary categories, improving shelf productivity through ongoing product performance reviews and introducing higher-margin product categories such as fresh produce, imported goods and house brand products.

As we gradually increase the share of house brand products, we aim to drive higher margins while enhancing the shopping experience with value-for-money offerings.

(iv) Improve our KK Rewards App, website and loyalty programme

We plan to further enhance our KK Rewards App's functionality to deliver a more user-friendly experience while also driving customer engagement through interactive features such as mini-games. In addition, we plan to personalise promotions on our KK Rewards App by offering tailored coupons and discounts based on customers' purchasing history, aiming not only to drive larger basket sizes but also to boost overall transaction frequency. We also aim to enhance user experience by optimising our e-commerce website for easier navigation. Using marketing automation tools, we aim to introduce more personalised recommendations, targeted promotions and discounts to boost sales, drive traffic and enhance customer loyalty. In addition, to strengthen customer retention, we are enhancing our loyalty program with more exclusive deals, vouchers and sales promotions designed to reward repeat purchases and incentivise more frequent visits.

(v) Invest in logistics and distribution capabilities

We plan to continue investing in our distribution and supply chain infrastructure. To support the growth of our store network, we intend to enhance the capacity of our DC by relocating our Balakong DC to a larger facility in Klang Valley, namely Central DC, by the first quarter of 2029. We also aim to enhance our distribution network by adopting a hub-and-spoke model, including the rental of two new DCs in Mukim Senai, Kulai District, Johor and Butterworth, Pulau Pinang respectively, to supplement our central DC in Klang Valley. The new DC in Johor ("**Southern DC**") is targeted to be commissioned in the first half of 2027, while the new DC in Pulau Pinang ("**Northern DC**") is targeted to be commissioned by the end of 2029. We also plan to streamline our transportation operations by streamlining the number of our logistics service providers and/or engaging a third-party logistics vendor for handling of our logistics functions, potentially generating cost savings.

(vi) Strengthen our international sourcing capabilities

We aim to establish and strengthen our purchasing team in key sourcing countries to increase direct sourcing and secure better pricing from suppliers. In parallel, we are enhancing our sourcing capabilities for selected lifestyle and F&B product categories to offer better cost competitiveness and a broader product assortment to our customers.

(vii) Invest in systems and automation

We plan to upgrade our warehouse management system to strengthen our supply chain and logistics capabilities in support of our multi-site hub-and-spoke distribution model. In parallel, we intend to expand the rollout of self-checkout kiosks at selected stores to streamline the checkout process, reduce staff dependency and enhance customer convenience.

For further details on our future plans and strategies, see Section 7.3 of this Prospectus.

3.5 RISK FACTORS

An investment in our Shares involves a number of risks, many of which are beyond our control. You should carefully consider all of the information contained in this Prospectus, including all the risk factors, before deciding to invest in our Shares. Our business, financial condition, results of operations and prospects could be materially and adversely affected by any of these risks. The market price of our Shares could decline due to any of these risks, and you may lose all or part of your investment.

Set out below are the key risks faced by us in our business operations:

(i) We may be affected by events, publicity or actions from third parties that may have an adverse impact on our brand and reputation. Such events, which we may not be able to control or regulate, may deter customers from purchasing from us and may cause business partners to hesitate in doing business with us.

(ii) If we fail to maintain or renew the required operating licences, approvals or permits for our operations in a timely manner, or comply with applicable regulatory requirements, this may result in operational disruptions such as temporary store closures and/or regulatory actions.

(iii) Shortage or unavailability of products demanded by our customers due to disruptions to our supply chain or increase in the prices of our products may materially and adversely affect our business and competitiveness.

(iv) Any material issue with the quality of our products or non-compliance of our products with regulatory requirements could adversely affect our business, financial condition and results of operations.

(v) Our supply chain depends on a single DC, which handles a significant share of the products we offer for sale and our planned expansion of our distribution network, including the securing of new DC premises and development of the Central DC, may not be successfully implemented. Any delay in the completion of the development of the Central DC may delay our planned relocation from the existing Balakong DC. Additionally, we may not be able to secure tenancies, or renewals thereof, at suitable locations for our new Southern DC and Northern DCs on commercially favourable terms or at all.

(vi) We may be subject to enforcement action if we are unable to obtain the necessary approvals from authorities for the properties which we occupy. There can be no assurance that we will not be required to close down or relocate our stores or become subject to financial or other penalties in respect of such non-compliances in the future.

(vii) Our new stores may not achieve profitability and we may not be able to maintain the profitability of our existing stores. Our expansion may be affected if new stores experience longer than anticipated ramp-up periods or underperform relative to our existing stores. This could result in a decrease in our average sales per store.

(viii) Our profitability relies on our ability to execute our pricing strategies and manage the cost of our products efficiently and failing which, could potentially affect our profit margins and financial performance.

(ix) Our success depends on our ability to secure suitable retail locations at commercially acceptable prices. There is no guarantee that we will be able to continuously secure sufficiently long term tenancies for our new stores or that we will be able to negotiate and obtain tenancies and renewal terms that are commercially acceptable to us.

For further details on our risk factors, see Section 5 of this Prospectus.

3.6 NON-COMPLIANCES WITH THE RELEVANT LAWS, REGULATIONS, RULES AND REQUIREMENTS GOVERNING THE CONDUCT OF THE OPERATIONS OF OUR GROUP

As at the LPD, we have not obtained the required CCC or Permit Pembinaan Kecil ("**PPK**") (as applicable) or do not have the documentary evidence of CCC having been issued for 39 out of 1,106 of our stores. The total estimated cost to rectify the non-compliances referred to in Section 7.23 of this Prospectus, together with the potential maximum penalties is approximately RM1.9 million, representing 1.4% of our Group's PBT for the FYE 30 June 2026.

Notwithstanding the above, we are of the view that it is unlikely that the potential maximum penalties for the said non-compliances will be imposed simultaneously as the affected stores are dispersed throughout Malaysia and the non-compliances are under the ambit of different relevant authorities. In the event of enforcement, we are of the view that the relevant authorities may grant a rectification period prior to imposing any penalties.

Our Group had experienced instances of past non-compliances, all of which have been rectified as at the LPD. These include: (i) stores without business and signboard licence; (ii) expired fire certificate for our Balakong DC; (iii) lapses in workers' accommodation requirements; (iv) sale of liquor without valid licences and during prohibited hours; (v) product related non-compliances and other non-compliances related to the operation of our stores; (vi) non-appointment of data protection officer; (vii) overtime work hours exceeded the maximum limit; (viii) statutory wage payment requirements; (ix) failure to establish required safety and health committees and appoint safety and health officer and coordinators; and (x) foreign workers performing cashier role and employment composition requirement under Dewan Bandaraya Kuala Lumpur's ("**DBKL**") licence condition. Our Group has also experienced allegations and/or court proceedings arising from lapses in product compliance, for example, in respect of the Socks Incident, the Sandwich Incident and the other incidents as set out in Section 7.23 of this Prospectus. We paid a fine of RM60,000 pursuant to Section 298 of the Penal Code for intentionally wounding the religious feelings of others in relation to the Socks Incident. No penalty or fine was imposed in connection with the Sandwich Incident. These past non-compliances and incidents did not have any material adverse impact on our Group's business operations or financial condition.

We will continue to make the necessary applications and/or engage with the relevant authorities to resolve and address the outstanding non-compliances in accordance with directions of the relevant authorities. We have also established SOPs to address and to prevent the recurrence of the non-compliances. Where the non-compliances remain unresolved at the time of our Listing, the status of non-compliances will be disclosed in our annual report. See Section 7.23 of this Prospectus for further details on the non-compliances and steps taken by us to address the said non-compliances.

3.7 DIRECTORS AND KEY SENIOR MANAGEMENT

As at the LPD, our Directors and Key Senior Management are as follows:

Name	Designation
Directors	
Tan Sri Abd Rahman Bin Mamat	Independent Non-Executive Chairperson
DSKK	Non-Independent Executive Director / Group Managing Director
Candy Chai	Non-Independent Executive Director / Chief Commercial Officer
Sherman Lam	Non-Independent Non-Executive Director
Agnes Chan	Independent Non-Executive Director
Chin Wei Min	Independent Non-Executive Director
Chin Shih Hui	Independent Non-Executive Director
Key Senior Management	
DSKK	Non-Independent Executive Director / Group Managing Director
Candy Chai	Non-Independent Executive Director / Chief Commercial Officer
Tee Kok Hiem	Chief Operating Officer (Retail Operation)
Ho Lai Wah	Chief Operating Officer (Retail Innovation & Human Capital)
Yap Kit Foong	Chief Financial Officer
Aida Lim Lean Ling	Chief Digital Officer
Robert Chai	Director of Procurement
John Chai	Director of Outlet Operation

For further details on our Directors and Key Senior Management, see Sections 9.1, 9.2 and 9.3 of this Prospectus, respectively.

3.8 PROMOTERS AND SUBSTANTIAL SHAREHOLDERS

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

	Before our IPO[(1)]			
	Direct		**Indirect**	
Name/ Nationality/ Country of incorporation	**No. of Shares ('000)**	**%**	**No. of Shares ('000)**	**%**
K8 Resources / Malaysia	3,127,129	95.05	-	-
DSKK / Malaysian	-	-	3,127,129[(4)]	95.05

	After our IPO							
	Assuming the Over-allotment Option is not exercised[(2)]				**Assuming the Over-allotment Option is fully exercised[(3)]**			
	Direct		**Indirect**		**Direct**		**Indirect**	
Name/ Nationality/ Country of incorporation	**No. of Shares ('000)**	**%**	**No. of Shares ('000)**	**%**	**No. of Shares ('000)**	**%**	**No. of Shares ('000)**	**%**
K8 Resources / Malaysia	2,584,629	73.85	-	-	2,514,629	71.85	-	-
DSKK / Malaysian	-	-	2,584,629[(4)]	73.85	-	-	2,514,629[(4)]	71.85

Notes:

(1) Based on our enlarged issued Shares of 3,290,000,000 after the Bonus Issue.

(2) Based on our enlarged issued Shares of 3,500,000,000 upon our Listing.

(3) Assuming the Over-allotment Option of up to 70,000,000 Shares, representing 8.3% of the total number of our IPO Shares offered.

(4) Deemed interest by virtue of his and his spouse's shareholding in K8 Resources pursuant to Sections 8(4) and 59(11)(c) of the Act.

For further information on our Promoters and substantial shareholders, see Section 9.1 of this Prospectus.

3.9 USE OF PROCEEDS

We expect to use the gross proceeds from our Public Issue amounting to RM115,500,000[(1)] in the following manner:

Description of use of proceeds	Estimated timeframe for use from the date of our Listing	RM'000	%
Expansion of new stores in Malaysia	Within 12 months	25,000	21.7
DC expansion plan	Within 36 months	48,400	41.9
Investment in digital initiatives, IT hardware and software	Within 36 months	28,000	24.2
Defray fees and expenses for our IPO and Listing	Within 3 months	14,100	12.2
Total		**115,500**	**100.0**

Note:

(1) We have assumed that the Institutional Price and the Final Retail Price will be equal to the Retail Price.

For detailed information relating to the use of proceeds arising from our Public Issue, see Section 4.6 of this Prospectus.

3.10 FINANCIAL AND OPERATIONAL HIGHLIGHTS

The following tables set out our selected historical consolidated financial data and operating performance of our stores for the Financial Years Under Review and up to the LPD:

	FYE 30 June		
	Audited		
	2024	2025	2026
	RM'000	RM'000	RM'000
Revenue	1,454,902	1,567,193	1,774,644
Cost of sales	(1,046,357)	(1,116,359)	(1,259,535)
GP	**408,545**	**450,834**	**515,109**
PBT	135,707	132,112	140,665
Profit for the year[(1)]	**101,596**	**96,987**	**102,482**
GP margin (%)	28.1	28.8	29.0
PBT margin (%)	9.3	[(2)]8.4	7.9
PAT margin (%)	7.0	6.2	5.8
Net cash from operating activities[(3)]	181,212	279,516	168,897
Net cash used in investing activities	(33,267)	(30,358)	(39,514)
Net cash used in financing activities	(132,519)	(175,226)	(182,221)

3. PROSPECTUS SUMMARY *(Cont'd)*

	As at 30 June		
	Audited		
	2024	2025	2026
	RM'000	RM'000	RM'000
Total equity	261,637	236,124	248,533
Total borrowing	40,411	37,005	39,302
Net cash	8,500	85,838	30,703
Gearing ratio (times)	0.2	0.2	0.2
Net gearing ratio (times)	*	(0.4)	(0.1)

	FYE 30 June			From 1 July 2026
	2024	2025	2026	up to the LPD
Total average number of sales transactions per store per day[4]	502	465	433	397
Total average value of each sales transaction (RM)	10.56	10.45	[5]10.90	10.90
ADSS (RM) [4]	5,304	4,865	4,719	4,326
SSSG (%)	1.9	[6](2.7)	1.7	[6](6.0)

***Notes**:*

* *Negligible.*

(1) All of our profit for the financial year is wholly attributable to owners of our Company as we do not have any non-controlling interest.

(2) PBT margin decreased from 9.3% for the FYE 30 June 2024 to 8.4% for the FYE 30 June 2025 as a result of higher rate of increase in administrative expenses, other operating expenses as well as finance costs due to the increase in the RCPS Interest and Dividend for the FYE 30 June 2025.

For information purposes, the PBT and PBT margin would have been RM140.2 million and 8.9% respectively, if the impact of the RCPS Interest and Dividend was eliminated. Following the RCPS Conversion on 27 March 2026, the RCPS Interest and Dividend is no longer applicable.

(3) Our net cash from operating activities for the FYE 30 June 2026 stood at RM168.9 million, which was lower than the amounts recorded for the FYEs 30 June 2024 and 30 June 2025, mainly due to the absence of the repayments from the related parties to our Group in respect of payments made on behalf of, and advances extended to, the related parties, which amounted to RM14.9 million and RM100.1 million in the FYEs 30 June 2024 and 30 June 2025 respectively.

(4) The decline in our ADSS and average number of sales transactions per store per day was mainly attributable to our rapid store expansion, as newly opened stores typically require time to ramp up, build customer awareness and achieve stable operating performance. Moving forward, ADSS may continue to exhibit a declining trend. However, as the number of our stores continues to increase, we expect a corresponding increase in the total number of sales transactions and our Complementary Income.

(5) For the FYE 30 June 2026, our average value per sales transaction increased to RM10.90, mainly driven by the higher sales contribution from tobacco products.

(6) Our SSSG declined to -2.7% for the FYE 30 June 2025, mainly due to (i) cessation of sales liquor in compliance with the EA1976; (ii) negative publicity in January 2025 arising from the sales of sandwiches labelled as "Ham and Cheese Sandwich"; and (iii) redistribution of sales to our new stores following aggressive expansive and growth of our store network. Our SSSG subsequently improved to 1.7% for the FYE 30 June 2026, mainly driven by (i) participation of our stores in SARA through MyKasih as well as SKAS; (ii) resumption of liquor sales following the successful application for and renewal of liquor licence; and (iii) increase in the average value per sales transaction from RM10.45 to RM10.90. For the four-month period from 1 July 2026 up to the LPD, our SSSG declined to -6.0% mainly due to the roll-out of our new warehouse management system at our Balakong DC on 26 July 2026. The resulting transition-related disruptions temporarily affected warehouse productivity, leading to a backlog in store order processing and fulfilment, as well as delays in the delivery of certain products to our stores, which resulted in temporary product shortages and affected our sales. Nonetheless, we have implemented measures to support and stabilise operations at our Balakong DC as set out in Section 12.2.2 of this Prospectus. We expect our order fulfilment to progressively return to normal by the end of 2026, following which our SSSG is expected to gradually return to positive levels.

For further details on the financial information of our Group, including the basis of computation of the financial ratios set out above, see Section 12 of this Prospectus.

3.11 DIVIDEND POLICY

We target a payout ratio of approximately 40.0% to 60.0% of our PAT for each financial year on a consolidated basis after taking into account the working capital, maintenance capital and committed capital requirements of our Group. The declaration and payment of any dividend is subject to the confirmation of our Board as well as any applicable law, licence conditions and contractual obligations and provided that such distribution will not be detrimental to our Group's cash requirements or any plans approved by our Board.

The following table sets out our dividends declared and paid for the Financial Years Under Review and up to the LPD:

	FYE 30 June			From 1 July 2026 up to the LPD
	2024	2025	2026	
	RM'000	RM'000	RM'000	RM'000
Ordinary shares				
Total dividends declared in respect of the financial year/period	81,790	113,500	100,000	-
Total dividends paid	(2)92,790	(3)122,500	100,000	-
PAT	101,596	96,987	102,482	N/A
Dividend payout ratio (%)(1)	80.5	117.0	97.6	N/A
RCPS				
RCPS dividends	-	(4)7,161	(4)4,960	-

Notes:

(1) Computed based on dividends declared divided by the PAT for the financial year/period.

(2) Comprising a dividend of RM20.0 million in respect of the FYE 30 June 2023 paid on 30 September 2023, dividends amounting to RM51.0 million in respect of the FYE 30 June 2024 paid on 12 October 2023, 22 January 2024 and 25 April 2024 respectively, as well as dividends-in-specie amounting to RM16,429,203 by way of distribution of KKSMST's entire equity interests in K8 Superstore and Supergold Development for a consideration of RM760,879 and RM15,668,324 respectively to DSKK and DSL on 2 February 2024 and RM5,361,058 by way of transfer of investment properties to DSKK in the FYE 30 June 2024.

(3) Comprising a dividend of RM9.0 million in respect of the FYE 30 June 2024 paid on 23 August 2024 and dividends amounting to RM113.5 million in respect of the FYE 30 June 2025 paid on 11 November 2024, 26 December 2024 and 28 May 2025 respectively.

(4) Being the accrual of RCPS dividends for the FYEs 30 June 2025 and 30 June 2026, which was only paid during the FYE 30 June 2026. Our Company had paid to Arus Sejahtera RCPS dividends amounting to RM8,800,000 in respect of the period from 6 September 2024 to 5 September 2025 on 4 September 2025 and RM3,320,548 in respect of the period from 6 September 2025 to 27 March 2026 on 27 March 2026.

During the FYE 30 June 2026, we declared and paid an interim dividend of RM100.0 million in respect of the FYE 30 June 2026 to our shareholders ("**Pre-IPO Dividend**"). The Pre-IPO Dividend was funded from our cash from operations and is not expected to have any material adverse impact on the execution and implementation of our future plans and strategies.

Subsequent to the Financial Years Under Review and up to the LPD, no dividend has been declared, made or paid by our Company and we do not intend to declare any additional dividends prior to our Listing. For further details on our dividend policy, see Section 12.4 of this Prospectus.

4. DETAILS OF OUR IPO

4.1 INDICATIVE TIMETABLE

The following events are intended to take place on the following indicative time and/or date:

Event	Time and/or date
Opening of the Institutional Offering	26 November 2026
Issuance of the Prospectus/Opening of the Retail Offering	10:00 a.m., 26 November 2026
Closing of the Retail Offering	5:00 p.m., 2 December 2026
Closing of the Institutional Offering	2 December 2026
Price Determination Date	4 December 2026
Balloting of applications for our Issue Shares under the Retail Offering	4 December 2026
Allotment/Transfer of our IPO Shares to successful applicants	14 December 2026
Listing	15 December 2026

In the event there is any change to the timetable, 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.

4.2 PARTICULARS OF OUR IPO AND PLAN OF DISTRIBUTION

Our IPO is subject to the terms and conditions of this Prospectus. Upon acceptance, our IPO Shares are expected to be allocated in the manner described below, subject to the clawback and reallocation provisions and the Over-allotment Option as set out in Sections 4.2.4 and 4.2.5 of this Prospectus, respectively.

Our IPO consists of the Institutional Offering and the Retail Offering, totaling up to 840,000,000 IPO Shares, representing up to 24.0% of our enlarged issued Shares. For the avoidance of doubt, our IPO Shares offered under the Institutional Offering and the Retail Offering do not include our Shares under the Over-allotment Option.

4.2.1 Bonus Issue

In conjunction with our Listing, on 4 November 2026, we undertook the Bonus Issue which entailed the issuance of 3,030,536,385 Bonus Shares on the basis of approximately 12 Bonus Shares for every one existing Share held by our shareholders for the purpose of increasing the number of our issued Shares in order to facilitate our IPO and Listing. The Bonus Issue was implemented by way of capitalising our Company's retained earnings at a nominal amount per Bonus Share.

Following the completion of the Bonus Issue, our total issued Shares increased from 259,463,615 Shares to 3,290,000,000 Shares. Notwithstanding the increase in the number of issued Shares, our Company's share capital remained at approximately RM256,618,882, as the aggregate amount capitalised for the Bonus Issue was negligible. The Bonus Shares were allotted to our shareholders based on their respective shareholding in our Company such that their effective shareholding in our Company will be the same before and after the Bonus Issue.

4.2.2 Institutional Offering

The Institutional Offering involves the offering of up to 735,000,000 IPO Shares, representing up to 21.0% of our enlarged issued Shares, subject to the clawback and reallocation provisions and the Over-allotment Option as set out in Sections 4.2.4 and 4.2.5 of this Prospectus, respectively, at the Institutional Price in the following manner:

(i) 437,500,000 Offer Shares, representing 12.5% of our enlarged issued Shares, to Bumiputera investors approved by the MITI; and

(ii) up to 297,500,000 IPO Shares, representing up to 8.5% of our enlarged issued Shares, to institutional and selected investors (other than Bumiputera investors approved by the MITI).

4.2.3 Retail Offering

The Retail Offering involves the offering of 105,000,000 Issue Shares, representing 3.0% of our enlarged issued Shares, subject to the clawback and reallocation provisions as set out in Section 4.2.4 of this Prospectus, at the Retail Price in the following manner:

(i) Allocation to the Eligible Persons

35,000,000 Issue Shares, representing 1.0% of our enlarged issued Shares, are reserved for application by the Eligible Persons in the following manner:

Category of Eligible Persons	No. of Eligible Persons	Aggregate no. of Issue Shares allocated
		('000)
Our Directors[(1)]	6	3,300
Eligible employees of our Group (including directors of our subsidiaries)[(2)]	161	5,000
Persons who have contributed to the success of our Group[(3)]	272	26,700
Total	**439**	**35,000**

Notes:

(1) DSKK will not be allocated any Issue Shares under the Retail Offering. The criteria for allocation to our other Directors are based on, among others, their respective roles and responsibilities in our Company and they collectively will be allocated a total of 3,300,000 Issue Shares, as follows:

Name	***No. of Issue Shares allocated***
	('000)
Tan Sri Abd Rahman Bin Mamat	*1,200*
Candy Chai	*500*
Sherman Lam	*1,000*
Agnes Chan	*200*
Chin Wei Min	*200*
Chin Shih Hui	*200*
Total	***3,300***

(2) The allocation of our Issue Shares to the eligible employees of our Group is to be made to full-time confirmed employees of our Group based on, among others, their job grade, length of service, performance and their past contributions to our Group. The number of Issue Shares to be allocated to our Key Senior Management are as follows:

Name	***No. of Issue Shares allocated***
	('000)
Tee Kok Hiem	*1,000*
Ho Lai Wah	*150*
Yap Kit Foong	*200*
Aida Lim Lean Ling	*150*
Robert Chai	*1,000*
John Chai	*1,000*
Total	***3,500***

(3) The criteria for the allocation of our Issue Shares to persons who have contributed to the success of our Group are based on, among others, their length of business relationship with our Group and their contributions to the success of our Group.

(ii) Allocation via balloting to the Malaysian Public

70,000,000 Issue Shares, representing 2.0% of our enlarged issued Shares, are reserved for application by the Malaysian Public, of which 35,000,000 Issue Shares have been set aside for application by Bumiputera citizens, companies, co-operatives, societies and institutions.

4. DETAILS OF OUR IPO *(Cont'd)*

In summary, our IPO Shares will be allocated, subject to the clawback and reallocation provisions and the Over-allotment Option as set out in Sections 4.2.4 and 4.2.5 of this Prospectus, respectively, in the following manner:

	Offer for Sale		Public Issue		Total	
Category	**No. of Shares ('000)**	**% of our enlarged issued Shares(1)**	**No. of Shares ('000)**	**% of our enlarged issued Shares(1)**	**No. of Shares ('000)**	**% of our enlarged issued Shares(1)**
Retail Offering:						
Eligible Persons:						
- Our Directors	-	-	3,300	0.1	3,300	0.1
- Eligible employees of our Group (including directors of our subsidiaries)	-	-	5,000	0.1	5,000	0.1
- Persons who have contributed to the success of our Group	-	-	26,700	0.8	26,700	0.8
Malaysian Public (via balloting):						
- Bumiputera	-	-	35,000	1.0	35,000	1.0
- Non-Bumiputera	-	-	35,000	1.0	35,000	1.0
Sub-total	**-**	**-**	**105,000**	**3.0**	**105,000**	**3.0**
Institutional Offering:						
- Bumiputera investors approved by the MITI	437,500	12.5	-	-	437,500	12.5
- Institutional and selected investors	192,500	5.5	105,000	3.0	297,500	8.5
Sub-total	**630,000**	**18.0**	**105,000**	**3.0**	**735,000**	**21.0**
Total	**630,000**	**18.0**	**210,000**	**6.0**	**840,000**	**24.0**

Note:

(1) Based on our enlarged issued Shares of 3,500,000,000 upon our Listing.

The completion of the Retail Offering and the Institutional Offering are inter-conditional. Our IPO is also subject to the public shareholding spread requirement under the Listing Requirements as set out in Section 4.2.10 of this Prospectus.

4.2.4 Clawback and reallocation

The Institutional Offering and the Retail Offering shall be subject to the following clawback and reallocation provisions:

(i) if our Issue Shares allocated to the Eligible Persons (subject to the reallocation process for the Eligible Persons as set out below) are under-subscribed, such Issue Shares may be allocated to the other institutional and selected investors under the Institutional Offering or the Malaysian Public under the Retail Offering or a combination of both, at the discretion of the Sole Bookrunner and us;

(ii) if the Offer Shares allocated to Bumiputera investors approved by the MITI ("**MITI Tranche**") are under-subscribed, such Offer Shares will be allocated to Bumiputera public investors under the Retail Offering via balloting process as mentioned in Section 4.2.3(ii) of this Prospectus.

If after the above reallocation, the MITI Tranche is still under-subscribed by Bumiputera public investors, and there is a corresponding over-subscription for our IPO Shares under the Institutional Offering and for our Issue Shares under the Retail Offering by the non-Bumiputera investors, the Offer Shares will be clawed back from the MITI Tranche and allocated firstly, to the Malaysian institutional investors under the Institutional Offering, and thereafter to the other institutional and selected investors under the Institutional Offering, and subsequently to the other Malaysian Public under the Retail Offering;

(iii) subject to items (i) and (ii) above, if there is an over-subscription in the Retail Offering and there is a corresponding under-subscription in the Institutional Offering, our IPO Shares may be clawed back from the Institutional Offering and allocated to the Retail Offering; and

(iv) subject to item (i) above, if there is an over-subscription in the Institutional Offering and there is a corresponding under-subscription in the Retail Offering, our Issue Shares may be clawed back from the Retail Offering and allocated to the Institutional Offering.

There will be no clawback and reallocation if there is an over-subscription or under-subscription in both the Institutional Offering and the Retail Offering or an under-subscription in either the Institutional Offering or the Retail Offering but no over-subscription in the other.

Any Issue Shares not taken up by any of the Eligible Persons ("**Excess Issue Shares**") in item (i) above will be made available for application by the other Eligible Persons who have applied for the Excess Issue Shares on top of their pre-determined allocation and allocated on a fair and equitable basis and in the following priority:

(a) firstly, allocation on a pro-rata basis to our Directors and eligible employees of our Group who have applied for the Excess Issue Shares based on the number of Excess Issue Shares applied for;

(b) secondly, allocation of any surplus Excess Issue Shares after item (a) above on a pro-rata basis to persons who have contributed to the success of our Group who have applied for the Excess Issue Shares based on the number of Excess Issue Shares applied for; and

(c) thirdly, to minimise odd lots.

Our Board reserves the right to allot Excess Issue Shares applied for in such manner as it may deem fit and expedient in the best interest of our Company, subject always to such allocation being made on a fair and equitable basis, and that the intention of our Board as set out in items (a) to (c) above is achieved. Our Board also reserves the right to accept or reject any Excess Issue Shares application, in full or in part, without assigning any reason.

Once completed, the steps involving items (a) to (c) above will not be repeated. Should there be any balance of Excess Issue Shares thereafter, such balance will be made available for clawback and reallocation as described in item (i) above. Any Issue Shares under the Retail Offering not applied for after being subject to the clawback and reallocation provisions above shall be underwritten by the Sole Underwriter.

To the best of our knowledge and belief:

(a) there is no substantial shareholder, Director or Key Senior Management who has indicated that they intend to subscribe for our IPO Shares, save for our Issue Shares made available for application under the Pink Form Allocation; and

(b) there is no person who intends to subscribe for more than 5.0% of our IPO Shares.

4.2.5 Over-allotment Option

The Over-allotment Option Provider may grant an Over-allotment Option to the Stabilising Manager (on behalf of the Sole Bookrunner) and may together with our Company appoint the Stabilising Manager to undertake any price stabilisation actions. The Stabilising Manager (or person(s) acting on behalf of the Stabilising Manager) may at its sole and absolute discretion, over-allot our Shares (on behalf of the Sole Bookrunner) and subsequently, effect transactions to stabilise or maintain the market price of our Shares at levels that might not otherwise prevail in the open market.

Such transactions consist of bids or purchases to peg, fix or maintain the price of our Shares. If the Stabilising Manager creates a short position in our Shares in connection with the Institutional Offering, the Stabilising Manager may reduce that short position by purchasing our Shares in the open market. The Stabilising Manager may also elect to reduce any short positions by exercising all or part of the Over-allotment Option.

If granted, the Over-allotment Option will be exercisable in whole or in part by the Stabilising Manager, on one or more occasions, by giving written notice to the Over-allotment Option Provider at any time, within 30 days from the date of our Listing to purchase from the Over-allotment Option Provider up to an aggregate of 70,000,000 Shares, representing up to approximately 8.3% of the total number of our IPO Shares offered, solely for purposes of covering over-allotments of our Shares (if any).

Subject to there being an over-allotment, the Stabilising Manager will (on behalf of the Sole Bookrunner) enter into the Share Lending Agreement with the Over-allotment Option Provider to borrow up to an aggregate of 70,000,000 Shares to cover the over-allotments. Any Shares that may be borrowed by the Stabilising Manager under the Share Lending Agreement will be returned by the Stabilising Manager to the Over-allotment Option Provider either through the purchase of our Shares in the open market by the Stabilising Manager in the conduct of the stabilisation activities or deemed returned through the exercise of the Over-allotment Option by the Stabilising Manager or a combination of both. The exercise of the Over-allotment Option will not increase the total number of Shares issued and is not intended to constitute an offer for sale of our Shares by the Over-allotment Option Provider under our IPO.

Purchases of a security to stabilise the price or to cover the over-allotment may cause the price of the security to be higher than it might be in the absence of these purchases. Such transactions may be effected on the Main Market of Bursa Securities, in compliance with all applicable laws and regulations, including the CMSA and any regulations thereunder.

The number of Shares that the Stabilising Manager (or person(s) acting on behalf of the Stabilising Manager) may buy to undertake stabilising action, shall not exceed an aggregate of 70,000,000 Shares, representing up to approximately 8.3% of the total number of our IPO Shares offered. However, there is no obligation on the Stabilising Manager (or person(s) acting on behalf of the Stabilising Manager) to undertake such stabilising action. Such stabilising actions may commence on or after the commencement of trading of our Shares on the Main Market of Bursa Securities and, if commenced, may be discontinued at any time and cannot be effected after the earlier of (i) the date falling 30 days from the commencement of trading of our Shares on the Main Market of Bursa Securities; or (ii) the date when the Stabilising Manager has bought, on the Main Market of Bursa Securities, an aggregate of 70,000,000 Shares, representing up to approximately 8.3% of the total number of our IPO Shares offered to undertake the stabilising action.

Neither our Company, the Over-allotment Option Provider nor the Stabilising Manager makes any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of our Shares. In addition, neither our Company, the Over-allotment Option Provider nor the Stabilising Manager makes any representation that the Stabilising Manager will engage in such transactions, or that such transactions once commenced, will not be discontinued without notice (unless such notice is required by law).

4.2.6 ESOS

In conjunction with our Listing, we have established an ESOS which involves the granting of ESOS Options to the eligible executive directors of our Company or any company within our Group (excluding dormant subsidiaries) ("**Executive Director**") and/or employee who fulfills the conditions as set out in the ESOS Bylaws as set out in the Bylaws in Annexure D of this Prospectus ("**ESOS Eligible Persons**").

The ESOS shall be administered by the ESOS Committee and governed by the Bylaws.

The salient features of the ESOS are as follows:

(i) Maximum number of new Shares available under the ESOS

The maximum number of new Shares which may be made available under the ESOS shall not exceed in aggregate 1.0% of our total number of issued Shares (excluding treasury shares, if any) at any one time during the duration of the ESOS ("**Maximum Limit**").

(ii) Basis of allocation and maximum allowable allocation

Subject to any adjustments as may be made under the Bylaws, the aggregate number of new Shares that may be offered and allotted to any ESOS Eligible Persons shall be determined by the ESOS Committee at its sole and absolute discretion, after taking into consideration, among others and where relevant, the ESOS Eligible Person's position, ranking, performance, contribution, seniority, length of service and the fulfilment of the eligibility criteria as referred to in the Bylaws and/or such other matters which the ESOS Committee may in its sole and absolute discretion deems fit, subject to, among others, the following:

(a) the aggregate number of new Shares to be issued pursuant to the exercise of the ESOS Options granted under the ESOS shall not exceed the Maximum Limit and the ESOS Committee shall not be obliged in any way to offer any of the ESOS Eligible Persons any ESOS Options for all the specified maximum number of our Shares the ESOS Eligible Persons are entitled to under the ESOS;

(b) any offer, allocation of ESOS Options under the ESOS and the related allotment of Shares to (1) any interested director, interested major shareholder, interested chief executive, who is an ESOS Eligible Person; or (2) any interested person connected with them, who is an ESOS Eligible Person, shall require prior approval of the shareholders of our Company in a general meeting. The interested director, interested major shareholder, interested chief executive and interested person connected with them shall not vote on the resolution approving the said offer, allocation and allotment. The interested director, interested major shareholder or interested chief executive must ensure that persons connected with him abstain from voting on the resolution approving the said offer, allocation and allotment;

(c) the Executive Directors and senior management who is an employee of any company within our Group (excluding dormant subsidiaries) who falls within such grading as determined by the ESOS Committee at its sole and absolute discretion from time to time ("**Senior Management**") shall not be allowed to participate in the deliberation or discussion of their respective allocation of any ESOS Options and/or allocations of any ESOS Options to person connected with them under the ESOS;

(d) not more than 10.0% of our Shares available under the ESOS shall be allocated to any of the ESOS Eligible Persons, who, either singly or collectively through persons connected with them, holds 20.0% or more of our total number of issued Shares (excluding treasury shares, if any);

(e) not more than 50.0% of our Shares available under the ESOS shall be allocated, in aggregate, to the Executive Directors and Senior Management; and

(f) any performance target to be achieved before any ESOS Options can be granted and/or exercised by an ESOS Eligible Person shall be determined by the ESOS Committee at its sole and absolute discretion.

(iii) Vesting period and conditions

The ESOS Committee shall have the sole and absolute discretion in determining whether any ESOS Options granted are subject to any vesting period and any conditions which are required to be fulfilled by an ESOS Eligible Person before any ESOS Option is capable of being vested onto such ESOS Eligible Person, and to be communicated in an offer pursuant to the Bylaws ("**Vesting Conditions**") and whether such Vesting Conditions are subject to any performance target.

(iv) Duration and termination of the ESOS

The ESOS shall be in force for a period of five years from the effective date, subject to early termination in accordance with the ESOS Bylaws ("**Duration of the ESOS**").

Subject to compliance with the requirements of Bursa Securities and any other relevant regulatory authorities, our Company may at any time before the last day of the Duration of the ESOS, at its sole and absolute discretion without obtaining the approvals or consents from the ESOS Eligible Persons who have accepted the offer by our Company in accordance with ESOS Bylaws ("**Grantees**") and/or the shareholders, terminate the continuation of the ESOS by way of passing a Board resolution upon the recommendation of the ESOS Committee, and upon such termination:

(a) no further offer shall be made by the ESOS Committee;

(b) all outstanding offers made but not yet accepted by the ESOS Eligible Persons at the date of the said Board resolution shall automatically lapse or cease to have effect as at the date of the Board resolution and be deemed cancelled and be null and void; and

(c) all outstanding ESOS Options which have yet to be exercised by any Grantees and/or not vested (if applicable) shall be automatically lapse or cease to have effect as at the date of the Board resolution and be null and void.

(v) Eligibility

(a) An employee who as at the date on which an offer (including subsequent offers) is made by the ESOS Committee in writing to him or her to participate in the ESOS ("**Date of Offer**"), fulfils the following conditions shall be eligible to participate in the ESOS:

(1) has attained 18 years of age;

(2) is not an undischarged bankrupt nor subject to any bankruptcy proceedings;

(3) must have confirmed in employment on a full-time basis and has served at least one year of employment in a company within our Group;

(4) where the employee has attained the mandatory retirement age of 60 years old, such employee shall have served for a continuous period of at least one year in a company within our Group prior to attaining the said mandatory retirement age, and shall subsequently have been offered continued employment with a company within our Group for a minimum period of one year and at the time of consideration for the offer, he/she continues to be employed;

(5) in the event the employee is employed by a corporation which is acquired by any company within our Group during the duration of the ESOS and such corporation becomes a subsidiary of any company within our Group upon completion of such acquisition, the employee must have completed a continuous period of employment of at least one year in any company within our Group from the date of confirmation of employment (which for the avoidance of doubt, shall exclude any probation period) following the date that such corporation becomes or is deemed to be a subsidiary of any company within our Group; and

(6) has fulfilled any other criteria as may be imposed by the ESOS Committee from time to time,

provided always that the selection of any ESOS Eligible Persons for participation in the ESOS shall be at the sole and absolute discretion of the ESOS Committee and the decision of the ESOS Committee shall be final and binding. Notwithstanding the above, the ESOS Committee may, at its sole and absolute discretion, waive any of the eligibility conditions set out above.

(b) An Executive Director who as at the Date of Offer, fulfils the following conditions shall be eligible to participate in the ESOS

(1) has attained 18 years of age;

(2) is not an undischarged bankrupt nor subject to any bankruptcy proceedings;

(3) is a director involved in the daily management and operations of our Company or any company within our Group;

(4) must have been confirmed in employment or service and has served at least one year of employment or service in a company within our Group;

(5) where the Executive Director is under a fixed-term employment or service contract, the contract is for a duration of at least two years and shall not be expiring within six months from the Date of Offer;

(6) in the event an Executive Director is employed or engaged by a corporation which is acquired by any company within our Group during the duration of the ESOS and such corporation becomes a subsidiary of any company within our Group upon completion of such acquisition, the Executive Director must have completed a continuous period of employment or service of at least one year in any company within our Group from the date of confirmation of employment or service (which for the avoidance of doubt, shall exclude any probation period (if any)) following the date that such corporation becomes or is deemed to be a subsidiary;

(7) is not an independent Director as prescribed under the Listing Requirements; and

(8) has fulfilled any other criteria as may be imposed by the ESOS Committee from time to time,

provided always that the selection of any Executive Director for participation in the ESOS shall be at the discretion of the ESOS Committee and the decision of the ESOS Committee shall be final and binding. Notwithstanding the above, the ESOS Committee may, at its sole and absolute discretion, waive any of the eligibility conditions set out above.

(vi) Exercise price

Subject to any adjustments made under the Bylaws and pursuant to the Listing Requirements, the exercise price payable by an ESOS Eligible Person who has accepted the offer by our Company in accordance with the Bylaws shall be based on the five-day volume weighted average market price of our Shares immediately preceding the Date of Offer, with a discount, if any, provided always that such discount is not more than 10.0%, if deemed appropriate, or such other percentage of discount as may be permitted by any prevailing guidelines issued by Bursa Securities or any other relevant authorities as amended from time to time during the option period.

(vii) Rights attaching to the new Shares

The new Shares to be issued and allotted pursuant to the exercise of any ESOS Options in accordance with the ESOS Bylaws shall, upon issuance and allotment rank pari passu in all respects with the then existing Shares, and be entitled to all rights (including voting, dividend, allotment, distribution, transfer, and other rights, including those arising on a liquidation of our Company), attaching to the then existing Shares, save and except that the new Shares so issued and allotted will not be entitled to any dividends, rights, allotments or other forms of distribution which may be declared, made or paid, for which the entitlement date is prior to the date of issuance and allotment of such new Shares. Fractional entitlements (if any) will be disregarded and shall be dealt with in such manner as our Board shall in its sole and absolute discretion thinks expedient in the best interest of our Company. The new Shares shall be subject to all provisions of our Constitution as may thereafter be amended from time to time and to the provisions of the Listing Requirements, if any.

We do not intend to grant any ESOS Options in conjunction with our Listing.

4.2.7 Share capital

Upon completion of our IPO, our share capital will be as follows:

	No. of Shares	RM'000
After the Bonus Issue	3,290,000,000	256,619
To be issued under our Public Issue	210,000,000	(1)111,866
Enlarged number of issued Shares and share capital upon Listing	**3,500,000,000**	**368,485**

Note:

(1) Calculated based on the Retail Price and after adjusting against our share capital, the estimated listing expenses of approximately RM3.6 million assumed to be directly attributable to our Public Issue.

4.2.8 Classes of shares and ranking

As at the date of this Prospectus, we only have one class of shares, being ordinary shares.

Our Issue Shares will, upon allotment and issue, rank equally in all respects with our existing issued Shares including voting rights, and will be entitled to all rights, dividends and other distributions that may be declared subsequent to the date of allotment of our Issue Shares, subject to any applicable Rules of Bursa Depository.

The Offer Shares rank equally in all respects with our existing issued Shares including voting rights, and will be entitled to all rights, dividends and other distributions that may be declared subsequent to the date of transfer of the Offer Shares, subject to any applicable Rules of Bursa Depository.

Subject to any special rights attaching to any Shares we may issue in the future, our shareholders will, in proportion to the amount paid on our Shares held by them, be entitled to share the profits paid out by us in the form of dividends and other distributions. Similarly, if our Company is liquidated, our shareholders will be entitled to the surplus (if any), in accordance with our Constitution after the satisfaction of any preferential payments in accordance with the Act and our liabilities.

At every general meeting of our Company, each of our shareholders will be entitled to vote in person, by proxy, or by attorney or by other duly authorised representative. Any resolution set out in the notice of any general meeting, or in any notice of resolution which may properly be moved and is intended to be moved at any general meeting, shall be voted by poll. On a poll, each shareholder present either in person, by proxy, by attorney or by other duly authorised representative will have one vote for each Share held or represented. A proxy may but need not be a member of our Company.

4.2.9 Priority of the offering

In the event the demand for our IPO Shares is less than 840,000,000 IPO Shares, our Public Issue shall take precedence over the Offer for Sale. The demand for our IPO Shares shall be firstly satisfied with our Issue Shares under our Public Issue and following that, any excess demand will be satisfied with the Offer Shares under the Offer for Sale.

4.2.10 Minimum subscription level

There is no minimum subscription level in terms of proceeds to be raised under our IPO. However, in order to comply with the public shareholding spread requirement under the Listing Requirements, the minimum subscription level in terms of the number of IPO Shares will be the number of Shares required to be held by the public shareholders of our Company to comply with the minimum public shareholding spread requirement under the Listing Requirements or as approved by Bursa Securities.

Under the Listing Requirements, we are required to have a minimum of 25.0% of our Shares held by at least 1,000 public shareholders, each holding not less than 100 Shares ("**Public Spread Requirement**") at the point of our Listing.

After taking into consideration the size of our Institutional Offering (representing up to 21.0% of our enlarged issued Shares), the Retail Offering (representing 3.0% of our enlarged issued Shares) and Arus Sejahtera's shareholding of 2.15% of our enlarged issued Shares after the Offer for Sale, our Company will meet the Public Spread Requirement.

If the above requirement is not met, we may not be able to proceed with our Listing. See Section 5.3.4 of this Prospectus for details in the event there is a delay in or termination of our Listing.

4. DETAILS OF OUR IPO *(Cont'd)*

4.3 SELLING SHAREHOLDERS

The Offer Shares to be offered by each Selling Shareholder and their respective direct shareholding in our Company before and after our IPO and their material relationship with our Group within the past three years are as follows:

		As at the date of this Prospectus		Shares to be offered under the Offer for Sale		Shareholding after our IPO assuming the Over-allotment Option is not exercised		Shares under the Over-allotment Option		Shareholding assuming the Over-allotment Option is fully exercised[3]	
Selling Shareholder	**Material relationship with our Group**	**No. of Shares ('000)**	[1]%	**No. of Shares ('000)**	[2]%	**No. of Shares ('000)**	[2]%	**No. of Shares ('000)**	[2]%	**No. of Shares ('000)**	[2]%
K8 Resources	Promoter and substantial shareholder	3,127,129	95.05	542,500	15.50	2,584,629	73.85	70,000	2.00	2,514,629	71.85
Arus Sejahtera	Shareholder	162,871	4.95	87,500	2.50	75,371	2.15	-	-	75,371	2.15
Total		**3,290,000**	**100.00**	**630,000**	**18.00**	**2,660,000**	**76.00**	**70,000**	**2.00**	**2,590,000**	**74.00**

Notes:

(1) Based on our enlarged issued Shares of 3,290,000,000 after the Bonus Issues.

(2) Based on our enlarged issued Shares of 3,500,000,000 after our IPO.

(3) Assuming the Over-allotment Option of up to 70,000,000 Shares, representing approximately 8.3% of the total number of our IPO Shares offered.

4. DETAILS OF OUR IPO *(Cont'd)*

4.4 BASIS OF ARRIVING AT THE PRICE OF OUR IPO SHARES AND REFUND MECHANISM

4.4.1 Retail Price

The Retail Price was determined and agreed upon between our Directors and the Selling Shareholders, in consultation with the Sole Bookrunner, after taking into consideration the following factors:

(i) price-to-earnings multiple of approximately 18.8 times based on our EPS of 2.93 sen after taking into account our profit for the financial year of RM102.5 million for the FYE 30 June 2026 and our enlarged issued Shares of 3,500,000,000 upon our Listing;

(ii) pro forma consolidated NA per Share of RM0.10 as at 30 June 2026 after our IPO based on our enlarged issued Shares of 3,500,000,000 upon our Listing;

(iii) our competitive strengths, as follows:

(a) we are the leading player in Malaysia's convenience mart segment, which is poised for robust growth with the potential for further expansion;

(b) we cater to the needs of modern consumers who prioritise convenience and speed;

(c) we provide a curated range of products and offer competitive price-value proposition;

(d) we have effective cost, quality and supply management through a differentiated procurement strategy and lean operating structure;

(e) we are a tech-driven company delivering unique value proposition to customers;

(f) we have a scalable and proven platform that can be leveraged for future growth;

(g) we have efficient capital turnover and cash conversion; and

(h) we have a founder-led experienced management team with proven track record and industry expertise;

(iv) our future plans and strategies, as follows:

(a) continuing our store expansion in Malaysia, with 68 new stores opened from 1 July 2026 up to the LPD and targeting an average of 20 and 24 new stores per month in the FYE 30 June 2027 and FYE 30 June 2028, respectively, to drive further growth in our revenue and profit;

(b) growing our "KK Concept Store" format;

(c) continuing to enhance our product mix and expand house brand offerings to improve customer value proposition and profitability;

(d) improving our KK Rewards App, website and loyalty programme;

(e) investing in logistics and distribution capabilities;

(f) strengthening our international sourcing capabilities; and

(g) investing in systems and automation;

(v) outlook of the convenience retail industry, as described in Section 8 of this Prospectus; and

(vi) prevailing market conditions, including market performance of key global indices and companies involved in similar businesses listed on Bursa Securities and regional stock exchanges, current market trends as well as investors' sentiments.

The Final Retail Price will be determined after the Institutional Price is fixed on the Price Determination Date and will be the lower of:

(i) the Retail Price; or

(ii) the Institutional Price.

If the Final Retail Price is lower than the Retail Price, the difference between the Retail Price and the Final Retail Price will be refunded to the successful applicants without any interest thereon. Further details on the refund mechanism are set out in Section 4.4.3 of this Prospectus.

The Final Retail Price and the Institutional Price will be announced within two Market Days from the Price Determination Date via Bursa Listing Information Network. In addition, all successful applicants will be given written notice of the Final Retail Price and the Institutional Price, together with the notices of allotment for our IPO Shares.

4. DETAILS OF OUR IPO *(Cont'd)*

The price-to-earnings multiple of comparable companies that operate across key sub-retail segments including mini-markets and grocery retailers, dollar stores, home improvement retailers and convenience stores are as follows:

Company name	Market capitalisation as at the LPD	EV as at the LPD	Last 12 month PATAMI	Last 12 month EBITDA	Last 12 month price-to-earnings multiple	Last 12 month EV/EBITDA Multiple	Financial years 2023 to 2025 revenue CAGR	Financial years 2023 to 2025 EBITDA CAGR
	(RM' million)	(RM' million)	(RM' million)	(RM' million)	(times)	(times)	(%)	(%)
99 Speed Mart Retail Holdings Berhad	25,704	25,753	670	1,171	38.3[1]	22.0[1]	11.4	17.0
MR D.I.Y. Group (M) Berhad	11,278	12,578	626	1,306	18.0[1]	9.6[1]	6.6	7.1
Eco-Shop Marketing Berhad	7,255	7,335	269	530	27.0[2]	13.8[2]	10.1	18.8
7-Eleven Malaysia Holdings Berhad	2,218	3,304	13	343	167.6[1]	9.6[1]	6.8	12.1
Average					**27.8[3]**	**13.8**	**8.7**	**13.8**
KK Mart	1,925[4]	2,062[5]	102	234	18.8	8.8	10.4	8.0

(Source: Annual reports and unaudited condensed consolidated financial results of the respective comparable companies)

Notes:

(1) Based on the unaudited condensed consolidated financial results of the respective comparable companies for the four most recent financial quarters up to 30 June 2026.

(2) Based on the unaudited condensed consolidated financial results of the respective comparable companies for the four most recent financial quarters up to 31 August 2026.

(3) The price-to-earnings multiple of 7-Eleven Malaysia Holdings Berhad has been excluded from the calculation of the average as its last 12 month PATAMI was relatively low and resulted in an outlier multiple that may not be representative of the valuation of the comparable companies.

(4) Based on the Retail Price and our enlarged issued Shares of 3,500,000,000 upon our Listing.

(5) Based on the Retail Price, our enlarged issued Shares of 3,500,000,000 upon our Listing and our Group's cash of RM30.7 million and lease liabilities of RM168.2 million as at 30 June 2026.

For information purposes, notwithstanding that Mynews Holdings Berhad ("**Mynews**") and QL Resources Berhad ("**QL Resources**") are identified as comparable companies in the IMR Report as included in Section 8 of this Prospectus, Mynews and QL Resources were not selected as comparable companies for the purpose of determining the indicative Retail Price due to the following:

(a) Mynews reported losses after tax between the FYE 31 October 2019 and FYE 31 October 2023. While Mynews has reported profits in the last two financial years, the PATAMI of RM17.8 million and EBITDA of RM127.2 million recorded by Mynews for the FYE 31 October 2025 are significantly lower than those of our Company and other comparable companies as disclosed in the table above; and

(b) QL Resources and its subsidiaries ("**QL Resources Group**") generates more than 50.0% of their revenue from integrated livestock farming. Revenue generated from its convenience store chain segment represents only 17.8% of QL Resources Group's revenue for the FYE 31 March 2026 and hence, QL Resources is not regarded as a directly comparable company to our Company from a financial standpoint.

Further, regional comparable companies have not been selected as comparable companies as they may not be appropriate in valuing our Company due to their operations being in more highly penetrated markets. Malaysian asset-light retail companies are currently trading at higher valuation multiples compared to their regional peers as a result of the relatively lower penetration rate of Malaysia's retail industry. According to the IMR Report, while Malaysia's GDP per capita surpasses that of Thailand, the sales value per capita in the convenience retail and grocery retail sectors remains lower, indicating that these sectors in Malaysia are underpenetrated. As such, a valuation benchmark based on Malaysian comparable companies, namely the selected comparable companies set out above, would be more appropriate.

4.4.2 Institutional Price

The Institutional Price will be determined by a bookbuilding process wherein prospective institutional and selected investors will be invited to bid for portions of the Institutional Offering by specifying the number of our IPO Shares they would be prepared to acquire and the price they would be prepared to pay for our IPO Shares in respect of the Institutional Offering. This bookbuilding process commenced on 26 November 2026 and will end on 2 December 2026. Upon completion of the bookbuilding process, the Institutional Price will be fixed by our Directors and the Selling Shareholders in consultation with the Sole Bookrunner on the Price Determination Date.

4.4.3 Refund mechanism

If the Final Retail Price is lower than the Retail Price, the difference between the Retail Price and the Final Retail Price will be refunded to the successful applicants without any interest. The refund will be made:

(i) in the form of cheques to be despatched by ordinary post to the address maintained with Bursa Depository for applications made via the Application Form; or

(ii) by crediting into the accounts of the successful applicants with the Participating Financial Institutions for applications made via the Electronic Share Application or the Internet Participating Financial Institutions or Participating Securities Firms for applications made via the Internet Share Application,

within 10 Market Days from the date of final ballot of applications, at the successful applicants' own risk.

For further details on the refund mechanism, see Section 15.9 of this Prospectus.

4.4.4 Expected market capitalisation

Based on the Retail Price, the total market capitalisation of our Company upon our Listing would be approximately RM1.9 billion.

You should also note that the market price of our Shares upon our Listing is subject to the vagaries of market forces and other uncertainties. You are reminded to carefully consider the risk factors as set out in Section 5 of this Prospectus.

4.5 DILUTION

Dilution is the amount by which our pro forma consolidated NA per Share after our IPO is less than the price paid by retail, institutional and selected investors for our Shares. Our pro forma consolidated NA per Share as at 30 June 2026 after adjusting for the Bonus Issue, and before adjusting for our IPO was RM0.08, based on our enlarged issued Shares of 3,290,000,000 following the Bonus Issue.

After taking into account our enlarged issued Shares from the issuance of 210,000,000 Issue Shares and after adjusting for the use of proceeds from our Public Issue, our pro forma consolidated NA per Share as at 30 June 2026 would be RM0.10. This represents an immediate increase in NA per Share of RM0.02 to our existing shareholders and an immediate dilution in pro forma consolidated NA per Share of RM0.45, representing 81.8% of the Retail Price and the Institutional Price (assuming the Final Retail Price and the Institutional Price will equal the Retail Price) to the retail/institutional and selected investors.

The following table illustrates such dilution on a per Share basis assuming the Retail Price is equal to the Final Retail Price and the Institutional Price:

	RM
Final Retail Price/Institutional Price	0.55
Pro forma consolidated NA per Share as at 30 June 2026 after the Bonus Issue and before adjusting for our IPO	0.08
Pro forma consolidated NA per Share as at 30 June 2026, after the Bonus Issue and after adjusting for the use of proceeds from our Public Issue	0.10
Increase in consolidated NA per Share to our existing shareholders	0.02
Dilution in pro forma consolidated NA per Share to the retail/institutional and selected investors	0.45
Dilution in pro forma consolidated NA per Share to the retail/institutional and selected investors as a percentage of the Final Retail Price/Institutional Price	81.8%

4. DETAILS OF OUR IPO *(Cont'd)*

Save as disclosed below, none of our substantial shareholder, Directors, Key Senior Management or persons connected with them had acquired or subscribed our Shares in the past three years up to and including the LPD or have the right to acquire and/or subscribe for our Shares as at the LPD:

Date allotted/ subscribed	Name	No. of Shares		Allotted/ Transferred	Total consideration	Average price per Share
		Before the Bonus Issue	After the Bonus Issue			
			('000)		RM	RM
27.9.2023	DSKK	95	1	Allotted(1)	95	0.08
27.9.2023	DSL	5	*	Allotted(1)	5	0.08
8.2.2024	DSKK	234,287,843	2,970,771	Allotted(2)	234,287,843	0.08
8.2.2024	DSL	12,330,939	156,356	Allotted(3)	12,330,939	0.08
14.2.2024	K8 Resources	234,287,938	2,970,772	Transferred(4)	234,287,938	0.08
14.2.2024	K8 Resources	12,330,944	156,356	Transferred(5)	12,330,944	0.08
7.2.2025	K8 Resources	12,330,944	156,356	Transferred(6)	62,665,628	0.40

Notes:

* *Negligible.*

(1) *Allotted pursuant to subscription of our Shares.*

(2) *Allotment of our Shares as consideration to DSKK pursuant to the acquisition of the shares in KKSMST owned by DSKK.*

(3) *Allotment of our Shares as consideration to DSL pursuant to the acquisition of the shares in KKSMST owned by DSL.*

(4) *Pursuant to the sale of our Shares by DSKK to K8 Resources.*

(5) *Pursuant to the sale of our Shares by DSL to K8 Resources.*

(6) *Pursuant to the sale of our Shares by Arus Sejahtera to K8 Resources.*

4. DETAILS OF OUR IPO *(Cont'd)*

4.6 USE OF PROCEEDS

We expect to use the gross proceeds from our Public Issue amounting to RM115,500,000[(1)] in the following manner:

Description of use of proceeds	Estimated timeframe for use from the date of our Listing	RM'000	%
Expansion of new stores in Malaysia	Within 12 months	25,000	21.7
DC expansion plan	Within 36 months	48,400	41.9
Investment in digital initiatives, IT hardware and software	Within 36 months	28,000	24.2
Defray fees and expenses for our IPO and Listing	Within 3 months	14,100	12.2
Total		**115,500**	**100.0**

Note:

(1) We have assumed that the Institutional Price and the Final Retail Price will be equal to the Retail Price.

The actual proceeds accruing to our Company will depend on the Institutional Price and the Final Retail Price. If the actual proceeds are higher than budgeted above, the excess will be used to support the expansion of new stores in Malaysia. Conversely if the actual proceeds are lower than budgeted above, the proceeds allocated to support the stores expansion will be reduced.

In the event that we incur any expenditures for our stores expansion, DC expansion plan and investment in digital initiatives, IT hardware and software before the receipt of the proceeds from our Public Issue, the proceeds will be used to replenish our internally generated funds used for the purpose of the capital expenditures incurred and paid.

Further details on the use of proceeds from our Public Issue are as follows:

4.6.1 Expansion of new stores in Malaysia

We intend to use RM25.0 million of the proceeds from our Public Issue to part finance the opening of approximately 192 new KK Supermart, KK Concept and KK Signature stores across Malaysia with 51.7% of them located in the Central region of Peninsular Malaysia and the remaining located in the other regions of Peninsular Malaysia and East Malaysia as part of our strategy to continuously expand our geographical footprint.

Our convenience marts are typically located at high foot traffic retail locations such as high street locations, transportation hubs, shopping malls and commercial spaces within residential developments. These strategically located stores are designed to offer convenience and cater to "on-the-go" and impulse purchases by a diverse range of end consumers.

We are committed to sustaining our store growth momentum with the immediate objective of growing our network to approximately 1,500 stores nationwide by the FYE 30 June 2028. As at the LPD, we operate 1,106 stores across Malaysia. As part of the expansion plan, we aim to open 40 new stores by 31 December 2026 and a further 192 new stores over the following nine months to grow our store network to 1,338 stores by 30 September 2027. The breakdown of the 192 new stores by region is as follows:

4. DETAILS OF OUR IPO *(Cont'd)*

Region	No. of new stores
Peninsular Malaysia	**185**
• Central	99
• East Coast	23
• Northern	23
• Southern	40
East Malaysia	**7**
Total	**192**

Our strategic priority is to continuously expand our presence in areas where we already have a high concentration of stores, i.e. the Central region of Peninsular Malaysia (comprising the Federal Territories of Kuala Lumpur and Putrajaya), by seeking new opportunities for store expansion wherever feasible. This approach is driven by the performance of our existing stores where we have demonstrated strong sales and high foot traffic. As there remains continued opportunity to capture incremental demand and improve customer convenience, our strategy is to further expand our store network. While some degree of cannibalisation may occur as sales are redistributed from our existing stores to the new store, such expansion also serves to strengthen our market presence and limit opportunities for competitors to establish a foothold. Additionally, new stores are opened based on our site identification and preliminary assessment process, including the use of our proprietary data-driven digital platform to ensure that the selected locations are commercially viable and capable of supporting additional stores. See Section 7.5.2 of this Prospectus for further details on our store opening process.

At the same time, we intend to broaden our presence in regions where we have lower store penetration, i.e. the Southern region (comprising Johor, Melaka and Negeri Sembilan) and the Northern region (comprising Kedah, Pulau Pinang and Perak), and more particular in the states of Johor and Pulau Pinang, where we currently have lower per-capita penetration levels. In addition, we also aim to establish our presence in new markets where we currently do not operate, namely Terengganu, Perlis, Kelantan and Sabah. This dual-pronged approach of deepening our presence in core markets while expanding into underserved and new markets supports our long-term goal of building a resilient and scalable nationwide retail network.

We expect the 192 new stores to have store size ranging from 1,200 sq. ft. to 1,600 sq. ft.. As part of our store opening process, we will conduct site identification, preliminary assessment and physical site visit, followed by site implementation and renovation, before site delivery and store opening. The entire process from site implementation and licence applications to store opening typically takes between two to six months. See Section 7.5.2 of this Prospectus for further details on our store opening process.

Our capital expenditure for opening a new store includes renovation works, fittings and fixtures such as our racking systems, freezers and chillers, air conditioning, signboard, IT equipment as well as payments for rental deposits, legal costs and licensing application costs. For the past three FYEs 30 June 2024, 30 June 2025 and 30 June 2026, we have opened 134, 119 and 163 new stores respectively and our average capital expenditure per store was approximately RM248,000, RM253,000 and RM254,000 respectively. The increase in our average capital expenditure per store during the Financial Years Under Review was mainly attributable to higher expenditure on shop equipment such as freezers and chillers, to support the expansion of our F&B product offerings.

Notwithstanding the above, we estimate that the capital expenditure for opening a new store, excluding inventory, ranges between RM200,000 to RM300,000 per store, with an average of RM250,000 per store. We believe that this average capital expenditure remains achievable as the continued expansion of our store network is expected to provide economies of scale and cost efficiencies in store fit-outs, procurement and operational setup, all of which are undertaken in-house by our Operations, Digital and Project Teams.

The above estimate excludes the inventory cost which will vary depending on the locality and size of the new stores. Based on our past experience, the initial inventory stocking cost for each new store is approximately RM230,000. Accordingly, the total capital expenditure for the planned opening of 192 new stores including the initial inventory stocking cost is estimated to be RM92.2 million, of which RM25.0 million will be funded using the proceeds from our Public Issue and the shortfall will be funded using internally generated funds and/or bank borrowings.

We intend to use RM25.0 million of the proceeds in the following manner:

Description	**RM'000**
Purchase of shop equipment	7,526
Signboard and fittings	703
Renovation works[(1)]	4,792
Inventories	11,979
Total	**25,000**

Note:

(1) Comprising, among others, professional fees, fit-out works and IT infrastructure.

4.6.2 DC expansion plan

The anticipated growth in the number of our stores is expected to increase our Group's distribution and storage needs. Our Balakong DC primarily supplies inventories to our stores located within Peninsular Malaysia and selected products (including our house brand products) to our stores in Sarawak every four to five months. As at the LPD, our Group operates our Balakong DC which has a storage capacity of 6,200 pallets. For the period between July 2025 to the LPD, we utilised, on average, approximately 85.0% of the storage areas.

In order to support our planned store growth, we aim to:

		RM'000
(a)	Enhance the capacity of our DC by relocating our Balakong DC to a larger facility in the Klang Valley, namely the Central DC, with land area of approximately 293,760 sq. ft. by the first quarter of 2029	28,991
(b)	Enhance our distribution network by adopting a hub-and-spoke model. This will involve the rental of two new DCs in Butterworth, Pulau Pinang and Mukim Senai, Kulai District, Johor, each with land areas ranging from 60,000 sq. ft. to 80,000 sq. ft., to supplement the Central DC	19,409

	RM'000
In executing this plan, we intend to prioritise the setup of the Southern DC first by the first half of 2027 to cater for the growth of our store network in the Southern region, before establishing the Northern DC. We aim to have the Northern DC operational by end of 2029	
Total	**48,400**

The total expenditure of RM48.4 million to be funded via the proceeds from our Public Issue will be used to pay the professional consultancy fees, regulatory compliance costs, set up costs associated with fit-out works, installation of automation equipment, racking system and purchase of material handling equipment for the three DCs as well as rental expenses and for the Southern DC and Northern DC, the breakdown of which is as follows:

	RM' million
Capital expenditure in nature (including professional consultancy fees and regulatory compliance costs)	12.5
Initial year operating expenditure (including the rental expenses)	35.3
Other incidental or contingency expenses	0.6
Total	**48.4**

Any additional funding required arising from cost overrun or additional operational requirements beyond the estimated budgeted amount will be funded through our internally generated funds, the amount of which will depend on the actual funding shortfall, if any, at the relevant time.

Status of Southern DC

Currently, we have identified a suitable vacant warehouse in Mukim Senai, Kulai District, Johor for our Southern DC. As the warehouse is already equipped with a basic racking system, we expect the commissioning process to take approximately six to nine months, during which we will undertake additional fit-out works, procure material handling equipment such as reach trucks and pallet jacks, establish supply routes with our suppliers, and recruit the necessary workforce.

We have entered into the tenancy agreement dated 1 September 2026 with the landlord ("**Southern DC Tenancy**") for the rental of the Southern DC for an initial term of three years from 1 September 2026 to 31 August 2029, which includes options for two extensions of three years each. See Section 7.3.5 of this Prospectus for further information. We aim to commission the Southern DC in the first half of 2027.

Status of Central DC

DSKK, our Promoter, substantial shareholder and Non-Independent Executive Director / Group Managing Director, has through K8 DC Management acquired two adjoining parcels of land in 2020 and 2021, which collectively form the Central DC Land. Subsequently, in 2023, K8 DC Management obtained an amalgamated title for the Central DC Land, which has a total land area of approximately 293,760 sq. ft..

As the alternate locations identified by us are deemed less strategic than the Central DC Land in Balakong, KKSMST had, on 20 August 2026, entered into a sale and purchase agreement with K8 DC Management ("**Central DC Land SPA**") for the Acquisition of Central DC Land for a purchase consideration of RM43.0 million. Further details of the Central DC Land SPA are set out in Section 14.6.4 of this Prospectus.

The purchase consideration for the Central DC Land was arrived at on a willing buyer-willing seller basis after taking into consideration the market value of the Central DC Land of RM43.0 million as appraised by Laurelcap, an independent firm of registered valuers appointed by our Company, using the comparison method. A copy of the valuation certificate in relation to the Central DC Land is enclosed in Annexure E of this Prospectus.

The purchase consideration for the Central DC Land of RM43.0 million and the estimated construction cost of the Central DC of RM50.1 million (including architectural and other consultancy fees) will be financed through a combination of internally generated funds and bank borrowings.

The Acquisition of Central DC Land was completed on 28 October 2026. Currently, the full design of the warehouse system and building layout have yet to be finalised and the necessary approvals from the local council for the construction of the Central DC have not been obtained. See Section 7.3.5 of this Prospectus for further information.

We target to commission the Central DC by the first quarter of 2029.

Status of Northern DC

We have not identified any specific location for the Northern DC as it remains subject to ongoing evaluation, taking into account the store capacity required based on our scale of business operations in the Northern region over the medium and long term.

In identifying a suitable site, we will assess potential sites based on various factors such as land area and built-up size to ensure the required storage capacity can be accommodated, rental costs that are not exceptionally higher than the rental cost for our existing DC(s), tenancy period that are not less than three years with option to extend for further two terms of three years as well as proximity to our store and transport connectivity, including ease of access to major highways. The expected timeframe from site identification until commission is estimated to be between 15 months and 18 months, depending on the condition of the site and the extent of refurbishment required for the Northern DC by our Group.

4.6.3 Investment in digital initiatives, IT hardware and software

Our operations are supported by an integrated supply chain and IT system. Moving forward, we plan to invest RM28.0 million on digital initiatives, IT hardware and software which will be funded using the proceeds from our Public Issue within the next 36 months to further enhance our IT network and capabilities to support our next phase of growth and to improve our operating efficiency and productivity.

We plan to invest significantly in digital initiatives, modernising and maintaining our IT hardware infrastructure and software application over a period of three years. This includes, among others:

(i) revamping and enhancing fundamental business operations and processes by adopting digital technologies to drive innovation and future-proofing our business;

(ii) implementing modern technologies and solutions to replace legacy systems for better efficiency;

(iii) strengthening our IT and communication infrastructure to enable digital and business transformation; and

(iv) enhancing our data protection, security and governance to ensure regulatory compliance.

4. DETAILS OF OUR IPO *(Cont'd)*

We intend to use RM28.0 million of the proceeds from our Public Issue to fund our investment in digital initiatives, IT hardware and software, the details of which are as follows:

	RM'000
Revamping and enhancing fundamental business operations and processes by adopting digital technologies to drive innovation and future-proofing our business, such as: (a) management reporting dashboard comprising strategic, tactical and operational reports; (b) centralised enterprise data warehouse with data backup and disaster recovery capabilities to enhance business continuity, data resilience and system recovery preparedness, while delivering a unified view of our company's data, to enable informed decision-making, improved collaboration and better strategic planning; and (c) cloud hosting and computing platform offering on-demand availability of computing resources for improved scalability, increased efficiency, enhanced security and greater flexibility.	7,900
Implementing modern technologies and solutions to replace legacy systems for better efficiency, such as: (a) POS; (b) enterprise resource planning system including inventory management, procurement and finance modules; and (c) warehouse management system.	16,000
Strengthening our IT and communication infrastructure to enable digital and business transformation, such as: (a) internal staff mobile application; and (b) cloud-powered productivity platform for collaboration, communication, and overall productivity of the employees of our headquarters, DC and stores.	3,600
Enhancing our data protection, security and governance to ensure regulatory compliance, such as implementing a (1) store licence and permit management and (2) eInvoicing system for submission of digital invoices to the Inland Revenue Board of Malaysia for registration and validation. Note: Data security control measures are embedded in all the above digital, IT hardware and software initiatives as well.	500
Total	**28,000**

We believe that our investment in digital initiatives, IT hardware and software will further enhance our operational efficiencies and integration throughout our organisation and support the implementation of our strategic initiatives as it provides our management team with improved control over our operations.

As at the LPD, we have already incurred approximately RM0.9 million using our internally generated funds to upgrade our warehouse management system and implement our store licence and permit management system into our daily operations to improve coordination across stores.

See Section 7.3.7 of this Prospectus for further details on our plans to invest in systems and automation to improve operational efficiencies.

4.6.4 Defray fees and expenses for our IPO and Listing

The fees and expenses for our IPO and Listing to be borne by us are estimated to be RM14.1 million, comprising the following:

	RM'000
Professional fees	5,810
Fees payable to authorities	1,782
Brokerage, underwriting and placement fees	3,119
Other fees and expenses such as printing, advertising and marketing expenses	3,389
Total	**14,100**

If the actual fees and expenses for our IPO and Listing are higher than budgeted, the shortfall will be funded via our internally generated fund. On the other hand, if the actual fees and expenses are lower than budgeted, the excess amount not utilised to defray our listing expenses will be used to support the expansion of new stores in Malaysia.

Given the timing of the use of proceeds to be raised from our Public Issue may not be immediate and as part of our capital management to maximise profit, we intend to place the proceeds raised from our Public Issue or any balance (including accrued profit, if any) in interest-bearing accounts with licensed financial institution(s) and/or in money-market deposit instruments/funds.

Our Company will not receive any proceeds from the Offer for Sale. The total gross proceeds from the Offer for Sale of up to approximately RM346.5 million will accrue entirely to the Selling Shareholders. The Selling Shareholders will bear their own professional fees and placement fees as well as other miscellaneous expenses for the Offer for Sale which are estimated to be approximately RM14.1 million.

4.7 BROKERAGE FEE, UNDERWRITING COMMISSION AND PLACEMENT FEE

4.7.1 Brokerage fee

We will pay brokerage in respect of our Issue Shares under the Retail Offering at the rate of 1.0% (exclusive of applicable tax) of the Final Retail Price in respect of all successful applications which bear the stamp of either the participating organisations of Bursa Securities, members of the Association of Banks in Malaysia, members of the Malaysian Investment Banking Association and/or the Issuing House. The Sole Bookrunner is entitled to charge brokerage commission to successful applicants under the Institutional Offering. For the avoidance of doubt, such brokerage commission under the Institutional Offering will not be payable by us or the Selling Shareholders.

4.7.2 Underwriting commission

As stipulated in the Retail Underwriting Agreement, the Sole Underwriter has agreed to underwrite our Issue Shares under the Retail Offering for an underwriting commission of up to 2.25% (exclusive of applicable tax) of the Retail Price multiplied by the total number of Issue Shares underwritten under the Retail Offering in accordance with the terms of the Retail Underwriting Agreement.

4.7.3 Placement fee

The Selling Shareholders for the Offer Shares and us for our Issue Shares will pay the Sole Bookrunner a placement fee of up to 2.25% (exclusive of applicable tax) of the Institutional Price multiplied by the number of IPO Shares sold to institutional and selected investors in accordance with the terms of the Placement Agreement.

4.8 DETAILS OF THE UNDERWRITING, PLACEMENT AND LOCK-UP ARRANGEMENTS

4.8.1 Underwriting

We have entered into the Retail Underwriting Agreement with the Sole Underwriter to underwrite 105,000,000 Issue Shares under the Retail Offering, subject to the clawback and reallocation provisions as set out in Section 4.2.4 of this Prospectus and upon the terms and subject to the conditions of the Retail Underwriting Agreement.

Details of the underwriting commission are set out in Section 4.7.2 of this Prospectus, while the salient terms of the Retail Underwriting Agreement are as follows:

Unless waived by the Sole Underwriter, who has agreed to underwrite 105,000,000 Issue Shares under the Retail Offering, the underwriting obligations of the Sole Underwriter is subject to certain conditions precedent which must be fulfilled or waived on or before the closing date of the Retail Offering as stated in this Prospectus or such later date as may be agreed in writing by the Sole Underwriter.

The Sole Underwriter may by notice in writing to us given at any time before the date of Listing, terminate, cancel and withdraw its underwriting commitment if:

(i) there is any breach or failure on the part of our Company to perform any obligations contained in the Retail Underwriting Agreement;

(ii) there is an occurrence of any event or discovery of any fact or circumstance rendering any of the warranties set out in the Retail Underwriting Agreement untrue, inaccurate, incorrect or misleading or ceases to be true, accurate and correct or becomes misleading, in any respect or resulting in any of the undertakings made by our Company under the Retail Underwriting Agreement not complied with, breached and/or failed to be performed in any respect;

(iii) our Company withholds any information from the Sole Underwriter, which has a Material Adverse Effect (as defined in this paragraph). "**Material Adverse Effect**" means any event, development or occurrence, or series of events, developments or occurrences, which, in the sole and reasonable opinion of the Sole Underwriter, have or could be expected to have a material adverse effect (including any prospective material adverse effect) or change, whether individually or in the aggregate, and whether or not arising in the ordinary course of business, on any of the following: (i) the condition (financial, business, operations or otherwise), commitments (contractual or otherwise), management, general affairs, business, assets, liquidity, liabilities, prospects, earnings, undertakings, shareholders' equity, properties or results of operations of our Group, taken as a whole, or our Company; (ii) the ability of our Company or our Selling Shareholders to perform their respective obligations under or with respect to, or to consummate the transactions contemplated by, this Prospectus or the Retail Underwriting Agreement, the Placement Agreement, each lock-up agreement and the Share Lending Agreement (collectively, "**Transaction Agreements**"); (iii) the ability of our Company or any of the companies in our Group to conduct their respective businesses and to own or lease their respective assets and properties as described in this Prospectus; or (iv) the IPO including but not limited to the success of the IPO or the distribution or the sale of our IPO Shares pursuant to the IPO;

(iv) in the sole and reasonable opinion of the Sole Underwriter, there shall have occurred, happened or come into effect any event or series of events beyond the reasonable control of the Sole Underwriter by reason of Force Majeure (as defined in this paragraph) which would have a Material Adverse Effect or which would have or is likely to have the effect of making any obligation under the Retail Underwriting Agreement incapable of performance in accordance with its terms. "Force Majeure" means any local, national or international causes or events which are unpredictable and beyond the reasonable control of the parties to the Retail Underwriting Agreement claiming Force Majeure which could not have been avoided or prevented by reasonable foresight, planning and implementation including but not limited to: (i) war, acts of warfare, sabotages, hostilities, invasion, incursion by armed force, act of a hostile army, nation or enemy, civil war or commotion, hijacking, terrorism or national emergency; (ii) riot, uprising against constituted authority, commotion, disorder, rebellion, organised armed resistance to the government, insurrection, revolt, military takeover or usurped power; (iii) natural catastrophe including but not limited to earthquakes, floods, fire, storm, lightning, tempest, explosions, accident, or other acts of God; or (iv) any local, national or international occurrence or outbreak of disease, or pandemic (including any material worsening of the existing COVID-19 endemic), epidemic, the imposition of lockdowns or similar measures to control the spread of any epidemic, any outbreak or material escalation of hostilities or national emergency, whether war has been declared or not, or insurrection or armed conflict or terrorist event (whether or not involving financial markets), the occurrence of any other calamity or crisis or emergency or any event or series of events in the nature of force majeure, or deterioration of any such condition;

(v) there shall have occurred any government requisition or other events whatsoever which would have a Material Adverse Effect;

(vi) there shall have occurred any material adverse change in national or international monetary, financial and capital markets (including stock market conditions and interest rates), political or economic conditions or exchange control or currency exchange rates which would have a Material Adverse Effect, or would have or is likely to have a material adverse effect (whether in the primary market or in respect of dealings in the secondary market) on the value or price of our IPO Shares. For the avoidance of doubt, and without prejudice to the foregoing, if the FTSE Bursa Malaysia KLCI ("**Index**") is, at the close of normal trading on Bursa Securities, on any Market Day: (i) on or after the date of the Retail Underwriting Agreement; and (ii) prior to the closing date of the Retail Underwriting Agreement, lower than 90% of the level of the Index at the last close of normal trading on the relevant exchange on the Market Day immediately prior to the date of the Retail Underwriting Agreement and remains at or below that level for at least three consecutive Market Days, it shall be deemed a material adverse change in the stock market condition;

(vii) trading in shares or securities generally on Bursa Securities, the Singapore Exchange Securities Trading Limited, the Hong Kong Stock Exchange, the National Association of Securities Dealers Automated Quotations ("**NASDAQ**"), the New York Stock Exchange or the London Stock Exchange has been restricted or suspended or minimum prices have been established on Bursa Securities, the Singapore Exchange Securities Trading Limited, the Hong Kong Stock Exchange, NASDAQ, the New York Stock Exchange or the London Stock Exchange, or a devaluation of Ringgit Malaysia against any foreign currencies;

(viii) there shall have been announced or carried into force any new law or change in law in any jurisdiction, interpretation or application by any court or authorities including any administrative, governmental, statutory or regulatory commission, board, body, authority or agency, and any stock exchange, self-regulatory organisation, accreditation organisation or other non-governmental regulatory authority (including but not limited to the SC, Bank Negara Malaysia, Bursa Securities or any taxing, fiscal or other monetary authority thereof, and the CCM), and any court, tribunal or arbitrator, in each case in Malaysia or any other jurisdiction, and whether national, central, federal, provincial, state, regional, municipal, local, domestic, foreign, supranational or otherwise ("**Authority**") which may: (i) have a Material Adverse Effect; or (ii) in the sole and reasonable opinion of the Sole Underwriter, prejudice the success of our IPO or our Listing or which would have or is likely to have the effect of making it impracticable to enforce contracts to allot and/or transfer our IPO Shares or making any obligation under the Retail Underwriting Agreement incapable of performance in accordance with its terms;

(ix) our IPO is stopped or delayed by us or any relevant Authorities for any reason whatsoever;

(x) the closing date of the Retail Offering does not occur by 2 December 2026 or such other extended date as may be agreed in writing by the Sole Underwriter;

(xi) our Listing does not take place by 31 December 2026 or such other extended date as may be agreed in writing by the Sole Underwriter;

(xii) any commencement of legal proceedings, formal investigations, enquiries or action against any member of our Group or any of our directors or executive officers, or our Selling Shareholders, which would have a Material Adverse Effect or in the sole and reasonable opinion of the Sole Underwriter, make it impracticable to market our IPO or to enforce contracts to allot and/or transfer our IPO Shares;

(xiii) any breach of any of the obligations of our Company, our Selling Shareholders, DSKK, DSL, Robert Chai, John Chai or Candy Chai, under any one of the Transaction Agreements to which they are a party which has a Material Adverse Effect;

(xiv) any one of the Transaction Agreements: (i) having been terminated or rescinded in accordance with its terms thereof; (ii) ceases to have any effect whatsoever; or (iii) is varied or supplemented upon its terms and such variation or supplementation would have a Material Adverse Effect;

(xv) any of the resolutions or approvals referred to in Clause 5.1(f) and Clause 5.1(g) of the Retail Underwriting Agreement respectively, is revoked, withdrawn, suspended or ceases to have any effect whatsoever, or is varied or supplemented upon terms which would have a Material Adverse Effect;

(xvi) in the event our IPO and/or our Listing is withdrawn, modified or varied or not procured or procured but subject to conditions not acceptable to the Sole Underwriter;

(xvii) if the SC or any other relevant Authority issues an order or ruling, or a prohibition on our Company or our Selling Shareholders has been imposed for whatever reason, such as to make it impracticable to market our IPO or to enforce contracts to issue, allot, sell and/or transfer our IPO Shares;

(xviii) any statements contained in this Prospectus have become or been discovered to be untrue, inaccurate or misleading in any respect, or matters have arisen or have been discovered which would, if this Prospectus were to be issued at that time, constitute a material omission therefrom;

(xix) in the sole and reasonable opinion of the Sole Underwriter, there is a change or development in law on taxation, foreign investment or currency exchange control in Malaysia or an announcement of such change or development which would have a Material Adverse Effect;

(xx) (i) a banking moratorium has been declared by the relevant Authorities in Malaysia, Singapore, Hong Kong, United States, the European Union (or any member thereof) or the United Kingdom; or (ii) a disruption of commercial banking activities, foreign exchange trading or securities settlement or clearance services has occurred in Malaysia, Singapore, Hong Kong, United States, the European Union (or any member thereof) or the United Kingdom;

(xxi) any moratorium, suspension or restriction (including, without limitation, any imposition of or requirement for any minimum or maximum price limit or price range) in or on trading in any securities of our Company or of any affiliate of our Company listed or quoted on a stock exchange or an over-the-counter market;

(xxii) a Director being charged with an indictable offence or prohibited by operation of law;

(xxiii) the chief executive officer of our Company vacating their office; or

(xxiv) any other event which would have a Material Adverse Effect.

4.8.2 Placement

We, the Selling Shareholders and DSKK expect to enter into the Placement Agreement with the Sole Bookrunner in relation to the placement of up to 735,000,000 IPO Shares under the Institutional Offering, subject to the clawback and reallocation provisions and the Over-allotment Option as set out in Sections 4.2.4 and 4.2.5 of this Prospectus. We, the Selling Shareholders and DSKK will be requested to give various representations, warranties and undertakings, and to indemnify the Sole Bookrunner against certain liabilities in connection with our IPO. The terms of the Placement Agreement are subject to negotiations and may include termination events that are different from those under the Retail Underwriting Agreement as set out in Section 4.8.1 of this Prospectus.

4.8.3 Lock-up arrangement

(i) Our Company has agreed with the Sole Bookrunner that for a period beginning on and including the date of the lock-up agreement and ending on and including the date that is six months from the date of our Listing (the "**Lock-Up Period**"), we will not, without the prior written consent of the Sole Bookrunner, directly or indirectly, conditionally or unconditionally:

(a) (i) issue, allot, offer, pledge, sell, assign or lend; (ii) contract to issue, allot, offer, pledge, sell, assign or lend; (iii) sell or grant, or agree to sell or grant, any option, right, warrant or contract to purchase; (iv) purchase any option, right, warrant or contract to sell; (v) hypothecate, grant security over, charge, pledge, mortgage or create any encumbrance over; or (vi) otherwise transfer or dispose of any legal or beneficial interest in or in respect of any Shares (or any securities convertible into, or exercisable or exchangeable for, or repayable with any such Shares, or which carry the rights to subscribe for, or purchase, or represent the right to receive any such Shares, or that are substantially similar to any such Shares) including any Shares held in treasury, that are now owned or hereafter acquired by us;

(b) enter into any swap, hedge, derivative or any other arrangement, agreement or transaction that transfers to another, in whole or in part, directly or indirectly, any of the economic consequences or incidents of ownership of our Shares (or any securities convertible into, or exercisable or exchangeable for, or repayable with any such Shares, or which carry the rights to subscribe for, or purchase, or represent the right to receive any such Shares, or that are substantially similar to any such Shares), whether any such swap, hedge, derivative or any other transaction described in Section 4.8.3(i)(a) above or this Section 4.8.3(i)(b) is to be settled by the delivery of any Shares or such other securities, in cash or otherwise;

(c) deposit any Shares (or any securities convertible into, or exercisable or exchangeable for, or repayable with any such Shares, or which carry the rights to subscribe for, or purchase, or represent the right to receive any such Shares, or that are substantially similar to any such Shares) in any depository receipt facilities;

(d) save for any stabilising action permissible under applicable law, take any action which is designed to or which constitutes, or which would reasonably be expected to cause or result in stabilisation or manipulation of the price of our Shares;

(e) enter into or effect, or offer to or agree to enter into or effect a transaction which is designed or which may reasonably be expected to result in, or have the same economic effect as, any of the transactions or actions described in Section 4.8.3(i)(a) to Section 4.8.3(i)(d) above; or

(f) publicly announce any intention to enter into or carry out any of the transactions or actions described in Section 4.8.3(i)(a) to Section 4.8.3(i)(e) above.

The restrictions above shall not apply to: (1) the issuance, allotment, offer and sale of any Shares by our Company pursuant to our IPO; or (2) the offer, transfer and sale of any Shares by the Selling Shareholders pursuant to our IPO, including the transfer of any Shares pursuant to the Share Lending Agreement and the offer and sale of any Shares pursuant to the Over-allotment Option; or (3) the grant of ESOS Options by our Company; or (4) the issuance and allotment of any Shares by our Company upon the exercise of the ESOS Options granted under item (3).

(ii) K8 Resources, as one of the Promoters and one of the Selling Shareholders, has agreed with the Sole Bookrunner that during the Lock-Up Period, it will not, without the prior written consent of the Sole Bookrunner, directly or indirectly, conditionally or unconditionally:

(a) (i) offer, pledge, mortgage, charge, sell, assign or lend; (ii) contract to offer, pledge, mortgage, charge, sell, assign or lend; (iii) sell or grant, or agree to sell or grant, any option, right, warrant or contract to purchase; (iv) purchase any option, right, warrant or contract to sell; (v) hypothecate, grant security over, charge, pledge, mortgage or create any encumbrance over; or (vi) otherwise transfer or dispose of any legal or beneficial interest in or in respect of any Shares (or any securities convertible into, or exercisable or exchangeable for, or repayable with any such Shares, or which carry the rights to subscribe for, or purchase, or represent the right to receive any such Shares, or that are substantially similar to any such Shares) whether now owned or hereafter acquired by K8 Resources between the date thereof and the date of our Listing (the "**Lock-Up Ordinary Shares**");

(b) enter into any swap, hedge, derivative or any other arrangement, agreement or transaction that transfers to another, in whole or in part, directly or indirectly, any of the economic consequences or incidents of ownership of the Lock-Up Ordinary Shares (or any securities convertible into, or exercisable or exchangeable for, or repayable with any such Lock-Up Ordinary Shares, or which carry the rights to subscribe for, or purchase, or represent the right to receive any such Lock-Up Ordinary Shares, or that are substantially similar to any such Lock-Up Ordinary Shares), whether any such swap, hedge, derivative or any other transaction described in Section 4.8.3(ii)(a) above or this Section 4.8.3(ii)(b) is to be settled by the delivery of any Lock-Up Ordinary Shares or such other securities, in cash or otherwise;

(c) deposit any Lock-Up Ordinary Shares (or any securities convertible into, or exercisable or exchangeable for, or repayable with any such Lock-Up Ordinary Shares, or which carry the rights to subscribe for, or purchase, or represent the right to receive any such Lock-Up Ordinary Shares, or that are substantially similar to any such Lock-Up Ordinary Shares) in any depository receipt facilities;

(d) save for any stabilising action permissible under applicable law, take any action which is designed to or which constitutes, or which would reasonably be expected to cause or result in stabilisation or manipulation of the price of our Shares;

(e) sell, transfer or otherwise dispose of any interest in any shares in any company or other entity controlled by K8 Resources which is directly, or through another company or other entity indirectly, the beneficial owner of the Lock-Up Ordinary Shares;

(f) enter into or effect, or offer to or agree to enter into or effect a transaction which is designed or which may reasonably be expected to result in, or have the same economic effect as, any of the transactions or actions described in Section 4.8.3(ii)(a) to Section 4.8.3(ii)(e) above; or

(g) publicly announce any intention to enter into or carry out any of the transactions or actions described in Section 4.8.3(ii)(a) to Section 4.8.3(ii)(f) above.

The restrictions above shall not apply to the offer, transfer and sale of any Shares by the Selling Shareholders pursuant to our IPO, including the transfer of any Shares pursuant to the Share Lending Agreement and the offer and sale of any Shares pursuant to the Over-allotment Option.

4. DETAILS OF OUR IPO *(Cont'd)*

(iii) Each of DSKK as a controlling shareholder of K8 Resources, and DSL as a shareholder of K8 Resources, has agreed with the Sole Bookrunner that during the Lock-Up Period, he/she will not, without the prior written consent of the Sole Bookrunner, directly or indirectly, conditionally or unconditionally:

(a) (i) offer, pledge, mortgage, charge, sell, assign or lend; (ii) contract to offer, pledge, mortgage, charge, sell, assign or lend; (iii) sell or grant, or agree to sell or grant, any option, right, warrant or contract to purchase; (iv) purchase any option, right, warrant or contract to sell; (v) hypothecate, grant security over, charge, pledge, mortgage or create any encumbrance over; or (vi) otherwise transfer or dispose of any legal or beneficial interest in or in respect of any ordinary shares in K8 Resources ("**K8 Resources Shares**") (or any securities convertible into, or exercisable or exchangeable for, or repayable with any such K8 Resources Shares, or which carry the rights to subscribe for, or purchase, or represent the right to receive any such K8 Resources Shares, or that are substantially similar to any such K8 Resources Shares) whether now owned or hereafter acquired by them between the date thereof and the date of our Listing (the "**Lock-Up K8 Resources' Shares**");

(b) enter into any swap, hedge, derivative or any other arrangement, agreement or transaction that transfers to another, in whole or in part, directly or indirectly, any of the economic consequences or incidents of ownership of the Lock-Up K8 Resources' Shares (or any securities convertible into, or exercisable or exchangeable for, or repayable with any such Lock-Up K8 Resources' Shares, or which carry the rights to subscribe for, or purchase, or represent the right to receive any such Lock-Up K8 Resources' Shares, or that are substantially similar to any such Lock-Up K8 Resources' Shares), whether any such swap, hedge, derivative or any other transaction described in Section 4.8.3(iii)(a) above or this Section 4.8.3(iii)(b) is to be settled by the delivery of any Lock-Up K8 Resources' Shares or such other securities, in cash or otherwise;

(c) deposit any Lock-Up K8 Resources' Shares (or any securities convertible into, or exercisable or exchangeable for, or repayable with any such Lock-Up K8 Resources' Shares, or which carry the rights to subscribe for, or purchase, or represent the right to receive any such Lock-Up K8 Resources' Shares, or that are substantially similar to any such Lock-Up K8 Resources' Shares) in any depository receipt facilities;

(d) save for any stabilising action permissible under applicable law, take any action which is designed to or which constitutes, or which would reasonably be expected to cause or result in stabilisation or manipulation of the price of our Shares;

(e) enter into or effect, or offer to or agree to enter into or effect a transaction which is designed or which may reasonably be expected to result in, or have the same economic effect as, any of the transactions or actions described in Section 4.8.3(iii)(a) to Section 4.8.3(iii)(d) above; or

(f) publicly announce any intention to enter into or carry out any of the transactions or actions described in Section 4.8.3(iii)(a) to Section 4.8.3(iii)(e) above.

Each of DSKK and DSL will, and shall procure that, without the prior written consent of the Sole Bookrunner, K8 Resources shall not: (a) issue any new K8 Resources Shares or any security convertible into, or exercisable or exchangeable for any K8 Resources Shares; or (b) take any action that would dilute the shareholding of DSKK or DSL (as the case may be) in K8 Resources.

(iv) Each of Robert Chai, John Chai and Candy Chai, being persons connected to DSKK, has each severally and not jointly agreed with the Sole Bookrunner that during the Lock-Up Period, he/she will not, without the prior written consent of the Sole Bookrunner, directly or indirectly, conditionally or unconditionally:

(a) (i) offer, pledge, mortgage, charge, sell, assign or lend; (ii) contract to offer, pledge, mortgage, charge, sell, assign or lend; (iii) sell or grant, or agree to sell or grant, any option, right, warrant or contract to purchase; (iv) purchase any option, right, warrant or contract to sell; (v) hypothecate, grant security over, charge, pledge, mortgage or create any encumbrance over; or (vi) otherwise transfer or dispose of any legal or beneficial interest in or in respect of any Shares (or any securities convertible into, or exercisable or exchangeable for, or repayable with any such Shares, or which carry the rights to subscribe for, or purchase, or represent the right to receive any such Shares, or that are substantially similar to any such Shares) whether now owned or hereafter acquired by them between the date thereof and the date of our Listing (the "**Relevant Lock-Up Ordinary Shares**");

(b) enter into any swap, hedge, derivative or any other arrangement, agreement or transaction that transfers to another, in whole or in part, directly or indirectly, any of the economic consequences or incidents of ownership of the Relevant Lock-Up Ordinary Shares (or any securities convertible into, or exercisable or exchangeable for, or repayable with any such Relevant Lock-Up Ordinary Shares, or which carry the rights to subscribe for, or purchase, or represent the right to receive any such Relevant Lock-Up Ordinary Shares, or that are substantially similar to any such Relevant Lock-Up Ordinary Shares), whether any such swap, hedge, derivative or any other transaction described in Section 4.8.3(iv)(a) above or this Section 4.8.3(iv)(b) is to be settled by the delivery of any Relevant Lock-Up Ordinary Shares or such other securities, in cash or otherwise;

(c) deposit any Relevant Lock-Up Ordinary Shares (or any securities convertible into, or exercisable or exchangeable for, or repayable with any such Relevant Lock-Up Ordinary Shares, or which carry the rights to subscribe for, or purchase, or represent the right to receive any such Relevant Lock-Up Ordinary Shares, or that are substantially similar to any such Relevant Lock-Up Ordinary Shares) in any depository receipt facilities;

(d) save for any stabilising action permissible under applicable law, take any action which is designed to or which constitutes, or which would reasonably be expected to cause or result in stabilisation or manipulation of the price of our Shares;

(e) sell, transfer or otherwise dispose of any interest in any shares in any company or other entity controlled by him/her which is directly, or through another company or other entity indirectly, the beneficial owner of the Relevant Lock-Up Ordinary Shares;

(f) enter into or effect, or offer to or agree to enter into or effect a transaction which is designed or which may reasonably be expected to result in, or have the same economic effect as, any of the transactions or actions described in Section 4.8.3(iv)(a) to Section 4.8.3(iv)(e) above; or

(g) publicly announce any intention to enter into or carry out any of the transactions or actions described in Section 4.8.3(iv)(a) to Section 4.8.3(iv)(f) above.

4.9 TRADING AND SETTLEMENT IN SECONDARY MARKET

Upon our Listing, our Shares will be traded through Bursa Securities and settled by book-entry settlement through the CDS, which is operated by Bursa Depository. This will be effected in accordance with the Rules of Bursa Depository and the provisions of the SICDA. Accordingly, we will not deliver share certificates to subscribers or purchasers of our IPO Shares.

Beneficial owners of our Shares are required under the Rules of Bursa Depository to maintain our Shares in CDS accounts, either directly in their names or through authorised nominees. Persons whose names appear in the Record of Depositors maintained by Bursa Depository will be treated as our shareholders in respect of the number of Shares credited to their respective CDS accounts.

Transactions in our Shares under the book-entry settlement system will be reflected by the seller's CDS account being debited with the number of Shares sold and the buyer's CDS account being credited with the number of Shares acquired. No transfer stamp duty is currently payable for our Shares that are settled on a book-entry basis, although there is a nominal transfer fee of RM10 payable for each transfer not transacted on the market.

Shares held in CDS accounts may not be withdrawn from the CDS except in the following instances:

(i) to facilitate a share buy-back;

(ii) to facilitate conversion of debt securities;

(iii) to facilitate company restructuring process;

(iv) where a body corporate is removed from the Official List;

(v) to facilitate a rectification of any error; and

(vi) in any other circumstances determined by Bursa Depository from time to time, after consultation with the SC.

Trading of shares of companies listed on Bursa Securities is normally done in "board lots" of 100 shares. Investors who desire to trade less than 100 shares are required to trade under the odd lot board. Settlement of trades done on a "ready" basis on Bursa Securities generally takes place on the second Market Day following the transaction date, and payment for the securities is generally settled on the second Market Day following the transaction date.

It is expected that our Shares will commence trading on Bursa Securities approximately 10 Market Days after the close of the Institutional Offering. Subscribers of our Shares will not be able to sell or otherwise deal in our Shares (except by way of book-entry transfer to other CDS accounts in circumstances which do not involve a change in beneficial ownership) prior to the commencement of trading on Bursa Securities.

5. RISK FACTORS

An investment in our Shares involves a number of risks, many of which are beyond our control. You should carefully consider all the information contained in this Prospectus, including the risks described below, before deciding to invest in our Shares. Our business, financial condition, results of operations and prospects could be materially and adversely affected by any of these risks. The market price of our Shares could decline due to any of these risks and you may lose all or part of your investment.

5.1 RISKS RELATING TO OUR BUSINESS

5.1.1 We may be affected by events, publicity or actions from third parties that may have an adverse impact on our brand and reputation

Our expansive network of stores operate under the homegrown trade name of "KK Super Mart" for which we have expended significant time and effort to develop and protect over the past 25 years. We have built a strong brand identity centred on our ability to provide quick-service and an extensive product selection, with up to 24-hour operating hours for a majority of our stores and competitive pricing. As such, the “KK Super Mart” brand is integral to our identity.

As we expand our operations, we may increasingly become a target of public scrutiny. The occurrence of events, including unfavourable attention and comments that generate negative publicity surrounding our products, our stores or the actions of our employees may adversely impact our reputation or damage the “KK Super Mart” brand, regardless of whether such claims or perceptions are true. Consequently, such events which we may not be able to control or regulate may deter customers from purchasing from us and may cause our business partners to hesitate in doing business with us. Furthermore, the significant expansion in the use of social media over recent years has compounded the potential for widespread negative publicity that could be generated by any negative events. The harm may be immediate without affording us an opportunity for redress or correction, causing our brand value and reputation to be affected. An erosion of trust and confidence in our business or the “KK Super Mart” brand could undermine our customers’ confidence in our products, reduce demand for our products, adversely affect our relationships with our stakeholders and also adversely impact our business, financial condition, results of operations and prospects.

For example, in March 2024, we faced a significant backlash and calls for boycott after socks bearing the word “Allah” in Arabic lettering were found on sale in one of our stores. As a result, we paid a fine of RM60,000 pursuant to Section 298 of the Penal Code for intentionally wounding the religious feelings of others in relation to the Socks Incident. In January 2025, sandwiches labelled as “Ham and Cheese Sandwich” and bearing a Halal logo were offered for sale at our Group’s Universiti Malaya store. A customer raised concern about the veracity of the Halal labelling, which escalated into our Group’s product offerings generally, being in question. While no penalty or fine was imposed in connection with the Sandwich Incident, two stores on the Universiti Malaya campus were temporarily closed by the university following these concerns.

In addition to the above, there have been posts on various social media platforms such as Facebook and TikTok depicting inappropriate actions of employees and containing negative statements were made against us pertaining to general operational matters such as employees’ attitudes and changes in management practices including the implementation of new and improved SOPs. Upon investigation by our Group, the contents were found to be highly exaggerated, with some being completely baseless. While such posts have not resulted in widespread negative publicity to date, there can be no assurance that we would not become a target for regulatory or public scrutiny in the future or that scrutiny and public exposure would not severely damage our reputation. For example, a video depicting an incident involving a supervisor admonishing a shop assistant had garnered approximately 100,000 views. While the incident did not result in any material financial loss or other quantifiable adverse impact on our Group, it nevertheless generated negative publicity, and should similar incidents occur repeatedly in the future, the compounded effect of such incidents may adversely affect public perception of our Group.

Maybank IB, as the Principal Adviser for our IPO, is of the view that save for the Socks Incident and Sandwich Incident, the social media posts and allegations referred to above pertaining to employee conduct, operational matters and management practices have not, in the past or as at the LPD, resulted in any material adverse effect on our Group's business operations, financial performance, financial condition or prospects. In relation to the Socks Incident and Sandwich Incident, these incidents resulted in adverse publicity and negative customer sentiment towards our Group which led to a temporary decline in sales over a period of approximately one to three months following the occurrence of the respective incident. However, our sales subsequently recovered and as such, these incidents did not have a material adverse effect on our Group's overall business operations, financial condition or prospects. Nevertheless, there can be no assurance that similar incidents, social media campaigns, allegations or other adverse publicity in the future would not result in a more prolonged or material adverse effect on our Group's brand, reputation, business operations, financial condition, prospects, sales and/or profitability.

Additionally, although our Group has registered the trademarks in Malaysia as set out in Annexure C of this Prospectus, Mega Hugo Holdings Limited ("**Mega Hugo Holdings**") (a company incorporated in British Virgin Islands and is wholly owned by DSKK) has submitted trademark applications for trademarks that are currently pending registration and is the registered proprietor of the same or similar trademarks in the jurisdictions of India, Sri Lanka, Bangladesh, Pakistan and Myanmar (as applicable).

While our Group does not intend to expand our business in these jurisdictions, the same or similar trademarks are currently used by an unrelated third party in Nepal which we have limited control or influence over. Pursuant to a trademark and trade name licence agreement ("**Licence Agreement**"), K8 Supermart Holdings and Mega Hugo Holdings had granted an exclusive right to Kathmandu Kreative Mart Nepal Private Limited ("**Kathmandu**") to use all the trademarks, trade names, trade dress and logos bearing the mark "KK" for its stores in Nepal for a period of five years up to 15 January 2027. For the avoidance of doubt, Kathmandu does not pay any consideration, royalties or revenue to our Group for the use of the trademarks, trade names, trade dress and logos bearing the mark "KK" in Nepal as the relevant intellectual property rights in Nepal are owned by Mega Hugo Holdings. While Kathmandu is not conducting activities in competition with our business due to geographical distance and distinct customer bases and markets in Malaysia and Nepal respectively and has a different day-to-day management and operations team, any negative publicity relating to Kathmandu may negatively affect our customers' perception of our brands, reputation, stores and products in Malaysia and in turn adversely affect our business, results of operations, financial condition and prospects as well as our sales and profitability. A supplemental agreement to the Licence Agreement has been entered into which provides the right for Mega Hugo Holdings to, among others, terminate the Licence Agreement immediately if Kathmandu breaches any material terms or covenants related to the use of, or should take or omit any actions that could result in any disrepute or could result in any damage to the value or reputation of, the trademarks, trade names, trade dress and logos of our Group ("**Conditions**"). Additionally, DSKK (as the sole shareholder of Mega Hugo Holdings and substantial shareholder of K8 Supermart Holdings), Mega Hugo Holdings and K8 Supermart Holdings have given an undertaking to our Group to procure and ensure that Kathmandu uses the trademarks related to "KK Mart" and/or "KK Super Mart" solely for the business of the stores in Nepal only and that DSKK will procure and cause Mega Hugo Holdings and K8 Supermart Holdings to terminate the Licence Agreement if there is a breach of the Conditions. Nonetheless, harm to the value or reputation of our trademarks may have already occurred prior to the termination of the Licence Agreement as mentioned above and our Group may be required to take remedial measures to clarify any misunderstandings among the public or to restore and rebuild the value and reputation of our trademarks. For information purposes, K8 Supermart Holdings and Mega Hugo Holdings have indicated that they have no intention to renew the Licence Agreement with Kathmandu upon its expiry.

For the avoidance of doubt, our Group is allowed by Mega Hugo Holdings to register and use our trademarks outside of Malaysia if we intend to expand our business outside of Malaysia. To facilitate this, Mega Hugo Holdings has given a no-objection letter to allow our Group to use our trademarks outside of Malaysia and if necessary to register the trademarks under our Group. As at the LPD, our Group has no plans to expand our business outside of Malaysia in the near to medium term. Our Promoters also do not intend to start or acquire any convenience mart business outside of Malaysia on their own.

5.1.2 If we fail to maintain or renew the required operating licences, approvals or permits for our operations in a timely manner, or comply with applicable regulatory requirements, this may result in operational disruptions such as temporary store closures and/or regulatory actions

As part of our usual business operations, we require various regulatory licences, approvals and permits to operate our stores and Balakong DC. This includes, among others, the business licence, signage licence, liquor licence, five-foot way licence, controlled goods licence, tobacco licence and rice licence (collectively, "**Operating Licences**"). For further details on the description of the relevant Operating Licences and associated penalties that relate to our business operations, see Section 7.22 of this Prospectus.

The continued validity of product-specific Operating Licences such as the liquor licence, tobacco licence, rice licence and licences for other controlled supply items affects the product range that we are able to offer in our stores. Each of these Operating Licences is subject to specific regulatory requirements and any non-compliance may result in compounds or penalties being imposed or the relevant authorities seizing the affected products. For example, in the past, some stores commenced operations before obtaining the required business and signboard licences from the relevant authorities. There were also breaches of DBKL's business licence conditions as the workforce at some of our premises did not comply with the required 50:50 ratio of Malaysian citizens and non-citizens holding valid work permits. For further details on the past non-compliances with conditions as set out in the Operating Licences, see Section 7.23.3 of this Prospectus. We may also encounter difficulties in renewing these licences when they expire. While it is not typical for the relevant authorities to impose new conditions on the Operating Licences upon renewal, we have encountered instance where new condition was imposed on the renewed business and signboard licence. There can be no assurance that we will be able to obtain or renew such licences in a timely manner or at all. In the past, failure to obtain business licence within our expected timeline has resulted in a delay in opening of our new stores and the delay in obtaining or renewing other Operating Licences such as liquor licence and controlled goods licence have resulted in us not being able to sell or continue the sale of such products at the relevant stores. Historically, we have also encountered delays in renewing certain Operating Licences. These delays are generally attributable to the time required for review and approval by the relevant authorities or technical system issues on the relevant authorities. As a result, the business and signboard licence for certain stores were only renewed after some time following expiry notwithstanding that the renewal applications had been submitted to the relevant authority prior to its expiry.

5. RISK FACTORS *(Cont'd)*

As disclosed in Section 12.2.2 of this Prospectus, in March 2024, we have ceased the sale of liquor at 320 of our stores due to the absence of a liquor licence and we have also ceased the sale of liquor during the prohibited hours from 9:00 p.m. to 7:00 a.m. at 182 of our stores where we held a valid liquor licence at the time. As a result, our liquor sales have reduced from 4.5% for the FYE 30 June 2024 to 2.8% for the FYE 30 June 2025 and to 2.5% for the FYE 30 June 2026. Additionally, our stores recorded a SSSG of -2.7% for the FYE 30 June 2025, primarily attributable to the cessation of liquor sales. Excluding liquor sales, the SSSG for the FYE 30 June 2025 is -1.1%. As at the LPD, 356 out of 1,106 of our stores have a liquor licence. We have ceased the sale of liquor for 59 stores as the liquor licences have expired as at the LPD and are being renewed. In addition, we have submitted new liquor licence applications for 145 stores which are currently pending approval.

Further, our business operations are also subject to various applicable laws, regulations and guidelines imposed by relevant authorities. We are, from time to time, subject to regulatory inspections by relevant authorities in relation to the compliance of the products we sell at our stores. These authorities include, among others, MDTCL (for product-related licensing compliance such as price labelling and product certification compliance), MOH (for non-display of "No Smoking" signage as well as labelling and display compliance related to food and tobacco products etc.), local councils (for licence compliance, condition of the stores etc.), Department of Labour (for licence compliance related to workers' accommodation) and Ministry of Agriculture and Food Security (for licence compliance related to the sale of rice). Any inadequacy in the maintenance of store conditions may expose us to enforcement actions, including fines, penalties or temporary closure of our stores.

For example:

(a) during the month of March 2026, the relevant local councils and the MOH had found rat droppings in three of our stores located in Perak, Selangor and Johor, resulting in the temporary closure of the affected stores for two to five days to allow for pest control measures to be completed before resuming business operations. In April 2026, 19 affected stores have undergone pest control measures; and

(b) several of our stores received summonses from the MOH for non-compliances under the Control of Smoking Products for Public Health Act 2024, mainly relating to non-compliant advertising and display of smoking products, sale of non-compliant smoking products, and failure to display required no-smoking warnings. For these cases, we were fined in total RM100,000 and we have fully settled the fines as at the LPD.

The fines imposed on our Group in connection with the abovementioned non-compliances, as well as the impact arising from delays in the opening of new stores and restrictions on the sale of certain products, have not had a material adverse impact on our Group's business operations and financial condition. However, there can be no assurance that we will not be subject to any further fines, penalties, claims or regulatory inspections, including in respect of any past non-compliances, which may have a material adverse effect on our business, financial condition and results of operations.

5.1.3 Shortage or unavailability of products demanded by our customers due to disruptions to our supply chain or increase in the prices of our products may materially and adversely affect our business and competitiveness

Save for the temporary product shortages at our stores arising from the roll-out of our new warehouse management system at our Balakong DC on 26 July 2026, we have not in the past faced any shortage or unavailability of products or increase in the prices of our products that has materially and adversely affected our business and competitiveness.

Following the roll-out, our warehouse operations entered a transition period, which temporarily affected warehouse productivity and resulted in a backlog in store order processing and fulfilment as well as delays in the delivery of products from Balakong DC to our stores in Peninsular Malaysia. Consequently, although products delivered directly by our suppliers to our stores were not affected, our stores experienced temporary shortages of certain products fulfilled through our Balakong DC. While we have implemented measures to support and stabilise the operations at our Balakong DC, it has affected our order fulfilment, resulting in product shortages and a consequent loss of sales. While we continue our efforts to restore our order fulfilment towards pre-implementation levels, the corresponding recovery in sales may take time to materialise. See Section 12.2.2 of this Prospectus for the current status of our warehouse management system at our Balakong DC and our SSSG performance for the four-month period from 1 July 2026 up to the LPD.

Further, as part of our DC expansion plan as set out in Section 4.6.2 of this Prospectus, we intend to relocate our Balakong DC to Central DC and establish two new DCs, namely Southern DC and Northern DC. The relocation and commencement of operations at new DCs will involve, among others, the integration of the new facilities into our existing distribution network and warehouse management system, coordination with our suppliers on the delivery of products to the new DCs and the training of personnel assigned to the new DCs. While the relocation and establishment of our new DCs are intended to support the growth of our store network, we may encounter a prolonged transition period, system issues, delays or other unforeseen difficulties in the relocation or establishment of or commencement of operations at our DCs. Such difficulties may disrupt our warehouse and distribution operations, resulting in delays in the delivery of products to our stores and product shortages. This may in turn adversely affect our sales, business, results of operations and financial performance.

In addition, as our products are sourced from suppliers, their ability to reliably and efficiently fulfil our orders is critical to the success of our business. If one or more of our current sources of supply becomes unavailable due to events beyond our control such as global inventory shortages or other material unforeseen circumstances like geopolitical conflicts or wars, it may increase our supply chain lead time, and we may not be able to source products of equal quality and quantity on equally competitive terms, if at all. If we are unable to remain price competitive, this may affect our plans for the expansion of our Group, hinder our strategy for growth and our long-term objectives and have an impact on our market share.

Since February 2026, escalating conflicts in the Middle East following joint military strikes by the U.S. and Israel against Iran have increased regional instability and heightened concerns over the security of critical oil supply routes, particularly strategic transit corridors such as the Strait of Hormuz. Consequently, global oil prices have experienced upward pressure arising from concerns over potential supply disruptions and prevailing market uncertainty. In addition, the conflict has disrupted global supply chains, with temporary airspace closures, shipping rerouting and other logistical challenges potentially resulting in delivery delays and higher freight costs. As a result, our cost of products and transportation may increase which may in turn adversely affect our profit margins and/or necessitate an increase in the selling prices of our products.

5. RISK FACTORS *(Cont'd)*

Further, such disruptions may adversely affect our supply chain lead times and operational efficiency.

We are also exposed to risks relating to the availability and timely delivery of inventories from our suppliers. There is a risk that our suppliers may not meet our expectations in relation to stock availability while disruptions in manufacturing such as production delays or quality control issues, may result in inventory shortages. Such shortages could lead to a loss in sales opportunities and reputational harm. Additionally, the delivery of products from our Balakong DC to stores may be disrupted due to factors such as poor handling, transportation bottlenecks, labour strikes or other unforeseen circumstances.

We also rely on several transportation service providers to deliver products from our Balakong DC to our stores, over whom we do not have direct control. Although there has not been any increase in fees charged by these transportation service providers arising from the ongoing U.S.-Iran conflict, we anticipate that transportation costs may increase due to rising fuel prices. In addition, any reduction or removal of government fuel subsidies may result in higher petrol prices, which could further increase our logistics and transportation costs.

If any of these transportation service providers experience financial difficulties, fail to comply with applicable laws and regulations, cease operations or are otherwise unable to perform their services in accordance with our expectations, we may not be able to secure suitable replacements immediately. Any such events may result in delayed or lost deliveries, damaged products, and interruptions in supply, which may adversely affect our business operations, profitability and competitiveness.

As at the LPD, our Group deals with approximately 520 suppliers, all of whom are located in Malaysia. As our business expands, our supply chain may become increasingly complex and may involve international supply chain networks. The ongoing geopolitical instability in the Middle East and Europe, along with potential shifts in the global economic environment resulting from the trade tension caused by the recent United States policy changes and tariff increases as well as any countermeasures imposed by its trading partners, could put pressure on our suppliers' supply chains and lead to delays in receiving inventory, increased supply costs or inventory shortage.

While our Group does not currently source products directly from foreign suppliers, a number of our products are sourced by our suppliers from overseas. Although we have long-standing relationships with the majority of our key suppliers, there is no guarantee that they will be able to continue their commitment to us. Their ability or willingness to continue supplying us with sufficient quantities of their products may be influenced by external factors such as their manufacturers' own production capacity and commercial considerations arising from the global economic environment (e.g. currency fluctuations and increased raw material costs) or other material unforeseen circumstances like geopolitical conflict, earthquakes, floods or droughts.

Recent regulatory developments governing the sale of certain categories of products such as alcoholic beverages, vape products and tobacco products, as well as restrictions on access to certain other tobacco products, may also have an impact on the availability of such products in our stores, causing our sales and financial performance to be negatively affected.

In addition, we do not have any assurance that the prices of the products we source from our suppliers will not be subject to significant price fluctuations in the future, which in turn may impact our margins and profitability. Furthermore, we typically place orders through individual purchase orders, rather than dedicated supply contracts and may be subject to price fluctuations or supply shortages based on changes in our suppliers' businesses, cost structures or other factors. Our profit margins and/or price competitiveness may be affected if our suppliers increase the prices of their products and we are unable to pass such price increases to our customers. Any increase in the prices of products from these suppliers for any reason may have an immediate material adverse effect on our business, results of operations and financial condition.

5.1.4 Any material issue with the quality of our products or non-compliance of our products with regulatory requirements could adversely affect our business, financial condition and results of operations

Our Group currently deals with approximately 520 suppliers as at the LPD, who supply us with approximately 6,745 SKUs as at the LPD. Some of our suppliers deliver their products directly to our stores, while other suppliers deliver their products to our Balakong DC for our distribution to our stores. With multiple delivery channels, hundreds of suppliers and an expanding product range, we may not be able to fully ensure the consistent quality and safety of every product sold in our stores. If the products we sell are contaminated, damaged or defective, or contain other unintended features that could result in illness or injury, we may be subject to product recalls or product liability claims, which could affect our financial condition and result in negative publicity and harm to our reputation and our brand.

Additionally, as we have expanded our product offering with RTE meals and fresh food in selected KK Super Mart stores and KK Concept Stores, we are subject to food safety claims. Should a customer become ill after consuming our products, we could be required to temporarily close some affected stores and/or become subject to enforcement actions by the authorities or become involved in litigation actions taken by our customers. Any such events could lead to adverse publicity, product recall and/or a decrease in customer traffic due to food-safety concerns which consequently could have an adverse effect on our business, financial condition and results of operations.

Furthermore, certain products sold in our stores are subject to product registration, certification and regulatory requirements. We rely on our suppliers to obtain and maintain the required certification or registration for certain products that they supply to us. If either we or such suppliers fail to comply with the applicable laws and regulations for the products we sell, we may be subject to fines by the regulators and may be required to cease the sale or distribution of such products. For example, in the case of the Sandwich Incident, a customer raised concern about the veracity of the Halal labelling on the product, which escalated into our Group's product offerings generally, being called into question. Such non-compliances may result in the imposition of fines or penalties, and we may be required to remove such products from our stores until any non-compliances are resolved. For further details relating to non-compliances in relation to our Group's product, including the actions taken by the regulatory authorities, see Sections 7.23 of this Prospectus for further details.

While the above has not resulted in material adverse impact to our Group's business operations and financial condition in the past, there can be no assurance that our Group will not face such risks in the future.

5. RISK FACTORS *(Cont'd)*

5.1.5 Our supply chain depends on a single DC and our planned expansion of our distribution network, including the securing of new DC premises and development of the Central DC, may not be successfully implemented

We operate a single DC located in Balakong, Seri Kembangan, Selangor. As at the LPD, approximately 38.9% of the SKUs received from our suppliers are managed and distributed to our stores in Peninsular Malaysia from our Balakong DC. Our Balakong DC is supported by one logistics team consisting of two of our employees who are located on-site to coordinate truck scheduling, liaise with transportation service providers, monitor delivery movement and coordinate with warehouse and operations teams, which currently comprises more than 200 workers (including foreign workers supplied by our labour supply agency), to support daily distribution activities. We outsource our transportation services to 10 transportation service providers who collectively provide 35 delivery trucks to support deliveries between our Balakong DC and our stores, which is a key factor in our ability to manage our inventory efficiently. In addition, we also own three delivery trucks to supplement and support our delivery operations.

Any significant disruption in the operations of our Balakong DC due to natural disasters or events such as fire, accidents, prolonged power outages, system failures or other unforeseen causes, could devalue or damage a significant portion of our inventory, rendering the inventory unsaleable. In such event, it could adversely affect our product distribution and sales until such time we secure an alternative facility or arrangements with our product principals and suppliers. We cannot guarantee that our product principals or suppliers will agree to deliver those inventory that were previously distributed through our Balakong DC, directly to our stores nor can we guarantee that we will be able to secure an alternative facility in a timely manner and on terms and conditions which are commercially acceptable to us. Direct delivery to our stores may also prevent us from taking advantage of certain supplier rebates for shipping to a centralised location. Furthermore, if we encounter difficulties, delays or problems arising from the operations of our Balakong DC, we cannot ensure that the critical systems and operations will be restored in a timely manner, resulting in delayed deliveries to our stores or delivery scheduling conflicts, thereby affecting our ability to restock our stores in a timely manner. While we have not encountered previous incidents of disruption or disasters affecting our Balakong DC, there can be no assurance that we will not face such incidents in the future which could consequently result in a material adverse impact on our business operations, financial performance and profitability.

As our Balakong DC is tenanted by our Group, there can also be no assurance that we will be able to secure tenancy renewals of the building on commercially acceptable terms or at all for any reason whatsoever. In the event that the tenancy is not renewed, we may incur additional rental expenses or be required to relocate our DC, which could potentially disrupt our supply chain. This may have a material adverse impact on our Group's operations and profitability.

Our future plans include relocating our Balakong DC to a larger facility in Klang Valley. As the existing tenancy for our Balakong DC is due to expire in September 2028, our Group may need to extend the existing tenancy agreement pending the completion of the relocation. Our Group is currently negotiating the terms of such extension with the landlord. As the extension is expected to be for a relatively short term, the rental rate may be higher than that under the existing tenancy arrangement.

Additionally, our Group has completed the Acquisition of Central DC Land for the development and ownership of our Central DC. The successful construction of the Central DC is subject to, among others, obtaining the necessary regulatory approvals, availability of construction materials and labour, and completion of construction works within the anticipated timeframe and budget. Any delay in the completion of the development of the Central DC may delay our planned relocation from our existing Balakong DC and our target to commission our Central DC by the first quarter of 2029 and constrain our ability to support future store expansion. In addition, cost overruns or unforeseen development issues may require us to utilise additional financial resources beyond our current estimates. In the event that the Central DC is not completed within the anticipated timeframe, exceeds the anticipated budget or fails to generate the expected operational benefits, our Group's business operations, financial performance and financial condition may be materially affected.

We also aim to enhance our distribution network by adopting a hub-and-spoke model, including the rental of two new DCs in Butterworth, Pulau Pinang and Mukim Senai, Kulai District, Johor, to supplement our Central DC in Klang Valley. As our Group intends to rent suitable premises for the Southern DC and Northern DC rather than constructing new DC facilities, these new DCs will be subject to similar risks as mentioned above.

Currently, we have entered into the Southern DC Tenancy for the Southern DC but we have not identified any specific locations for the Northern DC. See Section 4.6.2 of this Prospectus for further details. There can be no assurance that we will be able to identify and secure a suitable location for the Northern DC. If we are unable to secure the Northern DC on commercially acceptable terms, or at all, we may be required to delay or revise our distribution network expansion plans or operate from less optimal locations or facilities. There can also be no assurance that we will successfully renew tenancy arrangements for the Southern DC and the Northern DC respectively on terms that are acceptable to our Group, or within our desired timeframe. In the event of non-renewal or termination of the tenancy for either the Southern DC or Northern DC by the respective landlord, we would need to relocate the affected DC, which may disrupt our distribution operations, resulting in additional costs and consequently, materially adversely affecting our Group's operations and profitability.

Additionally, the expected timeframe for the commencement of the Southern DC and Northern DC will also be subject to, among others, the condition of the site and the extent of refurbishment required by our Group. Any prolonged delay in the commencement of the Southern DC and Northern DC could adversely affect our Group's business operations by constraining our ability to efficiently support our store expansion plans and optimise our distribution network. Such delays may also result in increased costs, including those arising from extended refurbishment periods, which could, in turn, adversely affect our Group's financial performance and financial condition.

5.1.6 We may be subject to enforcement action if we are unable to obtain the necessary approvals from authorities for the properties which we occupy

We are required to ensure that the properties occupied by our Group comply with all applicable laws and regulations pertaining to the occupation of buildings, and that the properties are in uniformity to the SDBA and the Employees' Minimum Standards of Housing, Accommodations and Amenities Act 1990.

As at the LPD, 39 out of 1,106 of our stores have not been issued with the required CCC or do not have documentary evidence showing that a CCC has been issued ("**Store CCC Non-Compliances**"). All of these stores are tenanted and located throughout Malaysia. As at the LPD, we are in the process of applying for the CCC for these stores. However, such applications may remain outstanding as at the time of our Listing. The total estimated cost to rectify the Store CCC Non-Compliances is approximately RM0.3 million and the potential maximum penalties for the said non-compliances is approximately RM1.6 million. Accordingly, the total estimated cost of compliance including the maximum penalties is approximately RM1.9 million, which represents approximately 1.4% of our Group's PBT for the FYE 30 June 2026. The Store CCC Non-Compliances are not expected to have any material adverse impact on our Group's business operations and financial condition. See Section 7.23.2 of this Prospectus for further details of the Store CCC Non-Compliances of our Group.

Whether our Group is able to obtain the requisite approvals governing the operation of our stores is subject to the discretion of the local councils and/or the land authorities based on the implementation of their relevant policies and guidelines. Any adverse change in such policies, guidelines or directions taken by the local councils and/or land authorities on matters requiring their approvals which we may not be able to anticipate or is beyond our control may result in our application for relevant approvals being rejected and/or our Group being subject to sanctions, penalties or fines.

Although we have not been subject to any material enforcement action in the past with respect to the Store CCC Non-Compliances, there can be no assurance that we will not be required to close down or relocate our stores or become subject to financial or other penalties in respect of such non-compliances in the future. Any such event may disrupt our business operations and in turn may have a material adverse effect on our financial condition, results of operations and prospects.

5.1.7 Our new stores may not achieve profitability, and we may not be able to maintain the profitability of our existing stores

The profitability and financial performance of our new and existing stores are dependent on various factors, including our ability to manage our product costs, labour costs and other operational costs and expenses to operate and grow our store network. Our financial performance is closely tied to our ability to efficiently utilise our workforce and adapt our operational IT systems such as supply chain, inventory management and accounting systems, to support our growing store network. If we are unable to effectively manage these, our operational costs and expenses may increase and our profitability may be materially and adversely affected.

Additionally, our new stores may not be profitable immediately or at all. The establishment of new stores requires substantial financial investment and may lower our profit in the short term until sufficient revenue is generated from these new stores to offset their setup and operating costs. For example, our average capital expenditure per store was approximately RM248,000, RM253,000 and RM254,000 for the past three FYEs 30 June 2024, 30 June 2025 and 30 June 2026 respectively. The increase in our average capital expenditure per store during the Financial Years Under Review was mainly attributable to higher expenditure on shop equipment such as freezers and chillers, to support the expansion of our F&B product offerings. There is no assurance that our estimated capital expenditure of approximately RM250,000 for each new store will not be exceeded if we are unable to achieve the expected economies of scale and cost efficiencies in store fit-outs, procurement and operational setup, despite these activities being undertaken in-house.

5. RISK FACTORS *(Cont'd)*

We may also face the risk of new stores experiencing longer than anticipated ramp-up periods or that the return on these investments may not meet our expectations. This may lower our average sales per store and our financial condition may be adversely affected as we expand the number of our stores. For example, for the FYEs 30 June 2024, 30 June 2025, 30 June 2026 and from 1 July 2026 up to the LPD, we opened 134, 119, 163 and 68 new stores respectively. This aggressive expansion has resulted in a decrease in total average number of sales transactions per store per day, total average value of each transaction and ADSS. See Section 12.2.2(i) of this Prospectus for further details.

If our new stores, on average, fail to achieve results comparable to our existing stores, our expansion could result in a decrease in our average sales per store. Furthermore, as we expand our store network in Malaysia, the opening of new stores may result in a diversion of customer traffic from our nearby existing stores, particularly in areas with high store density. As a result, we may not be able to achieve a consistent positive SSSG. As set out in Section 12.2.2(i) of this Prospectus, our SSSG fluctuated and was negative during certain periods, with SSSG of 1.9%, -2.7% and 1.7% recorded for the FYEs 30 June 2024, 30 June 2025 and 30 June 2026 respectively and -6.0% for the four-month period from 1 July 2026 up to the LPD.

The performance of our new stores will also be significantly impacted by our ability to identify and secure suitable sites with sufficient customer traffic as such locations are generally in high demand in Malaysia. A continued increase in property prices in Malaysia will increase our costs in securing new locations for our new stores and may increase the operating costs of our existing stores. There can also be no assurance that our existing stores will continue to generate sufficient customer traffic due to events beyond our control such as changing economic conditions, demographic patterns, or even prolonged construction or renovation works in surrounding areas, which may affect the accessibility of our stores and reduce customer traffic.

There can be no assurance that we will be able to implement our store expansion plan within our targeted timeframe. For example, we have experienced delays in obtaining the relevant business licences for our stores in the past, resulting in delays in store openings and causing such affected stores to remain idle after being fitted-out and stocked while we still continue to incur rental expenses. In addition, our Group may encounter bottlenecks in implementing our store expansion plans. As disclosed in Section 5.1.12 below, we may face challenges in recruiting and retaining local employees to support our expanding store network. Furthermore, as discussed above, difficulties in securing suitable sites for new stores may delay the opening of our additional stores.

Any changes in government policies, legislation or regulations may also adversely affect our store expansion plans, particularly in relation to the product offerings in our new stores. For example, the recent regulatory restrictions on vape and electronic cigarette in certain areas, as disclosed in Section 5.2.5 below, may reduce our SKU range and consequently, adversely affect the sales and financial performance of our new stores in the affected regions.

If we are unable to successfully implement our strategies as a result of any of the above, the growth of our business may be negatively impacted and this could have a material adverse effect on our business, prospects, financial condition and results of operations.

5.1.8 Our profitability relies on our ability to execute our pricing strategies and manage the cost of our products efficiently

As a 24-hour convenience retailer, our pricing strategy is different from other retail and groceries stores as we operate a majority of our stores 24 hours. To remain competitive as compared to our competitors, we closely manage our costs and expenses and optimise our supply chain while offering products that are tailored to meet our customers' demand. We also regularly review and adjust the prices of our products and consistently roll out monthly and festive promotional campaigns and discounts to drive additional footfall to our stores. However, if our competitors offer significant discounts or lower their selling prices substantially, we may need to reduce the prices for our products to remain competitive, and consider other marketing strategies as well, which could potentially affect our profit margins and financial performance.

Additionally, we benefit from periodic rebates, promotions and favourable terms from our suppliers in the form of product display fees, advertising and promotional fees and target incentive fees, which improve our gross profit margin. These favourable terms are negotiated directly between us and our suppliers for mutual benefit, and are primarily dependent on the volume of our purchases after taking into account our large network of stores, extensive reach and our ability to achieve faster roll-out time for new products as we provide our suppliers with an immediate platform to make their products available to retail consumers. In certain instances, these commercial terms are also determined by the sales performance of their products within our network. For the Financial Years Under Review, the complementary income from our suppliers' incentive programmes were approximately RM68.8 million, RM82.8 million and RM99.1 million respectively.

We have thus far been able to execute our pricing strategies and manage our product costs efficiently. However, if we are unable to secure similar rebates, promotions or favourable terms in the future, for example, if our suppliers face financial constraints or have selected alternative channels for their marketing and promotional activities, or if the expected mutual benefits as stated above do not materialise, we may have to increase the selling price of our products in order to remain profitable. Alternatively, if we maintain our current selling prices, we may experience lower profit margins. Either scenario could negatively impact our financial condition and results of operations.

5.1.9 Increasing operating costs could impact our margins and profitability

Our results of operations are particularly susceptible to any increases in our operating costs. A significant portion of our operating costs is attributable to employee compensation, tenancy payments and utility charges, which accounted for 90% of our total operating costs for the FYE 30 June 2026. If these costs continue to rise and we are unable to pass them on to our customers via price revision, it could negatively affect our business, financial condition and results of operations.

For example, recent changes to employment laws and other amendments to the regulatory framework around employment matters in Malaysia have resulted in an increase in our operating costs. In particular, the increase in the minimum wage from RM1,500 to RM1,700 per month pursuant to the Minimum Wages Order 2024 effective on 1 February 2025 had led to an increase in our staff costs by approximately 15% when compared to the same number of employees that we had in January 2025. Similarly, the raising of the wage threshold for the entitlement of overtime and termination benefits from RM2,000 to RM4,000 effective on 1 January 2023 as well as the imposition of a mandatory 2.0% EPF contribution for foreign workers effective on 1 October 2025 have resulted in higher staff costs. Collectively, such increases also contribute to a higher amount of statutory pension and insurance contributions that our Group is liable to pay.

Any further increases in the minimum wage or changes in the regulatory framework around employment matters in Malaysia, such as the increase in the minimum wage to RM2,000 which will come into effect in June 2027 as announced in the Budget 2027, are expected to result an increase in our staff costs. Our suppliers may similarly face higher staff costs and may in turn pass these increased costs on to us. If we are unable to pass these increased costs on to our customers, our business, prospects, financial condition and results of operations may adversely be impacted.

5.1.10 Our success depends on our ability to secure suitable retail locations at commercially acceptable prices

As a 24-hour convenience retailer, one of the key factors for our stores performance is our ability to secure locations with foot traffic that is optimal to our retail business. Our established brand equity enhances our ability to secure optimal locations as property owners are more likely to rent their premises to tenants that are established and have easily recognisable brands. However, there can be no assurance that we will consistently be able to secure suitable retail locations for our new stores. If demand for retail locations in Malaysia increases, we may be unable to secure attractive locations for our new stores. As a result, our ability to expand our stores network may be hindered and if our stores become sub-optimal in the future in terms of declining foot traffic, the financial viability from operating such stores may be adversely impacted due to lower sales, which may then materially impact our Group's overall financial condition and business profitability.

Additionally, most of our stores are located in premises which are rented from third parties. There can be no guarantee that we will be able to continuously secure sufficiently long term tenancies for our new stores or that we will be able to negotiate and obtain tenancies and renewal terms that are commercially acceptable to us.

Currently, the duration of our tenancy agreements do not exceed a period of three years for each term, with an option to renew such tenancy for a period of up to five subsequent terms. However, some of the terms and conditions governing these tenancies may be subject to revision by the respective landlords, in accordance with the provisions set out in each tenancy agreement, including during any proposed renewal of these tenancies. There can be no assurance that our landlords will not increase the rental rates beyond the provisions stipulated in the tenancy agreement or that they will agree to renew the tenancies upon their expiration. In the event that a tenancy is not renewed, we would be required to relocate the affected stores to alternative premises, a potentially less attractive location, or pay a substantially higher rent with additional relocation costs. For example, we may not be able to find alternative premises for our stores which are situated within the vicinity of transportation hubs, where demand for retail space is highly competitive and intense.

During the Financial Years Under Review and up to the LPD, we have closed down a total of 17 stores due to landlord repossessing the shoplots or excessive rental hikes. While these store closures have not resulted in a material adverse impact on our Group's business operations and financial condition, there can be no assurance that future increases in the rental rates and inability to renew the existing tenancies for a substantial number of our stores will not have a material adverse effect on the operations and profitability of our Group.

5.1.11 Our growth prospects may be affected if we face challenges in executing our business strategies and future plans

Our business strategy which focuses on expansion is an important element to our continued growth in revenue and financial performance. For the FYE 30 June 2024 to FYE 30 June 2026, our revenue grew at a CAGR of 10.4% in line with our expansion strategy, where we opened approximately 132 stores per year on average (net of closures), representing a CAGR of 15.8% in number of stores opened over this period.

5. RISK FACTORS *(Cont'd)*

Our goal is to expand our store network to surpass 1,500 stores by the end of FYE 30 June 2028. Our ability to successfully execute our growth strategy requires substantial resources and depends on a number of factors, including:

- our ability to identify suitable sites for new stores and to successfully negotiate tenancy agreements for these sites on terms acceptable to us;
- whether we can accurately estimate expected consumer demand for our products in new locations;
- securing and/or maintaining the requisite permits and approvals for the operation of our stores;
- optimising our product mix and offerings and minimising cannibalisation of sales at our existing stores;
- our ability to attract, train and retain skilled personnel in sufficient numbers for our expanding operations;
- effectively managing our supply chain and ensuring our suppliers and transportation service providers continue to meet our quality and other standards;
- adapting and updating our operational and management systems, including our IT systems, to support an expanded network;
- our ability to compete against our competitors; and
- efficiently expanding and upgrading our DC in a timely and cost efficient manner.

Given the factors above, we cannot be certain that we will successfully develop and implement our future plans and strategies or that we can successfully address the risks which our future plans will expose us to. There can be no assurance that we will be able to expand our store network, whether at the same rate as we have done in the past or at all. If we fail to effectively execute our future plans and strategies, it may result in limited growth and reduced profitability which could have a material adverse effect on our business, prospects, financial condition and results of operations.

In addition, our continued store expansion may result in the cannibalisation of sales at our existing stores, particularly where new stores are opened in close proximity to our existing stores. As we increase the number of our stores, there can be no assurance that consumer demand will grow at a corresponding rate or that the new stores will generate incremental sales without adversely affecting the performance of our existing stores. If the sales generated by the new stores are insufficient to offset any reduction in sales at our existing stores, our revenue growth, profitability, financial condition and results of operations may be adversely affected. Similarly, if our competitors successfully expand their store network in Malaysia, the market may become increasingly saturated, which could further impede our strategies and future plans.

See Section 5.1.7 of this Prospectus for further information on the risks that our new stores may not achieve profitability and that we may not be able to sustain the profitability of our existing stores.

5.1.12 We may encounter challenges in human resource management that could affect the quality of our customer service as well as our operational performance

The convenience retail industry is largely driven by service and it is therefore important to ensure that suitable front-line or front-desk personnel are hired. Any customer service issues such as inefficient or unfriendly customer service could result in an overall unpleasant experience for our customers. For example, any customer service issues leading to longer queues or longer check-out time could have a negative impact on our customers' convenience shopping experience. This may in turn result in loss of sales or loss of repeat customers. In the event of the above, our brand reputation, business and results of operations may be materially and adversely affected.

As at the LPD, we employ a total of 5,379 full-time and 261 temporary or contract-based employees. We have managed our workforce more effectively by aligning the number of employees assigned to each store with the store's sales performance and operational requirements. Previously, we assigned an average of five to six employees to each store. We have since adopted a more flexible staffing model, under which we typically assign a minimum of four employees to each store, five employees to stores with higher staffing requirements, and between six and eight employees to higher-performing stores. Although we have implemented measures to optimise the deployment of our workforce, there is no assurance that we will be able to recruit and retain sufficient employees to meet our operational requirements, particularly given the competition for workers within the retail industry.

Foreign workers make up approximately 14.4% of our total employees as at the LPD, of which 675 are stationed across our stores, 24 at our headquarters and 113 at our Balakong DC (excluding 112 foreign workers supplied by our labour supply agency). Employing foreign workers would mean that we are subject to the conditions and restrictions as contained in the applicable government policies, directives and regulations governing the employment of foreign workers. These include provisions of the countries from which we may hire foreign workers, the number of foreign workers permitted and the terms of their employment. Any change in such regulations could affect our ability to hire foreign workers and may impact our business operations. In particular, if the number of foreign workers that we can employ is reduced, we might not be able to employ sufficient local employees in time to replace them, which could lead to a disruption to our business operations. We also engage manpower agencies to supply foreign workers for deployment at our DC.

In addition, there are certain restrictions on foreign workers taking on roles as front-line workers (including being a cashier). Although we did not comply with such restrictions in the past, as set out in Section 7.23.3 of this Prospectus, we have since rectified the non-compliances by implementing SOP governing workforce composition and shift staffing requirements. However, there can be no assurance that our Group will be able to recruit and retain a sufficient number of local employees to work in our stores on a timely basis and any shortfall in manpower may result in delays to our Group's store expansion plans.

Furthermore, our ability to meet our labour needs while controlling our costs is subject to various external factors, including the availability and competition for talent, as well as the introduction of new or amended legislative frameworks for employment matters.

5.1.13 We are exposed to various security risks, including theft and robbery, particularly at our Balakong DC and stores

The industry we operate in is inherently exposed to the risks of pilferage and robbery which could significantly impact our business operations and financial condition, regardless of any precautionary efforts we may put in place. As a significant portion of our customers' purchases are settled in cash, we face a higher risk of theft and robbery. Our stores are also vulnerable to pilferage and shoplifting, leading to inventory loss, which will affect our sales and profitability. Additionally, with large quantities of inventory housed at our Balakong DC, any security breaches at our Balakong DC could result in financial losses due to theft, delays in stock delivery and potential disruptions in our ability to efficiently supply our stores.

Although our Group has experienced pilferage and robbery which resulted in loss of cash and products in the past, with approximately 82 cases reported during the FYE 30 June 2024, 42 cases reported during the FYE 30 June 2025 and 38 cases reported during the FYE 30 June 2026, the aggregate financial impact to our Group has been immaterial, amounting to approximately 0.06% of our PAT for the FYE 30 June 2024, 0.03% of our PAT for the FYE 30 June 2025 and 0.03% of our PAT for the FYE 30 June 2026, as we have been able to recover about 80% of the pilferage or robbery losses, from our burglary insurance. For further details on the security control of our Group's DC and stores, see Section 7.16 of this Prospectus.

5.1.14 Our success depends on our ability to attract and retain experienced personnel, including our Key Senior Management

Our Group's continued success, future business growth and expansion depend on our ability to attract and retain experienced personnel needed for our organisation, including our Key Senior Management. Our Non-Independent Executive Director / Group Managing Director and Key Senior Management are highly experienced, with each having over 18 years of experience in their respective fields of expertise and/or in the retail industry. See Sections 9.1.1(ii) and 9.3.2 of this Prospectus for the profiles of our Non-Independent Executive Director / Group Managing Director and Key Senior Management respectively. The leadership and industry expertise of our management team have been and will continue to be instrumental to the success and growth of our business.

We have in place a succession planning framework to ensure business continuity and our Key Senior Management, including DSKK (save for Aida Lim Lean Ling (Chief Digital Officer) and Ho Lai Wah (Chief Operating Officer (Retail Innovation & Human Capital))), were designated as key employees as part of our Internal Restructuring and therefore executed the employment agreements which are subject to restrictive covenants pursuant to the SSPA. Pursuant to their respective employment agreements, they have undertaken not to resign from their employment without cause for a period of five years from 6 September 2024. In addition, upon their cessation of employment with our Group, they are prohibited from engaging in any business which competes or is likely to compete with the business of our Group for a period of 24 months from the date of cessation of their employment. Aida Lim Lean Ling and Ho Lai Wah did not enter into similar employment agreements with our Company as they were only designated as Key Senior Management after the Internal Restructuring. Notwithstanding, any unexpected departure or loss of any of our Key Senior Management and other management team members could impair our ability to achieve our strategic objectives, disrupt our business and in turn, adversely affect our financial condition and results of operations. In particular, our team is led by our Non-Independent Executive Director / Group Managing Director, DSKK, who is also our substantial shareholder and Promoter. He has been instrumental in formulating our business strategies and spearheading the growth in the number of our stores, as well as maintaining our relationships with key stakeholders. He is supported by members of our Key Senior Management who similarly have broad and deep knowledge and experience in the retail industry. In the event we lose any of our key people, we may

not be able to identify and/or recruit a suitable replacement that possesses equivalent expertise and experience in a timely manner or at all. This may disrupt our business and impair our financial condition and results of operations.

5.1.15 We depend on our IT infrastructure in managing our business operations. Failure of our IT systems or loss of data could adversely affect our operations

Our business is substantially supported by our IT systems and IT servers to manage a wide variety of our business operations, including inventory management at our stores and DC, tracking of sales at our stores, processing of credit card and e-wallet transactions and other payment services, accounting and finance, human resources and payroll. For further details on the various IT systems that we use throughout our operations, see Section 7.14 of this Prospectus.

The systems are subject to damage or interruption from a number of causes, including power outages, computer and telecommunications failures, computer viruses, security breaches, cyber-attacks, including the use of ransomware and catastrophic events such as fires, floods, earthquakes, tornadoes, or hurricanes, acts of war or terrorism and design or usage errors by our service providers. Our efforts to back-up our systems to ensure business continuity may not be wholly successful. Significant malfunctions or disruptions in our IT systems could lead to data loss and prolonged issues may interrupt our daily activities and operations.

In January 2026, we experienced a ransomware incident affecting one computer. The data was recovered from existing source systems and there was no material adverse impact to our Group's business operations and financial condition. However, there can be no assurance that we will not be subject to similar incidents in the future or that such incidents will not result in significant data loss.

In addition, as part of our ongoing efforts to enhance our operational efficiency and support the growth of our business, we have invested, and may continue to invest, in new IT systems and software. The implementation and roll-out of new IT systems and software may involve a period of transition as our employees familiarise themselves with the new systems and operating processes. During such transition period, we may experience temporary operational disruptions, system or user errors, delays or inefficiencies. For example, following the implementation of our warehouse management system at our Balakong DC, our employees required time to familiarise themselves with and adapt to the new system and processes, which temporarily affected our warehouse productivity. While such disruptions were temporary, there can be no assurance that the future implementation of or roll-out of new IT systems and software will not result in operational disruptions, which could adversely affect our business operations and results of operations.

We also retain confidential information such as personal information on our employees, suppliers and customers. We rely on the security of our IT systems as well as the integrity of our employees and the physical security of our premises to preserve the confidentiality of this information. Any significant compromise or breach of our information systems or data security or any misuse of data, could result in significant costs including costs to investigate and remediate, lost sales, fines, lawsuits and reputational damages. As at the LPD, there have been no major security breaches in the past that have affected our operations.

Any failure to protect against these technological disruptions and/or to prevent security breaches could negatively and materially impact our business operations and reputation as well as our financial condition and results of operations.

5. RISK FACTORS *(Cont'd)*

5.1.16 Our insurance coverage may not adequately protect us against all material hazards

We maintain insurance policies to cover a variety of risks that are relevant to our business needs and operations. These policies provide insurance coverage for all our real property, fixtures, fittings and stock in our stores and DC. Key coverage areas include burglary, fidelity, money, fire, plate glass and goods in transit. To further safeguard our operations, we also maintain public liability insurance, employer liability insurance and motor vehicle insurance. In the past, our Group had experienced a fire incident at one of our stores and a major flood incident at another of our stores, none of which had a material adverse impact on our Group's business operations or financial condition as we were able to successfully claim the losses from our insurers. Notwithstanding, there can be no assurance that we will be able to successfully claim for any future losses, receive full compensation from our insurers or that our existing insurance policies will be sufficient to cover all of our potential losses or risks associated with our business and operations. We are also subject to risks of increased premiums or deductibles, reduced coverage and additional or expanded exclusions in connection with our existing insurance policies, which may affect our financial condition and results of operations.

Our Group sells consumer products which we source from our brand principals and suppliers. There is a possibility that some individuals may have adverse reactions to products purchased from our stores, which may result in actual or potential product liability claims. Our Group generally does not have any product liability insurance for most of the products sold at our stores unless it is a term and condition in the relevant supply contract and we do not intend to procure such coverage since we do not manufacture or produce most of the products that we sell, hence we are not the primary party liable for such products' defects or harm caused by such products.

We have not encountered any product liability claim in the past that have resulted in any significant financial loss or affected our reputation. However, since our Group does not carry product liability insurance, any significant product liability claim could negatively impact our reputation as well as our financial condition and results of operations.

We also do not have business interruption insurance coverage. Accordingly, any losses that we may incur from potential business disruption at our stores for any reason would not be recoverable under our existing insurance policies.

If we suffer any uninsured losses, damages or liabilities in the course of our operations, we may not have sufficient funds to cover such losses, damages or liabilities. To the extent that we suffer losses or damages as a result of a risk for which we do not maintain insurance or which is not covered by our insurance policies or where the cost of the losses or damages exceeds our insurance coverage, we will have to bear such costs, which could have a material adverse effect on our business, prospects, financial condition and results of operations.

5.1.17 We may be involved in legal and other disputes or proceedings arising from our operations from time to time and may face significant liabilities as a result

We may be subject to litigation and other disputes from time to time, which may include other proceedings, legal or otherwise, including tax reviews and/or audits. These matters are often subject to significant uncertainties and their outcomes can be difficult to predict. For example, with a workforce of over 6,000 employees, there is a risk of employee dissatisfaction which may give rise to legal claims against us. In 2026 up to the LPD, we were involved in 16 employment-related claims filed with the Department of Labour, all of which have been resolved and none of which have a material adverse impact to our Group's business operations and financial condition. Between the beginning of 2026 and the LPD, there were four employment related claims filed with the Department of Industrial Relations by employees whom we had dismissed for, among other reasons, breaches of our Company's policies and procedures and underperformance. One claim has been resolved, while the remaining three claims are pending further action or proceedings before the Department of Industrial Relations or the Industrial Court. The potential aggregate compensation in respect of these claims is estimated to range from RM50,000 to RM70,000. There can be no assurance that these ongoing claims, or any future legal or other disputes or proceedings arising from our operations, will not result in significant liabilities to our Group.

Furthermore, while there were no such past incidences, our customers may bring claims against us for faulty or defective products that we sell or in the case of our employees, for incidents that occurred during the course of their employment with us. Such actions and claims may be costly and time consuming and could result in liabilities and reputational harm. We are unable to accurately determine the full extent of any claims and liabilities (financial or otherwise) of any litigation and claims. In particular, our business exposes us to an inherent risk of product liability claims and adverse publicity. If we were found responsible for damage caused by faulty, defective or non-compliant products sold in our stores, our reputation may be adversely affected in a material way. This could undermine customers' confidence in the "KK Super Mart" brand and stores, which will lead to subsequent reduction in sales. In addition, we may need to incur significant legal, settlement and other costs in defending actions taken against us. Due to the inherent uncertainty of the litigation and dispute resolution process, there can be no assurance that the resolution of any particular legal proceeding or dispute will be in our favour. Any adverse result may have a material adverse effect on our business, prospects, financial condition and results of operations.

5.1.18 We are controlled by our substantial shareholders whose interests may not always align with the interests of our shareholders

As disclosed in Section 9.1.2 of this Prospectus, immediately following the completion of our IPO, our substantial shareholders will hold in aggregate up to 73.85% of our enlarged issued Shares, assuming the Over-allotment Option is not exercised. Accordingly, our substantial shareholders will still be able to exercise significant influence over the outcome of matters requiring the vote of our shareholders, including voting on appointments of our Directors, and consequently may be able to influence the composition of our Board.

Our substantial shareholders could also have significant influence in determining the outcome of corporate transactions or other matters submitted to our shareholders for approval, including mergers, consolidations and the sale of all or substantially all of our assets and other significant corporate actions to the extent that they are not required to abstain from voting (and procuring persons connected to them to abstain from voting) in respect of such transactions and corporate actions. This influence may also prevent or deter a change in control in our Company, which could in turn limit the ability of our shareholders to receive a premium for their Shares. There can be no assurance that the interests of our substantial shareholders will be aligned with those of our other shareholders.

5.2 RISKS RELATING TO THE INDUSTRY IN WHICH WE OPERATE

5.2.1 Our business and operations are limited to Malaysia and hence, the performance of our stores are generally dependent on the strength of the general economy and the level of consumer spending in Malaysia.

Our growth strategy is focused on expanding our business within Malaysia where we have experienced substantial growth during the past several years as we increased our number of stores from 777 stores as at 30 June 2024 to 1,042 stores as at 30 June 2026 and to 1,106 stores as at the LPD, which makes us the leading convenience mart player in Malaysia by number of stores as at the LPD and by revenue in 2025, according to the IMR Report.

Given the concentration of our business and operations within Malaysia, our performance is closely tied to the country's economic and political landscape. Our sales could be affected by several economic factors, including but not limited to, periods of economic slowdown or recession; volatility or reduced liquidity in local and international financial markets, which may limit our access to financing or increase the borrowing costs for our Group, our customers and suppliers; slower growth or reductions in real disposable income, which may potentially dampen consumer spending; elevated unemployment rates; rising consumer debt; rising fuel and utility prices; subsidy reductions; inflationary or deflationary trends in commodity prices; natural disasters; and incidents of terrorism, whether domestic or international.

Many of these factors influence the cost of products sold at our stores, transportation expenses (including diesel fuel), labour costs and insurance premiums. In addition, rental costs, trade barriers and broader economic conditions can impact our ability to execute our strategic initiatives effectively. These variables may also affect our cost of sales, selling and distribution expenses as well as administrative costs, and could lead to other adverse effects that are difficult to predict or manage. We have limited control over many of these external factors. Should inflation continue to rise, our GP margin may be negatively affected, particularly if we are unable to adjust our pricing.

In April 2025, the United States announced the implementation of substantial tariffs on its trading partners, including Malaysia. Following subsequent developments, with effect from 24 July 2026, the United States imposed an additional tariff of 10% on certain goods from Malaysia under Section 301 of the United States Trade Act of 1974. These tariffs, along with any retaliatory measures adopted by Malaysia or other affected countries may have a negative impact on both the Malaysian and global economic environment.

Unfavourable developments in any of the above factors could lead to a reduction in consumers' disposable income, potentially resulting in decreased spending or a shift in purchasing behaviour toward lower-priced products. Our Group may be constrained to reduce our selling prices to avoid a decline in sales volumes, which may materially reduce our revenue and profitability.

Our historical growth has been supported by the expansion of the Malaysian economy, rising household consumption, and the development of the retail sector. While Bank Negara Malaysia reported a 6.0% growth in the Malaysian economy in the second quarter of 2026, there is no certainty that such favourable conditions will persist, particularly in light of the tariffs imposed by the United States and any retaliatory measures by its trading partners. In the event of an economic downturn, we may face challenges competing on price with larger retailers such as hypermarkets which benefit from greater economies of scale due to their higher purchasing volumes, broader product offerings and larger store formats. Reduced consumer discretionary spending during such periods could lead to increased demand for lower-priced products, thus placing downward pressure on our pricing strategy and profit margins. Any negative developments in the broader Malaysian economy or factors that significantly impact consumer discretionary spending could materially and adversely affect our business operations, financial condition, prospects and overall performance.

5.2.2 Our business prospects may be impacted by changing consumer preferences, needs, expectations or trends, which could adversely affect the demand of our products

Our success depends in part on our ability to identify and respond promptly to evolving changes in consumer preferences, expectations and needs, and demographic trends as well as to maintain a satisfactory customer experience. We constantly refine our product offerings by tracking and analysing the sales performance of our SKUs in order to stay abreast of emerging consumer trends and to remain competitive. However, it is difficult to accurately predict the products our customers demand. If we fail to source and market such products or accurately forecast or respond in a timely manner to changing customer preferences and/or fail to implement competitive and effective promotion strategies, we could experience a decrease in both the number of customer transactions and average value of each transaction at our stores.

Furthermore, the layout and design of our stores primarily follow a standardised template. As a result, we may face difficulties or delays in attempting to provide a different ambience or customer experience if our customers exhibit a change in their preferences or expectations across different localities. There can also be no assurance that our existing stores will continue to meet our expectations in terms of consumer foot traffic due to events that may affect the appeal of our stores. If any of our current stores becomes unattractive resulting in a decrease in foot traffic due to changes in economic conditions or demographic patterns, poor maintenance or a less attractive product mix, these may impact our business, prospects, financial condition and results of operations.

5.2.3 We have many competitors who could take sales and market share from us if we fail to execute our merchandising, marketing and distribution strategies effectively

Our industry is highly competitive. We face a wide range of competition including from supermarket chains, mini-markets, convenience store chains and independent grocery stores, many of whom operate stores in the same locations where we operate, offer a similar or wider range of products and engage in extensive advertising and marketing efforts. We also compete with our competitors based on store location, customer service quality, pricing, store appearance as well as product selection. If we fail to execute our pricing, merchandising, marketing and distribution strategies effectively or fail to maintain a satisfactory customer experience, our competitors may take sales and market share from us, which could adversely affect our business, financial condition and results of operations.

We anticipate that such competition will continue to intensify, which could impact our market position, customer base and sales. For instance, competitors might adopt aggressive pricing strategies or offer a broader range of products, which could divert customers away from our stores. Similarly, if competitors establish stores in close proximity to our stores, it could reduce our customer footfall and revenue. There can be no assurance that our efforts will always offset the impact of intense competition. Any inability to effectively respond to competitive pressures could lead to loss of market share, reduced profitability and slower growth.

Our failure to respond effectively to competitive pressures and changes in the convenience retail industry could affect our financial performance. Moreover, we use our marketing, advertising and promotional programmes to drive customer traffic and compete more effectively, and we must regularly assess and adjust our efforts to address changes in the competitive landscape. Intense competitive pressures from one or more of our competitors such as through aggressive promotional pricing, or our inability to adapt effectively and quickly to a changing competitive landscape, could affect our prices, margins or demand for our products and services. If we are unable to maintain our competitive position, we could experience lower demand for our products, downward pressure on pricing and a loss of market share, each of which could have a material adverse effect on our business, prospects, financial condition and results of operations.

5.2.4 We face risks arising from regulatory requirements and policy changes in Malaysia

Our business operations are subject to various regulatory requirements and policies governing areas such as retail operations, taxation, employment and environmental standards. These regulations and policies may change in a manner that may not necessarily be favourable to our business, which could result in additional restrictions, constraints or operational limitations to our business.

For example, the recent legislative changes pertaining to employment matters have impacted our wage structures, working hours and our employment practices, resulting in an increase in our operational costs. Similarly, any changes in taxation legislation such as adjustments in corporate tax rates or the introduction of new taxes, could directly impact our profitability.

Any changes in the regulatory framework for the retail sector or the imposition of new environmental laws may require us to similarly change how we operate or may result in higher costs of compliance. Changes in legislation could influence our strategic decisions moving forward such as how we plan and strategise on our new store expansions, suppliers selection or choice of product offerings. While we continuously endeavour to keep abreast of regulatory developments and maintain a proactive approach in terms of regulatory compliance, the unpredictability and potential impact of unfavourable regulatory changes pose a constant risk to our business and operations.

There can also be no guarantee that we will be able to foresee the full impact of newly introduced regulatory developments. Therefore, any significant future changes in the legislation in Malaysia could materially and adversely affect our financial performance, business and operations.

5.2.5 Recent policy changes may impact our key product offerings

With the growing health awareness among consumers as well as governmental policies promoting healthier lifestyles, our Group may see the reduced consumption of certain types of products in the future. For example, in the event the Government imposes higher excise taxes on alcohol and/or tobacco products in the future, this could result in our Company having to impose higher selling prices which could result in lower demand for such products, or if our Company opts to maintain selling prices, then our Company may face lower margins and may have difficulties in meeting our operational targets.

5. RISK FACTORS *(Cont'd)*

Other recent developments, such as the introduction of mandatory registration requirements for tobacco and vape products and the display ban of such products under the Control of Smoking Products for Public Health Act 2024 may affect the range and the visibility of products that can be lawfully offered for sale in our stores. Products that do not obtain the requisite registration may no longer be permitted for sale, while restrictions on display could reduce product visibility and consumer awareness. These factors may limit availability and ease of access for consumers and in turn, adversely impact our sales within this product category.

In July 2022, the Control of Tobacco Product and Smoking Bill 2022 was presented to the Dewan Rakyat (House of Representatives) by the Minster of Health. This bill included proposals to prohibit persons born on or after 1 January 2007 from smoking tobacco products, substitute tobacco products and smoking substances and the sale of the aforesaid products and smoking devices to persons within this category of people. Although the bill was eventually withdrawn and replaced by the Control of Smoking Products for Public Health Act 2024, there is a risk that similar proposals may be introduced in the future, which may result in limiting customers' access to this range of products, and hence negatively impact our sales.

In addition, as at the LPD, certain state governments in Malaysia such as Johor, Perak, Pahang and Kedah implemented or announced measures prohibiting the sale of vape and electronic cigarette containing smoking substance, tobacco or substitute tobacco products ("**Prohibited Vape and Electronic Cigarette Products**") within their respective jurisdictions. As a result, we have implemented measures to disable the ordering and sale of the Prohibited Vape and Electronic Cigarette Products from our system in our stores in Perak (with effect from 1 January 2026), Pahang (with effect from 1 January 2026) and Kedah (with effect from 1 August 2025). No corresponding action was required for our stores in Johor, as our stores in Johor had never offered such products for sale since our Group commenced the sale of Prohibited Vape and Electronic Cigarette Products. The sale of Prohibited Vape and Electronic Cigarette Products ("**Prohibited Vape and Electronic Cigarette Products Sales**") contributed approximately RM27.6 million or 1.9% to the gross revenue generated by our stores for the FYE 30 June 2025, of which RM1.8 million or 0.1% was generated from our stores in Perak, Pahang and Kedah. While the revenue contribution from the Prohibited Vape and Electronic Cigarette Products Sales in these jurisdictions is not material relative to the gross revenue generated by our stores and is therefore not expected to have a material adverse effect on our Group's business operations and financial condition, a nationwide ban of the Prohibited Vape and Electronic Cigarette Products will result in a loss of revenue for our Group and have a direct impact on our financial performance.

There is a risk that additional states may introduce similar restrictions or prohibitions in the future or the Federal Government may implement stricter nationwide regulations on the Prohibited Vape and Electronic Cigarette Products or a total prohibition of the sale of the Prohibited Vape and Electronic Cigarette Products nationwide. Any such developments may reduce the availability and accessibility of these products to consumers, disrupt our sales of such products and adversely affect our sales and financial performance. For information purposes, smoking tobacco products, substitute tobacco products, smoking substances and smoking devices including vape products and electronic cigarettes represent 27.1% of our sales for the FYE 30 June 2026. Should there be a complete ban on tobacco products by the Government in the future, which may result in customers having limited access to this range of products, our sales and financial performance may be negatively impacted.

5.2.6 Our business operations may face potential disruptions from unforeseen events such as natural disasters, infectious diseases or health crises and significant global political events

There is a risk that natural disaster incidents such as flooding or fire in neighbouring units could impact our stores and damage our inventory as well as our premises. Any damage to our premises could further result in reduced sales due to the time required to restore and repair our stores prior to being able to recommence store operations.

Similarly, other natural disasters or other events such as work stoppages affecting the transportation sector could increase the cost or reduce the availability and supply of products available to us (whether provided through our own Balakong DC or delivered by our suppliers directly to our stores). As we expand our network of stores, the increasing volume of stock required to operate our business may place additional pressure and impose new challenges on our logistics planning. Hence, these events, if they occur, may impose disruptions to our business and financial performance.

With the highly global nature of businesses today, our operations may face possible disruptions caused by infectious diseases or health crises. For example, the global outbreak of COVID-19 in late 2019 resulted in several countries including Malaysia, implementing widespread control measures such as border closures, office and business shutdowns and movement restrictions. During those periods of restrictions arising from the COVID-19 pandemic, our Group was able to continue generating revenue and pursuing store expansion (although at a slower pace). There can be no assurance that any future disruptions due to further outbreaks of infectious diseases including the measures that authorities in Malaysia and elsewhere impose to deal with such outbreaks may not affect our operations and the ability of our customers to access our stores, which in turn would adversely impact our business, prospects, financial condition and results of operations.

While we are not directly impacted by global political events such as the geopolitical tensions involving China, the conflict between Russia and Ukraine, rising tensions in the Middle East, and the recent escalation of armed conflict involving Iran, such events could nonetheless create substantial economic uncertainty in financial and commercial markets. This may adversely affect operations and consumer spending, lead to a slowdown in overall economic activity, alter consumer shopping patterns, and ultimately result in a material adverse effect on our business, prospects, financial condition and results of operations.

5.3 RISKS RELATING TO OUR SHARES AND OUR LISTING

5.3.1 The offering of our Shares may not result in an active and liquid market for our Shares

There can be no assurance as to the liquidity of the market that may develop for our Shares, the ability of shareholders to sell our Shares or the prices at which shareholders would be able to sell our Shares. Neither we nor our Promoters have an obligation to make a market for our Shares or, if such a market does develop, to sustain it.

In addition, there can be no assurance that the trading price of our Shares will trade higher or lower than the Final Retail Price or that it will reflect our operations and financial condition, our growth prospects or the growth prospects of the industry in which we operate.

5.3.2 Our Share price and trading volume may be volatile

The market price of our Shares could be affected by numerous factors, including the following:

- general market, political and economic conditions;
- trading liquidity of our Shares;
- fluctuation in stock market prices and volume;
- differences in our actual financial and operating results and those expected by investors and analysts;
- changes in securities analysts' and financial analysts' recommendations, perceptions or estimates of our Group's financial performance;
- changes in conditions affecting our industry, the general economic conditions or stock market sentiments or other related events or factors;
- changes in market valuations of listed shares in general or shares of companies comparable to ours;
- additions or departures of our Key Senior Management;
- perceived prospects of our business and the industry in which we operate;
- adverse media reports regarding us or our shareholders;
- changes in government policy, legislation or regulation; and
- general operational and business risks.

In addition, many of the risks described in this Section could materially and adversely affect the market price of our Shares. Accordingly, there can be no assurance that our Shares will not trade at prices lower than the Final Retail Price.

Over the past few years, the Malaysian, regional and global equity markets have experienced significant price and volume volatility that has affected the share prices of many companies. Share prices of many companies have experienced wide fluctuations that were not always related to the operating performance of such companies. There can be no assurance that the price and trading of our Shares will not be subject to similar fluctuations.

5.3.3 The sale, or the possible sale, of a substantial number of our Shares in the public market following our Listing could adversely affect the price of our Shares

Following our Listing, we will have in issue 3,500,000,000 Shares, of which up to 840,000,000 Shares, representing up to 24.0% of our enlarged issued Shares, will be held by investors participating in our Listing, and not less than 73.85% will be held by our Promoters, assuming the Over-allotment Option is not exercised. Our Shares will be tradable on the Main Market of Bursa Securities without restriction following our Listing. If any shareholders or group of shareholders were to dispose of a substantial number of our Shares in a short period of time, it may put downward pressure on our Share price, which could adversely affect the market value of our Shares.

While our Promoters are restricted from selling their Shares for a period of six months following our Listing, the market price of our Shares could fluctuate if our Promoters choose to sell their Shares in the future after the expiry of the moratorium period. For further details on the moratorium, see Section 2.2 of this Prospectus. If our Promoters sell, or are perceived as intending to sell, a substantial number of our Shares that they hold, the market price for our Shares could be adversely affected.

5.3.4 There may be a delay in, or termination of, our Listing

The occurrence of certain events, including the following, may cause a delay in, or termination of, our Listing:

- the Sole Underwriter's exercise of its rights under the Retail Underwriting Agreement or the Sole Bookrunner's exercise of its rights under the Placement Agreement to discharge itself of its obligations under such agreements;

- our inability to meet the minimum public shareholding spread requirement of having 25.0% of the total number of our Shares for which our Listing is sought being in the hands of at least 1,000 public shareholders holding at least 100 Shares each at the point of our Listing as approved by Bursa Securities; or

- the revocation of the approvals from the relevant authorities for our Listing for whatever reason.

Where prior to the issuance and allotment or transfer of our IPO Shares:

- the SC issues a stop order under Section 245(1) of the CMSA, the applications shall be deemed to be withdrawn and cancelled and we and the Selling Shareholders shall repay all monies paid in respect of the applications for our IPO Shares within 14 days of the stop order, failing which we shall be liable to return such monies with interest at the rate of 10.0% per annum or at such other rate as may be specified by the SC pursuant to Section 245(7)(a) of the CMSA; or

- our Listing is aborted other than pursuant to a stop order by the SC under Section 245(7)(a) of the CMSA, investors will not receive any IPO Shares, and all monies paid in respect of all applications for our IPO Shares will be refunded free of interest.

Where subsequent to the issuance and allotment or transfer of our IPO Shares and the proceeds from our Public Issue form part of our share capital:

- the SC issues a stop order under Section 245(1) of the CMSA, any issue of our Issue Shares shall be deemed to be void and all monies received from the applicants shall be forthwith repaid and if any such money is not repaid within 14 days of the date of service of the stop order, we shall be liable to return such monies with interest at the rate of 10.0% per annum or at such other rate as may be specified by the SC pursuant to Section 245(7)(b) of the CMSA; or

- our Listing is aborted other than pursuant to a stop order by the SC, a return of monies to our shareholders could only be achieved by way of a cancellation of our share capital as provided under the Act and its related rules. Such cancellation can be implemented by the sanction of our shareholders by special resolution in a general meeting and supported by either (a) consent by our creditors (unless dispensation with such consent has been granted by the High Court of Malaya) and the confirmation of the High Court of Malaya, in which case there can be no assurance that such monies can be returned within a short period of time or at all under such circumstances, or (b) a solvency statement from the directors.

5.3.5 We may not be able to pay dividends

Our Company is a holding company and substantially all of our operations are conducted through our subsidiaries. Accordingly, dividends and other distributions received from our subsidiaries are our Company's principal source of income. Our Company and our subsidiaries may incur expenses or liabilities that would reduce or eliminate the cash or profit available for the distribution of dividends.

As part of our Board's guidance on dividends, we aim to declare approximately 40% to 60% of our PAT attributable to the owners of our Company for each financial year, subject to the approval of our Board and any applicable law and contractual obligations, as dividends, provided that such distribution will not be detrimental to our Group's cash requirements or to any plans approved by our Board. See Section 12.4 of this Prospectus for further details on our dividend policy. Even if we are able to pay dividends, our Board may decide, in its sole and absolute discretion, at any time and for any reason, not to pay dividends or to pay smaller dividends than the amount we currently propose, after taking into consideration the required funds for capital expenditure, working capital and any applicable restrictive covenants under our financing. Such declaration of dividends shall not exceed our distributable profits. Further, if we incur new borrowings subsequent to our Listing, we and our subsidiaries may be subject to additional covenants restricting the ability to pay dividends. If we do not pay dividends or we pay dividends at levels lower than anticipated by investors, the market price of our Shares may be negatively affected and the value of your investment in our Shares may be reduced.

Our payment of dividends may also adversely affect our ability to fund unexpected capital expenditure as well as our ability to make interest and principal repayments on any borrowings that we may have outstanding at any time. As a result, we may be required to borrow additional money or raise capital by issuing equity securities, which may not be on favourable terms or available at all.

5.3.6 This Prospectus contains forward-looking statements which may not be accurate

This Prospectus contains forward-looking statements. All statements, other than statements of historical facts included in this Prospectus, including without limitation to those regarding our financial position, business strategies, prospects, plans and objectives for future operations, are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements or industry results, to be materially different from any future results, performance, achievements or industry results expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding our present and future business strategies and the environment in which we will operate in the future. Such factors include among others, general economic and business conditions, competition, the impact of new laws and regulations affecting our industry and Government initiatives. Such forward-looking statements reflect our current view with respect to future events and are not a guarantee of future performance.

Forward-looking statements can be identified by the use of forward-looking terminologies, such as the words “may”, “will”, “would”, “could”, “believe”, “expect”, “anticipate”, “intend”, “estimate”, “aim”, “plan”, “forecast” or similar expressions, and include all statements that are not historical facts.

In light of these uncertainties, the inclusion of such forward-looking statements in this Prospectus should not be regarded as a representation or warranty by us or our advisers that such plans and objectives will be achieved.

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 27 September 2023 as a private limited company under the name of KK Supergold Sdn Bhd. On 13 February 2025, our Company changed its name to KK Mart Retail Sdn Bhd and was converted into a public limited company on 25 March 2026.

The principal activity of our Company is investment holding. The principal activities of our subsidiaries are set out in Section 6.3 of this Prospectus.

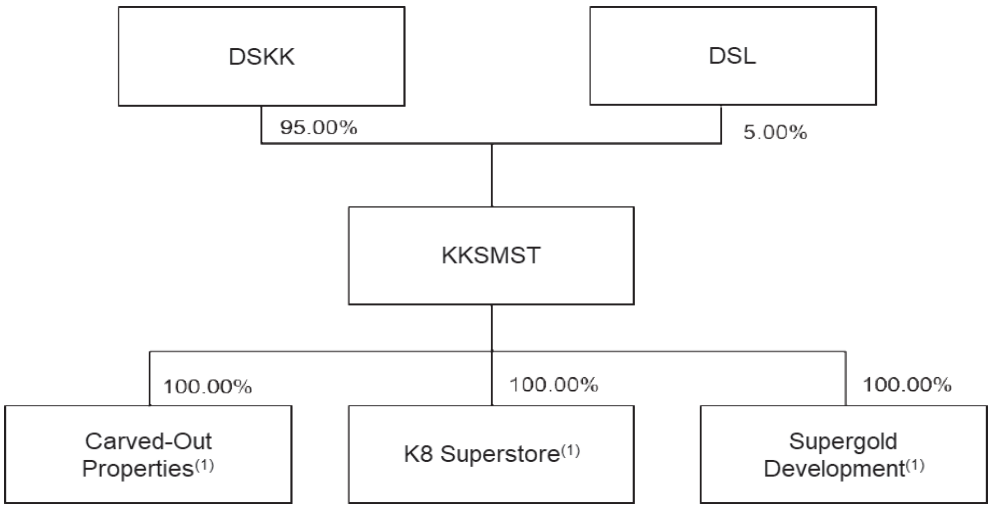
The core business of our Group is retail, with KKSMST operating a convenience mart chain, often referred to as "KK Super Mart" or "KK Mart". The history of our business can be traced back to 2001 when DSKK established the first KK Super Mart store under the legal entity named KK Super Mart (a partnership) which occupied the ground floor of a shop lot at Kuchai Lama, Kuala Lumpur, specialising in retailing and wholesaling of sundry and grocery goods.

Over the past 25 years since the first KK Super Mart store was established, we have grown to become one of the leading convenience mart players in Malaysia.

6.1.2 Formation of our Group

As part of the Internal Restructuring to facilitate our Listing, we undertook the following corporate exercises:

Before the Internal Restructuring



Note:

(1) Disposal of subsidiaries and investment properties by KKSMST

On 2 February 2024, KKSMST had distributed its entire equity interest in K8 Superstore and Supergold Development (comprising 100,000 ordinary shares and 250,000 ordinary shares, respectively) for purchase considerations of RM760,879 and RM15,668,324 respectively to DSKK and DSL by way of dividends-in-specie.

*On 8 February 2024, KKSMST had entered into a memorandum of agreement with DSKK to distribute its entire nine investment properties for a total consideration of RM5,361,058 by way of dividends-in-specie by KKSMST ("**Carved-Out Properties**"). Most of the Carved-Out Properties were either vacant or were being leased to third parties or related parties.*

The details of the Carved-Out Properties are as follows:

(i) Corner three storey shop/office located at No. 1, Jalan Equine Park 9D, Taman Equine, Bandar Putra *Permai, 43300 Seri Kembangan, Selangor;*

(ii) End-lot single storey terrace factory located at No. 717, Jalan 3/19, Kawasan Perindustrian Nilai 3, 71800 Nilai, Negeri Sembilan;

(iii) Intermediate single storey terrace factory located at No. 716, Jalan 3/19, Kawasan Perindustrian Nilai 3, 71800 Nilai, Negeri Sembilan;

(iv) Intermediate single storey terrace factory located at No. 715, Jalan 3/19, Kawasan Perindustrian Nilai 3, 71800 Nilai, Negeri Sembilan;

(v) Intermediate single storey terrace factory located at No. 714, Jalan 3/19, Kawasan Perindustrian Nilai 3, 71800 Nilai, Negeri Sembilan;

(vi) Apartment located at No. 22-17-3, Block 22, Jalan 1/125A, Desa Petaling, 57100 Kuala Lumpur;

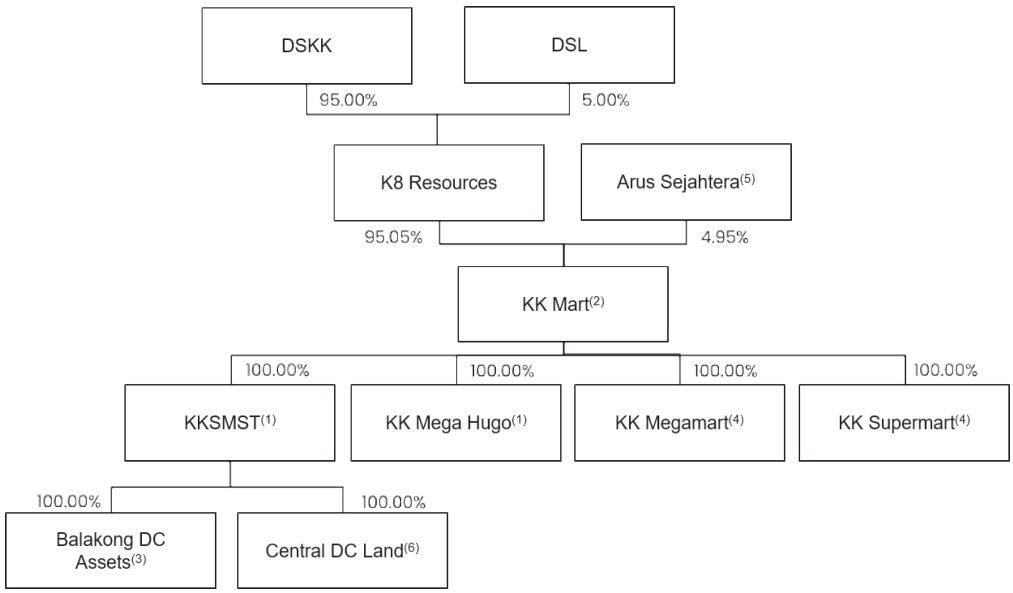
(vii) Intermediate three storey terrace shop/office located at No. 9, Jalan 3/125D, Desa Petaling, 57100 Kuala Lumpur;

(viii) Intermediate three storey terrace shop/office located at No. 11, Jalan 3/125D, Desa Petaling, 57100 Kuala Lumpur; and

(ix) Apartment located at No. 2-1, Jalan 3/116B, Kuchai Entrepreneurs Park, Off Jalan Kuchai Lama, 58200 Kuala Lumpur.

Further details on the Carved-Out Properties are set out in Section 14.6.3 of this Prospectus.

After the Internal Restructuring and full conversion of the RCPS



Notes:

(1) Incorporation of KK Mega Hugo and acquisition of KKSMST by our Company

On 8 January 2024, our Company had incorporated KK Mega Hugo with an issued share capital of RM100 comprising 100 ordinary shares as a special purpose vehicle to receive an absolute assignment from Mega Hugo Holdings of the trademarks that are used by our Group for our business operations in Malaysia.

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

*On 8 February 2024, our Company had acquired the entire equity interest in KKSMST (comprising 5,000,000 ordinary shares) from both DSKK and DSL for a total purchase consideration of RM246,618,782 which was settled by the issuance of 246,618,782 new Shares to DSKK and DSL at an issue price of RM1.00 per Share ("**Acquisition of KKSMST**"). The purchase consideration was determined based on the unaudited NA of KKSMST as at 30 June 2023.*

(2) Acquisition of KK Mart by K8 Resources

*On 14 February 2024, K8 Resources had acquired the entire equity interest in our Company (comprising 246,618,882 Shares) from both DSKK and DSL for a total purchase consideration of RM246,618,882, which was settled by the issuance of 246,618,882 new ordinary shares in K8 Resources ("**K8 Resources Shares**") to DSKK and DSL at an issue price of RM1.00 per K8 Resources Share. The purchase consideration was determined based on KK Mart's cost of investment in KK Mega Hugo and KKSMST.*

(3) Acquisition of Balakong DC Assets

*K8 DC Management and KKSMST had entered into a sale and purchase agreement dated 21 April 2025 whereby KKSMST had purchased from K8 DC Management certain motor vehicles, furniture and fittings, office equipment, renovation works, warehouse equipment and signboard in relation to the warehousing and distribution operations of all KK Super Mart convenience marts (collectively, "**Balakong DC Assets**") for a purchase consideration of RM0.8 million. As such, all the warehousing and distribution activities for KK Super Mart convenience marts are carried out directly by KKSMST since 1 February 2025. The purchase consideration was determined based on either the realisable value or unaudited NBV of the underlying assets of the Balakong DC Assets as at 1 February 2025.*

(4) Acquisition of KK Supermart and KK Megamart by our Company

On 2 September 2025, our Company had acquired the entire interest in KK Supermart (comprising 30,000 ordinary shares) and the entire equity interest in KK Megamart (comprising 150,000 ordinary shares) for a purchase consideration of RM205.58 and RM103,270.38 respectively, both from DSKK and DSL The purchase considerations were determined based on the unaudited NA of KK Supermart and KK Megamart as at 15 August 2025.

(5) Investment by Arus Sejahtera

Arus Sejahtera is a special purpose vehicle incorporated to hold the investment of Dymon Asia Private Equity (S.E. Asia) Fund III, L.P. which is a private equity fund.

Pursuant to the SSPA, Arus Sejahtera had acquired 12,330,944 Shares from K8 Resources, representing 5.0% of our Company, and had subscribed for 10,000,000 RCPS. Subsequently, pursuant to a share purchase agreement dated 24 January 2025 entered into between Arus Sejahtera and K8 Resources, Arus Sejahtera had disposed of its entire shareholding of 12,330,944 Shares, representing approximately 5.0% equity interest in our Company, to K8 Resources. All the RCPS held by Arus Sejahtera have been converted into 12,844,733 new Shares, representing approximately 4.95% of our enlarged issued Shares, on 27 March 2026.

(6) Acquisition of Central DC Land

On 20 August 2026, KKSMST entered into the Central DC Land SPA with K8 DC Management to acquire the Central DC Land for a purchase consideration of RM43.0 million. The purchase consideration for the Central DC Land was arrived at on a willing buyer-willing seller basis after taking into consideration the market value of the Central DC Land of RM43.0 million as appraised by Laurelcap, using the comparison method.

6.1.3 Share capital

Our issued share capital is RM256,618,882, comprising 3,290,000,000 Shares as at the date of this Prospectus.

Save as disclosed below, there have been no changes in our issued share capital during the Financial Years Under Review and up to the date of this Prospectus:

Date of allotment/ Subdivision	No. of Shares allotted	No. of cumulative Shares	No. of RCPS allotted	No. of cumulative RCPS	Cumulative issued share capital (RM)
27 September 2023	100	100	-	-	100
8 February 2024[(1)]	246,618,782	246,618,882	-	-	246,618,882
6 September 2024	-	-	10,000,000	10,000,000	256,618,882
27 March 2026[(2)]	12,844,733	259,463,615	-	-	256,618,882
4 November 2026[(3)]	3,030,536,385	3,290,000,000	-	-	256,618,882

Notes:

(1) Pursuant to the acquisition of KKSMST by our Company.

(2) Pursuant to the conversion of the RCPS.

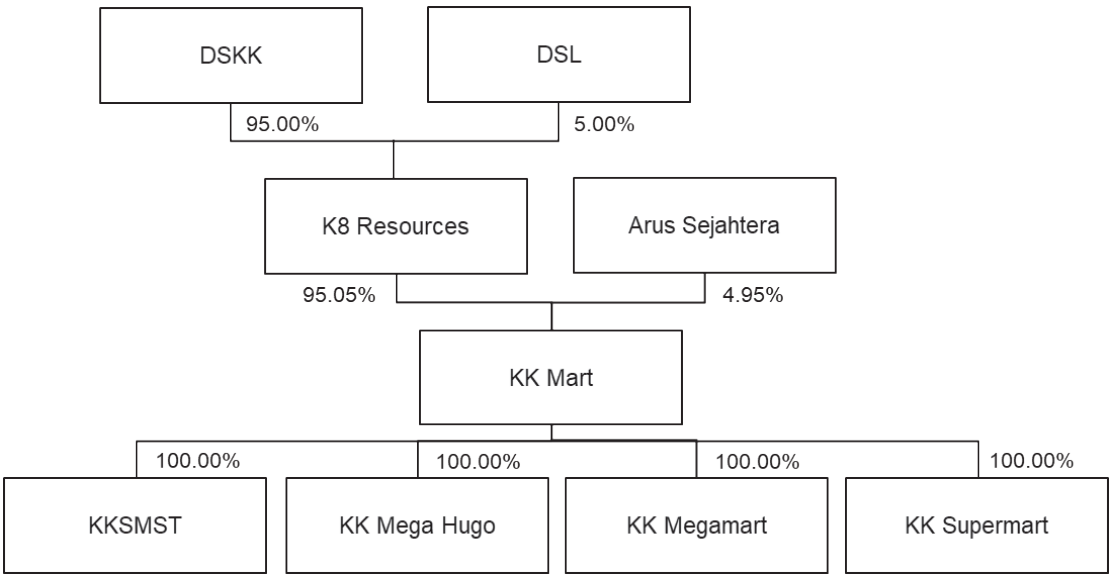
(3) Pursuant to the Bonus Issue.

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

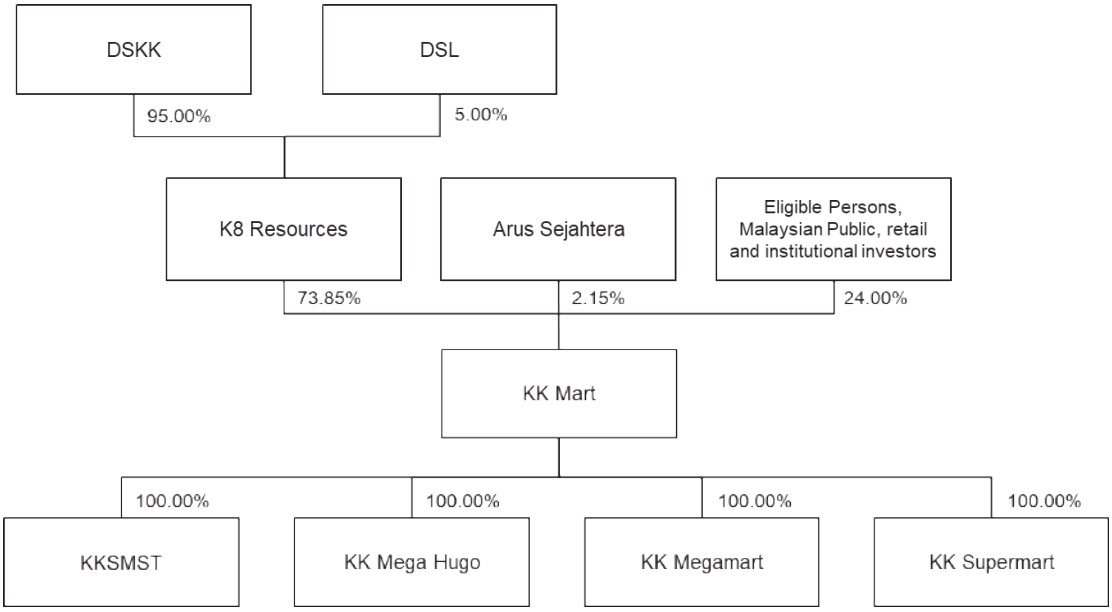
6.2 OUR GROUP STRUCTURE

Our group structure before and after our IPO are as follows:

Before our IPO



After our IPO(1)



Note:

(1) Assuming that our IPO Shares are fully subscribed and the Over-allotment Option is not exercised.

6.3 OUR SUBSIDIARIES

Our subsidiaries as at the LPD are as follows:

Name and registration number	Date and country of incorporation	Share capital	Our effective equity interest (%)	Principal activities
KKSMST 200301017231 (619651-M)	25 June 2003 (Malaysia)	RM16,185,469	100.00	Operating and franchising of convenience stores
KK Mega Hugo 202401000919 (1546770-U)	8 January 2024 (Malaysia)	RM100,000	100.00	Holding and licensing of intellectual property rights
KK Megamart 200701013000 (771005-D)	25 April 2007 (Malaysia)	RM150,000	100.00	Investment holding
KK Supermart 201601026576 (1197515-V)	9 August 2016 (Malaysia)	RM30,000	100.00	Investment holding

As at the LPD, our Company does not have any associate or joint venture companies.

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

6.3.1 KKSMST

KKSMST was incorporated in Malaysia under the Companies Act, 1965 on 25 June 2003 and is deemed registered under the Act as a private limited company.

The principal activity of KKSMST is operating and franchising of convenience stores. For the avoidance of doubt, none of our stores currently operates under a franchise arrangement and we do not intend to enter into any franchise arrangements. The principal place of business of KKSMST is at Menara KK, T6-01-03, Tower 6, Maju Link, Jalan Lingkaran Tengah 2, Bandar Tasik Selatan, 57000 Kuala Lumpur.

The issued share capital of KKSMST is RM16,185,469 comprising 5,000,000 ordinary shares. There has been no change in the issued share capital of KKSMST during the Financial Years Under Review and up to the LPD.

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

6.3.2 KK Mega Hugo

KK Mega Hugo was incorporated in Malaysia under the Act on 8 January 2024 as a private limited company.

KK Mega Hugo was incorporated as a special purpose vehicle to receive an absolute assignment of trademarks from Mega Hugo Holdings which are used by our Group for our business operations in Malaysia. The principal activity of KK Mega Hugo is holding and licensing of intellectual property rights. The principal place of business of KK Mega Hugo is at Menara KK, T6-01-03, Tower 6, Maju Link, Jalan Lingkaran Tengah 2, Bandar Tasik Selatan, 57000 Kuala Lumpur.

The issued share capital of KK Mega Hugo is RM100,000 comprising 100,000 ordinary shares. Save as disclosed below, there has been no change in the issued share capital of KK Mega Hugo during the Financial Years Under Review and up to the LPD:

Date of allotment	No. of ordinary shares	Consideration	Cumulative issued share capital (RM)
8 January 2024	100	Cash	100
28 May 2025	99,900	Cash	100,000

KK Mega Hugo is a wholly-owned subsidiary of our Company. As at the LPD, KK Mega Hugo does not have any subsidiary, associate or joint venture.

6.3.3 KK Megamart

KK Megamart was incorporated in Malaysia under the Companies Act, 1965 on 25 April 2007 and is deemed registered under the Act as a private limited company.

The principal activity of KK Megamart is investment holding. Since its incorporation, KK Megamart has remained dormant and has not carried out any business activity. KK Megamart was incorporated primarily to reserve the "KK Megamart" name for potential future expansion. As at the LPD, there are no plans for KK Megamart to commence any commercial activities.

The issued share capital of KK Megamart is RM150,000 comprising 150,000 ordinary shares. There has been no change in the issued share capital of KK Megamart during the Financial Years Under Review and up to the LPD.

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

6.3.4 KK Supermart

KK Supermart was incorporated in Malaysia under the Companies Act, 1965 on 9 August 2016 and is deemed registered under the Act as a private limited company.

The principal activity of KK Supermart is investment holding. Since its incorporation, KK Supermart has remained dormant and has not carried out any business activity. KK Supermart was incorporated primarily to reserve the "KK Supermart" name for potential future expansion. As at the LPD, there are no plans for KK Supermart to commence any commercial activities.

The issued share capital of KK Supermart is RM30,000 comprising 30,000 ordinary shares. Save as disclosed below, there has been no change in the issued share capital of KK Supermart during the Financial Years Under Review and up to the LPD:

Date of allotment	No. of ordinary shares	Consideration	Cumulative issued share capital (RM)
15 September 2023	98	Cash	100
8 August 2025	29,900	Otherwise than cash	30,000

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

As at the LPD, our Group does not 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 terms. Our issued Shares and the issued shares 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.

7. BUSINESS OVERVIEW

7.1 OVERVIEW

We operate the well-known "KK Super Mart" chain of 24-hour convenience marts involved in the retailing of daily necessities, with 1,106 stores across the states of (1) the Federal Territories (excluding Labuan); (2) Selangor; (3) Negeri Sembilan; (4) Melaka; (5) Johor; (6) Pahang; (7) Perak; (8) Pulau Pinang; (9) Kedah; and (10) Sarawak as at the LPD. The majority of our stores operate 24 hours a day, seven days a week, to maximise convenience for customers, with the exception of eight stores which are located in buildings such as universities, shopping malls or at transportation hub. According to the IMR Report, we are the leading convenience mart player in Malaysia by number of stores as at the LPD and by revenue in 2025, holding the largest market share of 77.6% in 2025. We also held a 14.9% market share by revenue among convenience retailers in Malaysia in 2025 and were the fastest-growing selected convenience retailer by store count from 2022 to 2025.

Holding onto traditions while embracing modernity, "KK Super Mart" is known as a modernised mom-and-pop store offering daily essentials 24 hours a day, all year round. "KK Super Mart" is a convenience mart chain focused on providing accessible locations for quick purchases at affordable price points.

Our convenience marts are typically located at high foot traffic retail locations such as high street locations, transportation hubs, shopping malls and commercial spaces within residential developments. These strategically located stores are designed to offer convenience and cater to "on-the-go" and impulse purchases by a diverse range of end consumers. Presently, our growing network of stores is mainly concentrated in Kuala Lumpur and Selangor where 67.3% of our stores are located.

Our Group closely monitors evolving consumer trends and purchasing behaviours, and implements diverse store formats tailored to meet our customers' preferences in different locations:

Store format	Features
KK Super Mart	Modern mom-and-pop store offering a selection of daily necessities, primarily FMCG such as F&B products, personal and baby care products and household essentials, enhanced by convenient services like bill payment and top-up services
KK Concept Store	Concept store of KK Super Mart that provides a modern, welcoming atmosphere, with focus on RTE meals, hot meals and snack offerings, typically located in densely populated urban areas such as universities, airports, transportation hubs and small residential neighbourhoods like condominium and townships
KK Signature Store	Unmanned store which is strategically positioned to leverage growth opportunities arising from urbanisation trends. As at the LPD, our Group has one unmanned store located in Kuala Lumpur

Additionally, we offer online sales through our own website, complemented by delivery services both via our website and through partnerships with third-party delivery aggregator platforms, namely GrabMart, ShopeeFood and Foodpanda to fulfil customer doorstep delivery requests. KK Super Mart also carries 182 house brand products to build a strong brand identity, fostering customer loyalty and providing more options to customers.

The convenience retail industry is experiencing robust growth with potential for further expansion. This presents opportunities for industry players, including our Group. As a homegrown entity, our Group is well-positioned to leverage the increasing demand for convenience shopping driven by urbanisation, changing consumer lifestyles, and rising household income.

7. BUSINESS OVERVIEW *(Cont'd)*

We were one of the fastest-growing among the selected convenience retailers in Malaysia by number of stores from 2022 to 2025, according to the IMR Report. From the FYE 30 June 2024 to the FYE 30 June 2026, we opened an average of 132 new stores per year (net of closures). We aim to continue expanding our presence with the immediate objective of growing our store network to approximately 1,500 stores nationwide by the FYE 30 June 2028.

We believe that convenience and location will continue to be the key factors in driving our success. Our presence in both residential, commercial areas and high traffic public locations (such as transportation hubs, universities and hospitals) enables us to serve diverse market segments. We intend to continue capitalising on our strong brand and market leadership to support our store expansion plans, further increasing our market penetration. The continued expansion of our store network enhances brand visibility, which will allow us to attract more customers and drive increased foot traffic to our stores, allowing us to increase our market share in the convenience mart segment.

In addition to retail sales, our Group also generates other revenues from suppliers' incentive programmes such as new product listing fees, new store listing fee, display and advertising income, planogram compliance incentives received for adhering to specific product arrangements required by our suppliers, target incentives received for achieving certain sales target set by our suppliers, sales rebates associated with promotion campaign, utility charge, promotion fees and rental of chiller ("**Complementary Income**"). The Complementary Income is paid by product principals or suppliers and may be in the form of fixed fees per store, fees based on eye-level placement of products on the shelf per store or fees based on the volume or expected volume of products sold through the store. Therefore, with the continued growth in our number of stores, we anticipate a corresponding increase in the Complementary Income. Additionally, the resulting economies of scale are expected to drive better margins, better terms with suppliers and greater operational efficiency.

We handle approximately 433 sales transactions per store per day based on the number of sales transactions recorded for the FYE 30 June 2026, with an average sales transaction value per store per day of RM4,719. From the FYE 30 June 2024 to the FYE 30 June 2026, our Group's revenue increased by RM319.7 million or a CAGR of 10.4%.

By leveraging technology, we have streamlined our business processes to enhance efficiency and scalability, enabling the successful execution of our store expansion plans. Among others, we established an enterprise data warehouse ("**EDW**"), a database which centralises our business information from multiple sources and applications to provide business intelligence, reporting and analysis for continuous inventory optimisation and innovation. Our store operations are supported by an integrated suite of supply chain management systems that manage the flow of inventory from procurement and suppliers, through warehousing, transportation and stores, to end customers. Additionally, we are further supported by strong partnerships with suppliers and transportation service providers, which enable us to maintain optimal stock levels and meet customer demand across our store network.

The key financial performance highlights of our business operations for the Financial Years Under Review are as follows:

	FYE 30 June		
	2024	**2025**	**2026**
	RM'000	**RM'000**	**RM'000**
Revenue	1,454,902	1,567,193	1,774,644
GP	408,545	450,834	515,109
PAT	101,596	96,987	102,482

7. BUSINESS OVERVIEW *(Cont'd)*

The operating performance of our stores for the Financial Years Under Review and up to the LPD is as follows:

	FYE 30 June			From 1 July 2026 up to the LPD
	2024	**2025**	**2026**	
Number of sales transaction ('000)				
- Merchandising sales	104,049	110,633	121,515	41,265
- Commission-based income	27,279	31,370	32,219	10,944
Total number of sales transactions ('000)	**131,328**	**142,003**	**153,734**	**52,209**
Average number of sales transactions per store per day[(1)]				
- Merchandising sales	398	363	342	314
- Commission-based income	104	103	91	83
Total average number of sales transactions per store per day	**502**	**465**	**433**	**397**
Average value of each sales transaction (RM)[(2)]				
- Merchandising sales	13.20	13.30	13.69	13.69
- Commission-based income	0.46	0.40	0.38	0.38
Total average value of each sales transaction	**10.56**	**10.45**	**10.90**	**10.90**
ADSS (RM)[(3)]	5,304	4,865	4,719	4,326
SSSG (%)[(4)]	1.9	(2.7)	1.7	(6.0)
Number of stores included in the calculation of SSSG[(5)]	646	777	890	946

Notes:

(1) Calculated as the aggregate number of sales transactions at our stores during the financial year/period divided by the aggregate number of stores operating days during such financial year/period.

(2) Calculated as the revenue generated by our stores during the financial year/period divided by the aggregate number of sales transactions at our stores during the financial year/period.

(3) Calculated as the aggregate sales of our stores during the financial year/period divided by the aggregate number of stores operating days during the financial year/period.

(4) The SSSG of our stores for a financial year/period is calculated by dividing (a) the revenue generated by our stores during such financial year/period after deducting the revenue generated by those same stores during the immediate preceding financial year/period of the same duration, by (b) the revenue generated by those same stores during the immediately preceding financial year/period of the same duration.

(5) Calculated based on the number of stores which have been in operation for a minimum for 12 months.

For the FYE 30 June 2025, our stores recorded a SSSG of -2.7%, primarily due to (i) the cessation of liquor sales at 320 of our stores that did not possess a valid liquor licence and also ceased liquor sales during the prohibited hours of 9.00 p.m. to 7.00 a.m. at 182 of our stores where we held a valid liquor licence at that time. As a result, we experienced a decline in liquor-related sales; (ii) the negative publicity in January 2025 arising from the Sandwich Incident; and; (iii) the redistribution of sales to new stores following the aggressive expansion and growth of our store network from 646 stores as at 30 June 2023 to 777 stores as at 30 June 2024 and 890 stores as at 30 June 2025 respectively. For information purposes, excluding the cessation of liquor sales across all stores, the SSSG in the FYE 30 June 2025 would have been -1.1%.

For the FYE 30 June 2026, our stores recorded a SSSG of 1.7%, primarily due to (i) the participation of our stores in various government and state assistance programmes, namely SARA through MyKasih as well as SKAS. For the FYE 30 June 2026, approximately 6.1% of our gross revenue generated by our stores was attributable to SARA and SKAS sales; and (ii) the resumption of liquor sales at our stores following the successful application for and renewal of our liquor licences. As at 30 June 2026, 336 out of 1,065 of our stores have a valid liquor licence as compared to 274 stores as at 30 June 2025.

For the four-month period from 1 July 2026 up to the LPD, our stores recorded a SSSG of -6.0% as compared to the four-month period from 1 July 2025 up to 31 October 2025, mainly as a result of the roll-out of our new warehouse management system at our Balakong DC on 26 July 2026. Following the roll-out, our warehouse operations entered a transition period, which temporarily affected warehouse productivity and resulted in a backlog in store order processing and fulfilment as well as delays in the delivery of products from Balakong DC to our stores in Peninsular Malaysia. Consequently, although products delivered directly by our suppliers to our stores were not affected, our stores experienced temporary shortages of certain products fulfilled through our Balakong DC, which affected sales during the period. For information purposes, before the operational impact arising from the implementation of the warehouse management system, our stores recorded a SSSG of 0.9% for July 2026 as compared with July 2025. Nonetheless, we have implemented measures to support and stabilise operations at our Balakong DC. See Section 12.2.2 of this Prospectus for the current status of our warehouse management system at our Balakong DC. We expect our order fulfilment to progressively return to normal by the end of 2026, following which our SSSG is expected to gradually return to positive levels.

SSSG is not the only metric that we consider when evaluating the performance of our stores. Our strategic focus has been on expanding our store network to secure market leadership, a growth metric that we prioritise over short-term SSSG. While this expansion could lead to a decline in SSSG, it allows us to protect and/or increase our overall market share and increase our revenue and profitability.

Additionally, other than total number of sales transactions and growth in revenue, we also consider metrics such as the average value of each sales transaction, payback period and GP margin in evaluating our Group's financial performance and sustainability

For further information on the SSSG and other metrics in evaluating our Group's financial performance, see Section 12.2.2 of this Prospectus.

7.2 COMPETITIVE STRENGTHS

7.2.1 We are the leading player in Malaysia's convenience mart segment, which is poised for robust growth with the potential for further expansion

We are the leading convenience mart in Malaysia by number of stores as at the LPD and revenue in 2025 and the fastest-growing among the selected convenience retailers in Malaysia, by number of stores, from 2022 to 2025, according to the IMR Report. In addition, we are a home-grown brand with full ownership of our brand, giving us complete autonomy over every aspect of our business. Our strong brand equity is bolstered by numerous prestigious awards, and the growing member base of users for our KK Rewards App underscores our position as a trusted household name in Malaysia.

The leading and fast-growing convenience mart in Malaysia

Over 25 years since the first "KK Super Mart" was established by DSKK together with his siblings in 2001, we have built strong brand equity for our home-grown trade name "KK Super Mart". Our stores have been strategically positioned as 24-hour convenience marts (where permitted), combining the quick-service and accessibility of a convenience mart with the extensive product range of a supermarket. The majority of our stores offer a wide range of F&B and convenience items, along with household, personal care and baby products. Most of our stores are also characterised by bright lighting and CCTV, creating a welcoming and secure environment for customers.

We have established our presence as the leading convenience mart in Malaysia by number of stores as at the LPD and revenue in 2025, according to the IMR Report. Our large number of stores comprises a total of 1,106 stores throughout Malaysia as at the LPD, and our total store footprint is more than 8 times that of our next competitor in the convenience mart segment in Malaysia as at the LPD. We believe our extensive store network across Malaysia strengthens brand recognition and fosters customer loyalty, as shoppers are more likely to choose a grocery retail chain with a robust local footprint as well as national presence.

According to the IMR Report, we:

(a) are the market leader and hold a market share of 77.6% in the convenience mart segment based on revenue in 2025;

(b) stand out and hold a market share of 14.9% by revenue in 2025 among the convenience retailers;

(c) are the fastest-growing among the selected convenience retailers in Malaysia, by number of stores, from 2022 to 2025; and

(d) reported a PBT margin of 7.9% for the FYE 30 June 2026, which is highest among the selected grocery-based retailers in Malaysia.

Excluding the RCPS Interest and Dividend, our PBT margin would be 8.9% for the FYE 30 June 2025.

With our expanding and vast network of stores which operate with extended hours of up to 24 hours through three store formats (i.e. KK Super Mart, KK Concept Store and KK Signature Store), we are able to greatly enhance our customer reach across diverse locations, each with varying population demographics and levels of disposable income.

Direct ownership of our own brand

Our ownership and control of the "KK Super Mart" brand gives us an advantage over the alternative business model of franchisees, as we are not subject to franchise fees and required to adhere to a franchisor's operational standards. Our KK Super Mart stores, the flagship business of our Group, offer convenient and quick access to a wide range of products, appealing to consumers seeking a fast and hassle-free shopping experience. Our modern lifestyle retail convenience marts under the "KK Concept Store" brand focus on RTE meals and fresh food, and are strategically located within universities, airports, transportation hubs and small residential neighbourhoods such as condominium and townships.

This ownership allows us to efficiently manage our day-to-day operations with flexibility, and to enhance efficiency across all areas of our retail operations including procurement, merchandising, retail management, human resources, logistics, and warehousing. It also gives us the flexibility and freedom to implement the best systems tailored to our specific needs, and make more responsive decisions with respect to our business, product offerings and store rollouts. In addition, it allows us to swiftly adapt to market demands and consumer preferences, tailoring store sizes and layouts to suit the specific demographic characteristics of each retail location. This adaptability also allows us to regularly evaluate store performance, close underperforming locations and open new stores in high-demand areas.

Fast-growing convenience mart segment in Malaysia

By appealing to a large target segment with differing population demographics and disposable income levels through our extensive and growing network of stores, we believe that we are well-positioned to capture more market share and leverage the growth opportunities within the grocery-based retailing industry in Malaysia.

The convenience retail and grocery-based retail sectors in Malaysia are still underpenetrated with sales values per capita of USD77.5 and USD628.3 respectively, in 2025, according to the IMR Report. By comparison, other developed countries such as Japan recorded higher sales values per capita of USD690.2 and USD2,758.4 in the convenience retail and grocery-based retail sectors respectively in 2025, implying large room for growth in Malaysia.

According to the IMR Report, the sales value of the convenience mart segment (which is a sub-segment of the convenience retail industry) in Malaysia increased at a CAGR of 20.9%, from RM0.8 billion in 2020 to RM2.2 billion in 2025. Looking ahead, the convenience mart segment in Malaysia is projected to grow at a CAGR of 17.7% from 2025 to 2030, reaching a sales value of RM4.9 billion by 2030 driven by demand for household and grocery items, supported by the convenience of extended operating hours. Consequently, the convenience mart segment is projected to outperform all other retail segments in Malaysia's grocery-based retail industry, with the highest CAGR projected for the 2025–2030 period, according to the IMR Report.

Growing member base

Our KK Rewards App was originally introduced in 2023 under the name of "KK Mart Malaysia" and subsequently refreshed and relaunched in July 2025 to better support our loyalty and customer engagement initiatives. Since the relaunch, membership has grown rapidly, reaching approximately 222,000 registered members as at the LPD. Of these, about 50,000 were active members, namely members who engaged with our KK Rewards App. We also have a large and growing social media following, with approximately 290,000 followers across platforms including Facebook, Instagram, TikTok, Xiaohongshu (Rednote) and Threads, as at the LPD.

Strong brand reputation and recipient of several awards

Over the years, we have established a strong brand reputation among consumers in Malaysia, and we are recognised for our commitment towards serving the needs of our customers. As a testament to our excellence in the retail sector, we have received several prestigious awards such as "SIN CHEW Retail Excellence Award" in 2014, "Platinum Business Awards", "Inaugural Malaysian Brand Award" and "Outstanding Achiever Award" all in 2017, highlighting our innovation and outstanding service. We have also demonstrated our exceptional success by receiving "The Great Asia Outstanding Corporation Award" at the "Asia New Economy Summit" in 2024 and "Putra Aria Brand Awards – Bronze (Retail)" in 2025. We have also been awarded with "Malaysia Career Carnival Caring Employer Award" in 2021.

These accolades not only reinforce our position in Malaysia's grocery-based retail industry but also reflect the trust and loyalty we have garnered from our customers. Our strong brand reputation is also a key factor in our ability to secure prime retail locations, as landlords prefer to rent their premises to tenants with established brands.

7.2.2 We cater to the needs of modern consumers who prioritise convenience and speed

We are recognised as a convenient one-stop destination with extended operating hours of up to 24 hours, providing more options to our customers for daily and/or urgent necessities. Our 24-7 community proximity store format is designed to serve specific residential communities across urban, suburban, and rural areas in addition to our doorstep delivery services. In addition, our KK Concept Store features a refreshment and snack station offering RTE meals, providing a welcoming space for customers to grab a quick bite and connect in a relaxed, social atmosphere, thereby elevating their shopping experience.

Our 24-7 community proximity store format is key to our success

Driven by the COVID-19 pandemic, consumers adjusted their shopping behaviour and switched to proximity shopping, favouring neighbourhood stores to shop for daily groceries. Our community proximity store format, strategically situated within targeted population catchment areas, has proven successful in providing convenient access and attracting repeat foot traffic. The majority of our stores are community proximity stores, serving specific communities in urban, suburban, and rural areas and removing the necessity for lengthy commutes to purchase groceries. As part of our expansion strategy, we assess the viability of new locations by identifying clusters with large catchment areas, and by considering the demographics, and purchasing behaviours of the surrounding target market.

Our 24-7 concept also enhances convenience, accommodates our customers' varying schedules and enables us to effectively capture foot traffic between 10.00 p.m. and 10.00 a.m. during which approximately 49.1% of our sales for the FYE 30 June 2026 were generated. This accessibility caters to consumers with limited time availability, including late-night workers and busy office employees in business districts, allowing them to shop at their convenience and seek late-night and last-minute essentials. This commitment to accessibility not only meets the demands of busy lifestyles but also reinforces our reputation as a go-to destination for urgent necessities.

Quick and convenient checkout options for our customers

In response to consumers' growing demand for time savings and convenience, we have implemented several initiatives to streamline the shopping experience. Our systems support cashless payments, ensuring smooth and efficient transactions. Mobile payment options with credit cards and digital wallets are available, allowing our customers to scan and pay using their smartphones for a faster checkout experience. We have also introduced self-checkout kiosks at seven selected stores, reducing staff reliance while allowing customers to complete purchases quickly and with minimal interaction. In addition, we opened our first unmanned store, KK Signature Store, at Menara KK in December 2023 to cater to next-generation consumers who prioritise convenience, speed and a hassle-free shopping experience. By integrating these features, we reduce wait times and offer a personalised and seamless experience that aligns with the fast-paced lifestyle of today's younger consumers.







Enhancing convenience through doorstep delivery services

Recognising the growing demand for convenience, we have introduced delivery services through our "KK e-Mart" online store and KK Rewards App, allowing customers to shop online and enjoy home delivery at affordable rates. Customers can place orders directly via our "KK e-Mart" online store, where we partner with online platforms to facilitate deliveries through third-party delivery service providers. Alternatively, customers can also order through third-party delivery aggregator platforms such as GrabMart, ShopeeFood and Foodpanda, in which case the delivery drivers collect the items from our stores and deliver them directly to our customers' doorsteps.

Looking ahead, there is significant room for improvement in this segment which currently contributes only 0.3% of our total sales for the FYE 30 June 2026. Furthermore, by strengthening our omni-channel presence, we aim to offer a seamless and integrated shopping experience that aligns with our customers' evolving preferences, fostering greater customer loyalty and expanding our customer base.

Refreshment and snack station offers RTE meals for both grabbing a quick bite and socialising

Recognising the growing demand for RTE meals in densely populated urban areas and for small comfortable dining spaces that foster social interaction, we have introduced the "KK Concept Store" format in universities, airports, transportation hubs and small residential neighbourhoods like condominium and townships. These stores offer a diverse selection of delicious and affordable culinary options, featuring Western, Asian and local cuisines, along with grocery shopping. Several KK Concept Stores feature a refreshment and snack station designed to provide a space where customers can grab a quick bite or socialise which resonates well with working adults and students.





7.2.3 We provide a curated range of products and offer competitive price-value proposition

By offering a carefully curated selection of products within the daily necessities category including our constantly refreshed product offerings, all with an attractive price-to-quality value proposition, we are well-positioned to capitalise on consumer demand. Consequently, we recorded strong growth in our revenue from RM1,454.9 million for the FYE 30 June 2024 to RM1,774.6 million for the FYE 30 June 2026, representing a CAGR of 10.4%.

Focus on daily essentials and "on-the-go" convenience products along with value-added consumer services

As approximately 95.6% of our sales for the FYE 30 June 2026 comprised primarily of household and personal care necessities, baby products, consumer staples and "on-the-go" convenience products such as snacks, confectionery, tobacco, and beverages, we appeal to a broad customer base and are not dependent on any particular target consumer group. The demand for these products is generally inelastic to changes in the overall economic conditions in Malaysia as consumers purchase them on a recurring basis. The sale of household necessities, consumer staples and other non-discretionary consumables also drives repeat foot traffic and often leads to spontaneous purchases during shopping trips.

In addition, we offer essential value-added services such as bill payments via e-pay (M) Sdn Bhd, mobile prepaid reloads and top-up services at all our stores. Selected stores also provide ATM and cash deposit machine ("**CDM**") services including cash withdrawals and deposits. These services enhance customer convenience, complement our product sales and help drive greater foot traffic to our stores.

A wide variety of carefully curated and constantly refreshed product offerings

We differentiate ourselves from other retailers by providing a reliable in-store shopping experience, ensuring that our shelves are consistently well-stocked with a diverse range of products. Our store layouts are designed to optimise floor and shelf space through efficient racking and display solutions. As at the LPD, majority of our stores are approximately 1,200 sq. ft. to 1,600 sq. ft. and are able to carry on average more than 6,000 SKUs across a broad range of 41 product categories. Our diverse product range offers customers more choices, driving unplanned and optional purchases. This also provides us with a competitive advantage over other convenience retailers, and helps drive brand loyalty and customer traffic to our stores. In addition, we purposely curate the product assortment in each store to align with the preferences, demographics, and purchasing behaviours of the surrounding target market and its specific catchment area.

We regularly review the performance of our products and refresh our product mix by periodically adjusting our SKUs to adapt to the changing demands of our customers. We also introduce new and in-demand products to our stores regularly based on insights from market surveys and discussions with suppliers, providing an ever-evolving shopping experience. In addition, we offer seasonal products to capitalise on customer demand during Malaysian school holidays and festive seasons, creating excitement and increasing customer engagement.

Competitive price points

We seek to offer our products at competitive prices and frequently launch discounts, promotions, and bundled sales to encourage purchases, delivering a competitive price-value proposition. Through strict cost discipline, various cost management initiatives and economies of scale supported by our extensive operational network across Malaysia, we are able to pass savings on to customers while maintaining healthy profit margins.

We conduct monthly market surveys on a selection of our products' pricing and make price adjustments as needed to maintain competitive pricing. According to the IMR Report, out of the 52 products selected for price comparison across key convenience retailers, we have the lowest price for 29 products (compared to the average price by selected key players) and are notably priced below peers for most products in the household and personal care categories.

7.2.4 Effective cost, quality and supply management through a differentiated procurement strategy and lean operating structure

Our success is driven by the scale and strength of our procurement and bulk sourcing processes, which allow us to source competitively priced products, maintain better control over product quality and ensure reliable supply. We also maximise GP margins through strategic introduction of house brand products for essential and high-demand items. Operating under a lean and asset-light business model, we minimise costs while maintaining operational agility. This is complemented by our centrally managed supply chain and inventory management system which ensures efficient, consistent product flow and inventory optimisation across all locations. As a result, we are able to achieve attractive store economics and healthy EBITDA margins of 13.8%, 13.5% and 13.2% for the FYEs 30 June 2024, 30 June 2025 and 30 June 2026, respectively.

Scale and strength in procurement and bulk sourcing

We are able to keep our product pricing competitive by negotiating with and purchasing directly from principal brand owners and end suppliers to avoid pricing mark-ups. Direct sourcing also gives us better control over product quality, ensuring that the delivered products meet our stores' standards. As at the LPD, 87.8% of our products are sourced directly from principal brand owners and end suppliers. Products that are not sourced directly from principal brand owners and end suppliers are generally FMCG obtained from FMCG grocery wholesalers or distributors, primarily due to their more competitive pricing and/or commercial terms. Additionally, some end suppliers face logistical and distribution limitations, particularly for products requiring refrigerated handling such as chocolates. As a result, such products are typically sourced from wholesalers or distributors.

Our extensive store network, large purchasing volume and consistent record of timely payments enable us to enjoy bulk discounts, favourable pricing terms, rebates, promotions and other supplier incentives. As such, we are able to achieve economies of scale and maintain strong GP margins of 28.1%, 28.8% and 29.0% for the FYEs 30 June 2024, 30 June 2025 and 30 June 2026, respectively.

We have established a dedicated purchasing team which sources from a diversified base of suppliers, ensuring the most competitive pricing, diversification of suppliers and reliability of supplies. We also recruit new suppliers, whenever necessary, to ensure that our products are of good quality and are available at competitive prices. As at the LPD, we have a diversified mix of 520 suppliers where we have more than five-year commercial relationships with most of them. We also have a low supplier concentration risk with no single supplier accounting for more than 10.0% of our total purchases for the FYE 30 June 2026.

House brand products for generic items to drive higher GP margins

There has been increased consumer acceptance of generic and house brand products particularly for homogeneous items. These products are gaining popularity as they provide an alternative to other brand name goods in terms of quality and price. According to the IMR Report, affluent customers today are also more inclined to purchase generic and house brand products, which have traditionally attracted budget-conscious shoppers. As at the LPD, we offer over 182 house brand products across 14 product categories under the "KK" brand, allowing us to tap into this market segment and achieve higher GP margins while exerting control over both quality and price. Our house brand products are manufactured under an OEM model, whereby products are sourced from third-party manufacturers who are responsible for packaging the products under our brand. As at the LPD, we work with 26 local suppliers to source our house brand products locally or from overseas manufacturers. For information purposes, approximately 62.1% of our Group's house brand products are currently manufactured and imported by our local suppliers, primarily from China. The process typically involves sourcing suitable manufacturers, agreeing on product specifications, pricing and packaging requirements, and arranging for delivery of the finished products to our Balakong DC. In addition, house brands foster customer loyalty through competitive pricing and exclusivity, while also offering us greater control over our inventories and enabling faster market responsiveness to market trends.









Lean operating model

Our business and operational processes are designed to be simple in order to minimise staffing requirements and optimise staff costs. For instance, products in our stores are systematically organised by category and are accompanied by clear price labelling that provides information about our merchandise. We also standardise our store layouts, product placement and shelving arrangements, providing our customers with a familiar and consistent shopping experience at our stores. The clear and standardised layout allows customers to shop independently with minimal assistance from sales personnel and enable store managers to easily restock products. As a result, we are able to reduce staff costs while enhancing overall staff management.

Asset-light business model

As at the LPD, approximately 99.2% of our stores operate on tenanted properties. The majority of our stores operate under tenancy agreements with initial terms of three years, which include options for multiple extensions of three years each. The tenancy extension is also generally subject to a rental escalation cap of 10.0% every three years. In addition, customers are familiar with our "KK Super Mart" brand which provides us the flexibility to also open stores in non-prime locations and benefit from favourable commercial terms.

Centrally managed supply chain and inventory management system

As at the LPD, we operate our Balakong DC which allows us to store and distribute all our products to our stores across Peninsular Malaysia, minimising our costs associated with inventory storage and ensuring seamless product movement to our stores. To ensure efficiency, we also leverage on third party freight service providers for distribution in East Malaysia, and transportation service providers to service our nationwide retail network in all states within which we operate. Our centrally managed supply chain infrastructure allows us to effectively manage merchandise and retail planning, particularly in allocating SKUs based on sales trends at each store. It also ensures timely replenishment of stocks to meet our customers' demands with an average of one to two deliveries to each of our stores per week.

Our supply chain and logistics operations operate on a "just-in-time" model, ensuring timely delivery of goods to stores while minimising excess inventory. This efficiency is enhanced by our centralised procurement system and inventory management system which are seamlessly integrated through business-to-business connectivity between our stores, DC, suppliers, transportation service providers and headquarters. Our centralised procurement system and inventory management system facilitate efficient monitoring of inventory sufficiency, DC order fulfilment and store receiving, enabling timely operational adjustments aligned with market dynamics, customer demands and more precise demand forecasting.

The system also incorporates a proprietary stock ordering algorithm designed to optimise inventory control across all our stores. This advanced algorithm analyses sales data, and historical trends to determine the ideal stock levels for each location. It dynamically adjusts reorder quantities and timing for products to be delivered from our DC to minimise the risk of out-of-stock situations. At the same time, it also notifies store managers the quantities to reorder from suppliers, ensuring product availability and enhancing overall customer satisfaction.

7.2.5 Tech-driven company delivering unique value proposition to customers

We elevate customer acquisition and retention with our KK Rewards App, providing a convenient, personalised shopping experience. Our data-driven insights, powered by our in-house business intelligence and analytics system, allow us to continuously adapt and optimise our offerings to meet evolving customer needs. We introduced an unmanned grocery store, redefining convenience and automation in the retail segment. Coupled with our digitalised marketing strategies, we create targeted connections with our customers, keeping ahead of our competitors in Malaysia's grocery-based retail industry.

Enhanced customer retention with our "KK Rewards" App

To encourage frequent visits, we have developed our KK Rewards App that allows customers to earn KK coins with every purchase, which may be redeemed for any in-store items. Members also enjoy exclusive deals and promotions, along with rewards for daily check-ins and referrals, as well as on their birthdays. These initiatives are designed to enhance user engagement and build brand loyalty. In addition, it serves as a communication channel, allowing us to share information about new products, store openings and promotional activities.

Data-driven analytics driven by our in-house business intelligence and analytics system

Our in-house business intelligence and analytics system consolidates data from various sources, enabling us to effectively analyse both operational and financial performance. Central to this is our integrated POS software implemented across all store locations which provides access to sales data. Leveraging on this data, we can conduct detailed store profiling, allowing us to identify the optimal SKU mix to maximise store revenue and profitability. By analysing top selling SKUs and examining past customer purchasing behaviour at individual store level, specifically the recency, frequency and basket size of customer purchases, we can identify underperforming SKUs. This enables the removal of non-selling SKUs while preserving product variety and reallocating shelf space to introduce more saleable SKUs.

The data also serves as a foundation for identifying opportunities to deploy targeted marketing strategies that drive customer acquisition and retention. With detailed performance metrics across our stores, we can quickly address underperforming locations or operational inefficiencies. These insights also guide strategic decisions such as evaluating potential sites for new store expansions, by uncovering trends, opportunities and evolving consumer preferences.

We also have an internal staff mobile application ("**KK Big Family Mobile App**") designed to enhance control and oversight of store activities. The KK Big Family Mobile App provides a centralised platform for recording and tracking essential operational tasks, including cash bank-in records, store cleaning cycles, delivery performance tracking and daily stock takes of critical items. By standardising these processes and enabling real-time reporting, our KK Big Family Mobile App ensures greater transparency and accountability across all locations. Store managers can efficiently log activities, track performance metrics and address any operational discrepancies promptly. Furthermore, our KK Big Family Mobile App also serve as an information referral centre for our staff, providing resources such as SOPs and memos etc.. This digital tool not only streamlines day-to-day management but also provides valuable insights for continuous improvement, driving overall operational excellence across our store network.

Embracing the forefront of technological evolution by introducing unmanned grocery store

We introduced an unmanned store that operates without traditional staffing, utilising innovative technologies and interactive elements such as self-checkout kiosks and CCTV. The unmanned store features a seamless and secure payment process, enhancing the overall shopping experience. This pioneering initiative underscores our commitment to embracing technology, offering a glimpse into the future of retail convenience and efficiency.

Digitalised marketing

Given the high internet usage and social media penetration in Malaysia, our social media channels and KK Rewards App are crucial for reaching a wide consumer base and enhancing brand visibility. We have engaged with our audience through popular social media platforms like Facebook, Instagram, TikTok, Xiaohongshu (Rednote) and Threads, leveraging collaborations with key opinion leaders ("**KOLs**") and key opinion consumers ("**KOCs**") together with brand marketing initiatives to foster connections.

7.2.6 Scalable and proven platform that can be leveraged for future growth

Our modular store design and compact format, supported by standardised store opening procedures and operational processes, ensures consistency as we scale our retail network. This streamlined approach enables us to optimise resources, maintain a uniform customer experience across all locations and accelerate our expansion efficiently.

Modular store design and small store format

We have implemented a modular store design across all our locations, using prefabricated furnishings and standardising key design elements such as shelf placement, product displays, aisle layouts and overall organisation. This approach enhances operational efficiency, reduces costs and provides customers with a familiar, cohesive shopping experience at each store. This also minimises on-site installation time, enabling us to furnish and stock the new store typically within one to two months of signing the tenancy agreement.

In addition, our small store format, usually consisting of a single shop lot, has been a key driver of our rapid expansion, as securing one shop lot is easier than obtaining multiple adjacent units. The consistency in store layout, coupled with our small store format, has significantly fuelled our growth, as demonstrated by the opening of 134, 119 and 163 stores in the FYEs 30 June 2024, 30 June 2025 and 30 June 2026 respectively, achieving a CAGR of 10.3%.

Standardised store opening and store operational processes

We employ our "KK Mart Estate" platform to facilitate strategic decision-making through an interactive mapping interface. The platform offers comprehensive access to critical data, encompassing store profiling based on sales performance and profitability, detailed location-specific demographics such as neighbourhood affluence and competitor saturation, as well as insights from retail market surveys. It underpins a standardised framework for site selection, enabling the customisation of store formats to align with the unique demographic characteristics and consumer behaviours of each prospective location. In selecting locations, we also consider factors such as population density, proximity to major roads and ease of access. The initial product mix is determined by analysing sales data from similar stores in comparable demographic areas. Upon opening, each new store's POS system is seamlessly integrated with our centralised IT system, ensuring consistent operational efficiency.

In addition, we have an in-house compliance team that ensures we are able to obtain the necessary regulatory approvals (such as CCC and, business and signboard licences) for new stores, in a timely manner. We have also standardised the on-boarding process for new employees and established uniform procedures across all our stores for day-to-day operations, ensuring that daily tasks, workflows and operations are executed consistently and systematically. This uniformity maintains a consistent level of standards to meet customer expectations, enabling us to scale and expand our store network effectively.

7.2.7 Efficient capital turnover and cash conversion

Leveraging on our proven operating model, we are able to achieve an average payback period of approximately two years for both of our new KK Super Mart stores and KK Concept Stores opened in the Financial Years Under Review, which is achieved by keeping our average capital expenditure low. For the past three FYEs 30 June 2024, 30 June 2025 and 30 June 2026, we have opened 134, 119 and 163 new stores respectively and our average capital expenditure per store was approximately RM248,000, RM253,000 and RM254,000 respectively. The increase in the average capital expenditure per store during the Financial Years Under Review was mainly due to higher expenditure on shop equipment such as freezers and chillers, to support the expansion of our F&B product offerings.

Moving forward, we do not expect any material difference in the average capital expenditure and initial inventory cost between our KK Super Mart stores and KK Concept Stores. We believe we can maintain an average capital expenditure of approximately RM250,000 per store, along with initial inventory cost of approximately RM230,000 per store, for both our KK Super Mart stores and KK Concept Stores. We believe that this average capital expenditure remains achievable as the continued expansion of our store network is expected to provide economies of scale and cost efficiencies in store fit-outs, procurement and operational setup, all of which are undertaken in-house by our Operations, Digital and Project Teams.

As at the LPD, we have only one KK Signature Store, for which the capital expenditure incurred was approximately RM350,000 while the initial inventory cost was approximately RM160,000. The KK Signature Store has a higher capital expenditure requirement primarily due to the additional investment required for the initial setup of specialised IT infrastructure and unmanned store automation systems, including barrier gates, facial recognition hardware, self-service POS kiosks and related software systems. In addition, the KK Signature Store utilises a different POS system which further contributed to the higher capital expenditure. The lower initial inventory cost of the KK Signature Store as compared to our KK Super Mart stores and KK Concept Stores is primarily attributable to the more limited range of SKUs offered under our unmanned store. For example, tobacco and liquor products that require age verification as well as certain in-store services (e.g. bill payments for utilities, sale of gaming vouchers and top-ups) are not available at our KK Signature Store. See Section 7.5.1 of this Prospectus for the number of SKUs carried by each store format.

Our first KK Signature Store is a concept validation initiative aimed at evaluating the operational feasibility of the unmanned store concept for future commercialisation. As at the LPD, the KK Signature Store has yet to break even, partly due to its 12-hour daily operating model and its primary focus on serving office workers at Maju Link, where our headquarters is located. Its sales performance may also be affected by its proximity to a 24-hour KK Super Mart store located within a three-minute walk from the store, which carries a wider range of product offerings than our KK Signature Store. Hence, our KK Signature Store is currently operating at a loss as the revenue is insufficient to cover its operating expenses such as rental and utilities. For information purposes, the KK Signature Store incurred annual operating losses ranging from RM0.03 million to RM0.05 million during the Financial Years Under Review.

The store's ability to achieve operating breakeven will depend on the successful implementation of new initiatives, including the introduction of age-verification and self-service terminal for reload and bill payment services to enable the sale of liquor and tobacco products as well as provision of other in-store services at the unmanned store. As at the LPD, our Group is still assessing the viability of these initiatives and as such, the timing to implement such initiatives cannot be determined at this juncture.

Given that the store is currently operated as a pilot initiative, our focus is on identifying potential operational issues rather than optimising sales performance or achieving a near-term payback. Accordingly, our Group has not established a specific target payback period for the KK Signature Store as achieving payback is dependent on the successful commercialisation of the unmanned store and the expansion of its product and service offerings, the timing of which remains uncertain at this stage. See Section 7.5.1 of this Prospectus for details of our plans with regards to the KK Signature Store.

In addition to our strong cash generation, we also benefit from a short cash conversion cycle of 23 days for the FYE 30 June 2026. This efficient cash flow management enhances liquidity, providing more cash on hand to pursue new business growth opportunities, address operational needs and react faster to market changes. This also enhances our overall performance, profitability and strategic flexibility.

According to the IMR Report, our three-year revenue CAGR of 12.2% from the FYE 30 June 2023 to the FYE 30 June 2026 was among the fastest revenue CAGR within the selected grocery-based retailers in Malaysia and our PBT margin of 7.9% for the FYE 30 June 2026 also indicated our efficient operational performance. Our GP margin of 29.0% for the FYE 30 June 2026 is also above the average reported by these retailers. This reflects our financial strength and effective financial management.

7.2.8 Founder-led experienced management team with proven track record and industry expertise

Our Group is led by a highly experienced senior management team comprising several industry professionals. At the helm is our founder, DSKK, whose leadership has been pivotal in shaping our growth and strategy since the early years. Our Key Senior Management team consists of individuals with extensive experience in retail operations, with the majority having been part of our Group for over 12 years. Drawing on the industry expertise of our founder and our Key Senior Management team, we have successfully scaled our business model, implemented an effective store roll-out strategy, optimised our retail processes and strengthened our relationships with brand principals, suppliers and third-party service providers. We believe the experience of our founder and our Key Senior Management team is crucial in driving the execution of our future growth plans, strategic direction and operational efficiency.

Our Key Senior Management team is structured functionally with department managers overseeing the execution of their respective duties. We adopt a flat organisational structure, which we believe is essential for promoting operational efficiency and enabling quick decision-making. This structure fosters knowledge sharing through on-the-job training and helps us to identify potential talents for future management roles. To support employee retention, we offer competitive remuneration packages, benefits and various training and development opportunities at all levels.

We are also dedicated to maintaining a strong succession plan for our management team to ensure a smooth transfer of responsibilities over time. To develop future leaders, we provide on-the-job training facilitated by current employees and conduct annual performance evaluations based on key performance indicators.

7.3 FUTURE PLANS AND STRATEGIES

We believe there are significant opportunities to grow our "KK Super Mart" brand across Malaysia, to strengthen our market position, and to create long-term value for our shareholders by executing the following strategies:

7.3.1 Continue our store expansion in Malaysia

We have established a strong track record of expanding our store network across Malaysia, successfully opening an average of 11, 10 and 14 stores per month in the FYEs 30 June 2024, 30 June 2025 and 30 June 2026, respectively. From 1 July 2026 up to the LPD, we have opened 68 new stores, representing 28.3% of our target of 240 new stores in the FYE 30 June 2027.

According to the IMR Report, Malaysia's convenience retail and grocery-based retail sectors present significant growth potential. While Malaysia's GDP per capita surpasses that of Thailand, the sales value per capita in the convenience retail and grocery retail sectors remains lower, indicating that these sectors in Malaysia are underpenetrated. With projected increases in GDP per capita, these sectors are expected to experience a rise in sales value per capita, potentially reaching levels seen in more developed markets such as Japan.

Specifically, we believe there is untapped potential outside the Central region of Peninsular Malaysia where we can increase our per-capita penetration. In addition to expanding our store network in Kuala Lumpur and Selangor, we plan to grow further in the Southern and Northern regions, particularly Johor and Pulau Pinang, where our per-capita penetration is lower than in the Central region of Peninsular Malaysia. In addition, we also aim to establish our presence in new markets where we currently do not operate, namely Terengganu, Perlis, Kelantan as well as Sabah in East Malaysia by June 2027.

As part of our growth strategy, we aim to surpass 1,500 stores by the FYE 30 June 2028, opening an average of 20 and 24 stores per month in the 30 June 2027 and 30 June 2028 respectively. While we are focused on accelerating our store expansion, we remain committed to maintaining a disciplined approach, adhering to established criteria and processes for site selection to ensure each new store aligns strategically with our long-term objectives. To support this planned expansion, we have allocated RM25.0 million of the proceeds from our Public Issue to fund the growth of our store network as elaborated in Section 4.6 of this Prospectus. The shortfall will be funded by will be funded using our internally generated funds.

As we expand our retail network, we expect to increase advertising and product display space, which can be offered to our suppliers and brand principals. This growth will not only drive higher retail sales through a larger store network but also generate increased Complementary Income.

As at the LPD, we have not finalised the composition of store formats for the new stores to be opened which will depend on the availability of suitable sites and the suitability of each location for a particular store format. For illustrative purposes only, approximately 5.0% to 10.0% of the 192 new stores planned to be opened during the nine-month period from 1 January 2027 to 30 September 2027 are expected to be KK Concept Stores. In addition to our existing 36 KK Concept Stores as at the LPD, we have identified an additional 5 KK Concept Stores to be opened over the next six months.

7.3.2 Grow our "KK Concept Store" format

Beyond the continued expansion of our KK Super Marts, we see significant growth opportunities in our "KK Concept Store" format which focuses on RTE meals and fresh food offering. Our flagship KK Concept Stores located in Setapak Central, Universiti Malaya and Residence Mercu Summer Suites have vibrant spaces for social interaction, which is designed to cater to the evolving needs of consumers who value both convenience and a sense of community. We believe there is substantial demand for this communal concept particularly in locations like universities, airports, transportation hubs and small residential neighbourhoods like condominium and townships. These areas represent ideal opportunities for expansion as they offer a high concentration of potential customers seeking convenient dining options and social spaces. With this strategic focus, we are poised to tap into a growing market and further strengthen our offerings.

For information purposes, the average capital expenditure required to open a KK Concept Store is approximately RM250,000. The total number of new KK Concept Stores to be opened cannot be determined at this juncture as this will depend on the availability of suitable sites and the suitability of each location for the KK Concept Store format. Based on our target to open 9 to 18 new KK Concept Stores by 30 September 2027, the estimated capital expenditure is expected to range from approximately RM2.3 million to RM4.5 million while the initial inventory cost is expected to be RM230,000 per store.

7.3.3 Continue to enhance our product mix and expand house brand offerings to improve customer value proposition and profitability

Our Group remains focused on strengthening and optimising our product offerings to enhance customer experience, increase basket size and improve overall store profitability. This includes expanding our product mix across both essential and discretionary categories, improving shelf productivity through ongoing product performance reviews and introducing higher-margin product categories such as fresh produce, imported goods and house brand products. These initiatives are implemented progressively across our store network, taking into account customer demand and store suitability, and are designed to enhance sales productivity without incurring significant additional capital expenditure.

Continuous product refresh and assortment optimisation, supported by expansion of our fresh produce segment and sourcing of imported products

Our stores feature a strategic layout that enhances convenience and maximises customer value. The majority of our store space is dedicated to "on-the-go" products such as snacks, confectionery, tobacco and beverages, along with a mini supermarket that provides a comprehensive selection of everyday essentials. The remaining space offers us the flexibility to adapt and introduce other value-added products such as electrical appliances, fashion items and pet food, tailored to localised customer preferences and aimed at driving a larger basket size. This versatile space allocation allows us to continually enhance the shopping experience by responding to evolving market demands.

In terms of product assortment, we will continue to strike a balanced approach, offering a combination of essential consumables such as groceries, household staples, and confectionery, along with discretionary items including stationery, toys, plasticware and kitchen utensils. This balanced product assortment allows us to fulfil the demands of our customers while also providing added convenience. This ongoing strategy will enable us to capture a larger share of the consumer wallet and support SSSG across our stores, without requiring us to incur any significant additional expenditure to implement this strategy.

In addition, we conduct reviews of our product assortment on a monthly basis, with selected product categories assessed to ensure continued relevance, competitiveness and optimal utilisation of shelf space. This involves evaluating item-level performance based on factors such as sales performance, market ranking and overlaps across similar pack sizes and product categories. Underperforming and non-strategic products, particularly non-house brand products or products with weaker performance within their respective sub-categories, may be phased out or replaced. This ongoing review allows us to optimise shelf space efficiency, maintain a commercially viable product mix and aligns our offerings with evolving consumer preferences through the introduction of higher-performing and more in-demand products.

We also plan to expand our fresh produce segment by having the suppliers to deliver the products directly to our stores. This approach helps minimise logistics costs while increasing the variety and availability of fresh fruits and vegetables in our stores with high foot traffic, responding to the growing customer demand for high-quality fresh produce in neighbourhood retail stores. Recognising this as a fast-growing segment, we are focused on improving our sourcing and procurement processes to ensure we are able to offer fresh and affordable produce that meets customer expectations. We are confident that by expanding our fresh produce offerings, we will not only enhance customer satisfaction but also drive higher profitability across our stores.

In addition, we intend to diversify our product range by sourcing imported products, bringing greater novelty and excitement to our customers. Currently, we procure imported products through local suppliers. In support of this strategy, we are currently conducting a study to assess the feasibility and operational requirements of establishing a dedicated procurement team in China to manage direct sourcing from suppliers. See Section 7.3.6 of this Prospectus for further details.

For information purposes, we began implementing the above product refresh and rationalisation strategies since March 2025. As part of these efforts, we introduced 829 new products during the FYE 30 June 2026 and a further 137 new products during the period from 1 July 2026 up to the LPD. Over the same period, we also expanded our product categories from 27 to 34. Due to display space constraints and as part of our ongoing assortment rationalisation, we phased out 794 products during the FYE 30 June 2026 and 290 products during the period from 1 July 2026 to the LPD, while maintaining an active SKU count of between approximately 6,700 to 6,800 SKUs.

Increase contribution of house brand products

We are also focused on identifying and capitalising on opportunities to expand our house brand offerings, enhancing the price-value proposition for our customers. By collaborating closely with domestic manufacturers, we are able to identify new and appealing products that resonate with Malaysian consumers, which we can incorporate into our house brand portfolio. As we gradually increase the share of house brand products, we aim to drive higher margins while enhancing the shopping experience with value-for-money offerings.

As at the LPD, we carry 182 house brand products across 14 product categories. The rollout of a new house brand product is dependent on, among others, the identification and selection of suitable manufacturers, sourcing arrangements as well as packaging and branding requirements. Accordingly, the lead time to launch a new house brand product is expected to be approximately three to six months. Notwithstanding the foregoing, we do not intend to manufacture any products ourselves and as such, these initiatives do not involve any capital investment and are not expected to require significant upfront costs.

We aim to increase the proportion of our house brand products to approximately 8% to 10% of our total SKUs within the next three years, supported by an expanded product range, increased collaboration with manufacturers and greater in-store promotional visibility. The rollout of house brand products will be implemented progressively, subject to supplier identification, product development cycles and market acceptance.

Our Group does not expect the above strategies and initiatives for product mix enhancement to require significant expenditure other than incremental manpower costs to strengthen our purchasing team to support the evaluation and execution of our strategies, which will be funded from our internally generated funds.

7.3.4 Improve our KK Rewards App, website and loyalty programme

We plan to further enhance our KK Rewards App's functionality to deliver a more user-friendly experience while also driving customer engagement through interactive features such as mini-games. In addition, we plan to personalise promotions on our KK Rewards App by offering tailored coupons and discounts based on customers' purchasing history, aiming not only to drive larger basket sizes but also to boost overall transaction frequency.

We also aim to enhance user experience by optimising our e-commerce website for easier navigation. These initiatives include streamlining the checkout process, offering faster delivery options with real-time tracking, and expanding the product assortment with improved product listings, high-quality images and detailed descriptions to boost customer satisfaction. Using marketing automation tools, we aim to introduce more personalised recommendations, targeted promotions and discounts to boost sales, drive traffic and enhance customer loyalty.

In addition, to strengthen customer retention, we are enhancing our loyalty programme with more exclusive deals, vouchers and sales promotions designed to reward repeat purchases and incentivise more frequent visits. Through these features and exclusive benefits, we aim to increase our loyalty programme subscriptions and strengthen customer loyalty. These initiatives are also critical to driving customer engagement, boosting foot traffic and supporting our next phase of growth.

As at the LPD, our Group has not finalised the total estimated costs, implementation timeframe and funding requirements for the enhancement of our KK Rewards App, website and loyalty programme as these remain subject to ongoing review and are dependent on marketing strategies, prevailing market conditions, integration and operational requirements. The total costs will be reviewed periodically on an annual or project basis. For information purposes, we have incurred RM0.2 million on the above initiatives for the FYE 30 June 2026. The budgeted amount for the FYE 30 June 2027 is RM1.5 million, which our Group intends to fund through our internally generated funds and/or bank borrowings.

7.3.5 Invest in logistics and distribution capabilities

Looking ahead, we plan to continue investing in our distribution and supply chain infrastructure to support the growth our business as well as to further optimise operating costs and strengthen our competitive position.

We intend to allocate approximately RM139.5 million to expand our DCs, of which RM48.4 million will be from the proceeds from our Public Issue, for the following:

(a) enhance the capacity of our DC by relocating our existing Balakong DC to a larger facility in Klang Valley, namely the Central DC, by the first quarter of 2029; and

(b) enhance our distribution network by adopting a hub-and-spoke model, including the rental of the Southern DC and Northern DC to supplement the Central DC. Upon commissioning in the first half of 2027, the Southern DC will serve a total of 272 stores located in Johor, Melaka and Negeri Sembilan, comprising 232 existing stores as at the LPD and the 40 new stores to be opened in the Southern region, before setting up the Northern DC in Pulau Pinang by the end of 2029,

while the balance of RM91.1 million will be financed through bank borrowings and internally generated funds, the exact mix of which has not been determined at this juncture.

Further details are set out below and in Sections 4.6.2 and 14.6.4 of this Prospectus:

Central DC	Our Group intends to develop and own our Central DC through the Acquisition of Central DC Land. The purchase consideration for the Central DC Land of RM43.0 million and the estimated construction cost of the Central DC of RM50.1 million (including architectural and other consultancy fees) will be financed through a combination of internally generated funds and bank borrowings. The proceeds from our Public Issue will be utilised to fund the professional consultancy fees, regulatory compliance costs, fit-out works, installation of automation equipment and racking systems and purchase of material handling equipment for the Central DC. Our Group has obtained a credit facility of RM38.0 million, representing 88.4% of the purchase consideration for the Acquisition of Central DC Land and another credit facility of RM54.0 million to finance the construction of the Central DC with drawdowns to be made as and when required. The Acquisition of Central DC Land has been completed on 28 October 2026 following the drawdown of the credit facility for the Acquisition of Central DC Land. Pursuant to the terms of the Central DC Land SPA, a sum of RM2.15 million from the purchase consideration will be deducted and retained by KKSMST's solicitors as stakeholders pending K8 DC Management procuring, within 12 months from the completion date of the Central DC Land SPA or such extended period as may be agreed by the parties, the approval of Majlis Perbandaran Kajang for the change in the name of the owner and developer as stated in the existing planning permission in respect of the proposed development, activities and construction of the warehouse on the Central DC Land from K8 DC Management to KKSMST. Upon receipt of the amended planning permission, which is subject to a condition requiring the surrender of part of the Central DC Land for road reserve purposes, KKSMST will proceed to submit the necessary application to the land office for the subdivision of the Central DC Land to facilitate the surrender of the road reserve land measuring 1,792.34 sq. m.. Upon completion of the subdivision and land surrender process, KKSMST will proceed to apply for the building plan approval prior to the construction of the warehouse building. Barring unforeseen circumstances, the construction of the warehouse building is expected to commence in the first quarter of 2028 and be completed in time for the commissioning of the Central DC in the first quarter of 2029.

Southern DC and Northern DC	We are renting suitable premises for the Southern DC rather than constructing new DC facilities in order to minimise upfront capital expenditure and shorten the lead time between site identification and site commissioning. This is also aligned with our strategy to operate under a lean and asset-light business model. Currently, we have identified a suitable vacant warehouse located in Mukim Senai, Kulai District, Johor, for the Southern DC with total floor area of approximately 54,267.30 sq. ft. and have entered into the Southern DC Tenancy. Pursuant to the terms of the Southern DC Tenancy, we are renting the Southern DC for an initial term of three years from 1 September 2026 to 31 August 2029, which includes options for two extensions of three years each. The tenancy extension is also subject to a rental escalation cap of 10.0% every three years.

To support deliveries from our Balakong DC to our stores, we have engaged 10 transportation service providers, operating a total of 35 delivery trucks, to provide transportation and delivery services as at the LPD. We enter into transporter agreements with these transportation service providers, which are renewable on an annual basis subject to their performance. Typically, our transportation service providers are able to arrange for backup transportation arrangements in the event of non-performance by any transporter and accordingly, we have not experienced any material disruptions to our logistics operations. In addition, if a transportation service provider consistently fails to meet our operational requirements, our Group is entitled to terminate the relevant transportation service provider agreement in accordance with its terms.

Moving forward, we plan to optimise our transportation operations by streamlining the number of transportation service providers and/or engaging a third-party logistics (3PL) vendor to handle our entire logistics functions including route planning, fleet coordination and delivery scheduling, with the aim to generate cost savings and achieve a higher level of integration with our warehouse operations.

These initiatives will enable us to scale our operations efficiently and ensure effective distribution as we expand our store network nationwide.

7.3.6 Strengthen our international sourcing capabilities

In line with our efforts to enhance our product mix, we aim to establish and strengthen our purchasing team in key sourcing countries to increase direct sourcing and secure better pricing from suppliers. In parallel, we are enhancing our sourcing capabilities for selected lifestyle and F&B product categories to offer better cost competitiveness and a broader product assortment to our customers. We believe that building and strengthening our international sourcing capabilities will not only reduce costs but also provide our customers with access to a wider and more diverse range of products. As highlighted in Section 7.3.3 of this Prospectus, our Company also has intention to commence direct procurement from China to expand our product offering range.

As at the LPD, our Group has not finalised the implementation timeframe for the above initiative as we are in the process of recruiting a suitable candidate to spreadhead these initiative and lead a feasibility study on the operational requirements of establishing a dedicated procurement team in China to manage direct sourcing from suppliers. While we are unable to determine the total estimated costs at this juncture, we do not expect such costs to be significant and intend to fund this initiative entirely through our internally generated funds.

In the interim, our Group will continue to leverage on our network of local suppliers to source suitable imported products, including for the OEM production of our house brand products. For information purposes, approximately 62.1% of our Group's house brand products are currently manufactured and imported from overseas, primarily from China.

7.3.7 Invest in systems and automation

We plan to utilise RM16.0 million from the proceeds of our Public Issue to implement new technologies and solutions to replace legacy systems, out of which approximately RM4.0 million will be utilised to upgrade our warehouse management system to strengthen our supply chain and logistics capabilities in support of our multi-site hub-and-spoke distribution model. This enhancement aims to improve inventory management and enable seamless coordination across our stores, DC, suppliers, logistics partners and headquarters, thereby supporting the growth of our expanding store network. We rolled out the warehouse management system at Balakong DC in July 2026 and are currently in the post-implementation stabilisation phase, with technical experts providing on-site support to stabilise the system and address early implementation challenges.

In addition, we plan to utilise RM7.0 million from the proceeds of our Public Issue over a period of three years to upgrade our POS system. The upgrade is intended to streamline operations, enhance customer experiences, and provide valuable insights to support informed decision-making, with the solution sourcing and request for proposal process expected to commence in 2027. We also intend to expand the rollout of self-checkout kiosks at selected stores to streamline the checkout process, reduce staff dependency and enhance customer convenience.

Lastly, RM5.0 million from the proceeds of our Public Issue will be allocated towards the implementation of an enterprise resource planning system including inventory management, procurement and finance modules which will be utilised over a period of three years. The system is intended to connect our inventory, POS and financials in real time, enabling us to better track inventory, manage suppliers and deliver a more seamless omnichannel customer experience. The rollout of this system is expected to commence in 2029, following the completion of the POS system upgrade, which is expected in 2028.

7.4 KEY MILESTONES

The table below sets out our key milestones:

Calendar Year	Key milestone
2001	KK Super Mart, a sole proprietor was set up by DSKK to operate the convenience mart chain which carries the name of "KK Super Mart". The first "KK Super Mart" store was opened in Kuchai Lama, Kuala Lumpur.
2003	KKSMST was incorporated to operate the "KK Super Mart" stores.
2004	We opened our first store in Selangor.
2009	We opened our first store in Melaka.
2012	We opened our 100th store.
	We opened our first store in Negeri Sembilan.
2013	We opened our first store in East Malaysia in Sarawak.

7. BUSINESS OVERVIEW *(Cont'd)*

Calendar Year	Key milestone
2014	We received "SIN CHEW Retail Excellence Award 2014".
2015	We opened our first store in Putrajaya.
2016	We received "The BrandLaureate SMEs Best Brands Awards 2015-2016".
2017	We received "Platinum Business Awards", "Inaugural Malaysian Brand Award" and "Outstanding Achiever Award".
2018	We opened our 300th store.
	We launched our KK Concept Store in Selangor.
2019	We opened our first store in Johor.
2020	We opened our first store in Pahang.
2021	We opened our 500th store.
	We received "Caring Employer Award" from the Ministry of Human Resources Malaysia and PERKESO.
2022	We launched our own dedicated e-commerce website.
	We opened our first store in Perak.
2023	We opened our 700th store.
	We opened our first KK Signature Store.
2024	We opened our first store in Pulau Pinang.
	We received the Great Asia Outstanding Corporation Award from World Digital Chamber & KSI Strategic Institute for Asia Pacific.
2025	We opened our first store in Kedah.
	We launched our KK Rewards App.
	We received the Putra Aria Brand Awards – Bronze (Retail) - Association of Accredited Advertising Agents Malaysia.
2026	We opened our 1,000th store in March 2026.

7.5 OUR BUSINESS

7.5.1 Our stores

Over the past 25 years, our Group has experienced significant growth since launching operations in 2001 under the trade name of "KK Super Mart". As at the LPD, we operate 1,106 stores across Malaysia. We are targeting a nationwide total of around 1,500 stores by the FYE 30 June 2028.

The map below illustrates the geographical distribution of our stores as at the LPD, categorised by state and Federal Territories:



The following table sets out the number of our stores in Malaysia by region as at the dates indicated:

Region	As at 30 June 2024	As at 30 June 2025	As at 30 June 2026	As at the LPD
Peninsular Malaysia	**767**	**880**	**1,032**	**1,096**
• Central[1]	555	617	710	746
• East Coast[2]	17	24	30	30
• Northern[3]	44	62	76	83
• Southern[4]	151	177	216	237
East Malaysia[5]	**10**	**10**	**10**	10
Total	**777**	**890**	**1,042**	**1,106**

Notes:

(1) Consists of the state of Selangor and the Federal Territories of Kuala Lumpur and Putrajaya.

(2) Consists of the state of Pahang only.

(3) Consists of the states of Kedah, Pulau Pinang and Perak only.

(4) Consists of the states of Johor, Melaka and Negeri Sembilan.

(5) Consists of the state of Sarawak only.

The following table sets out the net change in the number of our stores for the Financial Years Under Review and up to the LPD:

	FYE 30 June			From 1 July 2026 up to the LPD
	2024	**2025**	**2026**	
Number of stores at the beginning of the year/period	646	777	890	1,042
Number of new stores opened during the year/period	134	119	163	68
Number of stores closed during the year/period				
- Due to store relocation[(1)]	-	2	-	-
- Due to poor performance of the stores[(2)]	1	-	4	1
- Due to landlord issues[(3)]	2	4	7	3
Net increase in number of stores during the year/period	**131**	**113**	**152**	**64**
Number of stores at the end of the year/period	**777**	**890**	**1,042**	**1,106**

Notes:

(1) Relocating to a nearby location with a more suitable store size and better parking accessibility.

(2) Mainly due to continued underperformance of the stores, attributable to, among others, unfavourable location including low footfall traffic and rural areas where the customer spending patterns differ from initial expectation, as well as suboptimal store size, resulting in sales remaining unsatisfactory and showing no clear indication of sales improvement.

(3) Mainly due to landlords taking back possession of the shoplots or excessive rental hikes upon the expiry of the respective tenancy agreements.

As at the LPD, 67.5% and 21.4% of our stores are located in the Central region of Peninsular Malaysia (comprising Selangor, Federal Territories of Kuala Lumpur and Putrajaya) and Southern region of Peninsular Malaysia (comprising Johor, Melaka and Negeri Sembilan) respectively.

Given the relatively low penetration rate of convenience marts in Malaysia, we are confident that there will be significant opportunities to grow our store network both within Kuala Lumpur and Selangor as well as Southern and Northern regions, particularly Johor and Pulau Pinang, which are regions that are relatively urbanised.

The following table sets out a breakdown of our store network in Malaysia by region as at the LPD, alongside the latest available population and population density information of such regions as at the LPD, according to the IMR Report:

Region	Population ('000)	Area (km^2)	Population density (people/km^2)	Our store count as at the LPD	Our population coverage (population) (thousand / store)
Peninsular Malaysia					
• Central	9,614	8,233	1,168	746	12.9
• East Coast	4,850	64,124	76	30	161.7
• Northern	6,890	32,504	212	83	83.0
• Southern	6,501	27,631	235	237	27.4
East Malaysia	6,379	198,363	32	10	637.9

Revenue Segmentation by Region in Malaysia

The following table sets out the breakdown of the revenue generated by our stores in Malaysia by region during the Financial Years Under Review:

	FYE 30 June					
	2024		2025		2026	
	RM'000	%	RM'000	%	RM'000	%
Peninsular Malaysia	**1,373,317**	**99.1**	**1,471,116**	**99.1**	**1,662,053**	**99.2**
Central	1,084,748	78.3	1,115,425	75.2	1,235,542	73.7
East Coast	22,618	1.6	32,783	2.2	41,586	2.5
Northern	29,012	2.1	52,317	3.5	69,822	4.2
Southern	236,939	17.1	270,591	18.2	315,103	18.8
East Malaysia	**12,934**	**0.9**	**13,315**	**0.9**	**14,165**	**0.8**
Total	**1,386,251**	**100.0**	**1,484,431**	**100.0**	**1,676,218**	**100.0**

The following table sets out the location of our stores by store format as well as the range of SKUs carried by the stores as at the LPD:

	Number of stores		
Type of property	KK Super Mart	KK Concept Store	KK Signature Store
Shoplot	993	2	1
Mall	11	7	-
University/ Transportation Hub / Residential/ Hospital/ Commercial Building/ Police Station	65	27	-
Total	**1,069**	**36**	**1**
Number of SKUs carried by the stores as at the LPD	6,745	6,360	3,278

Unlike a supermarket, a convenience mart operates in a more compact format and with a more simplified layout, emphasising convenient locations, longer operating hours, competitive pricing and offering a wide range of daily necessities comprising mainly FMCG including F&B items, personal and baby care products as well as household products.

7. BUSINESS OVERVIEW *(Cont'd)*

Our sole KK Signature Store, which was opened in December 2023, primarily serves as a Minimum Viable Product[1] for our Group to validate its product-market fit by gathering real-world user interactions to guide future feature development. Its main purpose is not to generate immediate profitability, but to gather the maximum amount of validated learning about customer behaviour with the minimum effort and cost.

Our Group intends to evaluate the unmanned store concept based on its technical feasibility, practical viability and market readiness. Together, these will help us determine if the concept can be implemented, if it can be scaled profitably and the degree to which real customers are ready to shop and make purchases at such stores.

One of the key insights gained from our KK Signature Store has led our Group to introduce self-service payment kiosks at selected KK Mart stores in September 2024. In short, the KK Signature Store provides the necessary insight on how customers actually interact with self-service payment kiosks in practice.

While we believe the unmanned store concept can be suitably deployed in high-traffic areas or areas with a preference for cashless transactions, our Group does not intend to roll out the KK Signature Store format on a large-scale commercial basis at this juncture after taking into consideration the following:

(a) market acceptance and perception of the unmanned store concept remains low, primarily due to concerns over technology reliability as well as a preference for in-store human interaction; and

(b) the range of SKUs that can be offered in an unmanned store would be limited. For example, tobacco and liquor products that require age verification and in-store services (e.g. bill payments for utilities, sale of gaming vouchers and top-ups) are not available at our KK Signature Store.

Accordingly, while we continue to pursue innovation, we envisage only opening up to two additional KK Signature Stores over the next three years, subject to the level of market acceptance of the unmanned store concept.

As at the LPD, 1,097 out of 1,106 of our stores operate on rented properties. With the exception of stores which are located in shopping complexes and other more specialised locations, we generally enter into three-year tenancies that are renewable at our option for further two to four terms of three years each. Most of our tenancies typically contain price escalation clauses whereby the rental rate payable for each renewed term is subject to renegotiation at the end of each tenancy period, subject generally to applicable maximum increases. As at the LPD, only approximately 2.2% of our tenancies are not subject to rental escalation cap, primarily due to their highly sought-after locations, where we are bound by the landlords' standard tenancy terms.

[1] Minimum Viable Product (MVP) refers to a development strategy in which a new product is created with the minimum set of features and functionality required to satisfy early adopters/users and gather feedback.

The following table sets out the net change in the number of our stores for the Financial Years Under Review and up to the LPD:

	FYE 30 June			From 1 July 2026 up to the LPD
	2024	**2025**	**2026**	
Number of stores at the beginning of the year/period	646	777	890	1,042
Number of new stores opened during the year/period	134	119	163	68
Number of stores closed during the year/period	3	6	11	4
Net increase in number of stores during the year/period	131	113	152	64
Number of stores at the end of the year/period	**777**	**890**	**1,042**	**1,106**

Retail Mall-Based Stores



Our retail mall-based store in Setapak Sentral

Shop-Lot Stores



Our corner shop-lot store in Sri Kembangan Lestari



Our shop-lot store in Bukit Jalil

University Stores



Our KK Concept Store in Universiti Malaya



Our KK Concept Store in Universiti Kebangsaan Malaysia, Level 4 Bangunan Perpustakaan Tun Seri Lanang

Transportation Hubs



Our store in KL Sentral, next to arrival gates of KLIA Express



Our store in Terminal Bersepadu Selatan



Our store in Gateway, Kuala Lumpur International Airport 2

7.5.2 Store opening process

We have a dedicated team focused on the efficient rollout of new stores with the entire process from site confirmation and licence applications to store opening typically taking between two to six months. However, this timeframe may vary depending on several factors including local regulatory requirements such as the time needed to obtain business and signboard licences.

Our store opening process comprises the following phases: (i) site identification, preliminary site assessment and physical site visit; (ii) site confirmation and renovation; and (iii) site delivery and store opening.

Site identification, preliminary assessment and physical site visit

We search for potential locations to establish new stores, with a focus on securing prime locations that offer high visibility and convenient access for customers. Our ideal target locations include densely populated neighbourhoods, sites near 24-hour restaurants, near other convenience marts, residential buildings such as condominiums, apartments and mixed developments, tourist areas and locations in proximity to areas where we already operate stores with proven strong sales performance. Sources of potential sites come from, among others, scouting for new sites, invitations from owners of shopping malls, residential or commercial developments, as well as references from real estate brokers and property developers. From time to time, property developers also extend invitations for us to establish new stores in their latest developments. The typical size of our stores ranges between approximately 1,200 and 1,600 sq. ft..

For initial screening, we conduct a preliminary assessment using our proprietary data-driven digital platform, evaluating factors such as (i) the demographic profile of the area (including neighbourhood affluence and competitor saturation); (ii) the performance and characteristics of our existing stores in proximity to the potential site; and (iii) retail market insights. Additional key factors include customer traffic, street visibility and overall accessibility which help determine whether the location aligns with our operational requirements and strategic objectives. We also conduct a further assessment via Google Maps to gather information about the site and the area. Following which, we typically conduct a physical site visit to reassess the potential advantages or challenges associated with the site such as the surrounding neighbourhood, foot traffic and nearby businesses. Our property team presents three to six shortlisted potential locations, along with their respective preliminary assessment and site visit reports including the video recordings to the management on a weekly basis.

Site confirmation and renovation

Once the site is deemed suitable, we then proceed to secure the site by negotiating rental terms with the site owner. The majority of our stores operate under tenancy agreements with initial terms of three years, which include options for four extensions of three years each. We will likely undertake certain renovations (including where applicable, flooring installation, resolving electrical circuitry and other mechanical and electrical issues, air-conditioning, carrying out painting, plumbing, ceiling and partition works and also installing CCTV and alarm systems, glass panels, gondolas and signboards) to align with our store's typical layout and design specifications. During the renovation period, we also submit applications for any required licences and approvals for the store operations, as well as for the supply and connection of utilities such as electricity, water, sewerage and internet connectivity. At the same time, we place recruitment advertisements at the site to hire staff for the store and plan the deployment of the team accordingly.

Site delivery and store opening

Upon completion of renovation, our operations team determines the schedule for delivery of furniture and inventory, and finalises the store opening date. Typically, the store opens approximately two weeks after the renovation is completed. Once the site is fully prepared, the staff stock the store with merchandise that has been selected by the purchasing team based on the store concept, expected customers demographic and profile of the customers and location. The final step before opening is a comprehensive pre-opening inspection, which is conducted two to three days prior to the scheduled opening. This includes testing the POS system and reviewing all operational aspects thoroughly to ensure the store is ready for a smooth and efficient opening.

Our capital expenditure for opening a new store includes renovation works, fittings and fixtures such as our racking systems, freezers and chillers, air conditioning, signboard, IT equipment as well as payments for rental deposits, legal costs and licensing application costs, but does not include the inventory costs which may vary across different locations. The estimated capital expenditure for opening a new store ranges between RM200,000 to RM300,000 per store. This does not include the inventory cost which will vary depending on the locality and size of the new stores. Based on our past experience, the initial inventory cost for each new store is approximately RM230,000.

7.5.3 Store design, layout and presentation

We design our stores based on our in-house modular store design templates. There are typically two checkout counters in each store where customers can pay for their purchases. Shelves or racks with small impulse-buy items such as candies, batteries and other last-minute necessities are placed around the checkout counter and cashier area to encourage additional purchases. For most of our KK Concept Stores, we also have a seating area at the RTE section, enhancing the overall shopping experience by combining convenience with comfort.

These templates establish standardised store schematics such as lighting, signage and layout that can be tailored to store sizes, thus allowing us to scale and open new stores efficiently and provide our customers a consistent retail experience and quality across all our stores.

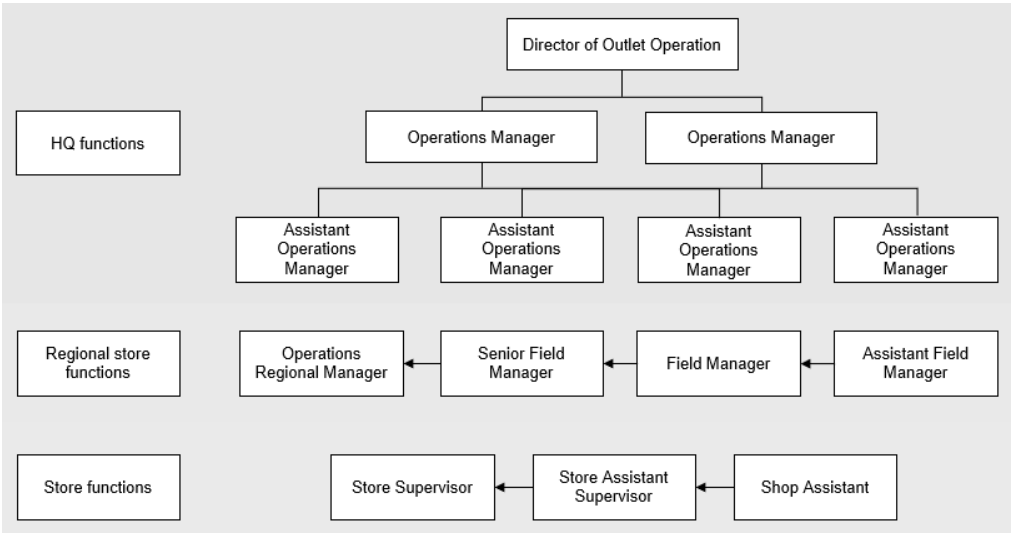
Most of our store size is approximately 1,200 to 1,600 sq. ft. as at the LPD. Our stores are designed to optimise floor and shelf space, including product display and storage space. They are also clean and well stocked with a broad assortment of consumable products, general merchandise and seasonal items.

For each new store, we base the initial product mix on that of an existing store with a similar profile, and then continuously refine the mix of products and brands based on that store's sales trends.

7.5.4 Store operations

We operate and manage all our stores directly through our employees. Each of our stores has store-level operations teams who attend to the day-to-day running of our stores.

A typical store operating structure and reporting line is as follows:



As the majority of our stores operate 24 hours a day and seven days a week, we employ two shifts of employees at each store. At any given time, we require at least two employees to be stationed at each store per shift. As at the LPD, each store, on average, is staffed with two to three employees per shift, including a store-level leadership team made up of one Store Supervisor and one Assistant Store Supervisor.

Each Field Manager is responsible for supervising and executing various operational tasks within their assigned stores. They report to a Senior Field Manager who oversees stores within a specific area. The Senior Field Managers provide guidance on issues escalated by the Field Managers and monitor store operations to ensure compliance with the SOPs. The Senior Field Managers in turn report directly to the Operations Regional Managers who then report to the operations department at our headquarters. To ensure effective management, the operations department at our headquarters monitors stores operations by specific regions, namely Central, East Coast, Northern and Southern regions of Peninsular Malaysia and East Malaysia (Sarawak only).

7.5.5 Store maintenance and performance monitoring

We conduct regular assessments on the condition and appearance of our stores and may undertake refurbishments as and when deemed necessary. These refurbishment activities may include layout modifications, replacement of equipment such as shelving and fixtures and renovation touch-ups. The costs of refurbishment vary depending on the extent of work required and the location of the store.

Our store-level POS systems interact with our inventory management system which allows us to closely monitor the stock levels at each of our stores so that we can replenish them on an ongoing basis. This enables us to maintain optimal stock levels at our stores and to mitigate the effect of any unexpected loss of stock at our stores, whether through accidental damage to our stock or pilferage. In addition, at the store-level, the Store Supervisor monitors physical stock levels from time to time and notifies our operations teams if stock levels are too low or too high and requests for these stocks to be replenished through our ticketing system.

We also monitor our store performance on a daily basis through our in-house business intelligence and analytics system which seamlessly gathers real-time data from all our stores through our integrated POS and inventory management systems, enabling us to access and analyse real-time sales and stock data for each store. This allows us to develop data-driven strategies to identify any areas for improvement and to implement targeted action plans.

We are able to conduct store profiling to better identify the optimum portfolio and mix of SKUs to achieve a higher store profitability. This includes segmenting stores into clusters and performing RFM (recency, frequency, and monetary value) analysis over a 12-month period, analysing the top 500 selling items, removing non-performing SKUs while maintaining product variety, and optimising shelf space by replacing low-performing items with more saleable SKUs. Our in-house business intelligence and analytics system seamlessly gathers real-time data from all our stores, enabling us to effectively analyse both operational and financial performance.

If there are any stores which achieve a lower revenue growth rate compared to other comparable stores and regularly fail to achieve their sales targets, we will also conduct a more detailed and comprehensive analysis. This analysis considers factors such as store performance, staff performance, operational practices, store location and customer demographics. Based on this evaluation, we determine the appropriate measures to improve performance. If a store continues to underperform and incur losses over a period of six months despite our interventions such that the revenue generated by the store is insufficient to cover the cost of goods sold and key operating expenses including rent, utilities and staff costs, a decision may be made to close the store.

During the Financial Years Under Review and up to the LPD, our Group closed an aggregate of 22 stores due to tenancy-related issues such as increases in rental rates and expiry of tenancies and continued underperformance of stores.

7.5.6 Online stores

We have our in-house online retail platforms, namely our "KK e-Mart" online store as well as virtual stores on third-party delivery aggregator platforms:

(a) "KK e-Mart" online store

"KK e-Mart" online store at https://kkemart.my/ is an online version of our physical stores. Our customers are able to browse and purchase all products which are available at our physical stores through the "KK e-Mart" online store.

(b) Third-party delivery aggregator platforms

We have dedicated store pages on two third-party delivery aggregator platforms, namely GrabMart, ShopeeFood and Foodpanda, where our customers are able to browse and purchase our products. In these cases, the delivery drivers collect the items from our stores and deliver them directly to our customers' doorsteps. By establishing a presence on these e-commerce platforms, we are able to expand our customer reach and product exposure to the customer base of these e-commerce platforms.

Sales generated through our online sales channels accounted for 0.3% of our gross revenue generated by our stores for the FYE 30 June 2026, with approximately 100% derived from third-party delivery aggregator platforms.

7.6 OUR PRODUCTS AND SERVICES

Our merchandising strategy is to offer our customers a broad range of products and services that cater to their "on-the-go" daily needs. As at the LPD, our Group carries a total of 6,745 SKUs. The types of products and services that we offer are generally as follows:

(a) F&B products - This includes, among others, groceries, milk and other dairy products, snacks and confectioneries, alcoholic beverages, drinks (including cordials and hot beverages), bread, cooking oil, food seasonings and flavouring products, fresh foods and food spreads. Every store also features a dedicated refrigerated section for chilled products such as RTE meals, beverages and dairy products, and a separate frozen section that offers frozen products such as ice cubes and ice cream. We also offer frozen vegetables and frozen meat products in some of our stores;

(b) Household products - This includes, among others, laundry and cleaning products, kitchenware, garbage bags, plastic containers, paper cups and insecticides;

(c) Personal and baby care products - This includes, among others, diapers and baby care products, pharmaceutical items such as paracetamol and face masks, paper products (e.g., tissues, serviettes, baby wipes), bath products (e.g., shampoo, body wash), and oral care products (e.g., toothpaste);

(d) Other products - This includes, among others, print media, toys, stationery, tobacco products, pet foods, home electric hardware and IT accessories; and

(e) In-store services such as prepaid top-ups for mobile service providers and Touch 'n Go, sale of gaming vouchers for online games, ATM and CDM services.

As at the LPD, our stores carry between 2,780 SKUs to 6,745 SKUs for larger stores, depending on the store size.

We also aim to align each store's product offerings with our customers' unique requirements and preferences by varying the merchandise and product mix depending on the location, locality and customers demographic. For example, our "KK Super Mart" format stores carry a higher proportion of retail space dedicated to grocery, personal care and household products while our "KK Concept Store" format stores offer only bestselling SKUs to reserve the retail space for "on-the-go" convenience products such as snacks, confectionery, tobacco and beverages. Some of our stores, particularly our KK Concept Stores, offer a seating area and power points for our customer use.

7.6.1 Our house brand products

We offer our customers a wide range of house brand products with attractive price-to-quality value propositions as part of our product strategy. These products sold under our branding are OEM products that are produced according to our specifications by third-party manufacturers. As at the LPD, there are 182 products under our branding which include:

(a) F&B items such as mineral water, biscuits, snacks, rice and cooking oil;

(b) Household products such as cleaning products (e.g., dishwashing liquid, floor cleaner, detergent), cleaning tools (e.g., brooms, mops, sponges), hygiene products such as tissue paper, and other items such as umbrellas and charcoal;

(c) Personal care products including hair care products, body care products, oral care products and cotton buds; and

(d) Other products such as stationery, lighters and playing cards.

As part of our house brand product offering, since 2023, we have obtained a licence from The Walt Disney (Malaysia) Sdn Bhd to offer a wide range of Disney branded products, including cups, plates, facial tissues, reusable shopping bags and stationery. In June 2026, we also obtained a licence from The Walt Disney (Malaysia) Sdn Bhd to offer Marvel branded products similar to those offered under the Disney brand.

7.6.2 In-store services and collaborative services

In addition to selling products, we also offer in-store services to enhance customers convenience and drive store traffic. Our current in-store services include:

(a) starter pack and prepaid top-ups for mobile service providers such as CelcomDigi Berhad and top-up for Touch 'n Go Sdn Bhd;

(b) bill payments for utilities such as Pengurusan Air Selangor Sdn Bhd, TM Technology Services Sdn Bhd (Unifi), Tenaga Nasional Berhad, Astro Malaysia Holdings Berhad and Sarawak Energy Berhad;

(c) sale of gaming vouchers for online games and related content; and

(d) ATM and CDM services including cash withdrawals and deposits respectively (limited to certain stores only).



We believe that the provision of additional services will increase customer traffic in our stores, which in turn will help to increase sales of products and the level of income received from the use of such services. As at the LPD, the provision of in-store services, which is commission-based, accounts for approximately 2.4% of our total SKUs and 0.7% of our gross revenue generated by our stores for the FYE 30 June 2026.

We also provide collaborative services in support of and aligned with government and community initiatives, including federal programmes such as SARA through MyKasih; state initiatives including SKAS; bank-led programmes such as MySISWA (RHB Bank Berhad); and community organisations and initiatives, including Yayasan Anak Yatim and Anak Miskin, Gerobok Muhibbah at Masjid Jamek Sultan Abdul Samad and Bait Al-Mahabbah at Masjid Putrajaya. For the period between 1 July 2026 up to the LPD, sales generated from SARA and SKAS accounted for approximately 4.9% of our gross revenue generated by our stores.

7.6.3 Product selection

We offer a curated selection of products from trusted and established suppliers. We generally source our supplies from Malaysia-based suppliers. Some of our products such as fresh produce (e.g., fruits and vegetables), sundries (e.g., herbs and dried foods), toys, footwear, hair products, travel accessories, souvenir and stationery are sourced on a consignment basis and are therefore not recognised as our inventory.

To meet the growing demands of our customers and to maintain our competitiveness, we continuously monitor and where required, adjust our product offerings based on the sales and operational data from our stores. We evaluate our products according to various criteria, including historical sales performance and profits generated from the sale of those products. The results of these assessments drive our Group's stock planning, ensuring we are able to allocate our available shelf space in the most optimal manner, in order to increase our sales performance.

We believe that the quality of our suppliers plays an important part in our merchandising strategy. We strive to manage product quality to ensure strict adherence to quality standards. In selecting our suppliers, we consider the quality of their product offerings, financial strength, price competitiveness and after-sales service. Currently, before we onboard our suppliers, we have implemented procedures to ensure they have the required approvals or licences for their products and that the products carry the required certifications or conformity marks. For example, we maintain a checklist of product information and company information that new suppliers are required to provide us prior to onboarding. In addition, suppliers are required to enter into supply agreements with us. Other than our major suppliers who may have their own particular format for supply agreements with their wholesale customers such as ourselves and certain smaller suppliers, we have a standard form of supply agreement which contains the terms and conditions governing the supply of products from our suppliers to us. For further information on our Group's internal control processes in relation to production selection and compliance assurance, see Section 7.23.5 of this Prospectus.

As at the LPD, we do not experience any significant price volatility in relation to the products that have been supplied to our Group. We negotiate trading terms with most of our major suppliers every one to three years.

It is our strategy to continue enhancing, diversifying and improving the selection of convenience products, F&B in order to meet evolving consumer needs and market demands. We have been and are still in the midst of expanding the selection of self-served convenience F&B options across our stores in order to provide added convenience and choice to consumers. For example, most of our stores are equipped with hot water dispensers and microwaves, offering hot beverages and RTE meals such as pre-cooked food designed for quick heating, to our customers.

7.6.4 Pricing strategies

Our pricing strategy seeks to offer products at competitive prices taking into account our brand positioning and product features for each product category. We continually monitor market prices and trends and implement appropriate adjustments to our prices and promotions as and when necessary. In addition, we apply differentiated pricing strategies, with higher selling prices at selected stores that have substantially higher operating and rental costs such as stores that are located in high traffic transportation hubs (e.g. transportation hubs) and popular tourist destination (e.g. Genting Highlands), The higher pricing is necessary as certain locations are subject to variable rental charges based on a percentage of the store's gross sales and to align our pricing with other retailers operating in the vicinity. As at the LPD, 13 out of 1,106 of our stores adopt higher pricing as compared to our remaining stores ("**Premium Stores"**). Almost all of the Premium Stores adopt the same higher pricing structure to offset their higher operating and rental costs, except for one store located at Genting Grand Hotel. For this store, certain products are priced even higher to align with prevailing selling prices of other retail outlets within the same building.

We also apply differentiated pricing for products sold through third-party delivery aggregator platforms, whereby selling prices are marked-up to offset platform-related fees. For our "KK e-Mart" online store, there is minimal product overlap with our physical stores. For overlapping products, the selling prices on "KK e-Mart" online store are generally lower than those at our physical stores.

As a convenience mart operator, our primary aim is to ensure convenience and accessibility, as such, we do not engage in price wars with our competitors, but instead focus on delivering value through our product assortment, service quality and customer convenience.

7.7 OUR MAJOR CUSTOMERS AND MAJOR SUPPLIERS

(a) Major customers

Our Group's customer base mainly comprises walk-in retail customers at "KK Super Mart" stores. Our Group primarily targets the mass consumer market, offering a 24-hour shopping experience.

Due to the retail nature of our Group's business, there is no single customer who has made a material contribution to our Group's total revenue for the Financial Years Under Review.

(b) Major suppliers

The following table sets out the top five major suppliers for our Group for the Financial Years Under Review:

FYE 30 June 2024

Supplier (Country)	Length of relationship as at the LPD (Years)[1]	Products or services purchased	Value of purchases	
			RM'000	%
Maya Kekal Sdn Bhd ("**Maya Kekal**") (Malaysia)	5	Tobacco	88,353	8.1
MJ Tian Sdn Bhd ("**MJ Tian**") (Malaysia)	14	F&B, baby products and household products	83,878	7.7
Lein Hing Holdings Sdn Bhd ("**Lein Hing Holdings**") (Malaysia)	12	Tobacco	74,367	6.8
LH Uni Distribution Sdn Bhd ("**LH Uni Distribution**") (Malaysia)	18	Food, beverages, personal care and household	53,059	4.9
Gardenia Bakeries (KL) Sdn Bhd ("**Gardenia Bakeries**") (Malaysia)	17	Bread, bakery and confectionery products	41,731	3.8
Total				**31.3**

FYE 30 June 2025

Supplier (Country)	Length of relationship as at the LPD (Years)[1]	Products or services purchased	Value of purchases	
			RM'000	%
Maya Kekal (Malaysia)	5	Tobacco	95,521	8.3
Lein Hing Holdings (Malaysia)	12	Tobacco	83,619	7.3
MJ Tian (Malaysia)	14	F&B, baby products and household products	78,186	6.8

Supplier (Country)	Length of relationship as at the LPD (Years)[1]	Products or services purchased	Value of purchases	
			RM'000	%
LH Uni Distribution (Malaysia)	18	Food, beverages, personal care and household	47,951	4.2
Selektif Sempurna Sdn Bhd ("**Selektif Sempurna**") (Malaysia)	23	Tobacco	45,747	4.0
Total				**30.6**

FYE 30 June 2026

Supplier (Country)	Length of relationship as at the LPD (Years)[1]	Products or services purchased	Value of purchases	
			RM'000	%
Lein Hing Holdings (Malaysia)	12	Tobacco	104,693	8.0
Maya Kekal (Malaysia)	5	Tobacco	97,619	7.5
MJ Tian (Malaysia)	14	F&B, baby products and household products	75,183	5.7
LH Uni Distribution (Malaysia)	18	Food, beverages, personal care and household	59,286	4.5
New Foo Hing Trading Sdn Bhd (Malaysia)	12	Beers	55,429	4.2
Total				**29.9**

Note:

(1) The length of business relationship with our top five major suppliers is calculated based on the date of our Group's first purchase from the supplier. The numbers are rounded up to the nearest whole year if it is six months or more and vice versa.

During the Financial Years Under Review, our Group's top five major suppliers are distributors from whom we purchase tobacco products (as directed by the brand principals) as well as trading houses such as Selektif Sempurna, Maya Kekal, MJ Tian and LH Uni Distribution, which carry and distribute a range of FMCG products. Our Group deals with approximately 520 suppliers as at the LPD. Our Group's top five major suppliers collectively accounted for between 30.0% and 32.2% of our total purchases for the Financial Years Under Review.

We are not exposed to concentration risk nor are we materially dependent on any of our top five major suppliers. In the event that we are unable to procure a specific product from our top five major suppliers, or if the brand principal ceases supplying their products through their appointed distributors, we have access to a wide network of alternative suppliers such as trading houses and wholesalers within Malaysia who offer same or comparable products. We are able to source the same products from multiple suppliers in the quantities required. Although this may require us to transact with multiple suppliers, we would be able to negotiate and procure such products on commercial terms that are not materially different from those currently obtained.

The wide availability of our products and the diversification in our supply chain mitigate the risk of supply disruption and ensures continuity in our product offerings. Notwithstanding the above, there can be no assurance that we will continue to be able to efficiently mitigate such risk due to events beyond our control such as global inventory shortages or other material unforeseen circumstances like geopolitical conflicts or wars. Any shortage or unavailability of products demanded by our customers may materially and adversely affect our business operations and competitiveness. See Section 5.1.3 of this Prospectus for further details.

During the Financial Years Under Review, we have not experienced any significant supply disruptions or major delays from our major suppliers. Due to our Group's market leader position as well as our longstanding business relationships with our major suppliers, we expect our business relationships with our top five major suppliers to continue.

7.8 OUR DISTRIBUTION NETWORK

7.8.1 Inventory management and direct deliveries

Approximately 38.9% of our purchases are first delivered to our DC, where the goods are stored as inventories and subsequently redistributed to our stores based on the respective stores' requirements.

As at the LPD, we maintain a fleet of three delivery trucks for transportation of products from our DC to our stores and at the same time, engage 10 transportation service providers to support our deliveries. This arrangement provides operational flexibility and allows us to manage peak delivery periods such as festive seasons, promotional campaigns and higher order volumes without the need to incur significant capital expenditure for the acquisition of additional delivery trucks or additional fixed costs associated with hiring of truck drivers. In addition, our Group is able to request the transportation service providers to deploy additional trucks and drivers, when required, to support increased delivery demands or urgent delivery schedules.

Our Balakong DC typically makes a minimum of one delivery per week to each store in Peninsular Malaysia, with deliveries to high-performance stores averaging two to three times per week. For our stores in East Malaysia, we only supply selected products (including our house brand products) to our stores in Sarawak every four to five months. We consolidate products in containers and our third party freight service providers will handle the containers for shipping from Port Klang to East Malaysia. Upon arrival of the containers in East Malaysia, our third party freight service providers will collect these containers from the relevant port for delivery to our warehouse in Kuching for subsequent delivery to our stores in Sarawak. The remaining approximately 61.1% of our purchases are delivered directly by our suppliers to the respective stores. These direct deliveries are typically for products with shorter shelf lives such as bread, fresh milk, other dairy products and eggs, and products that require specialised handling such as temperature-controlled transport for ice cream or frozen meat products. These direct deliveries also include products which are sold at selected stores on a consignment basis. This approach helps to optimise our DC storage capacity by reducing the unnecessary usage of space.

The majority of our products are acquired through outright purchases (representing approximately 93.3% of our SKUs) while the balance (representing approximately 6.7% of our SKUs) are on a consignment basis.

Notwithstanding this, we have secured agreements with most of our suppliers for the return of expired or near-expired items. As at the LPD, returnable SKUs account for approximately 86.7% of our total SKUs while the remaining approximately 13.3% of our total SKUs are non-returnable. Non-returnable products primarily comprise our house brand products, certain packaged and bottled beverages, disposable cutleries and disposable bags. F&B products with shorter shelf life such as bread, milk, yogurt, cultured milk drinks, fruits and vegetables are generally returnable, save for eggs and our fresh meal selections including sandwiches and onigiri.

7.8.2 Proactive inventory management and replenishment

Our Group, through the centralised purchasing department, establishes pre-determined inventory levels for each product range at both our DC and at our stores. These inventory thresholds are set based on the assessment of expected demand at the respective stores.

Our stores

When the stock of a product at a store falls below the pre-determined inventory level, the inventory management system which is integrated into our POS system will then be automatically triggered. As part of our ongoing efforts to enhance inventory efficiency, we have remodelled our auto-ordering algorithm to minimise both overstocking and out-of-stock situations at our stores and DC by implementing automatic store stock replenishment. These measures support more accurate and demand-driven replenishment while optimising stock levels across the supply chain.

Our DC

On a daily basis, the inventory management system consolidates store orders and generates delivery lists. Our DC then packs products into roll-cages, pallets and plastic tote boxes which are subsequently loaded onto delivery trucks for despatch to the respective stores. The use of roll-cages facilitates efficient handling during delivery and support streamlined restocking operations at the store level. To ensure operational efficiency and service reliability, we also conduct daily monitoring of our DC order fulfilment rate, tracking each order by SKU, store and picker. This allows us to identify and address any fulfilment gaps or operational issues in a timely manner and allows corrective actions to be implemented promptly.

Our centralised purchasing department at our headquarters monitors historical sales data as well as the current inventory levels at our DC to determine purchase requirements and initiates Group-wide purchase orders to suppliers. This centralised purchasing function streamlines our supply chain operations and ensures consistent product availability across all our stores.

Additionally, our stores are authorised to place purchase orders through the inventory management system to order stocks both from our DC and directly from the suppliers for specific products delivered on a direct-to-store basis. This flexibility allows our stores to respond promptly to local demand and maintain optimal stock levels, complementing our Group's overall purchasing strategy.

This integrated and centralised approach to inventory management allows us to maintain optimal stock levels, ensure timely and accurate replenishment of our products and respond swiftly to fluctuations in demand. As a result, we enhance operational efficiency, minimise operating costs and optimise working capital requirements, thereby strengthening our ability to support our Group's growth strategy.

7.8.3 Size, scope, and functionality of our DC



As at the LPD, we have one DC located in Balakong, Seri Kembangan, Selangor, Malaysia. Our DC is operated by our Group and is situated on a plot of land spanning approximately 12,265.9 sq. m. and with a built up area of approximately 8,681.4 sq. m.. It was commissioned and commenced operations in September 2017. It primarily supplies inventories to our stores that are located within Peninsular Malaysia and supplies selected products (including our house brand products) to our stores in Sarawak every four to five months. Currently, our Balakong DC has a storage capacity of 6,200 pallets and approximately 38.9% of our purchases are first delivered to our DC before distributing to our stores as at the LPD.

Our DC operates 14 hours a day from Monday to Saturday. The team stationed at our DC is responsible for handling the logistic functions for all stores within the coverage of our DC. These responsibilities include managing inventory records and tracking inventory levels at both our DC and stores, picking and packing products for delivery, planning and monitoring distribution routes, maintaining the fleet of delivery trucks and despatching the delivery trucks to the relevant stores.

Leveraging our inventory management system which is integrated with our warehouse and store POS systems, our centralised purchasing team regularly evaluates product stock levels and sales data across stores to determine the volume and timing of stock replenishment from our DC, as well as to allocate inventory as needed to maintain optimal stock levels.

We also have a storage house located in Desa Petaling, Kuala Lumpur, operated by our Group and is situated on a plot of land spanning approximately 5,796 sq. m.. It is used as storage for store and office equipment including racking systems, freezers, chillers and air conditioning units, which are subsequently distributed to our stores for replacement purposes or to new stores for initial set-up.

To support our stores in East Malaysia, we also have a warehouse in Kota Samarahan, Sarawak, which is situated on a plot of land spanning approximately 629.3 sq. m., and is used to distribute our house brand products and certain products to our stores in Sarawak.

7.8.4 Inventory control and stocktaking procedures

Upon the receipt of products at our DC and stores, our teams will verify and record the details of incoming goods to ensure they match the purchase orders and are in good condition before being accepted into inventory. All products received from our suppliers are identified using barcodes which are scanned into our inventory system. This enables accurate tracking of inventory movement within our DC and stores.

In addition, we conduct scheduled cycle counts at all our stores to monitor discrepancies in product stock levels. This includes daily counts by Store Supervisors for products such as cigarettes, beer and liquor as well as weekly counts by Field Managers for the 20 SKUs with the highest loss in selected stores including theft, damaged and expired goods.

As part of our Group's inventory controls, we conduct full stocktakes every quarter at our DC and once a year at our stores. We also undertake additional stocktaking for products with high sales volumes and high losses at our stores, typically twice a year. The stocktaking process involves stock counting, barcode scanning and reviewing delivery orders to reconcile product stock levels.

7.8.5 Quality Control

Our quality control approaches and measures are carried out with an overall objective to monitor and maintain the quality and condition of our SKUs at all stages of our retail operations from warehousing to over-the-counter point of sales, as well as the quality of consumer services. Among others, our Group adopts the following approaches and measures in our operations:

(a) Central distribution oversight

A large proportion of our SKUs are centrally distributed to our store network, enabling effective control over product quality and condition, as well as stronger accountability in inventory management.

Generally, we require the products delivered by suppliers to our DC to have a minimum remaining shelf life of six months from the date of acceptance, except for products with an inherently shorter shelf life or where different requirements have been agreed with the supplier. Products which do not meet our acceptance criteria, including products with insufficient remaining shelf life, damaged products or other quality issues, will be rejected and returned to suppliers. Accepted products stored at our DC are managed in accordance with our inventory management procedures, including the application of the first-in-first-out ("**FIFO**") principle to facilitate proper stock rotation and minimise the risk of products expiring while in storage.

Our house keeping team at the DC also conducts product check during storage, housekeeping and replenishment activities, including when products are moved from the upper rack levels to the ground-floor pick-face locations. These inspections are conducted to ensure expired products with insufficient remaining shelf life, damaged products or other quality issues are segregated and dealt with in accordance with our supplier arrangements, including return, replacement, disposal, credit notes, rebates and/or other compensation, where applicable.

(b) Product inspection at the stores

At the stores level, incoming products are inspected upon receipt to identify issues such as damage, missing items and product freshness, including the expiry dates of F&B items. Any items that do not meet our quality standards will be returned to suppliers.

In accordance with our SOP, designated employees are assigned responsibility for specific store sections and are required to conduct daily product expiry checks within their allocated sections. The allocation of store sections is rotated daily to ensure that all areas of the store are checked on a regular basis. Employees also ensure that products are arranged and replenished using the FIFO principle.

Products approaching expiry are promptly taken off the shelves and handled in accordance with our inventory management procedures and relevant supplier arrangements. For example, returnable products with less than 14 days of remaining shelf life are returned to the supplier or delivered to our Balakong DC for return, while non-returnable products with less than three days of remaining shelf life are returned to our Balakong DC. Fresh products, including vegetables, fruits, fresh milk and bread, are removed on their expiry date and stored in a segregated area pending collection by the suppliers.

(c) Unannounced store assessments

A dedicated KPI team conducts surprise evaluations to assess store performance and adherence to our quality standards including store cleanliness, product and pricing display requirements, shelf tag accuracy, stock availability, inventory management, availability of Operating Licences, and compliance with internal operating procedures. These assessments are part of our Group's effort to identify gaps early and ensure corrective actions are taken promptly and to prevent non-compliances. Such instances of non-compliance may include failures to adhere to our internal best practices as well as breaches of regulatory or licensing requirement, such as operating without a valid Operating Licence or selling products without the required labelling. Stores that fail to meet the required standards may affect the eligibility of the relevant Senior Field Manager for certain employee benefits.

(d) Employee training

Continuous staff training ensures operational efficiency, productivity and high customer service standards across all stores.

(e) Standardised brand presentation

Our store employees are required to wear uniform attire and name tags to uphold a consistent, professional brand image.

(f) Product certification and periodic documentation verification

We partner with suppliers whose products bear necessary certifications or conformity marks, ensuring compliance with relevant safety, quality assurance standards and applicable requirements. Additionally, suppliers must submit supporting documents evidencing product compliance upon onboarding and provide updated documentation periodically to verify their certification status.

(g) Halal certification

The majority of our F&B products (as applicable) are Halal certified by the Department of Islamic Development Malaysia ("**JAKIM**"), the national authority responsible for Halal certification. In January 2026, we implemented an SOP requiring purchases to only be made from suppliers with appropriate and verifiable Halal certification. Suppliers are required to submit comprehensive and verifiable documentation confirming Halal compliance at the point of onboarding. While the responsibility to maintain a valid Halal certificate lies with our suppliers who are manufacturer of the products, as part of our internal measures, we conduct periodic reviews and have processes in place to monitor the validity and renewal of our suppliers' Halal certification. Details of our SOP are elaborated in Section 7.23.5 of this Prospectus.

7.8.6 Product return policy

We have established procedures to handle complaints and to facilitate the replacement or return of defective products purchased from our stores in accordance with our product return policy. When a complaint is received, our staff will first review the purchase receipt to verify the transaction. We will then inspect the returned products to confirm any reported defects before proceeding with an exchange. Our customers may also opt to exchange the defective item for other products of equivalent value. For items identified as having manufacturer defects, we will resolve these issues directly with the respective brand principals or suppliers to process our claims.

In addition, the details of our dedicated customer careline are displayed at our store counters and customers may therefore also contact us directly via our customer careline for any related queries.

7.8.7 Customer complaints and feedback

As part of our efforts to manage customer expectations and to promote a good relationship with our customers, we provide multiple channels for customers and members of the public to raise concerns and share feedback about their experience at our stores. These channels include our customer careline, online enquiry forms on our website, WhatsApp messages, e-mails, as well as social media platforms such as Facebook and Instagram. Upon receiving complaints or feedback, we would promptly respond to address the issues raised and work towards providing appropriate resolutions. Insights from customer feedback are also reviewed periodically to identify service gaps and support ongoing operational improvements.

7.9 MARKETING AND PROMOTIONS

We actively undertake a wide range of marketing and promotional activities to enhance affordability and strengthen brand loyalty. These comprise festive promotions offering discounted prices on selected products such as a wide range of F&B and other daily necessities during major celebrations including National Day, Malaysia Day, Labour Day, Mother's Day, Hari Raya Aidilfitri, Hari Raya Haji, Chinese New Year, Deepavali, Christmas and more.

In addition, we also run non-festive promotions such as monthly promotions, clearance sales and our "KK Murah" promotions on selected brands or products to manage inventory effectively. Regular Member Day promotions, held on the 11th of each month, and KK Day promotions, held on the 22nd of each month, further provide customers with special discounts and buy-one-free-one offers on selected products, such as ice creams and snacks.

We also offer our customers other promotions through campaigns such as the SARA and the Kempen Beli Barangan Malaysia, to support locally produced items in line with government initiatives.

New store openings are usually accompanied by opening promotions, including happy hour discounts.

We have also implemented targeted marketing campaigns and a notable example is our KK Spend & Win 2025 campaign, conducted from 1 September 2025 to 30 November 2025, offering customers opportunities to win prizes ranging from a Perodua Myvi, motorcycles, smartphones, to weekly e-voucher rewards. This was promoted across Facebook, Instagram, and TikTok, and supported by collaborations with KOLs and KOCs. The campaign was executed with the support of an external agency. During the campaign period, the campaign generated more than one million impressions on each platform and recorded over 17,000 participations.

7.10 R&D

We do not conduct any R&D efforts nor do we have a policy in place for such activities.

7.11 EMPLOYEES

As at the LPD, we employ a total of 5,640 employees, of which 5,379 are full-time while 261 are temporary or contract-based. Our temporary or contract-based staff primarily comprises part-time employees who are paid on an hourly basis. Additionally, out of the 5,379 full-time employees, 812 or 15.1% are foreign workers, including 113 who are based at our Balakong DC. All our foreign workers have valid work permits as at the LPD.

The table below provides a breakdown of our staff by function as at the dates indicated:

	Number of employees	
Category	**As at 30 June 2026**	**As at the LPD**
Senior Management and Department Heads	10	10
Headquarters and administrative staff	345	372
Store employees	5,300	5,128
DC employees	123	130
Total	**5,778**	**5,640**

As at the LPD, none of our employees are affiliated with any union nor are they subject to any collective agreements. We have not encountered any strikes or work disruptions arising from labour disputes. In addition, our management has consistently maintained positive relationships with our employees and expects to continue fostering a constructive working environment.

We have in place a succession planning framework to support business continuity by identifying, developing and retaining talent to fill critical positions including for our Key Senior Management and establishing contingency plans for vacancies. This is to ensure that essential talent, skills and knowledge are retained and readily available when employees in critical positions of our Group leave.

In addition, we have engaged a labour supply agency for the provision of additional workers for purposes of the operations of our DC, alongside our full-time DC employees who are directly employed by us. As at the LPD, the total workforce deployed at our DC increased to 242 workers, comprising 225 foreign workers (including 112 foreign workers supplied by our labour supply agency) and 17 local support staff.

7.11.1 Employee remuneration and benefits

Our store staff typically receives a base salary in accordance with the Malaysian statutory minimum monthly wage of RM1,700 effective from 1 February 2025 along with certain allowances, such as transport and night shift allowances. There are also incentives and rewards to Field Managers based on their ability to meet the criteria set out in our incentive reward programs, which takes into account factors such as store performance and profitability. In addition to financial incentives, we also provide non-financial awards, such as long service awards and gifts at our discretion to recognise and motivate employees for their continued contributions.

Apart from our statutory contributions to the EPF and SOCSO, we do not maintain retirement, pension or severance plans or have any unfunded pension liabilities, nor do we owe any amounts to any current or former employees beyond those incurred in the ordinary course of our business.

7.11.2 Employee training

We recognise the importance of having a strong team of management and operational staff to meet our growth plans. We therefore place emphasis on continuous employee development and training.

We have in place a training centre at our headquarters to provide basic operations training, customer satisfaction training and store management skill courses to our existing and new employees. Practical training is also conducted at our stores. All new employees are required to undergo training through our customised employee training programme which is designed to equip our employees with the skills to support our stores and to serve our customers. Furthermore, we regularly evaluate their work performance to ensure they develop the necessary competencies through their routine responsibilities.

We also prioritise the development of our Key Senior Management and managers by offering opportunities to participate in further education programmes. This approach to training and development reflects our commitment to fostering staff advancement and ensuring operational excellence.

7.12 COMPETITION

Our Company, via our three distinct business models (i.e. KK Super Mart, KK Concept Store and KK Signature Store) is the leading convenience mart in Malaysia by number of stores as at the LPD and by revenue in 2025, according to the IMR Report. We are also the fastest growing among the selected convenience retailers, by number of stores in the period between 2022 and 2025. We primarily target the mass consumer market. The fact that most of our stores are opened 24 hours a day also gives us a competitive advantage over most non-convenience mart retailers, which do not operate on this basis.

We compete not only with other players in the convenience retail industry but also indirectly with other grocery-based retailers such as supermarkets and mini-markets, which offer similar product assortments, as well as forecourt retailers under the brand name such as "Shell SELECT", "Kedai Mesra" and "Petron Treats". These players compete for market share based on factors such as convenience, product selection, pricing strategies, quality of goods, customer service and the overall shopping experience provided to consumers.

Our stores are strategically located in residential, commercial areas and high traffic public locations (such as transportation hubs, universities and hospitals), providing extensive coverage of the Malaysian population and Malaysian households. We stand out as the leading convenience mart by number of stores as at the LPD. From 2022 to 2025, our growth in the number of stores outpaced our main competitors within the convenience mart segment, where we had an increase of 376 additional stores as compared to our main competitors, which had an increase of 10 to 90 additional stores during the same period. Our widespread geographical coverage and number of stores provide a competitive advantage by enabling us to serve a larger customer base, offering convenience through our extensive stores chain. Additionally, we have a high number of SKUs in each store to meet the diverse needs of our customers. Furthermore, our stores have been operating in Malaysia for the past 25 years, over which time we have successfully built a strong reputation, which provides us with a competitive advantage over new entrants and even mature participants with less established brands.

7.13 SEASONALITY

Our stores typically receive higher customer traffic, higher transaction amounts and greater sales volumes during school holidays and festive seasons such as Hari Raya Aidilfitri, Hari Raya Haji, Chinese New Year, Deepavali and Christmas.

7.14 TECHNOLOGY

To accelerate revenue growth and strengthen our competitive position, we continue to invest in digital and technology capabilities that enhance the scalability and efficiency of our distribution centres and retail store operations.

Our digital infrastructure leverages best-in-class third-party platforms to support core business functions, including retail operations, inventory and distribution management, accounting and finance, as well as enterprise-grade data protection through backup, recovery, and cybersecurity solutions. In parallel, we are building a strong in-house technology and digital team to drive innovation, improve execution speed, and ensure our platforms evolve in line with our strategic priorities.

Together, these investments enable us to optimise operations, enhance data-driven decision making, and support sustainable, technology-enabled business growth.

(a) POS system

Our stores are equipped with a modern POS system that enables efficient transaction processing and seamless in-store payment acceptance. The system captures key sales data, including transaction details, discounts, promotions, returns, payment amounts, and methods of payment, while also generating sales reports and supporting price adjustments. Our POS infrastructure supports up-to-date payment options and integrates with self-checkout kiosks to enhance customer convenience, improve checkout efficiency, and provide real-time sales and operational insights.

(b) Inventory management system

We currently use an inventory management system that tracks, organises, and manages stock levels, orders, sales and deliveries across all our stores and DC. Integrated with our POS system, it enables real-time stock level updates and informed procurement planning to enable a more dynamic response to sales activities, with automated re-ordering processes triggered when stock levels at any store fall below pre-set thresholds, thereby streamlining inventory control and fulfilling customer demands efficiently. Moreover, automated alerts are sent to the respective person-in-charge when there are inventory cycle counts discrepancies, delays in goods delivery from our DC or delays for in-store product receiving from our suppliers to stores. These measures improve operational responsiveness and help safeguard company funds and support accurate financial reporting.

We successfully deployed the Balakong DC warehouse management system in July 2026 and is currently undergoing on-site hypercare support. During this critical transition period, the system vendor is providing high-touch, on-ground assistance to stabilise the system, resolve issues early and build user confidence.

(c) Business continuity and disaster recovery

We have migrated critical business systems, including our EDW and core transaction data backups to Amazon Web Services (AWS) as part of our business continuity plan. This migration mainly covers our POS, inventory management, warehouse management system, and financial system databases, with plans to progressively transition more systems to the cloud computing platform. The cloud-based environment will minimise downtime to our business operations during and after unplanned disruptions by leveraging cloud services for data protection and rapid recovery.

(d) Management Intelligence and Analytics Dashboard

Our in-house business intelligence and analytics platform integrates real-time data from all stores, providing comprehensive visibility into operational and financial performance. Anchored by our integrated POS system deployed across all locations, the platform enables management to monitor sales, inventory, and store performance in real time, supporting the efficient day-to-day running of our operations and enabling timely responses to changing market conditions and customer demand.

The platform also provides strategic insights that support targeted marketing initiatives, performance optimisation across our store network and informed decision-making for new store expansion by analysing trends, location performance, and evolving consumer preferences.

In addition, our proprietary stock auto-order algorithm optimises inventory management by analysing real-time sales data, historical trends and demand forecasts to determine optimal stock levels for each store. This reduces the risk of stock shortages and overstocking, improves product availability, enhances cash flow efficiency and supports a responsive supply chain aligned with market demand.

(e) Store licence and permit management

Our store licence and permit management system provides a structured and centralised platform for the tracking, maintenance and monitoring of the renewal status of all legal, operational and safety permits required for the operation of our business premises. This ensures that all licences, ranging from general business certifications such as the CCC, to specific product or industry-related permits including the scheduled controlled goods, rice, liquor and tobacco licences as well as foreign worker work permits, remain valid, up-to-date and fully compliant with applicable local council and governmental regulations.

To enhance operational efficiency and mitigate compliance risks, the system incorporates automated alert functionalities that notify responsible personnel of upcoming expirations based on predefined thresholds (e.g. 30 days, six months, and one year prior to expiry). These alerts enable timely action and reduce the risk of non-compliance or business disruption.

In addition, the system is designed with user-driven capabilities, allowing authorised users to directly update licence information, upload supporting documentation and manage renewal statuses without requiring technical intervention. Users are also able to create customised dashboards and reports, providing real-time visibility into licence statuses across our stores and facilitating more effective monitoring and decision-making.

If a licence is approaching its expiry date, the system will trigger escalation alerts to the designated employees, enabling prompt remedial action is taken to restore compliance.

(f) KK Big Family Mobile Application

We have introduced our KK Big Family Mobile App for staff in 2023 to provide a secure and centralised platform for internal communication and information sharing, as well as to digitalise day-to-day store operational tasks and checklists such as cash bank-in records, store cleaning cycles, delivery performance tracking and staff movement. These activities are centrally monitored through our Central Reporting Dashboard, which provides real-time oversight and accountability at the store level. For example, Field Managers can maintain and track log activities and performance metrics efficiently, as well as addressing any operational issues promptly. This visibility helps reduce operational lapses and potential discrepancies that could otherwise lead to financial leakage or loss.

Furthermore, our KK Big Family Mobile App serves as an information referral centre for our headquarters to share SOPs and memos etc. to our store employees. This digital tool not only streamlines day-to-day management but also provides valuable insights for continuous improvement, driving overall operational excellence across our store network.

(g) KK Rewards App

Our KK Rewards App was originally introduced in 2023 under the name of "KK Mart Malaysia" and subsequently refreshed and relaunched in July 2025. Our KK Rewards App is currently available for download at the Apple Store and the Google Play Store. Our KK Rewards App hosts our loyalty programme for our member-subscribers, allowing them to earn points for every RM spent at any of our stores. Our subscribers will also enjoy access to our exclusive deals and promotions, birthday rewards and daily check-in rewards.

(h) E-commerce

We developed and launched our e-commerce website in 2022 which was subsequently revamped to https://kkemart.my in 2025. Our website integrates third party payment gateway systems to facilitate online transactions and deliver a seamless user experience for our customers. Purchases are delivered to customers via our appointed shipping partner.

Our goal is to bridge offline and online shopping, offering greater convenience to our customers. We plan to invest in our e-commerce website by introducing new features that will enable our customers to place orders online and choose either to collect their purchases from any of our physical stores or have them delivered to their doorsteps.

We also introduce e-commerce function to our KK Rewards App, allowing the subscribers to make online purchases and keep track of their order and delivery status via our KK Rewards App.

7.15 CASH MANAGEMENT

Our cash management processes are designed to ensure accountability and security across all aspects of our operations. We have cash management controls, including segregation of duties, in place for cash handling processes across all our stores, whereby different personnel are responsible for cash collection, depositing, recording and reconciliation functions, with oversight and verification conducted by the relevant teams. These processes include, among other measures, (i) cash collection procedures whereby store supervisors are required to perform closing and depositing the daily cash collection and submitting a copy of the bank-in slip through our KK Big Family Mobile App which is monitored daily by the Operation Treasury Team and integrated with our centralised cash collection system; and (ii) monthly in-depth reviews and reconciliations by the Account Receivable and Treasury Finance Team of the cash collection reports against bank statements and cash sales reports. Additionally, any theft and robbery cases will be reported to the police for investigation, which serves as a deterrent and reinforces employee discipline.

Additionally, our stores accept multiple forms of payment including cash, credit cards, debit cards as well as a variety of e-wallets such as Boost, Touch 'n Go eWallet, GrabPay, MAE application, ShopeePay, WeChat Pay and Alipay. For the FYE 30 June 2026, our non-cash sales transactions accounted for 50.1% of our Group's total revenue.

To strengthen financial management, we also implemented a bank consolidation process which can be monitored through our Central Reporting Dashboard to facilitate more efficient handling of both cash and digital settlements.

As a result of these initiatives, despite past incidents of theft and robbery which resulted in cash shortages and losses, our cash losses remained nominal throughout each of the Financial Years Under Review.

7.16 SECURITY AND LOSS PREVENTION

As most of our stores operate 24 hours a day, we are exposed to risks such as pilferage, shoplifting, theft and robbery. To mitigate these risks, we implement strict security procedures. These include installing CCTV in all of our stores and at our Balakong DC to record and monitor all activities within these premises, providing our employees with regular training on preventive measures and emergency protocols as well as policies requiring our stores to maintain only minimal cash balances in their cash registers with regular depositing of cash into our bank accounts. We have also set up a Group Response Team (*Pasukan Keselamatan Waktu Malam*), comprising in-house and outsourced security personnel who are on duty at all times to respond to emergencies, break-ins or any other security incidents at our stores.

In cases of theft, mismanagement or mishandling of cash, we take appropriate actions including conducting internal inquiries, taking disciplinary actions or reporting incidents to the police when required.

7.17 INSURANCE

We maintain insurance policies designed to cover a wide range of risks pertinent to our business needs and operations. These policies provide insurance coverage for all our real properties, vehicles, and fixtures fittings and stock in our stores and DC. Key coverage areas include burglary, fidelity, money, fire, plate glass and goods in transit insurance. We also maintain public liability insurance and employer liability insurance for our operations. In addition, we maintain certain insurance policies for our employees such as medical insurance for our foreign workers and confirmed employees who are attached to our corporate office and Balakong DC, and we contribute to statutory insurance schemes for all our employees. Our insurance policies are structured with appropriate specifications and insured limits, determined by assessing our exposure to the risk of loss and liability, insurance costs, applicable regulatory requirements and prevailing industry practices in Malaysia.

We conduct annual reviews of our insurance portfolio to ensure that our coverage remains adequate and aligned with the size of our business, the activities we conduct and the risks associated with our operations.

7.18 MAJOR LICENCES, PERMITS AND APPROVALS

We have various licences, permits and approvals for our operations. Details of our major licences, permits and approvals are set out in Annexure A of this Prospectus. Save as disclosed in Annexure A of this Prospectus, our business operations are not dependent on any major licence or permit.

7.19 INTERRUPTION TO OUR BUSINESS

Save as disclosed in Section 12.2.2 of this Prospectus in relation to the roll-out of our new warehouse management system at our Balakong DC, we did not experience any material disruptions to our business operations during the Financial Years Under Review and in the past 12 months preceding the date of this Prospectus.

7.20 MATERIAL PROPERTIES AND EQUIPMENT

Details of our material properties, whether owned or leased or tenanted, and our material equipment are set out in Annexure B of this Prospectus.

7.21 INTELLECTUAL PROPERTY AND TRADEMARKS

Save as disclosed in Annexure C of this Prospectus, our Group does not have any other licences, patents, trademarks, brand names, technical assistance agreements, franchises or other intellectual properties on which we are dependent.

7.22 LAWS AND REGULATIONS THAT GOVERN OUR INDUSTRY

(a) Food Act 1983 ("FA") and its subsidiary legislation

The FA and its related regulations, particularly the Food Regulations 1985, govern the quality and safety of food distributed in Malaysia, specifying the nature, substance and quality of items considered food. The Food Regulations 1985 also mandates that all food packages for sale be properly labelled, outlining general requirements and prohibitions regarding labels. Selling food which is not of the nature, substance or quality outlined in the FA or any regulation made under the FA is considered an offence, punishable by up to five years imprisonment or to a fine, or both. Additionally, selling food in a way that misrepresents 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 FA, is an offence, punishable by up to three years in prison or to a fine, or both.

(b) Control of Supplies Act 1961 ("CSA") and its subsidiary legislation

The CSA regulates the control and rationing of supplies in Malaysia. Pursuant to the CSA, stores must obtain a licence to sell controlled items. The Control of Supplies Regulations 1974, issued under the CSA, classifies certain goods such as wheat flour, sugar, cooking oil and liquefied petroleum gas as controlled articles. Both wholesale and retail sales of these controlled items are governed by the CSA. Anyone, including directors or officers of a body corporate, who fails to comply with the CSA commits an offence and, upon conviction, may face a fine of up to RM1 million or to imprisonment for up to three years or both. For a second or subsequent offence, the fine may increase to RM3 million or to imprisonment of up to five years or both. A body corporate found guilty of an offence under the CSA can be fined up to RM2 million, and for a second or subsequent offence, the fine may rise to RM5 million.

(c) Price Control and Anti-Profiteering Act 2011 ("PCAPA")

The PCAPA controls the prices of goods and charges for services, prohibits profiteering and provides for related and incidental matters. It is an offence under the PCAPA for anyone to sell or offer to sell price-controlled goods such as wheat flour, cooking oil, sugar and liquified petroleum gas, at prices that do not comply with those set by the MDTCL. Additionally, any individual engaged in business or trade who makes an unreasonably high profit from selling or supplying goods also commits an offence, with the MDTCL determining what constitutes an unreasonably high profit.

If a body corporate breaches these provisions of the PCAPA, it may be fined up to RM500,000 upon conviction, and up to RM1 million for a second or subsequent offence. A person who is not a body corporate may be fined up to RM100,000 or to imprisonment for a term not exceeding three years or to both. For a second or subsequent offence, the penalty increases to a fine up to RM250,000 or to imprisonment for a term not exceeding five years or to both.

7. BUSINESS OVERVIEW *(Cont'd)*

(d) Control of Padi and Rice Act 1994 ("CPRA") and its subsidiary legislation

The CPRA and its related regulations govern the paddy and rice industry in Malaysia. Under the Control of Padi and Rice (Licensing of Wholesalers and Retailers) Regulations 1996 ("**CPRR**"), individuals are prohibited from selling rice at wholesale or retail levels without a valid rice licence. The CPRR further restricts licensees from storing or keeping, or permitting to store or keep, any rice except at the business premises or stores specified in the licence and imposes a general duty not to hoard, conceal or destroy rice.

The CPRA provides that where a body corporate breaches the conditions or provisions, it may be fined up to RM25,000 upon conviction, and up to RM50,000 for repeat offences. Individuals, including directors or officers of a body corporate, who commits an offence or fails to comply may face a fine of up to RM15,000 or to imprisonment for up to two years or both. For subsequent offences, the penalty increases to a fine of up to RM25,000 or to imprisonment for up to five years, or both.

(e) EA1976 and its subsidiary legislation

The EA1976, together with its subsidiary legislation, governs the licensing framework for the manufacture, distribution and sale of excisable goods in Malaysia. In accordance with the EA1976, the sale of intoxicating liquor is prohibited unless the seller holds a valid licence issued by the Excise Licensing Board. An exception to this requirement applies to the retail sale of beer or toddy in sealed bottles or cans, which does not necessitate a licence.

Further regulatory provisions are set out under the Excise (Sale of Intoxicating Liquors) Regulations 1977, which prescribe the forms of liquor licences and set out regulations on the sale of liquors by retail shops and wholesale dealers. Among other stipulations, these regulations prohibit the sale or supply of intoxicating liquors to individuals under the age of 21 and restrict the retail sale of such liquors between the hours of 9.00 p.m. and 7.00 a.m..

Any person found selling intoxicating liquors otherwise than in accordance with a licence issued under the EA1976 shall be liable to a fine not exceeding RM50,000.

(f) Consumer Protection Act 1999 ("CPA") and its subsidiary legislation

The CPA serves as the principal legislation for safeguarding consumer rights in Malaysia. Pursuant to the CPA, the Consumer Protection (Safety Standards for Primary Batteries) Regulations 2013 and the Consumer Protection (Safety Standards for Toys) Regulations 2009 mandate that non-rechargeable batteries and toys must comply with the relevant prescribed safety standards.

As provided under the Consumer Protection (Certificate of Conformance and Conformity Mark and Safety Standards) Regulations 2010 ("**CPR 2010**"), suppliers and importers of toys and primary batteries are required to ensure that the goods have undergone testing by an accredited laboratory and meet the applicable safety requirements. In addition, these goods must bear the conformity mark as specified under the CPR 2010.

Failure to comply with these safety standards under the CPA constitutes an offence. A body corporate found guilty of such an offence is liable, upon conviction, to a fine not exceeding RM250,000, and in the case of a second or subsequent offence, to a fine not exceeding RM500,000. For individuals (non-body corporates), the penalty is a fine not exceeding RM100,000 or to imprisonment for a term not exceeding three years, or both; and for subsequent offences, a fine not exceeding RM250,000 or to imprisonment for a term not exceeding six years or both. Furthermore, both individuals and body corporates are subject to an additional fine not exceeding RM1,000 for each day or part thereof that the offence continues following conviction.

The Consumer Protection (Electronic Trade Transactions) Regulations 2024 ("**CPR 2024**") establishes mandatory disclosure requirements for individuals or entities conducting business via websites or online marketplaces.

Pursuant to the CPR 2024, such operators are required to provide, at a minimum, the following information: the name of the online marketplace supplier or company; the website address of the online marketplace; the supplier's email address and telephone number; the business or advertisement address through which goods or services are offered or promoted; a description of the main characteristics of the goods or services; the full price, inclusive of transportation costs, taxes, and any additional charges; the method of payment; applicable terms and conditions; the estimated delivery timeframe; and, where applicable, a certificate confirming that the goods or services comply with safety and health standards as prescribed by the relevant authority.

A person found to be in contravention of the CPR 2024 commits an offence and, upon conviction, as provided under the CPA, shall be liable to a fine not exceeding RM100,000 or imprisonment for a term not exceeding three years, or both, and for a second or subsequent offence, a fine not exceeding RM250,000 or to imprisonment for a term not exceeding six years, or both.

(g) Sale of Drugs Act 1952 ("SDA") and its subsidiary legislation

Under the SDA and the Control of Drugs and Cosmetics Regulations 1984 ("**CDCR**"), drugs include substances, products or articles intended or claimed to be used for medicinal purposes in humans or animals, whether internally or externally, including over-the-counter and traditional medicines. The manufacture, sale, supply, importation, possession or administration of such products is permitted only where the products are registered and the relevant parties hold the appropriate licences.

In addition, cosmetic products may only be manufactured, sold, supplied imported or administered if they comply with prescribed regulatory requirements, including notification to the Director of Pharmaceutical Services, proper authorisation to place the products on the market, compliance with applicable labelling directives or guidelines, and the absence of false or misleading labels, symbols or safety features, or cancelled notifications.

Any person who contravenes any of the provisions of the CDCR or any condition of any licence issued under or any condition subject to which a product is registered under these regulations commits an offence. As provided under the SDA, any person who commits an offence under the SDA or any related regulations under the SDA, where no specific penalty is provided, is liable upon conviction to a fine not exceeding RM25,000 or imprisonment for a term not exceeding three years, or both. For a second or subsequent offence, the penalty increases to a fine not exceeding RM50,000 or imprisonment for a term not exceeding five years, or both. In the case of a body corporate, the penalty is a fine not exceeding RM50,000, and for a second or subsequent offence, a fine not exceeding RM100,000.

(h) Electricity Supply Act 1990 ("ESA") and its subsidiary legislation

Importers, manufacturers, exhibitors, sellers and advertisers of electrical equipment such as adaptor ports, light bulbs and extension cords are required to obtain a Certificate of Approval from the Energy Commission of Malaysia ("**Energy Commission**"), in accordance with the Electricity Regulations 1994 ("**ER**") issued pursuant to the ESA. All regulated electrical equipment approved by the Energy Commission must be appropriately labelled or marked and shall do so in the manner determined by the Energy Commission.

Failure to obtain a Certificate of Approval where required may result in a fine not exceeding RM5,000 or to imprisonment for a term not exceeding one year or both, under the ER.

Furthermore, failure to comply with any codes, guidelines or directives issued by the Energy Commission may attract more severe penalties under the ESA, including a fine of up to RM200,000 or to imprisonment for a term not exceeding two years or both. In cases where the electrical equipment is determined to pose a risk of injury, the ESA provides for enhanced penalties of up to RM1 million or to imprisonment for a term not exceeding 10 years or both.

(i) Trade Descriptions Act 2011 ("TDA") and its subsidiary legislation

The TDA, enforced by the MDTCL, aims to safeguard both traders and consumers by promoting ethical trade practices and preventing deceptive conduct in the supply of goods and services. The TDA seeks to protect consumer interests by prohibiting false trade descriptions as well as misleading statements, actions and practices.

A body corporate found guilty of providing a false trade description commits an offence and, upon conviction, is liable to a fine not exceeding RM250,000. For a second or subsequent offence, the penalty may increase to a fine not exceeding RM500,000. In the case of an individual who is not a body corporate, the offence is punishable by a fine not exceeding RM100,000 or to imprisonment for a term not exceeding three years, or both. For repeat offences, the penalty increases to a fine not exceeding RM250,000 or to imprisonment for a term not exceeding five years, or both.

Similarly, a body corporate which is found to have made a misleading statement may be fined up to RM500,000 upon conviction, and up to RM1 million for a second or subsequent offence. An individual offender may be subject to a fine not exceeding RM250,000 or to imprisonment for a term not exceeding three years, or both, and in the case of a second or subsequent offence, to a fine not exceeding RM500,000 or to imprisonment for a term not exceeding five years, or both.

Non-medical face masks are defined as face coverings for the mouth and nose that are not classified as medical face masks under the Medical Device Act 2012. Under the Trade Descriptions (Certification and Marking of Non-Medical Face Mask) Order 2022, any person supplying or offering to supply non-medical face masks is required to obtain certification from the competent authorities. Such products must comply with the prescribed standards, be duly certified, display the official certification logo, and include clear information on the applicable certification standard on the product packaging.

Non-compliance constitutes an offence and, upon conviction, is subject to penalties. If the offender is a body corporate, the penalty is a fine of up to RM200,000, and for a second or subsequent offence, a fine of up to RM500,000. If the offender is not a body corporate, the penalty is a fine of up to RM100,000 or imprisonment for a term not exceeding three years or both, and for a second or subsequent offence, a fine of up to RM250,000 or imprisonment for a term not exceeding five years or both.

Under the Trade Descriptions (Certification and Marking of Electronic Cigarette Device) Order 2022, any person who supplies or offers to supply electronic cigarette devices or spare parts is required to obtain certification from the competent authority. Electronic cigarette devices, as defined under Malaysian Standard MS 2716 and provided by the Standard and Industrial Research Institute of Malaysia, are battery-powered devices that provide inhaled doses of non-nicotine substances through vapourised solutions, while spare parts refer to interchangeable components of such devices. Certified electronic cigarette devices and spare parts must comply with the prescribed marking requirements, including the affixing of the certification mark in a conspicuous manner on the product or its packaging.

Any person who fails to comply with the Certification and Marking of Electronic Cigarette Device Order commits an offence. A body corporate shall be liable to a fine not exceeding RM200,000, 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 three years or to both, and for a second or subsequent offence, be liable to a fine not exceeding RM250,000 or to imprisonment for a term not exceeding five years or to both.

(j) Communications and Multimedia Act 1998 ("CMA") and its subsidiary legislation

The CMA governs and regulates Malaysia's converging communications and multimedia industries. Regulation 14 of the Communications and Multimedia (Technical Standards) Regulations 2000 ("**CMTSR**") requires all communications equipment defined under Regulation 2 of the CMTSR to include network facilities, customer equipment and radiocommunications equipment, to be duly certified in accordance with prescribed technical standards.

Pursuant to Regulation 16 of the CMTSR, no person may use, offer for sale, sell, or possess with a view to sell any communications equipment that does not comply with the applicable standards, is not certified, has been altered or modified such that it no longer complies with the standards, or does not bear the required certification mark or label, unless authorised by the Malaysian Communications and Multimedia Commission. Any contravention of these requirements constitutes an offence and may, upon conviction, result in a fine of up to RM300,000, imprisonment for a term of up to three years, or both.

(k) PDPA and its subsidiary legislation

The PDPA regulates the processing of personal data in commercial transactions and requires any individual or corporate entity involved in processing personal data on behalf of a data controller to comply with the Personal Data Protection Principles. A company registered under PDPA, carrying on retail or wholesale dealing activities is recognised as a data controller under the Personal Data Protection (Class of Data Users) Order 2013.

Breaches of the PDPA is liable to a fine of up to RM1 million or to imprisonment for up to three years or to both. In addition, the PDPA requires the appointment of one or more data protection officers ("**DPO**") to ensure compliance. In this regard, the Guideline on the Appointment of Data Protection Officers issued by the Personal Data Protection Commissioner provides that a data controller or data processor must appoint one or more DPOs where the processing of personal data involves more than 20,000 data subjects, the processing of sensitive personal data (including financial information relating to more than 10,000 data subjects), or activities that require regular and systematic monitoring of personal data.

(l) Sales Tax Act 2018 ("STA")

Sales tax in Malaysia is a single-stage tax imposed on taxable goods imported into the country at the point of entry. "Taxable goods" refer to goods of a class or kind not exempted from sales tax. As a general principle, sales tax is levied on all imported goods unless specifically exempted.

Under the STA, any person who evades the payment of sales tax commits an offence and, upon conviction, shall be liable, in the case of a first offence, to a fine of not less than 10 times and not more than 20 times the amount of sales tax evaded, or to imprisonment for a term not exceeding five years, or to both. In the case of a second or subsequent offence, the penalty increases to a fine of not less than 20 times and not more than 40 times the amount of sales tax evaded, or to imprisonment for a term not exceeding seven years, or to both.

(m) MDA and its subsidiary regulations

The regulation of medical devices would fall under the MDA. Medical face masks, prophylactics, pregnancy tests kits, wound dressings, eye drops, contact lens solution and pain relief sprays fall under the definition of medical devices, as provided under the Medical Device Regulations 2012.

Under the MDA, it is a requirement that no medical device shall be imported, exported or placed in the market unless the medical device is registered under the MDA. Any person who fails to register the medical device shall be liable to a fine not exceeding RM200,000 or to imprisonment for a term not exceeding three years or to both.

(n) Weights and Measures Act 1972 ("WMA")

The WMA regulates the manufacture, repair, sale, attempt to sell, expose for sale and use of weights, measures and instruments for weighing or measuring. The WMA prohibits the manufacture, sale, attempt to sell, or expose for sale of any false or unjust weights, measures or weighing or measuring instruments, as well as the sale or offer for sale of any such instruments that are not duly verified, stamped, certified or otherwise authenticated in accordance with the WMA.

Persons who manufacture, repair for gain, or sell weights, measures or weighing or measuring instruments are required to be licensed under the WMA. In addition, any weights, measures or instruments used for trade must conform to prescribed patterns and specifications, or be approved by the Custodian of Weights and Measures and duly verified, stamped, certified or authenticated, prior to being used for trade.

Any person who contravenes these provisions shall be liable to a fine not exceeding RM40,000 or to imprisonment for a term not exceeding three years or to both. Any person who makes, sells or attempts to sell, or exposes for sale or repairs any weight or measure or instrument for weighing or measuring which he knows to be false in order that the same may be used as true or knowing that the same is likely to be used as true shall be liable to a fine not exceeding RM50,000 or to imprisonment for a term not exceeding four years or to both.

(o) Control of Smoking Products for Public Health Act 2024 ("Control of Smoking Act") and its subsidiary legislation

The Control of Smoking Act regulates tobacco products, smoking substances and substitute tobacco products, including their registration, sale, packaging and labelling, and prohibits the sale of regulated products and the provision of smoking-related services to minors. The Control of Smoking Products for Public Health (Control of Sale) Regulations 2024 further prohibit the display of tobacco products, except within specialised retail premises, where such products must not be visible from outside the premises and must be accompanied by prominently displayed warning notices at the point of sale.

Any individual who contravenes these provisions involving control of smoking may, for a first offence, be liable to a fine not exceeding RM20,000 or imprisonment for a term not exceeding one year, or both, and for a second or subsequent offence, to a fine of up to RM30,000 or imprisonment for a term not exceeding two years, or both. Where the offence is committed by a body corporate, penalties include a fine not less than RM20,000 and not exceeding RM100,000, or imprisonment for a term not exceeding two years, or both, and for a second or subsequent offence, a fine not less than RM50,000 and not exceeding RM300,000, or imprisonment for a term not exceeding three years, or both.

(p) National Kenaf and Tobacco Board Act 2009 ("NK&TB")

The National Kenaf and Tobacco Board Act 2009 establishes the National Kenaf and Tobacco Board of Malaysia to regulate, promote and develop the kenaf and tobacco industries in Malaysia. The NK&TB empowers the National Kenaf and Tobacco Board of Malaysia to formulate policies, implement development programs, conduct research as well as provide financial and technical assistance to industry players. It also governs the licensing, registration and control of activities related to the cultivation, processing and marketing of kenaf and tobacco.

Any person who distributes tobacco or tobacco products without a valid licence commits an offence and shall be liable to a fine not exceeding RM250,000 or to imprisonment for a term not exceeding three years or to both.

(q) Occupational Safety and Health Act 1994 ("OSHA")

Pursuant to the OSHA, employers are required to ensure, so far as is practicable, the safety, health and welfare of employees at the workplace, including by maintaining safe systems of work and plant operations, providing adequate information, instruction, training and supervision, and ensuring a working environment that is safe and without health risks. Employers and self-employed persons are also required to conduct their undertakings in a manner that ensures, so far as is practicable, that persons other than their employees are not exposed to risks to their safety or health.

Non-compliance with these general duties constitutes an offence and may result, upon conviction, in a fine not exceeding RM500,000 or imprisonment for a term not exceeding two years, or both. In addition, failure by an employer to appoint an occupational safety and health coordinator, or failure by an occupier of a workplace to appoint a competent safety and health officer where required, constitutes an offence and may result in a fine not exceeding RM50,000 or imprisonment not exceeding six months, or both.

(r) SDBA, Uniform Building By-laws 1984 ("UBBL") and Buildings Ordinance 1994 of Sarawak

SDBA

The SDBA, enforced by local authorities throughout Peninsular Malaysia, requires that a CCC or CF be obtained prior to the occupation of any building or part thereof.

Pursuant to the SDBA, the UBBL states that a CCC is issued by the principal submitting person. Under the UBBL, a submitting person refers to a qualified person who submits plans (other than building plans) to the local authority or relevant statutory authority, including any qualified person who subsequently assumes the duties and responsibilities of the original submitting person. The principal submitting person is responsible for ensuring that all technical conditions imposed by the local authority have been complied with, that all forms in respect of certifications prescribed under the UBBL have been duly certified and received, that all essential services have been provided, and for certifying that he has supervised the erection and completion of the building and that to the best of his knowledge and belief the building has been constructed and completed in accordance with the SDBA, the UBBL and the approved plans.

Any person who occupies or permits the occupation of a premises without a valid CCC or CF commits an offence under the SDBA and may, upon conviction, be liable to a fine not exceeding RM250,000 or to imprisonment for a term not exceeding ten years, or both.

Buildings Ordinance 1994 of Sarawak

In Sarawak, the issuance of an occupation permit which is equivalent to the CCC or CF in Peninsular Malaysia is regulated under the Buildings Ordinance 1994. Pursuant to the Fourth Schedule of the Buildings Ordinance 1994 which provides the Building By-Laws, no person shall occupy or allow any building to be occupied unless an occupation permit, partial occupation permit or temporary occupation permit has been duly issued for the building.

A person who occupies a building without the requisite permit commits an offence and, upon conviction, shall be liable to a fine not exceeding RM10,000. In the case of a continuing offence, the offender may be further liable to a fine not exceeding RM300 for each day the offence continues after a notice to cease occupation of the building has been served.

(s) Fire Services Act 1988 ("FSA")

The FSA governs the effective and efficient operations of the Fire and Rescue Department of Malaysia in safeguarding persons and property against the risks of fire and other emergencies. Among other provisions, the FSA requires that every designated premise shall require a fire certificate.

In the absence of a valid fire certificate, the owner of such premises may be subject to a fine not exceeding RM50,000 or to imprisonment for a term not exceeding five years, or both.

(t) Local Government Act 1976, Local Authorities Ordinance 1996 and Businesses, Professions and Trades Licensing Ordinance 1958 of Sarawak

Pursuant to the Local Government Act 1976, Local Authorities Ordinance 1996 of Sarawak and Businesses, Professions and Trades Licensing Ordinance 1958 of Sarawak and the relevant by-laws of the respective local councils and authorities, it is a requirement for stores to obtain and maintain valid business and signboard/advertising licences. These licences must be displayed at the store premises and produced upon request by the relevant authorities.

By-laws of the respective local councils require business premises licences to be obtained in order to conduct business activities and advertisement licences to be obtained for signboards.

Under the Local Government Act 1976, a local authority may, under bylaw, rule or regulation prescribe for the breach of any by-law, rule or regulation a fine not exceeding RM2,000 or a term of imprisonment not exceeding one year or both such fine and imprisonment and in the case of a continuing offence a sum not exceeding RM200 for each day during which such offence is continued after conviction. Furthermore, any person who fails to exhibit or produce the required licences at the premises commits an offence and, upon conviction, shall be liable to a fine not exceeding RM500 or imprisonment for a term not exceeding six months, or both.

Under the Local Authorities Ordinance 1996 of Sarawak, a local authority may, under bylaw, prescribe for the breach of any by-law a fine not exceeding RM5,000 or a term of imprisonment not exceeding one year or both such fine and imprisonment and in the case of a continuing offence a sum not exceeding RM200 for each day during which such offence is continued after conviction. Furthermore, any person who fails to exhibit or to produce such licence acquired in some prominent place on the licensed premise shall be guilty of an offence. Under the Local Authorities Ordinance 1996 of Sarawak, a general penalty of RM2,000 will be imposed upon conviction.

In Sarawak, the Businesses, Professions and Trades Licensing Ordinance 1958 further provides that any person who, whether alone or in partnership or association with others, and whether as principal, agent or manager, or in any other capacity, conducts a business without a valid business licence shall be subject to an absolute fine of RM1,000. The Local Authorities (Advertisements) By-Laws 2012 additionally impose a fine of up to RM5,000 or to imprisonment for a term not exceeding six months for failure to obtain a signboard licence. For a continuing offence, a further fine not exceeding RM200 for each day during which the offence continues shall be imposed.

(u) National Land Code 2020

The National Land Code 2020 governs land matters in Peninsular Malaysia, where our material properties are located. Under the National Land Code 2020, the State Authority may alienate land subject to such express conditions and restrictions in interest as it deems appropriate at the time of approval for alienation. All conditions and restrictions in interest imposed must be endorsed on, or referenced in, the document of title relating to the land.

(v) Employment Act 1955 ("EA1955"), Labour Ordinance 1958 of Sarawak, National Wages Consultative Council Act 2011 and Employment (Part-Time Employees) Regulations 2010

The EA1955 governs employment contracts between employers and employees in Peninsular Malaysia and the Federal Territory of Labuan, while the Labour Ordinance 1958 regulates labour laws in Sarawak.

In relation to foreign nationals, the EA1955 stipulates that employers must obtain prior approval from the Director General of Labour before employing foreign nationals. Failure to comply constitutes an offence, and upon conviction, the employer is liable to a fine not exceeding RM100,000 or to imprisonment for a term not exceeding five years, or both.

Where no specific penalty is prescribed for an offence under the EA1955, a general penalty provision applies. Under this provision, an offender shall, upon conviction, be liable to a fine not exceeding RM50,000.

The Labour Ordinance 1958 states that no person shall employ any non-resident employee unless he has obtained from the director a licence to employ non-resident employee. Failure to comply constitutes an offence, and upon conviction, the person shall be liable to a fine not exceeding RM50,000 or to imprisonment for one year or to both.

Additionally, under the National Wages Consultative Council Act 2011, an employer who fails to pay the minimum basic wages as prescribed in the Minimum Wages Order commits an offence and, upon conviction, is liable to a fine not exceeding RM10,000 for each affected employee. Pursuant to the Minimum Wages Order 2024, from 1 August 2025, the minimum monthly wage rate is RM1,700. Additionally, employers engaged in professional activities as classified under the Malaysia Standard Classification of Occupations 2020 are required to comply with the RM1,700 minimum monthly wage, irrespective of their number of employees.

Furthermore, the Employment (Part-Time Employees) Regulations 2010 govern matters relating to overtime pay, public holidays, annual leave, sick leave and rest days for part-time employees. Any employer who fails to comply with these regulations commits an offence and, upon conviction, shall be liable to a fine not exceeding RM10,000.

(w) Employees' Minimum Standards of Housing, Accommodations and Amenities Act 1990 ("Employees' Accommodation Act") and its subsidiary legislation

The Employees' Accommodations Act sets out, among other matters, the minimum standards for employee accommodations and centralised accommodations, and mandates employers to provide health, hospital, medical and social amenities for employees.

The Employees' Accommodations Act places a duty on employers or centralised accommodation providers to ensure, among others, that: (i) all accommodations provided comply with the minimum standards prescribed under the Employees' Accommodation Act and its subsidiary regulations; (ii) no employee is housed in accommodation unless a Certificate for Accommodation ("**CFA**") has been obtained; (iii) accommodations deemed unfit for human habitation under the relevant laws are not used; (iv) adequate and decent amenities are provided in accordance with the Employees' Accommodation Act and regulations; (v) necessary preventive measures are undertaken to ensure employees' safety and welfare; (vi) employees receive appropriate medical assistance; and (vii) measures are taken to prevent the spread of infectious diseases, including arranging, at the employer's expense, for immunisation of employees when so directed by the Medical Officer of Health.

Further, the Employees' Minimum Standards of Housing, Accommodations and Amenities (Accommodation and Centralized Accommodation) Regulations 2020 ("**Employees' Accommodation Regulations**") set forth detailed requirements, including minimum floor area standards for bedrooms and sleeping spaces, as well as obligations to provide uninterrupted water and electricity supplies and to ensure access to basic amenities, which must not be shared where specified.

Any employer who fails to comply with the Employees' Accommodation Regulations commits an offence and any centralised accommodation provider who fails to comply shall be liable to a fine not exceeding RM1,000 or to imprisonment for a term not exceeding six months or to both. Under the Employees' Accommodation Act**,** an employer who fails to obtain a CFA commits an offence and, upon conviction, is liable to a fine not exceeding RM50,000. A centralised accommodation provider who fails to obtain a CFA shall be liable to a fine not exceeding RM50,000 or to imprisonment not exceeding one year or to both.

(x) Immigration Act 1959/63 and the Immigration Regulations 1963 ("IA")

The Immigration Act 1959/63 governs the entry, stay and departure of persons into and out of Malaysia. It sets out the legal framework for immigration control, including requirements for visas, passes, and permits for non-citizens. Any person who employs one or more persons, other than a citizen or a holder of an entry permit who is not in possession of a valid pass shall be guilty of an offence and shall, on conviction, be liable to a fine of not less than RM10,000 and not exceeding RM50,000 or to imprisonment for a term not exceeding 12 months, or to both, for each such employee. Where the offence involves the employment of more than five individuals without valid passes, the offender shall be liable, upon conviction, to imprisonment for a term of not less than six months and not exceeding five years, and shall also be subject to whipping of not more than six strokes.

Additionally, any person who contravenes the conditions attached to a pass or permit issued under the Immigration Regulations 1963 commits an offence and, upon conviction, shall be liable to imprisonment for a term not exceeding six months or to a fine not exceeding RM1,000, or both.

7.23 NON-COMPLIANCES WITH THE RELEVANT LAWS, REGULATIONS, RULES AND REQUIREMENTS GOVERNING THE CONDUCT OF OUR GROUP

Save as disclosed below, there is no material breach of the relevant laws, regulations, rules and requirements governing the conduct of the business of our Group, including compliance of property assets owned or tenanted by our Group.

7.23.1 Store CCC Non-Compliances

As at the LPD, 39 out of 1,106 our stores (or 3.5%) have not been issued with the required CCC or PPK (as applicable) or do not have the documentary evidence of CCC having been issued. All of the affected stores are tenanted from third party landlords, with the majority of them (26 out of 39) located in Kuala Lumpur and Selangor.

Status as at the LPD

We have been advised by our appointed architect that we may apply for a PPK from DBKL to comply with the SDBA and any by-laws under the SDBA. The submission of building plan to the relevant local council's building department, along with confirmation of compliance with fire safety regulations by Bomba as required under the PPK applications, is deemed equivalent to a CCC application.

The PPK applications will be submitted by a Principal Submitting Person (as defined in the SDBA), who is a registered professional architect or engineer, providing confirmation that the property unit is safe for occupation.

As at the LPD, we have taken the necessary steps to apply for the CCC or PPK (as applicable) for 33 affected stores on behalf of the respective landlords, as follows:

No.	Location of the affected stores	Requisite approval to be obtained for occupation of building	Total stores without the requisite approval	Submitted applications	Remaining application(s) to be submitted
1.	Affected stores located within Kuala Lumpur	PPK[(1)(2)]	20	19	1
2.	Affected stores located in other states of Peninsular Malaysia	CCC[(2)]	16	11	5
3.	Affected stores Located in Sarawak	CCC[(2)]	3	3	-
			39	**33**	**6**

Notes:

(1) Where required and as directed by the relevant local council, our Company will obtain a CCC for the affected stores.

(2) Where required, the issuance of a CCC is preceded by the submission of building plan.

We will continue to engage with the local councils to resolve and address the outstanding non-compliances in accordance with the directions of the local councils after the submission of the PPK and CCC applications, while closely monitoring the

progress of these applications. At the same time, we are also actively following up with the landlords of the affected stores to obtain copies of the CCC.

We aim to submit the applications for the remaining six stores (representing 0.5% of 1,106 stores as at the LPD) by the first quarter of 2027. However, the progress of these applications will depend on the landlord's availability to approve and confirm on the submission documents and other relevant information. In particular, certain ownership documents, including the titles to the relevant properties, are currently pending receipt and may not yet be available or may still be in the process of perfection of transfer. As the PPK or CCC applications can only be submitted upon completion of the required supporting documentation, any delay in obtaining the such documents from the respective landlords may consequently delay the submission of the PPK or CCC applications. We expect to receive both the PPK for all the 19 affected stores located within the jurisdiction of DBKL and the CCC for the 14 affected stores not located outside the purview of DBKL that have submitted the applications to obtain the PPK or the CCC by end of 2026. For the remaining six stores, we expect to receive the PPK or CCC by first half of 2027.

We might not be able to obtain the CCC or its equivalent for all the affected stores in a timely manner due to, among others, delay by the authorities in inspecting the stores and in the event the authorities should require us to provide additional documentation. Notwithstanding these issues, we will continue to take the necessary steps to address the above matter. If we are unable to obtain the CCC or its equivalent for any of the affected stores within a reasonable timeframe or fail to make progress in our applications to the local councils, we will relocate these stores to new sites that already have the CCC. The estimated timeframe required for the relocation of each affected store is approximately two to six months from the site implementation and licence applications to store opening, while the estimated relocation cost for each affected store is approximately RM0.1 million as we have an internal team to facilitate and carry out the relocation works, and as we are able to re-use the existing store fittings.

The status of any remaining non-compliance will be disclosed in our annual report.

Impact to the business operations or financial condition of our Group

In Peninsular Malaysia, Section 70(27)(f) of the SDBA states that any person who occupies or permits to be occupied any building or any part thereof without a certificate of completion and compliance, shall be liable on conviction to a fine not exceeding RM250,000 or imprisonment for a term not exceeding 10 years or both. In Sarawak, Section 24 of the Fourth Schedule of the Buildings Ordinance 1994 of Sarawak states that any person who occupies or permits to be occupied any building or any part thereof without an occupation permit commits an offence and shall on conviction, be liable to a fine not exceeding RM10,000 and in the case of a continuing offence, to a further fine not exceeding RM300 for every day during which the offence continues after notice to cease occupying the building has been issued on such person. The estimated cost of compliance is approximately RM0.3 million.

However, this non-compliance is not expected to have a material adverse impact on the business operations and financial condition of our Group after taking into consideration the following:

(i) all of the affected stores are located within shoplots or are part of larger developments. None of the affected stores are standalone buildings. All the properties have already been provided with utility connections and assessment rates for all these properties have been duly imposed by the local councils, suggesting that the development of the buildings have been confirmed by the relevant technical agencies (such as Tenaga Nasional Berhad and Indah Water Konsortium Sdn Bhd) and met the essential compliance requirements. Typically, *Jabatan Penilaian dan Perkhidmatan Harta* determines the assessment rates for newly constructed properties based on the approved building plan deposited with the local councils. Accordingly, the architects appointed by us have confirmed that obtaining the PPK or CCC is a procedural formality for us to obtain documentary evidences of compliance and permission for occupation;

(ii) while the combined revenue contribution from the 39 affected stores accounted for 4.4% of our gross revenue generated by our stores for the FYE 30 June 2026, each of the affected stores' revenue contribution, on average, is less than 0.2% of our revenue for the same period, with individual store contributions ranging from 0.04% to 0.21% of our revenue for the same period;

(iii) we have initiated the PPK or CCC application for 33 stores. For the six remaining applications to be submitted, the combined revenue contribution from these six affected stores is only 0.7% of our revenue for the FYE 30 June 2026. Once the application is submitted, the authorities would typically not close down the store due to the reasons as set out in item (i) above. Additionally, all the 39 affected stores have a valid business licence and signboard licence;

(iv) the impact of the total estimated costs for the Store CCC Non-Compliance (which includes the estimated cost of compliance and potential maximum penalty) as a percentage of our Group's PBT for the FYE 30 June 2026 is 1.4%;

(v) in the event of enforcement, we believe that the local authorities may first issue a notice requiring us to submit the necessary applications before imposing any fines or penalties. We are confident that we will meet the required timeline given that we are already in the process of preparing these applications; and

(vi) simultaneous enforcement on all the affected stores which have yet to submit the necessary applications, which could result in forced closure of all the affected stores, is remote and the risk is spread out as these stores are under the ambit of different local councils.

7.23.2 Overall financial impact of the outstanding non-compliances as at the LPD

The table below summarises the total estimated cost of compliance (including potential maximum penalties applicable) relating to the non-compliances as set out in Section 7.23.1 of this Prospectus that are pending rectification as at the LPD:

Summary description of non-compliance	**Estimated rectification costs (A)**	**Potential maximum penalty (B)**	**Total estimated costs (C) = (A) + (B)**	**% of our Group's PBT for the FYE 30 June 2026**
	RM'000	**RM'000**	**RM'000**	**%**
Operating in premises without CCC or its equivalent	298	1,614	1,912	1.4

The total estimated rectification costs for the abovementioned non-compliances of approximately RM0.3 million will not have a material adverse impact on the financial condition of our Group as it represents approximately 0.2% of our Group's PBT for the FYE 30 June 2026.

The total potential maximum penalties for the abovementioned non-compliance is approximately RM1.6 million (representing approximately 1.2% of our Group's PBT for the FYE 30 June 2026). Notwithstanding the above, we are of the view that it is unlikely that the potential maximum penalties for the said non-compliances to be imposed simultaneously, as the non-compliances are under the ambit of different local councils. In the event of enforcement, we are of the view that the local councils may grant a rectification period prior to imposing any penalties. For information purposes only, the past fines and/or penalties imposed by the local councils for operating in premises without CCC or its equivalent ranged between RM50 and RM4,000 per store.

For the avoidance of doubt, as at the LPD, there are no actions, penalties or fines imposed by any regulatory authorities on our Group in respect of the abovementioned non-compliances, save for the total penalties amounting to approximately RM0.2 million imposed by the relevant local councils for submitting the CCC/PPK application for our stores post completion of renovation pursuant to Section 70(14) of the SDBA, as part of our rectification steps to address the non-compliances relating to our stores.

Notwithstanding the above, certain of the non-compliances may remain unresolved at the time of our Listing. Our Directors undertake to continue to make the necessary applications and/or engage with the local councils to resolve and address the outstanding non-compliances in accordance with the directions of the local councils after our Listing. We will update our shareholders on the status of the outstanding non-compliances in our annual report.

7.23.3 Past non-compliances

In addition to the above, there have been instances of past non-compliances, all of which have been rectified as at the LPD, as summarised below:

(a) CCC non-compliance in respect of the Desa Petaling Storage House

We do not possess the CCC for the tenanted equipment storage premises located in Taman Desa Petaling, Kuala Lumpur, which is used as a storage for store and office equipment, including racking systems, freezers, chillers and air conditioning units ("**Desa Petaling Storage House**").

The architects and consultants appointed by us have, on behalf of our Company, applied for a development order, namely the planning permission approval from DBKL to regularise the use of the building as a temporary warehouse. The development order was obtained on 20 February 2026. Subsequently, an application under the category of building plan approval for a minor building works permit (i.e. PPK) for the Desa Petaling Storage House was submitted on 17 March 2026. The building plan was subsequently approved by DBKL via its letter dated 15 May 2026 and the PPK was issued to us on 5 June 2026. As part of the compliance requirements for the PPK, the building plan for the Desa Petaling Storage House was submitted to Bomba on 9 April 2026. We have obtained the Bomba approval on 20 October 2026.

We do not have any plans to obtain a CCC for the Desa Petaling Storage House which is tenanted by us as the building was not intended for permanent use. The Desa Petaling Storage House is mainly used for storage of fixed assets and other non-inventory items, rather than goods required for the day-to-day operations of our stores. We intend to relocate the Desa Petaling Storage House upon the relocation of our Balakong DC to a larger facility within the Klang Valley by the end of 2027.

(b) Stores without business and signboard licence

During the FYE 30 June 2025, one store was opened while its business and signboard licence application was still under review by the relevant authority. Additionally, there were six stores in Sarawak that did not have signboard licences. However, all such licences have been obtained as at the LPD. Following this, we implemented a SOP prohibiting the opening of any store prior to the issuance of the requisite business and signboard licence.

There have also been instances where the business and signboard licences of certain stores were not renewed in a timely manner, notwithstanding that the renewal applications had been submitted to the relevant local councils prior to their expiry. Such delays in renewal by the respective local councils are administrative in nature, and we do not foresee any issues with the renewal of these licences. For instance, the business and signboard licence for one store in Klang (out of our 996 stores as at 28 February 2026) had expired and had yet to be renewed as at 28 February 2026, despite the renewal application having been submitted to Majlis Bandaraya Diraja Klang ("**MBDK**") prior to its expiry. The renewed business and signboard licence was only obtained from MBDK on 7 April 2026.

This past non-compliance did not have a material adverse impact on our business operations and financial condition as the penalties paid by our Group for the FYE 30 June 2024, FYE 30 June 2025 and FYE 30 June 2026 amounted to approximately RM0.06 million, RM0.02 million and RM7,308 respectively, representing less than 0.05% of our PBT for the respective financial years and the penalties paid by our Group from 1 July 2026 up to the LPD amounted to RM1,250.

(c) Fire certificate for our Balakong DC

Following the acquisition of our Balakong DC Assets as part of the restructuring exercise undertaken by KKSMST, KKSMST has taken over the tenancy of our Balakong DC on 10 March 2025. As the fire certificate of our Balakong DC had expired, KKSMST has engaged a consultant to assist in applying for and obtaining a new fire certificate for the property. On 11 July 2025, KKSMST had obtained the fire certificate issued by Bomba, which is valid from 11 July 2025 to 10 July 2026 and was later renewed from 6 July 2026 to 5 July 2027.

As at the LPD, there were no fines and penalties imposed on our Group arising from this past non-compliance.

(d) Lapses in workers' accommodation requirements

We provide accommodation for our foreign employees. As at 31 May 2025, eight out of 51 of our hostels did not have a valid COA. To comply with the relevant provisions of the Employees' Accommodation Act, we have either (i) relocated our employees to dormitories with a valid COA where we have entered into tenancy agreements with the service providers or (ii) applied and obtained the requisite COAs for our Group's hostels prior to accommodating our employees in such hostels. Accordingly, as at the LPD, we operate 27 hostels with valid COAs and engage third-party service providers for 23 dormitories with valid COAs.

This past non-compliance did not have a material adverse impact on our business operations and financial condition as the penalties paid by our Group for the FYE 30 June 2025 amounted to RM0.10 million, representing approximately 0.08% of our PBT for the FYE 30 June 2025. There were no penalties imposed for the FYE 30 June 2024 and FYE 30 June 2026.

(e) Sale of liquor without a valid licence and sale of liquor during prohibited hours

As at the LPD, we have ceased all non-compliances related to the sale of liquor without a valid licence and sale of liquor during prohibited hours, both of which are in contravention of the EA1976. We have addressed the non-compliances by ceasing the sale of liquor or by submitting liquor licence applications for the relevant stores to sell liquor, and implementing measures to ensure timely renewals, thereby ensuring that all stores engaged in the sale of liquor are in possession of valid licences. We have also taken measures to ensure that the sale of liquor is not conducted during prohibited hours whereby our POS system will not allow any sale transaction of liquor to be conducted during the prohibited hours.

This past non-compliance did not have a material adverse impact on our business operations and financial condition as the penalties paid by our Group for the FYE 30 June 2024 and FYE 30 June 2025 amounted to RM0.04 million and RM0.02 million respectively, representing approximately less than 0.03% of our PBT for the Financial Years under Review. There were no penalties imposed for the FYE 30 June 2026.

(f) Product related non-compliances and other non-compliances related to the operation of our stores

There were a number of products such as cigarettes, tobacco products, electronic cigarettes, electrical equipment, toys, F&B, medical devices, rice and controlled goods such as sugar, oil and wheat flour which were previously sold at our stores which did not comply with the applicable laws ("**Non-Compliant Products**"), through a group-wide review conducted by us, we identified a number of products that were sold at our stores which did not comply with the relevant regulatory requirements.

Following the review, we have ceased the purchase and sales of such non-compliant products that were identified at that point of time and have sourced from other suppliers that supply similar products that meet the relevant registrations and/or certifications.

Additionally, for cigarettes, tobacco products or electronic cigarettes, we have implemented an SOP requiring that any display in our stores of such cigarettes, tobacco products or electronic cigarettes (including advertisements) requires prior approval from our purchasing department.

There were also a number of non-compliances related to some of the stores which have been rectified as at the LPD. For example:

(i) Five-foot way licence

There were past instances of non-compliances where some stores did not have a valid licence to display goods and place items at the five-foot way as required under the SDBA. Subsequently, our Group has removed such goods and items at the five-foot way and implemented measures to ensure timely renewals of our licences in relation to the display of goods and placement of items at the five-foot way, thereby ensuring that all stores using the five-foot way are in possession of valid licences.

(ii) Certificate of registration issued by the Personal Data Protection Commissioner ("**Certificate of PDP Registration**")

There were past instances of non-compliance where certain stores did not have a store-specific Certificate of PDP Registration as required under the PDPA. Our Group has obtained the store-specific Certificates of PDP Registration for the affected stores, and implemented measures to ensure all the new stores will have their store-specific Certificate of PDP Registration.

Further, we are, from time to time, subject to regulatory inspections by relevant authorities in relation to the compliance with the products sold at our stores. See Section 5.1.2 of this Prospectus for further details on past regulatory inspections by the authorities, the non-compliance identified from such inspections and the regulatory actions being taken by the authorities. For example, our Group has recently paid a fine of RM20,000 each for four cases heard in the Court in relation to contraventions of the Control of Smoking Act, the Control of Smoking Products for Public Health (Control of Sale) Regulations 2024 and/or the Control of Smoking Products for Public Health (Packaging and Labelling) Regulations 2024. Such contraventions, which occurred in July 2025 and December 2025, were related to the advertising of smoking products that are in breach of the applicable laws and regulations, as well as the sale of smoking products without the prescribed health warning images and the failure to display warning signs prohibiting the sale of tobacco products to persons below 18 years of age in accordance with the latest specific format or display rules.

As the relevant legislation was subject to updates, with the Control of Smoking Act only coming into effect in October 2025, additional time was required to address its requirements. Nonetheless, we have since enhanced our internal processes by implementing and revising the relevant SOPs to prevent recurrence of such non-compliances.

These past non-compliances did not have a material adverse impact on our business operations and financial condition as the penalties paid by our Group for the FYE 30 June 2024, FYE 30 June 2025 and FYE 30 June 2026 amounted to approximately RM0.08 million, RM0.17 million and RM0.14 million respectively, representing less than 0.15% of our PBT for the respective financial years and the penalties paid by our Group from 1 July 2026 up to the LPD amounted to RM0.03 million.

(g) Data Protection Officer

There was a past non-compliance in relation to Section 12A of the PDPA where a data controller shall appoint one or more data protection officers who shall be accountable to the data controller for the compliance with the PDPA. We have since appointed a data protection officer.

As at the LPD, there were no fines and penalties imposed on our Group arising from this past non-compliance.

(h) Overtime work hours

We have, in the past, failed to observe employees' overtime work hours, resulting in instances where total overtime exceeded the maximum limit allowable under the EA1955. As at the LPD, an overtime policy has been implemented to ensure that its practices align with the applicable limit under the EA1955. Under this policy, overtime claims will be limited to 35 hours per month for each Shop Assistant, 45 hours per month for each Assistant Supervisor and 60 hours per month for each Supervisor. The Senior Field Managers and Field Managers for the respective stores will ensure strict adherence to the overtime policy, monitor overtime hours regularly and take corrective actions promptly to prevent any future incidents of exceeding the allowable overtime limits.

As at the LPD, there were no fines and penalties imposed on our Group arising from this past non-compliance except in one instance in July 2025, in respect of which we received a summons dated 7 October 2026 from the Department of Labour Peninsular Malaysia amounting to RM3,000 for failure to pay an employee the wages due for work performed on a public holiday at the rate prescribed under the EA 1955. The non-compliance arose from an inadvertent oversight on the part of our Company and was an isolated instance, with no other employees affected. At the material time, the relevant store used a manual punch card system for attendance tracking and payroll processing. The affected employee's attendance on a public holiday was inadvertently not recorded, resulting in the corresponding wage payment not being made.

Since September 2025, our Group has implemented a system-based attendance recording mechanism and supplemented by additional verification checks by the operations and human resource payroll departments to enhance the accuracy of attendance records and payroll calculations and minimise the risk of recurrence.

(i) Statutory wage payment requirements

There were past instances where certain employees were paid their salaries in cash at their request due to bank remittances being rejected for various reasons, including outdated passport information for foreign workers or the freezing of local employees' bank accounts, as well as the payment of salaries and overtime allowances in cash to employees who had tendered their resignation. This practice contravenes the EA1955, which requires that wages be paid directly into a bank account maintained in the employee's name with a licensed financial institution, unless written approval is obtained from the Director General, Department of Labour Peninsular Malaysia ("**Director General of Labour**") for alternative payment methods.

We have rectified the above non-compliance by adopting the use of Touch 'n Go eWallet, a third-party platform approved by the Director General of Labour for digital wage payment, for payment of salaries to the affected employees. Accordingly, we have discontinued the practice of making salary payments in cash.

As at the LPD, there were no fines and penalties imposed on our Group arising from this past non-compliance.

(j) Establishment of safety and health committees, and appointment of SHE Coordinators, for our headquarters and Balakong DC and our stores (as applicable)

We have a past non-compliance in relation to Section 30(1) of the OSHA which requires every employer to establish a safety and health committee at the place of work in accordance with this section if there are 40 or more persons employed at the place of work, or if the Director General directs the establishment of such a committee at the place of work. As at the LPD, we have rectified the non-compliance by establishing a safety and health committee at both our headquarters and Balakong DC respectively.

Further, Section 29A(1) of the OSHA provides that an employer whose place of work is not required to have a safe and health officer shall appoint one of his employees to act as a safety and health coordinator ("**SHE Coordinator**") if he employs five or more employees at his place of work. We have formalised the appointments of the SHE Coordinators for our Balakong DC, headquarters and all our stores and such appointments do not require the approval of Department of Occupational Safety and Health. As part of our Group's ongoing competency development initiatives, some of our appointed SHE Coordinators have undergone internal training conducted by our safety and health officer while the remaining appointed SHE Coordinators are anticipated to complete the internal training by the first half of 2027.

As at the LPD, there were no fines and penalties imposed on our Group arising from this past non-compliance.

(k) Foreign workers performing cashier role and employment composition requirement under DBKL's licence condition

(i) Foreign workers performing cashier role

In the past, some foreign workers sometimes undertook the role or duties of a cashier at our stores, which fell outside their approved scope of work and is therefore prohibited under the IA.

This situation primarily arose due to operational constraints, particularly at stores where there is only one local employee working alongside foreign workers during each shift. Under the EA1955, all employees including local and foreign workers are entitled to rest or meal breaks during their shifts. Accordingly, during the rest hours or meal breaks, and in cases where the local employee was absent due to sudden medical leave, foreign workers temporarily stepped in to carry out cashier functions.

This past non-compliance did not have a material adverse impact on our business operations and financial condition as the penalties paid by our Group for the FYE 30 June 2024 and FYE 30 June 2025 amounted to RM3,050 and RM0.02 million respectively, representing approximately less than 0.01% of our PBT for the respective financial years. There were no penalties imposed for the FYE 30 June 2026 while the penalties paid by our Group from 1 July 2026 up to the LPD amounted to RM300.

(ii) Employment composition requirements under DBKL licence conditions

In the past, some stores located in Kuala Lumpur did not comply with the applicable employment composition requirement imposed under their respective business licences issued by DBKL. The licence conditions prescribed that employees at the premises must comprise 50% citizen and 50% non-citizen holding valid work permits. In some locations however, the proportion of foreign workers exceeded the 50% threshold which therefore contravened the Licensing of Trades, Businesses and Industries (Federal Territory of Kuala Lumpur) By-Laws 2016. However, as at the LPD, all business licences issued by DBKL no longer require employees at the premises to comprise 50% citizen and 50% non-citizen. Accordingly, we are no longer required to limit the proportion of non-citizens employed at our stores under DBKL's jurisdiction to 50% when determining workforce composition and shift staffing. Nevertheless, these stores will not be staffed entirely by non-citizen as the restriction on foreign works performing cashier roles continues to apply.

As at the LPD, there were no fines and penalties imposed on our Group arising from this past non-compliance.

We have rectified the above non-compliances by implementing an SOP governing workforce composition and shift staffing requirements. Under this SOP, every shift: (i) must comprise at least two local employees; and (ii) must not allow a foreign worker to work alone at each store. This SOP is fully implemented as at the LPD.

To further enhance operational efficiency and compliance, a centralised workforce management system has been established to monitor and manage staffing levels across all stores. This digital platform provides real-time visibility into workforce operational continuity.

In the event of unforeseen manpower shortages, such as sudden medical leave or resignation of local employees, the Field Manager will transfer employees from other stores to ensure that no store is left operating with only one foreign worker. This contingency plan is communicated to all relevant personnel to facilitate swift and effective responses. Furthermore, regular briefings are conducted to educate the headquarters employees and management on compliance requirements, the SOPs and the importance of adhering to staffing protocols.

We have implemented measures to prevent foreign workers from performing cashier duties by disabling non-local identification credentials from being used at POS systems at the checkout counters of all our stores. In addition, our KPI Review Team, which is a dedicated and independent team, is tasked with conducting unannounced store evaluations to assess store performance and compliance) and our CCTV monitoring team at its headquarters will also be conducting periodic inspections to verify that only local staff are performing cashier roles and any non-compliances will be reported to the operation team for immediate action. This monitoring serves as an additional control to prevent any recurrence.

Our Group has a total of 5,128 employees working at our stores, of whom only 675 (or 13.2%) are foreign workers as at the LPD. All foreign workers employed by our Group have valid work permits and are currently residing in valid dormitories with COA as at the LPD.

Premised on the above, the abovementioned past non-compliances have not resulted in any material adverse effect on our business, financial condition and results of operations.

7.23.4 Steps taken to rectify the non-compliances and prevent recurrence of such non-compliances

The non-compliances in the past were primarily attributable to weaknesses in our Group's internal control framework. In readiness for our Listing, our Group has undertaken a comprehensive transformation programme to strengthen governance, enhance oversight, and instil a more robust compliance culture across our entire Group.

We have strategically strengthened our leadership team through the appointment of key senior management personnel with extensive and relevant industry experience, including among others a Chief Financial Officer, Chief Digital Officer and Chief Operating Officer (Retail Innovation & Human Capital) for our Group between 2022 and 2025. These individuals bring deep sector-specific expertise to ensure continuous monitoring and the execution of effective internal controls and compliance mechanisms across our Group's operations going forward.

Under the leadership of our Key Senior Management, we endeavour to fully comply with the applicable laws, rules and regulations in respect of our real properties and our business operations, we have taken the following initiatives to rectify the non-compliances mentioned in Sections 7.23.1 to 7.23.4 of this Prospectus. Below sets out specific SOPs to address and to prevent the recurrence of the non-compliances. For example:

Type of non-compliance	SOP established and compliance status
CCC	For the real properties of our Group, we will only purchase real properties with CCC in place prior to the signing of any sales and purchase agreement(s). For tenanted properties, we will endeavour to select properties with CCC in place prior to entering into tenancy agreement(s) with any landlord. In the event of scarcity of shop lots with CCC in place for rent, we will proceed to enter into tenancy agreement(s) with landlords but will assist the landlord to obtain the CCC or equivalent such as PPK or temporary building permit before commencing tenancy of said property. We have implemented this SOP with effect from 1 December 2025. Subsequent to this and up to the LPD, there has been no recurrence of non-compliance relating to CCC.
Business and signboard licence	We have implemented an SOP requiring a valid business and signboard licence prior to the opening of any store, with effect from 15 January 2026. Subsequent to this and up to the LPD, no new stores have been opened without the requisite business and signboard licence. For the renewal of business and signboard licences, our renewal process is to submit the renewal applications to the respective local council at least 60 days before the expiry date (where possible) and will follow up closely with the respective local council to ensure timely approval. However, we may face delays in renewing the business and signboard licences. See Section 5.1.2 of this Prospectus for further details.
Workers' accommodation	We will only permit employees to stay at our Group's own hostels with valid COA and dormitories with valid COA provided by service providers, with effect from 4 February 2026. Subsequent to this and up to the LPD, there are no employees occupying any of our hostels without a valid COA.

Type of non-compliance	SOP established and compliance status
Product-related non-compliances and other non-compliances related to the stores	With effect from 29 January 2026, we will only purchase products from suppliers whose products bear the required certifications or conformity marks, ensuring compliance with relevant safety, quality assurance standards and applicable requirements. Additionally, suppliers must submit supporting documents evidencing product compliance upon onboarding and provide updated documentation periodically to verify their certification status. Any compounds or penalties imposed on us arising from non-compliance by the suppliers are generally recoverable from the suppliers. With effect from 15 January 2026, we have also implemented measures to ensure the sale of products which require specific licences have a valid licence and ensure timely renewals of such licences, thereby ensuring that all stores that are selling such products are in possession of valid licences. We will cease selling products which require specific licence if the store does not have a valid licence for the product. We will also not place any items at the five-footway unless there is a valid licence. Additionally, for cigarettes, tobacco products and electronic cigarettes, we have implemented an SOP requiring that any display of cigarettes, tobacco products and electronic cigarettes (including advertisements) in our stores requires prior approval from our purchasing department. We have implemented this SOP with effect from 1 October 2025. However, as a convenience mart and grocery retailer, we are subject to routine inspections and visits by various regulatory authorities at our stores, either as part of their standard regulatory oversight or following complaints received. The authorities may also do follow-up inspections following issuance of summons or directions, particularly in cases involving the closure of stores. As a result, we have previously been imposed with fines/penalties in relation to, among others, expired and damaged goods, non-compliant product labelling, non-compliant display, advertising and sale of smoking products, failure to display no-smoking warnings as well as failure to display or maintain valid Operating Licenses as elaborated in Section 5.1.2 of this Prospectus. The fines/penalties imposed for such non-compliances range from RM200 to RM20,000 per incident. The total amount of penalties imposed with regards to products and stores related non-compliances during the Financial Years under Review was approximately RM0.4 million.

Type of non-compliance	SOP established and compliance status
	Notwithstanding the training conducted to promote our internal best practices and implementation of various SOPs, we may continue to encounter instances of the abovementioned non-compliances at the store level and for our products, primarily attributable to operational lapses, including human errors in day-to-day stock handling and inconsistencies in the application of internal control procedures across our stores, as well as non-compliance by our suppliers over which we have limited control over their products' quality and labelling. In this regard, there have been recurrences of similar non-compliances with regards to products and stores such as expired and damaged goods, non-compliant labelling of products manufactured by our suppliers including instances where suppliers have altered or updated product packaging and labelling without prior notification to us, resulting in the products no longer meeting applicable regulatory labelling requirements, as well as non-compliant display, advertising and sale of smoking products. Other than non-compliances as described above which are incidental in nature and arise in the ordinary course of our business (with fines/penalties ranging from RM200 to RM20,000 per incident), there has been no other recurrence of non-compliances with regards to our products and stores. For information purposes, the total fines/penalties between the period from 1 July 2026 up to the LPD amounted to approximately RM0.03 million in aggregate. The aggregate penalties incurred for such non-compliances during the Financial Years under Review and up to the LPD are not material and have not had any material impact on our Group's business operations and financial condition. Additionally, we have not identified any instances of supplier non-compliance in relation to product compliance (including Halal certification) save for non-compliance with the product labelling requirements, in respect of which compounds have been imposed on the suppliers. Notwithstanding, we have, subsequent to the LPD, further enhanced our SOP to include, among others, (1) block products from being ordered if the relevant certifications provided by the suppliers have expired and (2) conduct periodic labelling check for all our products to ensure compliance with the labelling requirements prescribed under the applicable regulations such as the Food Regulations 1985 and Control of Smoking Products for Public Health (Packaging and Labelling) Regulations 2024. In addition, for any changes to product packaging, suppliers are required to submit product samples with the revised packaging for prior approval by our purchasing department before distributing such products to our stores. We have also implemented measures to enhance our internal control system in order to prevent the recurrence of such non-compliances as described below.

Type of non-compliance	SOP established and compliance status
Non-compliance with work scope as stated in the work permits and employment composition requirements	With effect from 19 January 2026, every shift must comprise (i) at least two local employees; and (ii) must not allow a foreign worker to work alone at each store. Additionally, to comply with the employment composition requirement imposed under the business licence issued by DBKL, we will ensure that none of the stores located within the jurisdiction of DBKL has more than 50% of our employees as foreign nationals. Additionally, with the shift staffing requirements and by disabling non-local identification credentials from being used at POS systems at the checkout counters, foreign workers are restricted from carrying out cashier functions. Subsequent to the implementation of this SOP, one store had received a compound for the amount of RM500 due to a foreign worker undertaking cashier functions. At the time of the inspection by the relevant authorities, two local employees scheduled for the morning shift were unexpectedly unavailable for work. The field manager subsequently arranged for a replacement worker from a nearby store to be deployed to the affected store, However, instead of remaining at the store until the replacement worker arrived, the local employee from the night shift left the store without logging out of the POS system. As a result, the foreign worker carried out cashier functions using the local employee's POS system identification credentials. The replacement worker arrived approximately half an hour after the inspection.

Further, we had implemented the following measures to enhance our internal control system in order to prevent the recurrence of such non-compliances:

(a) established our Sustainability and Risk Management Committee on 22 September 2025, which comprising a majority of Independent Non-Executive Directors. The Sustainability and Risk Management Committee's terms of reference includes overseeing our Group's compliance framework to prevent recurrence and future non-compliance incidents by ensuring the infrastructure, resources and systems are in place and are adequate for risk management, and that processes for the identification, measurement and analysis, reporting and mitigation of risks are in place;

(b) seek professional advice and assistance from independent internal control consultants, legal advisers and/or other appropriate independent professional advisers, where necessary, with respect to matters related to the adequacy and effectiveness of the internal controls and compliance as well as risk management systems of our Group, and for updates on the applicable laws related to the business operations of our Group. We will also engage professionals where necessary to provide training to the Directors and employees of our Group to ensure they have a clear understanding of matters related to our Group's internal controls and compliance and seek continuous improvement of our Group's policies and processes implementation;

(c) to strengthen compliance oversight, our Group's management team holds regular meetings where compliance matters are reviewed and addressed. We have also established a compliance management committee ("**CMC**") on 11 February 2026 which is responsible for monitoring and overseeing our Group's regulatory compliance matters including the compliance with licensing, certificates and approvals for the businesses and operations of our Group and to ensure that non-compliance incidents are adequately investigated and that issues are reported to the appropriate parties in a timely manner. The CMC is chaired by our Group Managing Director, with the Chief Financial Officer, Chief Commercial Officer, Chief Digital Officer, Chief Operating Officers and Legal & Compliance Manager as members. Personnel across departments and functions in our Group are responsible for overseeing department-specific statutory and regulation compliance obligation and implementing the relevant controls. Any identified or suspected non-compliance must be reported to the respective heads of department for escalation to the CMC. The CMC reports on identified compliance obligation breaches, remediation action plan and its implementation status to the Sustainability and Risk Management Committee on a quarterly basis. Currently, the Legal Manager serves as the secretary of the CMC and is responsible for driving and coordinating compliance processes, and ensuring alignment with the relevant regulatory requirements and identifying any potential significant changes in the external statutory or regulatory requirements as and when necessary.

Beginning from July 2026, our Group will further enhance the activation plan of the CMC to ensure key compliance matters are reviewed, tracked and addressed in a more structured manner. The CMC will convene on a monthly basis to review key issues, pending matters and recurring non-compliance across the following focus areas:

(a) operations compliance, including expired products, missing price labels, pest issues, cleanliness, store SOP issues and repeated store non-compliance;

(b) licensing compliance, including business licences, signboard licences, local council licence certificate display or renewal, CCC, COA and other authority-related approvals;

(c) HR or manpower compliance, including foreign worker permits, matters relating to the Department of Labour Peninsular Malaysia and industrial court matters; and

(d) legal or summons register, including summonses, compounds, notices and authority letters.

The CMC will act as a central monitoring platform for summonses, compounds and notices issued by the regulatory authorities ("**Regulatory Summonses**"). It will be responsible for reviewing all Regulatory Summonses to identify recurrent non-compliance issues, analysing the root causes of such non-compliances and recommending preventive actions (such as conducting refresher courses, implementing regular senior field manager and supervisor briefings, and issuing SOP reminders) or enhancements to processes and procedures across all stores and headquarters functions; and

(d) implemented a centralised store licence and permit management system to track, maintain and monitor the validity and renewal status of all licences and permits required for its business operations, including CCC, product-specific licences and foreign worker work permits, ensuring compliance with applicable regulatory requirements. The system incorporates automated alerts to notify responsible personnel of upcoming expiries, enabling timely renewals and mitigating the risk of non-compliance or operational disruption. It also allows authorised users to update licence information, upload supporting documents and monitor licence statuses in real time, with escalation triggers in place to ensure prompt remedial action in the event of any lapse.

Our Board is of the view that the steps taken by our Group to rectify the non-compliances and to enhance our internal control system will be effective in minimising the recurrence of the instances of the non-compliances of our Group in the future and in ensuring compliance by our Group on an on-going basis.

7.23.5 The Socks Incident and Sandwich Incident arising from product compliance lapses that generate negative publicity

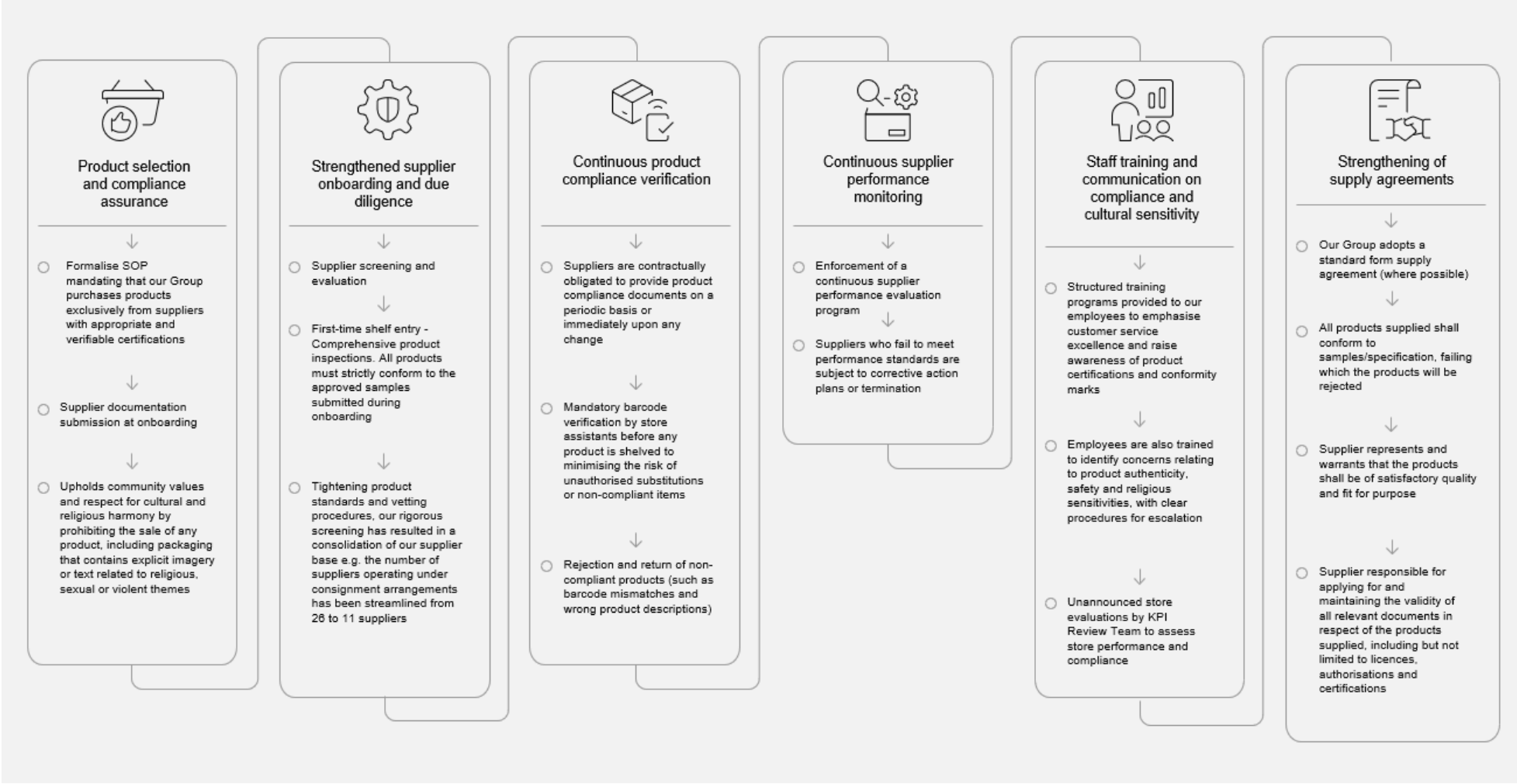
We have encountered the following lapses in product compliance that generated negative publicity surrounding our Group, products and stores:

(a) In the case of the Socks Incident, we had immediately expressed deep regrets and issued a public apology for the incident. In a press release dated 13 March 2024, we stated that the socks had been supplied on a consignment basis and that we had not intentionally chosen to offer such products for sale and had withdrawn the remaining available stock of those products from our stores. Later, three of our stores in Perak, Pahang and Sarawak were targeted with petrol bombs. However, there was no major loss to our stores. On 15 July 2024, we paid a fine of RM60,000 pursuant to Section 298 of the Penal Code for intentionally wounding the religious feelings of others pursuant to a Shah Alam Sessions Court (BA-62-36-03/2024) order dated 15 July 2024;

(b) In the case of the Sandwich Incident, a customer raised concerns about the veracity of the Halal labelling, which escalated into our Group's product offerings generally, being in question. As a result, two stores on the Universiti Malaya campus were temporarily closed by the university following these concerns, but have since resumed operations. Both the JAKIM and MDTCL have conducted investigations on this matter. JAKIM subsequently issued a public statement confirming that the product did not have a valid Halal certification at the time. The manufacturer of the product did not hold a valid Halal certificate at the relevant time and as such, the company's act of printing the Halal logo on the product label constituted an offence under the Trade Descriptions Act 2011, namely Trade Descriptions (Certification And Marking Of Halal) Order 2011. As at the LPD, we have not been imposed with any fines, penalties or claims from JAKIM and MDTCL in connection with the past sales of the ham and cheese sandwiches and there are no legal proceedings against KKSMST or DSKK in respect of the same;

7. BUSINESS OVERVIEW *(Cont'd)*

In view of the above, our Group has taken the following steps to enhance our internal control processes in product compliance:



(a) Product selection and compliance assurance

On 22 August 2025, our Group formalised an SOP mandating that we purchase products exclusively from suppliers with the appropriate and verifiable certifications such as Halal certification or conformity marks relevant to the product category. This SOP aligns our Group's procurement activities with regulatory standards and consumer expectations, thereby minimising risks related to product authenticity and compliance.

Our Group also requires all suppliers to submit comprehensive and verifiable documentation confirming product compliance at the point of onboarding. This includes product specifications, conformity certifications, such as Halal certificates (where applicable) and labelling information.

While we sell certain cultural and household goods such as candles and incense that are commonly used for prayers, we strictly uphold community values and ensure respect for cultural and religious harmony by prohibiting the sale of any product, including its packaging or labelling, that contains explicit imagery or text related to religious, sexual or violent themes.

As at the LPD, our Group sells non-Halal F&B products such as liquor but does not sell any non-Halal F&B products that contain pork or lard.

(b) Strengthened supplier onboarding and due diligence

Our Group has enhanced our supplier onboarding process to ensure a more robust oversight over our supply chain from the outset. All prospective suppliers are subjected to a screening process that rigorously evaluates their credibility, based on matters such as company profile, list of existing customers and compliance with applicable laws, including strict adherence to product certification standards such as Halal certification.

Our Group's purchasing department performs comprehensive product inspections to ensure that all products strictly conform to the approved samples submitted during the onboarding. This process helps to maintain product authenticity, quality and appropriateness prior to being made available for sale on the shelves of our stores.

As part of a supply chain risk mitigation strategy, our Group has tightened our processes to ensure products purchased from the suppliers meet our standards, especially consignment products. This has consolidated our supplier base, reducing the number of suppliers operating under consignment arrangements from 26 suppliers to 11 suppliers. Our Group's initiative streamlines our supply chain operations, enhances product traceability and hence, mitigates the risks associated with a wider supplier base.

To reinforce these efforts, on 22 August 2025, our Group formalised an SOP mandating procurement exclusively from suppliers whose products carry valid and verifiable certifications or conformity marks, where relevant, including but not limited to Halal certification for F&B products.

(c) Continuous product compliance verification

On 22 August 2025, our Group formalised an SOP mandating that suppliers are also contractually obligated to update the product compliance documents submitted to us during onboarding on a periodic basis or immediately upon any change in product composition, labelling or certification status. We conduct monthly reviews on the validity and renewal status of all our suppliers' product certifications and request updated documentation from suppliers when such certifications are nearing expiry. If a supplier fails to provide the renewed certification prior to its expiry date, we will cease procuring the relevant products until the renewed certification is provided. We will also cease the sales of the relevant products and delist them from our shelves if the renewed certification is not provided within three months from the expiry date.

To further reinforce product integrity, as opposed to previous practice where our consignment suppliers restocked products at their allocated shelves themselves, a mandatory barcode verification process must be conducted by our store assistants before any product is shelved, thereby minimising the risk of unauthorised substitutions or non-compliant items being placed in our stores.

Where discrepancies are identified such as barcode mismatches and wrong product descriptions, these products will be rejected and returned immediately or quarantined for sending back to our suppliers. This approach ensures that only verified and contractually compliant products reach our stores, reinforcing our Group's commitment to regulatory compliance, brand integrity and consumer trust.

(d) On-going supplier performance monitoring

Once suppliers are onboarded, our Group enforces an ongoing systematic supplier performance evaluation program which was formalised on 1 January 2026. This program encompasses a comprehensive set of criteria including delivery timeliness, product quality, validity of certifications and any non-compliances in matters relating to cultural and religious harmony as well as compliance with legal and ethical standards. Suppliers who fail to meet these stringent performance standards are subject to corrective action plans or risk being phased out of our supply chain.

(e) Staff training and communication on compliance and cultural sensitivity

Our Group recognises that well-trained and vigilant staff are critical to maintaining product integrity, compliance and consumer trust. To this end, we have since 3 March 2026 implemented the following measures:

(i) structured training programmes for all our store employees, specifically targeting Supervisors and Field Managers. New training modules have been introduced to emphasise customer service excellence and raise awareness of product certifications and conformity marks, such as Halal certification. Staff are trained to identify concerns relating to product authenticity, safety and religious sensitivities, with clear procedures for escalation. Completion of these trainings is mandatory and refresher trainings are conducted periodically to reinforce awareness. Training attendance and completion are formally tracked to ensure full compliance, with non-completion escalated to our Group's operations department for follow-up.

In addition, ad-hoc online training sessions are conducted to provide timely updates on new initiatives, operational enhancements and compliance requirements. For example, our Group has sent employees from its procurement, customer service, operations, training and corporate management divisions to participate in the Basic Halal Industry Course conducted by the Halal Development Corporation, focusing on Halal certification processes, relevant regulatory requirements and their role in strengthening compliance awareness.

(ii) a dedicated and independent team is tasked with conducting unannounced store evaluations to assess store performance and compliance ("**KPI Review Team**"). Our KPI Review Team assigns a score to each store based on criteria such as customer service, cleanliness, planogram adherence, inventory and stock control compliance and, general store compliance and maintenance. This store-level grading is then consolidated to evaluate the performance of Operation Regional Managers and Senior Field Managers. The performance findings are discussed at the weekly operations meetings and key trends are escalated to our senior management team on a quarterly basis. Stores that fail to meet the required standards are required to implement a corrective action plan within a stipulated timeline and may be disqualified from certain employee incentives or benefits until compliance standards are met. Follow-up reviews are conducted to verify rectification and ensure continuous compliance.

(f) Strengthening of the supply agreement

Our Group has, since 28 October 2021, adopted a standard form supply agreement to be executed by all its suppliers, save for suppliers who utilise their own standard form supply agreements. Our Group's standard form supply agreement has been updated as at the LPD and provides, inter alia, for the following:

(i) all products supplied and delivered by the supplier shall conform to the samples and/or specifications provided by the supplier, failing which we shall, at its discretion, be entitled to reject such products;

(ii) the supplier represents and warrants that the products shall be of satisfactory quality, free from defects in design, manufacture, materials and workmanship are merchantable, and are fully fit for their intended purpose for the duration specified under the applicable warranty;

(iii) the supplier shall be solely responsible for applying for and maintaining the validity of all relevant documents in respect of the products supplied, including but not limited to licences, authorisations and certificates. In the event that any such document becomes invalid, the supplier shall immediately notify us and promptly withdraw the affected products from our stores and Balakong DC;

(iv) the supplier shall, upon request by KKSMST, promptly furnish evidence of compliance with all applicable laws and regulations; and

(v) the supplier shall indemnify our Group against any losses or damages arising from the supplier's non-compliance with applicable laws and regulations governing, among others, the manufacture, labelling, packaging, displaying and sale of the products, including the failure to obtain, maintain or comply with all the necessary certifications, approvals, permits, licenses, exemptions, endorsements and registrations, where applicable.

Further, our Group has also sent notification letters to remind our existing suppliers to always comply with all applicable laws and regulations.

Through these enhanced internal controls and adherence to best practices in supply chain management and product compliance, our Group has developed a comprehensive governance framework. This framework is designed to mitigate risks, uphold regulatory and cultural standards.

7.24 MATERIAL DEPENDENCY ON COMMERCIAL CONTRACTS, AGREEMENTS OR OTHER ARRANGEMENTS

As at the LPD, there are no commercial contracts, agreements, other arrangements or other matters entered into by or issued to us which we are materially dependent on, and which are material to our business and profitability.

7.25 HEALTH AND SAFETY MATTERS

We value the health of our employees and place great emphasis on the safety of our employees at our headquarters, our DC and our stores. All new employees are briefed on our health and safety policy and we carry out an in-house training to ensure a safe working environment for our employees. All our employees are further expected to follow the SOPs that have been put in place, in order to minimise any risk to both employees and customers.

Our employees are trained in the procedures to be followed in the event of any accidents at any of our locations. We promote good hygiene practices and we encourage our employees to use safety equipment and report any unsafe conditions immediately to our Company.

As evidence of our ongoing commitment, we have established a dedicated Safety, Health & Environmental ("**SHE**") department and a SHE committee to oversee and continuously improve our SHE-related policies and initiatives. Our SHE department and committee oversee and ensure that our Group's ESG strategy is sufficiently robust and measurable in accordance with the applicable sustainability standards. In addition, we have appointed a safety and health manager who is responsible for overseeing SHE controls across our Group.

7.26 ENVIRONMENTAL, SOCIAL AND GOVERNANCE

We are committed to operating in an environmentally and socially responsible manner, recognising the importance of sustainability for the long-term well-being of our communities and our business. To evidence our commitment to carrying out our business in line with key ESG principles, we have developed a Sustainability Policy to align our sustainability efforts with our strategic objectives, to foster a culture of accountability and integrity, to promote transparency, and to contribute to the long-term well-being of our business and our stakeholders.

7.26.1 Environmental

We strive to be an environmentally efficient and responsible organisation. As our business is not highly energy or resource-intensive, we are working towards inculcating a culture of being more sustainable, responsible, and resource-efficient in our business operations. Our key approaches towards managing our impact on the environment, are as follows:

(a) Managing our environmental footprint

We aim to monitor and measure the overall environmental impact across our operations, aligning with broader environmental goals. We have started regularly monitoring the energy consumption and the monthly electricity and other utility bills across our network of stores. Moving forward, we intend to implement systems which may be able to detect abnormal energy spikes, and to utilise analytics to assist us in managing consumption so that we may be more targeted in our energy initiatives. To measure our progress, we will be collecting, consolidating, and reviewing the electricity bills from our entire network of stores. A centralised database will be built for comparison, trend analysis, and benchmarking against historical usage. This monitoring system will enable continuous monitoring and drives accountability for energy performance across different stores.

(b) Optimising resource use

As most of our stores operate 24 hours daily, our electricity consumption is significant. To ensure more efficient utilisation of energy, one of our key initiatives is the adoption of energy-efficient light-emitting diodes ("**LED**"), replacing incandescent bulbs across our operations. Stores have also been progressively retrofitted with LED signage, and we have been systematically upgrading our chillers from R22 to R410 ratings, thus reducing our energy consumption. We have also optimised energy use in different stores by limiting the operating hours of air conditioners, track lights, LED at counters and at can-drink chillers during non-peak hours, either between 12.00 a.m. to 8.00 a.m. or 2.00 a.m. to 8.00 a.m. depending on the store locations. We have started progressively installing solar panels to generate clean, renewable energy for our stores. Solar panels have been installed at five stores which are our owned properties, as at the LPD, and we target to install solar panels at a total of 30 stores by the end of 2027, with an estimated total capital expenditure of RM1.05 million (RM35,000 per store). The installation will be subject to us obtaining the necessary consent or approval from the respective landlords. As at the LPD, we have obtained consent for four stores and are currently engaging with the respective landlords to obtain the necessary consent for the remaining stores.

For all new stores, we are using signboards with dusk-to-dawn sensors, a light-sensitive device that automatically turns outdoor lights on at dusk (when it gets dark) and off at dawn (when it gets light) while in old stores we are limiting the operating hours of signboard display lights between 8.00 a.m. to 7.00 p.m.. In addition, further enhancements include integrating fans beneath air conditioners to improve airflow and cooling efficiency. At our Balakong DC, the open-wall design of our DC enhances natural airflow, reducing dependence on mechanical ventilation or fans. At our headquarters, we prioritise good indoor air quality and a comfortable working environment by regulating temperature and humidity through ventilation, as well as integrating fans beneath air conditioners to improve airflow and cooling efficiency at reduced energy levels. We have started progressively installing inverter air conditioners in our stores. Inverter air conditioners have been installed at five stores as at the LPD, and we target to install inverter air conditioners at a total of 20 stores by the end of 2027, with estimated capital expenditure of RM232,800 (RM11,640 per store). The installation of inverter air conditioners does not require the consent or approval of the relevant landlords. Looking ahead, we also intend to introduce other more energy-efficient models of chillers and freezers commencing at the end of 2026. These upgrades are expected to contribute to a reduction in our Group's carbon footprint. To complement this, we will conduct training for our employees on energy-saving best practices, including the incorporation of time-based "on" and "off" controls into store employees' daily checklists.

(c) Minimising waste and promoting circularity

Since 2024, we have introduced the "Say No to Plastic Bags" campaign across our stores in Malaysia to promote a zero-plastic lifestyle and to reduce waste from our Group's significant volume of daily transactions. To encourage adoption, we have offered for sale, our KK Eco Bags, available in two sizes (XL and S), both at a nominal price of only RM1.00 per KK Eco Bag. These bags come with a lifetime exchange policy, allowing customers to exchange damaged bags with new ones at any of our stores. The initiative is aligned with the agenda announced by the Minister for Natural Resources, Environment, and Climate Change, which targets a nationwide ban on plastic bags across all retail sectors by 2025.

We have also put in place a systematic waste recovery process across our DC and stores. Recyclable materials such as cardboard, corrugated boxes, and cling wrap are collected from our stores and headquarters, consolidated at our DC, and handed over to licensed recyclers. We also work with waste management partners to collect and recycle equipment scraps (including air conditioning units, IT equipment, iron, cooling boxes, and other materials) by dismantling and segregating them for proper recycling. Our partners also handle food waste from expired products, damaged packaging, non-returnable goods, and damaged pallet wood from our stores and DC. To ensure secure disposal of sensitive documents, we engage a certified data destruction company to shred hardcopy records, with all shredded paper then recycled. In addition, we collaborate with our suppliers to return expired products for proper treatment or disposal through their own waste management processes.

(d) Embracing responsible logistics

In alignment with Malaysia's Nationally Determined Contribution (NDC) and the global goal to achieve net-zero emissions by 2050, we are committed to reducing our environmental footprint through responsible logistics practices. To this end, we have optimised our fuel consumption and improved fleet efficiency while reducing unnecessary detours and idle mileage through route planning and optimised loading practices, such as maximising lorry space utilisation and minimising the number of trips required.

7.26.2 Social

We prioritise the nurturing of relationships and we foster the development of our human capital, encompassing both employees and wider stakeholders. Our commitment covers areas such as community engagement, health and safety, and the pursuit of product and service excellence.

Our key principles in this area include:

(a) Upholding fair labour practices and respect

To adhere to ethical standards in our treatment of all individuals, ensuring fairness, dignity, and respect in all our employment practices. Our initiatives include (i) communicating labour policies, complaint procedures and employee rights in the employee handbook, onboarding materials internal memos and training sessions; (ii) regularly reviewing our human resource policies to ensure they remain in line with national labour legislation; and (iii) benchmarking wages against industry standards and ensuring transparent and equitable compensation structures.

(b) Fostering an inclusive and equitable workplace

As the operator of one of the largest Malaysian convenience mart chains, our presence extends nationwide, including in small towns and suburban areas where employment opportunities may be limited. We are committed to creating positive socio-economic impact by prioritising recruitment from within local communities. We also work with established job-seeking platforms, ensuring accessible opportunities for jobseekers to explore careers within our Group. We ensure non-discrimination in our recruitment practices, offering equal employment opportunities regardless of gender, race, or religion.

(c) Promoting a safe and healthy environment

We are committed to fostering a workplace that is free from any manifestation of discrimination, harassment or offensive behaviour. We strongly believe that every employee should be treated equally and with the utmost respect, irrespective of their race, religion, age, gender, sexual orientation, disability or citizenship status. This commitment extends to ensuring fair labour practices and a respectful work environment across all levels of the organisation. To support this, designated personnel contact details are available at every store and at our DC, enabling employees to seek immediate assistance whenever needed. For example, our Group Response Team (Pasukan Keselamatan Waktu Malam) who are on duty at all times to respond to any reports of emergency, break-in or any other security issues from our stores. Employees are regularly engaged through training sessions and internal memos on labour rights and human resource policies. Visual reminders and posters are placed across our stores, DC and headquarters to reinforce the importance of ethical conduct in daily operations.

Looking ahead, we aim to further strengthen two-way communication channels between employees, HR and management, ensuring that employees feel heard, respected, and valued. To achieve this, we have established a whistleblowing channel, enabling the confidential and anonymous reporting of serious concerns, including unethical or inappropriate behaviour. Together, these mechanisms reinforce our commitment to promoting a safe and healthy environment.

(d) Investing in employee growth and development

We value the continuous learning and growth of our employees by providing opportunities for skill development and career advancement including providing opportunities for our employees to attend public training or in-house training relevant to their respective departments, both in general terms as well as training which is more targeted, depending on the particular skillsets required for different work functions. These training initiatives are tailored to employees' respective roles and cover key areas such as customer service and communication skills, fair and respectful engagement with diverse customer groups, emergency and incident handling procedures, expiry date awareness and product rotation practices to minimise wastage, as well as customer relationship management and complaint handling.

(e) Striving for customer satisfaction

We are committed to ensuring that every service interaction is carried out with professionalism, efficiency, and care. To achieve this, we have established a comprehensive set of measures: (i) providing excellent customer service by training and empowering store employees to respond to customer inquiries with professionalism and resolve complaints with a positive attitude; (ii) monitoring and addressing comments from customers on our stores from different platforms, such as through emails, phone calls, WhatsApp chat, social media and our customer careline. All insights are systematically documented and analysed to identify recurring issues and store-level misconduct. This process enables prompt targeted interventions such as surprise evaluations and corrective measures; (iii) ensuring a seamless transaction and shopping experience for customers, by offering a wide range of payment methods, with employees trained to handle all systems proficiently; (iv) optimising and standardising store layout to ensure it is customer-friendly and easy to navigate, ensuring that customers can find what they need quickly and easily; (v) implementing a loyalty programme that rewards repeat customers with exclusive offers, discounts or redeemable points for future purchases; (vi) training DC and store employees to inspect packaging and product conditions for damage or expiry with clear steps for escalation or disposal; and (vii) implementing random internal audits of shelf stock to ensure compliance and reinforce the importance of daily checks.

(f) Engaging with local communities

We collaborate with our local communities through various initiatives to build lasting partnerships and achieve collective growth and shared prosperity including but not limited to: (i) designing annual corporate social responsibility ("**CSR**") initiatives aligned with community needs; and (ii) co-creating marketing campaigns with community leaders especially during festive periods or as part of our CSR initiatives.

In 2025, we joined the Malaysia Clean Day initiative by KPKT, partnering with a local non-governmental organisation ("**NGO**") to run a community recycling drive under our employee volunteer programme. The event brought together 300 participants, including our head office and store staff, NGO volunteers, and local residents, who contributed recyclables and learned proper recycling practices through NGO-led sessions. This initiative marks an important step in embedding environmental responsibility within our workforce and within the local community and in strengthening our collective contribution to sustainable practices. In conjunction with Malaysia Clean Day 2026, we worked together with Yayasan Waqaf Pendidikan Anak Yatim Atau Miskin Malaysia (YAWATIM) and the children of Rumah Kasih Harmoni, Paya Jaras to carry out a community cleanup activity. A total of 40 volunteers and 80 children from Rumah Kasih Harmoni participated in the initiative, which included painting, tree planting, cleaning activities, and the improvement of the facilities and surroundings of the orphanage.

We demonstrate our commitment to community engagement by providing practical support to local communities, both directly, through company-led initiatives and also in collaboration with government agencies and NGOs. Our efforts include responding to natural disasters like floods, fires, and landslides, as well as providing aid during the COVID-19 pandemic, such as distributing RM100 essential goods baskets, masks, and hygiene supplies, and supporting community programmes such as the Gerobok Muhibbah at Masjid Jamek Sultan Abdul Samad, Kuala Lumpur and Bait Al-Mahabbah at Masjid Putrajaya by donating food supplies to the mosques, which will then distribute the food to underprivileged members of the community.

Since 2016, we have actively supported the well-being of our surrounding community in all the areas in which we operate, assisting vulnerable groups such as orphans, senior citizens, underprivileged families, persons with disabilities (PWDs), retired police officers, and military veterans. Our support comes in many forms through essential items, Food Bank contributions, and targeted programmes. We support NGOs such as National Cancer Society of Malaysia, Ti-Ratana Welfare Society, Persatuan Keluarga Polis Malaysia and local community groups, as well as student-focused initiatives like Universiti Malaya off-campus assistance, Universiti Kebangsaan Malaysia Fit & Fun 2025 and Xiamen University Malaysia Funtopia 2025. Collaborating with government programmes such as Payung Rahmah, MyKasih 2025 and Bakul Rahmah, we help vulnerable communities nationwide. Our annual BB Charity Programme in Bukit Bintang, organised with The Kuala Lumpur Chinese Assembly Hall, distributes goodies and red packet (ang pao) to around 1,800 orphans, elderly, homeless, single mothers, and PWDs, exemplifying our long-term community engagement. In March 2025, we participated in the "Infaq Ramadan" initiative with universities, NGOs, and mosques, supporting activities such as sponsoring student bus tickets for Hari Raya, hosting iftar events, and providing groceries to students in need. In addition, we aim to collaborate with NGOs to raise community awareness of dementia by providing financial support, supporting awareness talks, and conducting visits to relevant centres.

In March 2026, together with TMAS Sdn Bhd, we prepared and distributed a total of 1,500 containers of bubur lambuk. From cooking and packaging to distribution, the entire process was carried out together as a team. The containers of food were distributed to Kompleks Darul Kifayah MAIWP, Masjid Ibnu Khaldun in Pekan Sungai Besi, the MEX Highway Operations Division and to members of the Auxiliary Police Unit and the users and passengers of Terminal Bersepadu Selatan (TBS). In July 2026, we contributed essential equipment (including a food processor, microwave oven, food blender, hand mixer, coffee containers, jugs, etc.) to the Hospital Rehabilitasi Cheras to support and facilitate the hospital's daily operations. We also presented school bags to all 30 children receiving treatment at the Hospital Rehabilitasi Cheras. More recently, we collaborated with the Persatuan Ibu Bapa Dan Guru of SMK Seri Saujana to contribute essential items to students from underprivileged families through two distribution sessions held in August 2026 and September 2026, to help ease the financial burden of the students' families while encouraging the students to continue pursuing their education, develop their potential and strive towards achieving their dreams. In addition, as part of the Behind the Scenes of Dementia Campaign, we worked together with H-Care Universiti Kebangsaan Malaysia for two briefing sessions in August 2026 and September 2026 held at our headquarters, which provided valuable information and insights to the participants comprising members of the public and our employees.

We use the opportunity of festive seasons to extend our support to those in need and bring joy and relief to underprivileged groups by contributions of food supplies, festive gifts and participation in communal events that encourage inclusiveness and mutual respect. In October 2026, in conjunction with the Deepavali celebrations, we carried out a charitable initiative by distributing contributions to several orphanages and welfare homes in Selangor, namely Pertubuhan Kebajikan Kanak-Kanak Selangor, Pertubuhan Kebajikan Waja Home, Pusat Jagaan Alibe Sivam and Ebenezer Home. This initiative reflects our commitment to giving back to the community and supporting the welfare of underprivileged children, enabling them to share in the joy and festive spirit of Deepavali.

7.26.3 Governance

We are committed to upholding the highest standards of governance across our operations, ensuring responsible business conduct and full regulatory compliance. Through robust frameworks in corporate governance, supply chain oversight, compliance management, and data protection, we safeguard stakeholder trust while supporting sustainable and long-term growth. We have established and clear governance structures to ensure accountability in managing sustainability matters. Our sustainability framework outlines our governance policy and strategy, supported by a sustainability working group which consists of representatives from various departments. This sustainability working group reports to the Sustainability and Risk Management Committee which then reports to our Board, on sustainability matters.

Our Board remains firmly committed to upholding and sustaining the highest standards of corporate governance. Our Company adopts and implements the recommendation set out in the MCCG save for the step-up practice of fully disclosing the detailed remuneration of each member of key senior management on a named basis. Instead, the remuneration of our Key Senior Management will be disclosed in bands of RM50,000 on a named basis to preserve confidentiality and maintain our Group's competitiveness in attracting and retaining talent in the retail industry.

The disclosure, on a named basis, of our Key Senior Management's remuneration, including salary, bonus, benefits-in-kind and other emoluments, in bands of RM50,000 provides shareholders and investors with sufficient information to assess our Key Senior Management's remuneration against our Group's performance thereby enabling them to determine whether the remuneration is fair and adequate to attract and retain such talent. This assessment can be made without full detailed disclosure of our Key Senior Management's remuneration, as a more detailed remuneration breakdown of individual members of our Key Senior Management may give rise to internal comparisons, potential disputes or unnecessary recruitment challenges, particularly when the total remuneration package is not fully considered. Accordingly, the above departure from the step-up practice of the MCCG would still provide adequate information to meet the intended outcome of the MCCG's recommendations, while preserving confidentiality and maintaining our Group's competitiveness in attracting and retaining talent in the retail industry.

Notwithstanding the above, we will continue to review the appropriateness of the level of remuneration disclosure for our Key Senior Management in line with evolving market practices, stakeholder expectations and regulatory developments, and intend to adopt the MCCG step-up practice within the next five years.

Our governance framework is guided by three key pillars: (i) Board leadership and effectiveness; (ii) Robust audit and risk management; and (iii) Integrity in corporate reporting and establishing meaningful relationships with our stakeholders. We recognise that strong ethical governance and transparency are fundamental to our long-term sustainability and to our continued ability to contribute positively to society and the environment. Our approach to achieving this includes:

(a) Reinforcing sound governance and integrity

Our Group recognises that sound governance extends beyond our Board. We emphasise integrity, accountability, and responsible conduct across all levels of the organisation. This is reinforced through a suite of policies and frameworks, including but not limited to: (i) Anti-Bribery and Anti-Corruption Policy; (ii) Privacy and Personal Data Protection Policy; (iii) Code of Conduct and Business Ethics; (iv) Whistleblowing Policy; (v) Conflict of Interest Policy; (vi) Related Party Transactions Policy; and (vii) Gift, Entertainment, Hospitality and Travel Declaration Framework to maintain the highest standards of ethical conduct, transparency, and honesty in all our operations, reflecting our core values and commitments including (A) educating employees on our Anti-Bribery and Anti-Corruption Policy and our other policies; (B) conducting training for our employees on ethics, fraud detection, customer service and inventory responsibility; (C) enforcing strict attendance tracking and disciplinary action for absenteeism or for failure to adhere to staffing SOPs; (D) setting up clear SOPs to log and investigate misconduct cases; and (E) updating the operations manual and employee handbook with clear guidelines and to highlight consequences for unethical conduct. Also, in accordance with the MCCG's recommendations, the composition of our Board reflects strong diversity and independence, meeting the target of having at least 30% female directors as well as having a majority of our Board represented by Independent Directors. Governance oversight is further strengthened through our Audit Committee, our Nomination and Remuneration Committee, and our Sustainability and Risk Management Committee. Each of these committees comprises wholly or predominantly Independent Non-Executive Directors, ensuring independent oversight over financial reporting, executive compensation, potential conflicts of interest, related party transactions, and key risks.

(b) Adhering to the PDPA legal and regulatory frameworks

We have implemented a comprehensive set of IT security measures to safeguard sensitive information and to ensure that third-party vendors are compliant to our requirements. A data classification framework and role-based access controls strengthen governance by enforcing stricter protocols and limiting access to authorised personnel, supported by regular access audits. To address risks arising from human error, we conduct company-wide data privacy training and provide specialised programmes for teams handling sensitive data. A formal data governance structure, including a DPO, oversees compliance and serves as the central authority for data matters. Moving forward, we are accelerating the shift from paper-based records to secure digital systems to enhance data tracking, storage, monitoring and overall protection.

(c) Fostering open dialogues with stakeholders

To uphold good governance practices, we put great emphasis on communication with our stakeholders, including our employees, customers, suppliers and communities to build trust and strengthen our relationships. We will periodically engage with our stakeholders to identify material sustainability matters and ensure that our sustainability efforts are aligned with our stakeholder interests. We aim to provide balanced, comparable and meaningful sustainability information in our reporting, disclosing both positive and negative aspects of sustainability performance to ensure transparency and accountability.

7.27 AWARDS

The table below sets out the awards that we have received up to the LPD:

Year	Award	Awarding Body
2008	The 6th Asia Pacific International Honesty Enterprise - Keris Award 2007	Asia Pacific TOP Excellence Brand Committee, Vietnam Foundation Supporting of Literacy and Artistic Creation and Global Business Magazine
	SME Recognition Award - SME Rising Star Award 2008	SME Association of Malaysia
2011	Malaysia Retail Chain Association ("**MRCA**") Award 2011 – National Growth Award Silver	MRCA
	The 9th Malaysia's 100 Outstanding SMEs Golden Bull Award 2011 – Winner of the Outstanding SMEs	Nanyang Siang Pau
	The Star Outstanding Business Awards (SOBA) 2011 - Rising Star Platinum Award	The Star
	The Star Outstanding Business Awards (SOBA) 2011 - Business of the Year Gold Award	
	Asean Outstanding Business Awards 2011 – Industry Class Sectors Retail Chain	Asean Retail-Chains & Franchise Federation (ARFF)

7. BUSINESS OVERVIEW *(Cont'd)*

Year	Award	Awarding Body
2012	The 10th Malaysia's 100 Outstanding SMEs Golden Bull Award 2012 – 4th Position Winner of the Super Golden Bull	Nanyang Siang Pau
	MRCA Award 2012 - National Growth Award – Gold	MRCA
2013	Sin Chew Business Excellence Awards 2013 - Retail Excellence Award	Sin Chew Daily
2014	Sin Chew Business Excellence Awards 2014 - Retail Excellence Award	Sin Chew Daily
2015	Golden Eagle Award 2015 – Eminent Eagle	Nanyang Siang Pau
	McMillan Woods Global Awards 2015 – MasterClass Awards (Fast Moving Goods)	McMillan Woods Global
2016	The BrandLaureate SMEs Best Brands Awards2015-2016 – Corporate Branding (Retail Convenience Store)	The World Brands Foundation
	ASEAN Master Class Award 2016 in Retailing Excellence	ARFF
	MRCA Crown Awards 2016 – Outstanding Brand Award	MRCA
2017	SME Malaysia Platinum Business Awards 2017 – Outstanding Achiever Award	SME Association of Malaysia
	Inaugural Malaysian Brand Award	The Federation of Malaysia Chinese Commerce Association
2019	Billion Dollar Club Award	MRCA
2021	Malaysia Family Career Carnival 2021 - Caring Employer Award	Ministry of Human Resources Malaysia and PERKESO
2023	Malaysia Industry Awards (MINDA) 2023 - Brand Excellence Award	Federation Of Malaysian Business Association (FMBA)
2024	Asia New Economy Summit - Great Asia Outstanding Corporation Award	KSI Strategic Institute for Asia Pacific
2025	Putra Aria Brand Awards – Bronze (Retail)	Association of Accredited Advertising Agents Malaysia
2026	Sustainability & CSR Malaysia Awards 2026: Company of the Year (Convenience Store) - Corporate Social Responsibility Leadership Award	CSR Malaysia

7.28 KEY ACCREDITATIONS

KKSMST is accredited by the Department of Skills Development (JPK) under the Ministry of Human Resources Malaysia as a training centre for the National Dual Training System (SLDN/NDTS) with the current Certificate of NDTS Accredited Centre valid from 1 January 2026 to 31 December 2028.

8. INDUSTRY OVERVIEW

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Johor, Malaysia

Date: 11 November 2026

The Board of Directors
KK Mart Retail Bhd
T6-01-03 (Manara KK), Tower 6
Maju Link, Jalan Lingkaran Tengah 2
Bandar Tasik Selatan
57000 Kuala Lumpur, Malaysia

Dear Sirs / Madams,

Independent Market Research on the Convenience Retail Industry in Malaysia for KK Mart Retail Bhd (Registration No. 202301037992 (1531914-U)) ("KK Mart" or "the Company")

We, Frost & Sullivan GIC Malaysia Sdn Bhd ("**Frost & Sullivan**"), have prepared this Independent Market Report on the Convenience Retail industry in Malaysia ("**IMR Report**") for inclusion in KK Mart's prospectus in conjunction with the listing of and quotation for the entire enlarged issued ordinary shares of KK Mart on the Main Market of Bursa Malaysia Securities Berhad ("**Prospectus**").

We are aware that this IMR Report will be included in the Prospectus and we further confirm that we are aware of our responsibilities under Section 215 of the Capital Markets and Services Act, 2007.

We acknowledge that if we are aware of any significant changes affecting the content of this IMR Report between the date hereof and the date of the Prospectus, we have an ongoing obligation to either cause this IMR Report to be updated for the changes and, where applicable, cause KK Mart to issue a supplementary prospectus, or withdraw our consent to the inclusion of this IMR Report in the Prospectus.

Frost & Sullivan has prepared this IMR Report in an independent and objective manner and has taken adequate care to ensure the accuracy and completeness of this IMR Report. We believe that this IMR Report presents a true and fair view of the industry within the limitations of, among others, secondary statistics and primary research, and does not purport to be exhaustive. Our research has been conducted with an "overall industry" perspective and may not necessarily reflect the performance of individual companies in the industry. Frost & Sullivan shall not be held responsible for the decisions and/or actions of the readers of this IMR Report. This IMR Report should also not be considered as a recommendation to buy or not to buy the shares of any company or companies as mentioned in this IMR Report or otherwise.

For and on behalf of Frost & Sullivan GIC Malaysia Sdn Bhd:



Narciso Podda
Director
Business & Financial Services

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Methodology

For the purpose of preparing this report, Frost & Sullivan has conducted primary research encompassing interviews with industry experts and industry players, and secondary research, which included reviews of company reports, official websites/social media pages, independent research reports, information from industry associations/authorities/international organisations, and information from Frost & Sullivan research database. Unless being made available in the publicly available sources, projected data was derived by Frost & Sullivan using historical data analysis with the consideration of the social, economic, and political environments for the forecasted period.

Comparable key industry players identified in this report have been selected from a long list of companies developed by screening directories in Malaysia as well as discussing with industry players. Subsequently, the list was presented and discussed with industry players and experts[1] that agreed to be interviewed for the purpose of the analysis. Information were further validated via public information through secondary research (which covers reviews of company reports, official websites/social media channels, independent research reports, information from industry associations/authorities/internal organisations, as well as information from Frost & Sullivan research database) and fine-tuned by contacting identified companies (e.g., telephonic method, official social media platforms, among others).

Profile of Frost & Sullivan GIC Malaysia Sdn Bhd

Frost & Sullivan is a global independent industry research and consulting organisation headquartered in the United States of America with over 60 years of establishment. In Malaysia, Frost & Sullivan's subsidiary, Frost & Sullivan GIC Malaysia Sdn Bhd, operates two offices (Selangor and Iskandar Malaysia) with more than 200 employees offering market research, marketing and branding strategies and business advisory services across 12 industries. Frost & Sullivan is involved in the preparation of independent market research reports for capital market exercises, including initial public offerings, reverse takeovers, mergers and acquisitions, and other related fund-raising and corporate exercises.

Profile of the IMR signee, Narciso Podda

Narciso Podda is the Director, Business & Financial Services division, for Frost & Sullivan GIC Malaysia Sdn Bhd. Narciso Podda possesses over 15 years of experience in market research and consulting, including over eight years in independent market research and due diligence exercise for capital markets across the Asia Pacific region. Narciso Podda holds a Bachelor in Business Administration from Bocconi University, Italy, and a Master in International Economics and Finance from Chulalongkorn University, Thailand.

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[1] Industry players are individuals currently or previously working in the convenience retail industry. Industry experts are individuals with in-depth knowledge on the industry (e.g., industry analysts).

1 INTRODUCTION TO THE CONVENIENCE RETAIL INDUSTRY IN MALAYSIA

The grocery retail industry in Malaysia is growing and is projected to continue to grow, driven by factors such as population growth, a resilient economic outlook and sustained spending on food and non-alcoholic beverages, among other factors. Within the industry, the convenience retail segment is forecasted to be the fastest-growing segment. This is due to the growing popularity of convenient shopping, particularly with the added appeal of amenities like smart and self-service kiosks, in-store dining areas, etc.

KK Mart, via its own brands, KK Super Mart, KK Concept Store and KK Signature Store, is the leading convenience mart in Malaysia by number of stores as at 31 October 2026 and revenue in 2025. The Company is also the fastest growing among the selected convenience retailers, by number of stores in Malaysia, in the period between 2022 and 2025. It primarily targets the mass market, offering a shopping experience with extended operating hours of up to 24 hours[2]. This, along with its commitment to digitalisation and customer engagement, positions KK Mart uniquely within the convenience retail landscape in Malaysia.

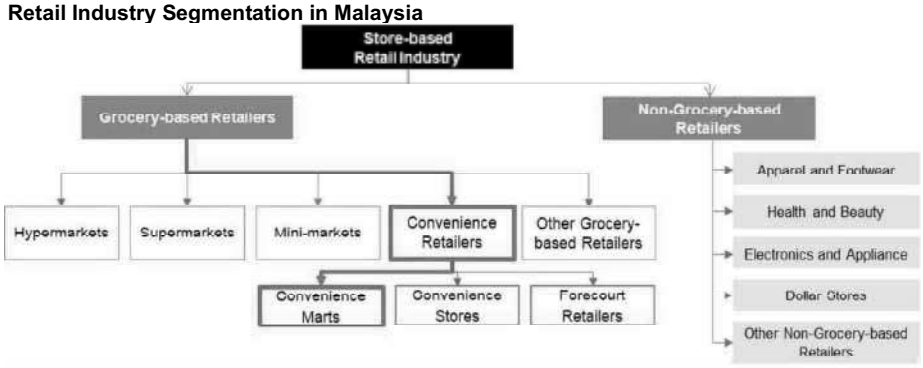
2 DEFINITION AND MARKET SEGMENTATION

Malaysia's retail industry can be segmented into store-based retailing and non-store-based retailing (e.g., e-commerce, direct selling, vending machines). Store-based retailing comprises two main categories: grocery and non-grocery-based retailers. **Grocery-based retailers** predominantly focus on the sale of food and beverages ("**F&B**") with some also selling household supplies and other household goods (e.g., detergents), lifestyle items (e.g., clothing, luggage), and consumer products (e.g., stationery, toys). Non-grocery-based retailers, on the other hand, focus mainly on non-F&B products. Retailers within this segment are typically categorised by their product of focus or operating model.

The grocery segment encompasses various types of retail stores, such as hypermarkets, supermarkets, mini-markets, and **convenience retailers**, among others. Hypermarkets, supermarkets and mini-markets are generally larger in size than convenience retailers and typically operate for limited operating hours of around 12 hours per day. These retailers may carry more bulk or value packs than the convenience retailers. Convenience retailers include convenience marts, convenience stores, and forecourt retailers. These retailers share the common characteristic of operating 24 hours or having extended hours ranging from 14 to 24 hours. While these retailers target specific groups of customers, convenience marts primarily serve consumers seeking a quick and convenient shopping experience for household and grocery items. This report provides further analysis of the convenience marts subsegment, where the Company operates.

The Company competes not only with other players in the convenience retail industry but also indirectly with other grocery-based retailers such as supermarkets and mini-markets, which offer similar product assortments. These players compete for market share based on factors such as product selection, pricing strategies, quality of goods, customer service, and the overall shopping experience provided to consumers.

Figure 2-1: Retail Industry Segmentation in Malaysia



Note: 1) Other grocery-based retailers include other food or drinks specialists and small local grocers. 2) Other non-grocery-based retailers include speciality retailers of leisure and personal goods and non-speciality retailers such as department stores; 3) The red box indicates the industry subsegments where the Company operates.

Source: Frost & Sullivan

Table 2-1: General Key Differences by Type of Grocery-based Retailers, Malaysia

	Hypermarket	Supermarket	Mini-market	Convenience Retailers
Average outlet size (square feet)	Very large >25,000	Large ~5,000-25,000	Small ~2,000-5,000	Very small <2,000, although some players operate slightly larger stores
Predominant location	Outskirt of the city or suburban areas	City center, residential and shopping areas	Neighbourhood or near public places	Near residential areas, shopping areas and urban streets, gas stations and highways

[2] Note: some stores may have limited operating hours. For example, mall-based stores may have limited operating hours linked with that of the malls in which they are based.

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	Hypermarket	Supermarket	Mini-market	Convenience Retailers
Product assortment / stock-keeping units ("SKUs")	Extensive product assortment with 30,000-50,000 SKUs	Large product assortment with 4,000-30,000 SKUs	Moderate product assortment with 2,000-4,000 SKUs	Product assortment varies with 1,000-7,000 SKUs
Products of focus	F&B, personal care, household items, apparel and footwear, electronic appliances, etc.	F&B, personal care, household items	F&B, personal care, household items	Predominantly F&B, only some players offering personal care and household products
Example of Key players	Giant, Mydin, Lotus's, AEON BiG, Econsave	Village Grocer, Jaya Grocer, HeroMarket, Giant, Mydin, Econsave, AEON Store, AEON MaxValu	99 Holdings, Pasar Ekonomi Econsave, Giant Mini	KK Super Mart, KK Concept Store and KK Signature Store, BilaBila Mart, SUPERVALUE, Save, 7-Eleven, myNEWS, FamilyMart, Kedai Mesra, Shell SELECT, BHPetromart

Note: Key players may be involved in one or more types of retail format. For instance, Giant has hypermarkets, supermarkets and mini-markets under the same group.

Source: Frost & Sullivan

Table 2-2: General type of convenience retailers in Malaysia

	Convenience marts	Convenience stores	Forecourt retailers
Location	Near residential areas, shopping areas and urban streets	Shopping areas and urban streets	Gas stations and highways
Product variety	Large product variety, including household products (i.e., toiletries, cleaning supplies, cleaning tools), basic groceries (i.e., bread, milk, yogurt, instant noodles, canned food, etc.), fresh groceries (i.e., fruits and vegetables), frozen food (i.e., sausages and nuggets), cooking condiments, snacks, beverages, etc.	Limited product variety, focused on snacks, beverages and basic groceries (i.e., bread, milk, yogurt, instant noodles, canned food, etc.).	Limited product variety, focused on snacks, beverages, and automotive supplies.
Example of key brands	KK Super Mart, KK Concept Store and KK Signature Store, BilaBila Mart, SUPERVALUE, Save	7-Eleven, myNEWS, FamilyMart	Kedai Mesra, Shell SELECT, BHPetromart

Note: Key brands are grouped based on their dominant locations. E.g., KK Super Mart, 7-Eleven and FamilyMart are predominantly located in shopping areas and urban streets, with only a few stores in petrol stations; therefore, they are not classified as forecourt retailers.

Source: Frost & Sullivan

3 MACROECONOMIC OVERVIEW OF MALAYSIA

The **Malaysian economy** grew from 2020 to 2025 at a compound annual growth rate ("**CAGR**") of 5.2%.[3&4] There was a setback in 2020, which recorded a decline of 5.5% due to the impact of the coronavirus disease 2019 ("**COVID-19**") outbreak, which temporarily affected household disposable income. Nevertheless, the average monthly household income in Malaysia grew from RM7,901 in 2019 to RM9,155 in 2024 at a CAGR of 3.0%.[5]

During the 2020 setback, grocery purchases were less affected as they are essential non-discretionary items that people prioritise even during challenging economic times. Overall, from 2019 to 2024, the total average monthly household expenditure increased from RM4,609 to RM5,566 at a CAGR of 3.8%. In particular, the total average monthly household expenditure for food and non-alcoholic beverages increased from RM780 to RM876 at a CAGR of 2.3% during the same period.[6] Comparatively, the consumer price index ("**CPI**") for food and non-alcoholic beverages rose by 23.4 points from 134.8 in 2020 to 158.2 in 2025.[7] The positive growth in household expenditure indicates a consistent demand for essential food and beverage items, including those typically found in convenience marts. Such stability in consumer spending highlights significant opportunities for the convenience retail industry, as it demonstrates resilience to economic fluctuations and price changes.

The Malaysian economy has demonstrated resilience in 2025, growing by 5.2%.[8] It is supported by government initiatives such as the National Energy Transition Roadmap, the New Industrial Master Plan 2030, and the Thirteenth Malaysia Plan.[9] The Malaysian economy is forecasted to grow at a CAGR of 4.5% from 2025 to 2030F, reflecting a positive economic outlook.[10] The resilient economic outlook supports employment in the country and is expected to create more income opportunities for the workforce. The introduction of the new minimum wage rate, along with adjustments to civil servants' salaries, will further enhance workers' earnings, thus increasing their purchasing power.

The **Malaysian population** grew from 32.4 million in mid-2020 to 33.9 million in mid-2025, at a CAGR of 0.9%. It is forecasted that the population will further increase to 35.7 million by mid-2030, growing at a CAGR of 1.0% from mid-2025.[11] As the population of Malaysia is set to increase, the convenience retail industry will also expand further due to the increased base of potential customers.

4 ANALYSIS OF CONVENIENCE RETAIL INDUSTRY IN MALAYSIA

4.1 MARKET SIZE

The grocery-based retail industry in Malaysia is growing, as evidenced by the rise in sales value from RM68.1 billion in 2020 to RM91.1 billion in 2025, at a CAGR of 6.0%. Notably, there has been a substantial growth rate of

[3] International Monetary Fund ("**IMF**") World Economic Outlook ("**WEO**") October 2026
[4] Department of Statistics, Malaysia ("**DOSM**"), Gross Domestic Product, Q4 2025
[5] DOSM, Household Income Survey Report 2024
[6] DOSM, Household Expenditure Survey Report Malaysia 2024
[7] DOSM, Analysis of Consumer Price Index 2025
[8] DOSM, Gross Domestic Product, Q4 2025
[9] Ministry of Finance, Economic Outlook 2025
[10] IMF, WEO October 2026
[11] IMF, WEO October 2026

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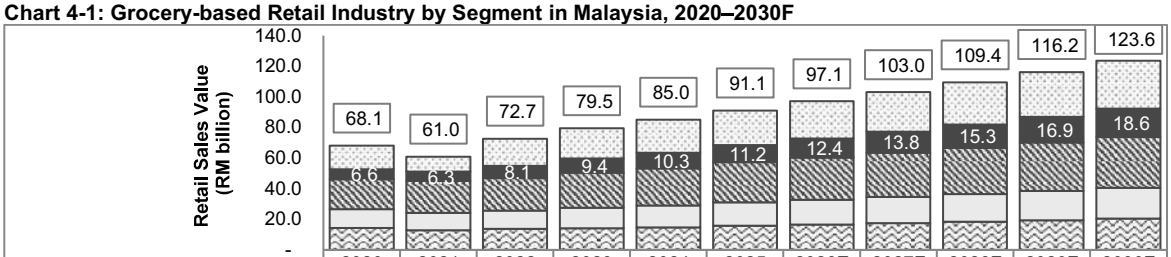
19.2% in 2022 compared to the previous year, driven by the recovery of this segment following the lifting of all movement restrictions in April 2022. In 2023 and 2024, the grocery-based retail industry continued to grow by 9.3% and 7.0%, respectively. The industry is estimated to have grown by 7.1% in 2025, driven by the economic growth that stimulates spending on groceries.

Moving forward, the grocery-based retail industry in Malaysia is projected to continue growing from 2025 to 2030F. This growth will be driven by population growth and a resilient economic outlook, which would lead to higher income and expenditure by households. These are key factors supporting the development of the grocery-based retail industry.

Chart 4-1: Grocery-based Retail Industry by Segment in Malaysia, 2020–2030F



	2020	2021	2022	2023	2024	2025	2026E	2027F	2028F	2029F	2030F
Other grocery-based retailers	15.3	9.7	17.7	19.7	21.4	22.5	24.3	25.8	27.4	29.1	31.3
Convenience Retailers	6.6	6.3	8.1	9.4	10.3	11.2	12.4	13.8	15.3	16.9	18.6
Mini-market	19.5	20.8	21.2	22.8	24.3	26.2	27.5	28.8	30.2	31.6	33.1
Supermarkets	12.3	11.4	12.0	13.3	14.3	15.3	16.2	17.1	18.0	19.0	20.1
Hypermarkets	14.4	12.9	13.8	14.3	14.7	15.9	16.7	17.6	18.5	19.5	20.5
Grocery retailers	68.1	61.0	72.7	79.5	85.0	91.1	97.1	103.0	109.4	116.2	123.6

Note: Total may not add up due to rounding.

Source: Frost & Sullivan

Table 4-1: CAGR of the Grocery-based Retail Industry in Malaysia, 2020–2030F

	CAGR 2020-2025	CAGR 2025-2030F
Hypermarkets	2.0%	5.3%
Supermarkets	4.5%	5.7%
Mini-markets	6.0%	4.8%
Convenience retailers	11.3%	10.6%
- Convenience marts	***20.9%***	***17.7%***
- Other convenience retailers	*9.6%*	*8.6%*
Other grocery-based retailers	8.0%	6.8%
Total grocery-based retailers	**6.0%**	**6.3%**

Note: All forecasts for retail sales value are on a best-efforts basis, based on the latest publicly available information and primary interviews as at 31 October 2026.

Source: Frost & Sullivan

In 2025, grocery-based retailers held a significant share of the total store-based retail sales in Malaysia, accounting for 31.3%. Within the grocery-based retail sector, the convenience retail segment is relatively small compared to other grocery segments. However, it is expanding fast, capturing 12.3% of the grocery-based retail industry in 2025, up from 9.7% in 2020. Within the convenience retail segment, convenience marts represented 19.2% of the market in 2025, growing from 12.7% in 2020.

During the COVID-19 pandemic, convenience retail experienced significant growth due to movement restriction orders that limited people's mobility. With supermarkets being less accessible and concerns over crowding, customers sought nearby alternatives to fulfil their needs. Convenience retailers nearby are a preferred choice for customers looking to minimise their time spent shopping.

The convenience retail industry in Malaysia is forecasted to continue its growth in the forecasted period up to 2030. This growth is expected to be driven by the strategic expansion of the retailers, which provide convenience through diversified offerings such as a variety of grab-and-go food options and limited edition items, as well as by the changing consumer habits favouring convenience. Convenience marts' growth is fuelled by demand for household and grocery items, supported by convenience through extended operating hours.

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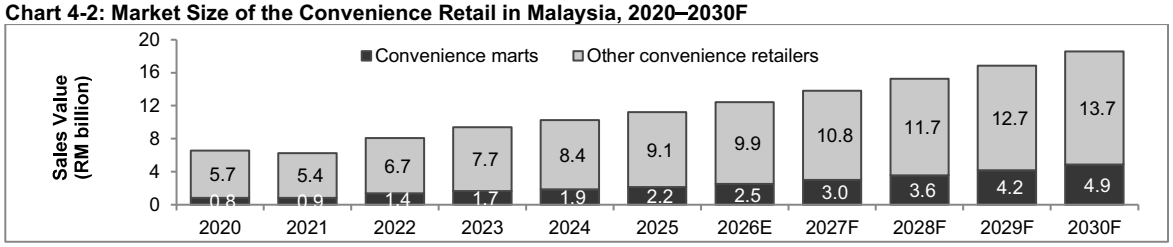
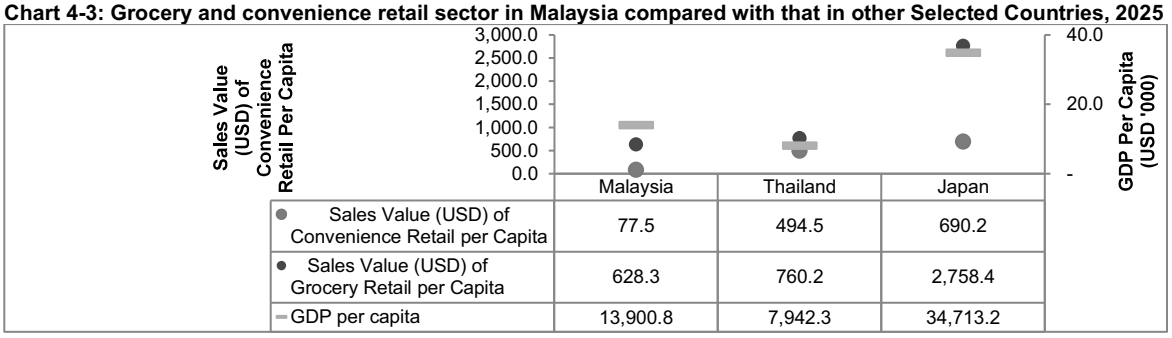
Chart 4-2: Market Size of the Convenience Retail in Malaysia, 2020–2030F



Source: Frost & Sullivan

Malaysia's GDP per capita is higher than Thailand's, but sales value per capita in the convenience retail and grocery retail segments is lower, indicating that these segments in Malaysia are underpenetrated as at 2025. With the growth in GDP per capita in Malaysia in the forecasted period in this report, sales value per capita in these segments is forecasted to grow towards levels seen in other developed countries like Japan.

Chart 4-3: Grocery and convenience retail sector in Malaysia compared with that in other Selected Countries, 2025



Source: Frost & Sullivan

4.2 DEMAND DRIVERS AND TRENDS

Population growth and a resilient economic outlook, which lead to higher income and expenditure by households, are key factors supporting the growth of the grocery-based retail industry. In addition, there are other drivers that are contributing to the growth of the convenience retail segment in Malaysia, such as the following:

Growing popularity of convenience and proximity shopping: The urban lifestyle encourages a hectic and fast-paced schedule for working people, which makes it necessary to shop conveniently and quickly for groceries and other daily essentials like fast-moving consumer goods ("**FMCG**"). Convenience retailers are in an advantageous position to meet this demand by being situated in urban areas, and their optimised product selections cater to grab-and-go purchases and urgent needs. Convenience retailers also accommodate late-night shoppers and those with non-traditional schedules by having extended operating hours, often up to 24 hours.

Additionally, compared to supermarkets and hypermarkets, mini-markets and convenience retailers, on average, have a smaller store size. Due to their smaller store format, convenience retailers are able to operate in locations that are not suitable for larger stores, such as in city areas, office buildings and residential neighbourhoods, among others. This proximity-based shopping appeals to travellers, office workers, and residents, among others, as they are able to make a quick stop without having to travel far. Customers can avoid making trips to larger retail formats when they need to buy only a few items, saving them time and effort. By shopping at nearby convenience stores, they can enjoy a more efficient experience without the stress of navigating larger stores.

Availability of house brand products: Consumers across the retail industry are turning to generic and house brand products, particularly for homogeneous products, which can positively impact the convenience retail industry. The demand for house brand products has been growing as these products provide customers with an attractive alternative to other brand-name goods. House brands often provide comparable quality at lower price points, appealing to cost-conscious shoppers who prioritise value. Even upper-income shoppers are more willing to buy generic items, supported by the emergence of private label offerings targeted at this income group.[12]

Adapting to the digital shift with omnichannel presence: The pandemic has accelerated the shift toward digital shopping, prompting businesses to adapt their strategies to meet the growing demand for online purchasing options and omnichannel presence. Convenience retailers are also leveraging factors such as the high internet penetration rates in Malaysia of 98.0%. [13] To capitalise on this consumer trend, many convenience retailers have started selling

[12] Fast Company, Generic brands are so fancy now that even rich people want to buy them, March 2025
[13] DataReportal, Digital 2026: Malaysia, October 2025

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products online to complement their brick-and-mortar operations. This is achieved through developing their own apps or partnering with delivery aggregators. These strategies can cater to tech-savvy customers, allowing them to shop from anywhere, at any time.

Growing demand for ready-to-eat ("RTE") meals: The growing demand for fresh meals from consumers has prompted more convenience retailers to offer RTE meals. The integration of small dining spaces within these stores, coupled with a variety of fresh meals and snacks that cater to local tastes, allows customers to enjoy their meals on-site, enhancing the overall shopping experience. This trend not only drives foot traffic but also positions convenience retailers as viable alternatives for consumers seeking versatile foodservice solutions, thus creating a new avenue for store sales growth.

Government initiatives to support Malaysian households: The grocery segment, which includes convenience retailers, benefits from national incentives designed to support the economy and increase consumer spending power. Eligible households in Malaysia can receive direct financial assistance through the e-Madani program, Inisiatif Pendapatan Rakyat ("**IPR**"), and Sumbangan Tunai Rahmah ("**STR**"), as well as state government initiatives like Bantuan Sara Hidup Johor and Bantuan Kehidupan Sejahtera Selangor ("**BINGKAS**"). The Malaysian Government also continues to offer subsidies on household goods like rice, cooking oil, wheat flour, and white sugar. This continuous effort seeks to improve the population's well-being and alleviate financial burdens.

4.3 BARRIERS TO ENTRY AND KEY SUCCESS FACTORS

Strong branding: In the convenience retail industry, well-known and established brands enjoy the advantage of consumer familiarity and trust, which makes them the preferred choice over alternatives. This makes it difficult for newcomers, who must allocate a lot of time and money to establish their brand and cultivate customer loyalty. A strong brand name helps current convenience retailers succeed by attracting and retaining customers, distinguishing a brand from competitors, and fostering a favourable opinion of their goods and services. Strong brand equity provides industry players a competitive edge when it comes to growing their consumer base because it fosters immediate brand recognition, recall, and enduring customer loyalty.

Economies of scale and extensive store network: Big convenience retail chains can offer a strong price-to-quality value proposition by leveraging their size to spread fixed costs over a greater number of stores, negotiate better prices with suppliers or directly with manufacturers, and save money through bulk purchases. It is challenging for emerging companies to enter the market, compete on price, and establish a presence because established businesses have attained economies of scale. The established businesses can also source private-label goods at a lower cost than new entrants.

In order to reach a larger customer base, spread their risk, and lessen their reliance on any one location, well-established companies in the convenience retail segment usually have a large multi-store network. Additionally, established convenience retailers can increase customer loyalty and brand recognition by having a wide network of stores, as consumers are more likely to recognise and trust a brand that is well-known both locally and nationally.

Operational flexibility for home-grown brands: Industry players that own their brands, particularly home-grown brands, possess distinct operational advantages. Unlike franchises, these brands have greater control over day-to-day operations. They have flexibility in adjusting their store networks and product offerings to respond to shifts in local market trends and consumer demand. This adaptability allows these industry players to regularly evaluate store performance, close underperforming outlets, and open new stores in high-demand locations. Such operational agility enables industry players to optimise their store network continually. The ability to innovate and adapt quickly gives brand owners a significant edge over competitors, enabling them to thrive in the ever-evolving retail environment.

Strong distribution network: Convenience retailers need a strong distribution network to meet customer demand while ensuring efficient and effective stock replenishment. Replicating the same degree of dependability, cost-effectiveness, and efficiency in their supply chain can be challenging for newcomers. By devoting substantial resources to the construction and optimisation of their infrastructure, including their own distribution centre, established players have already established robust distribution networks allowing for easier and faster stock replenishment.

Digitalisation and new technologies: Convenience retailers are rapidly adopting digital technologies to elevate customer experience and streamline operational efficiency. This includes initiatives such as mobile ordering and delivery, enabling customers to place orders online through a mobile app or website, with doorstep delivery to their location; unmanned stores with self-checkout counters, reducing staff reliance and speeding up checkouts; automated inventory management systems, optimising stock levels and minimising waste; smart vending machines, offering a wider range of products beyond the physical store. These advancements enhance the shopping experience and provide operational benefits. However, the initial investment required can be a barrier to entry for new players, while established companies are better positioned to capitalise on these technologies.

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Direct sourcing from manufacturers and/or brand principals: By purchasing products directly from manufacturers and/or brand principals, convenience retailers can eliminate the markup that would be added by the intermediaries. This helps them to keep prices competitive and offers greater flexibility in product selection, allowing them to cater to specific customer preferences and offer a wider range of options. Direct sourcing also enables closer control over product quality, ensuring goods meet the store's standards. Established convenience retailers have invested time and resources in building these direct relationships with manufacturers, giving them a competitive advantage over new entrants who may find it challenging to establish similar connections.

Uniformity of store layout: Convenience retailers seek to boost customer satisfaction, increase operational effectiveness, and fortify their brand identity through uniformity by implementing a consistent and standardised store design across several locations. No matter which stores a customer visits, this strategy allows the customer to find products with ease and in a predictable and familiar manner. A consistent store layout also helps convenience retailers manage their inventory more effectively, streamline operations, and preserve a consistent brand image across their entire network of locations. For instance, bright lighting creates an image of a welcoming and secure environment.

4.4 COMPETITIVE LANDSCAPE

The Malaysian convenience retail segment comprises homegrown and foreign brands, with several prominent industry players operating more than 330 stores nationwide, alongside numerous smaller local industry players with a smaller number of stores, situated in various states, where their headquarters are located. The Company's stores are strategically located in residential and commercial areas, providing extensive coverage of the Malaysian population and of Malaysian households. However, the Company has a lower store penetration in areas outside of the Central and Southern regions of Malaysia. This presents an opportunity for the Company to expand its footprint in the East Coast and Northern regions of Peninsular Malaysia, as well as in East Malaysia.

Table 4-2: Estimated Population by Regions[14] as at June 2026 vs the Company's stores as at October 2026 in Malaysia

Malaysia	Population (thousand) (Jun 2026) (1)	Area (kilometer ("km")^2)	Population Density (people/km^2)	The Company's store count (Oct 2026) (2)	The Company's store penetration (store / million population) (3)	The Company's population coverage (population (thousand) / store) (3)
Peninsular Malaysia	**27,855**	**132,492**	**210**	**1,096**	**39.3**	**25.4**
Central	**9,614**	**8,233**	**1,168**	**746**	**77.6**	**12.9**
East Coast	**4,850**	**64,124**	**76**	**30**	**6.2**	**161.7**
Northern	**6,890**	**32,504**	**212**	**83**	**12.0**	**83.0**
Southern	**6,501**	**27,631**	**235**	**237**	**36.5**	**27.4**
East Malaysia	**6,379**	**198,363**	**32**	**10**	**1.6**	**637.9**
MALAYSIA	**34,234**	**330,855**	**103**	**1,106**	**32.3**	**31.0**

Note: Latest available data as at 31 October 2026. (1) Estimated population data as at 30 June 2026; (2) The Company's store count as at 31 October 2026; (3) Calculated based on the population data as at 30 June 2026 and the Company's store count as at 31 October 2026.

Source: DOSM; IMF; Frost & Sullivan

4.4.1 Profiles of Key Players in the Convenience Retail Industry

The Company stands out as the leading convenience mart by number of stores as at 31 October 2026. From 2022 to 2025, the Company's growth in the number of stores outpaced other selected brands within the convenience retail segment. However, its latest three-year revenue CAGR is not the highest among convenience retailers, as smaller players with fewer stores are able to scale more rapidly from a lower base. The Company's widespread geographical coverage and number of stores provide a competitive advantage by enabling it to serve a larger customer base, offering convenience through its extensive store network. The Company also has a high number of SKUs in store to meet diverse needs from customers. The Company offers more than 6,000 SKUs, compared to typical averages of 2,000 to 4,000 SKUs for other convenience marts, and 1,000 to 3,000 for other convenience retailers. The table below provides a comparison of key players operating in the convenience retail industry:

Table 4-3: Selected Key Players in the Convenience Retail Industry in Malaysia, 2025/2026

Brand name (1)	Type of stores	Country of origin of the brand	Brand Owner in Malaysia	No. of States and FT in which the brand has stores (2)	No. of stores (3)	Store growth (2022-2025)	Stores with seating areas	Unmanned stores	FYE	Latest FYE Revenue (RM mil)	Revenue at start of 3 years period (RM mil)	Latest three years revenue CAGR	Gross profit (RM mil)	Gross profit margin (4)	PBT (RM mil)	PBT margin (5)
Convenience Mart																
KK Super Mart, KK Concept Store and KK Signature Store (The Company)	Convenience mart	Malaysia	Yes	11	1,106	add'l 376	Yes	Yes	30 Jun 26	1,774.6	1,254.9	12.2%	515.1	29.0%	140.7	7.9%
BilaBila Mart (Bilabila Retail Sdn Bhd)	Convenience mart	Malaysia	Yes	3	100-200	add'l 75-85	Yes	No	31 Dec 24	102.7	12.9	99.7%	22.6	22.0%	1.6	1.6%

[14] Central region: state of Selangor and the Federal Territories of Kuala Lumpur and Putrajaya. East Coast region: state of Kelantan, Terengganu and Pahang. Northern region: state of Perlis, Kedah, Penang and Perak. Southern region: state of Johor, Melaka and Negeri Sembilan. East Malaysia: state of Sabah and Sarawak and the Federal Territory of Labuan.

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Brand name [1]	Type of stores	Country of origin of the brand	Brand Owner in Malaysia	No. of States and FT in which the brand has stores [2]	No. of stores [3]	Store growth (2022-2025)	Stores with seating areas	Unmanned stores	FYE	Latest FYE Revenue (RM mil)	Revenue at start of 3 years period (RM mil)	Latest three years revenue CAGR	Gross profit (RM mil)	Gross profit margin [4]	PBT (RM mil)	PBT margin [5]
Save (Mini Market Desa Rishah Sdn Bhd)	Convenience mart	Malaysia	Yes	1	60-70	add'l 30-40	No	No	30 Sept 24	90.4	22.4	59.2%	16.1	17.8%	3.1	3.4%
SUPERVALUE (myNEWS Holdings Bhd)	Convenience mart	Malaysia	Yes	8	40-50	add'l 10-20	No	No	NA	NA [6]	NA [6]	NA [6]	NA [6]	NA [6]	NA [6]	NA [6]
Other Convenience Retailers																
7-Eleven (7-Eleven Malaysia Holdings Bhd)	Convenience store	USA	No	16	2,800-3,000	add'l 220-230	Yes	No	31 Dec 25	3,176.6	2,484.7	8.5%	979.1	30.8%	37.0	1.2%
Shell SELECT (NA)	Forecourt retailer	United Kingdom	No	16	830-1,030	add'l 30-40	Yes	No	NA	NA [7]	NA [7]	NA [7]	NA [7]	NA [7]	NA [7]	NA [7]
Kedai Mesra (Petronas Dagangan Bhd)	Forecourt retailer	Malaysia	Yes	16	800-1,000	NA	Yes	No	31 Dec 25	253.8 [8]	220.8 [8]	4.7%	NA [8]	NA [8]	NA [8]	NA [8]
Petron Treats and P-Kedai (NA)	Forecourt retailer	Philippines	No	16	750-850	NA	Yes	No	NA	NA [7]	NA [7]	NA [7]	NA [7]	NA [7]	NA [7]	NA [7]
myNEWS (myNEWS Holdings Bhd)	Convenience store	Malaysia	Yes	11	550-650	add'l 50-60	Yes	No	NA	NA [6]	NA [6]	NA [6]	NA [6]	NA [6]	NA [6]	NA [6]
FamilyMart (QL Resources Bhd)	Convenience store	Japan	No	12	450-550 [9]	add'l 145-155	Yes	No	31 Mar 26	1,251.2 [10]	861.0 [10]	13.3%	NA [10]	NA [10]	47.7	3.8%
BHPetromart (NA)	Forecourt retailer	Malaysia	Yes	12	330-430	add'l 35-45	Yes	No	NA	NA [7]	NA [7]	NA [7]	NA [7]	NA [7]	NA [7]	NA [7]

*Notes: Data for each company is provided on a best-effort basis based on publicly available information. Financial information based on the latest available audited financial data reported by selected players as at 31 October 2026. The list of selected key players may not be exhaustive, and the information is provided for reference only. The revenue and profit before tax ("**PBT**") reported may be derived from other retail activities. NA indicates that the data is not available. (1) The brands listed are convenience marts that have at least 40 stores and other convenience retailers that have at least 330 stores in Malaysia as at 31 October 2026. The convenience mart segment is fragmented, while the other convenience retailers segment is dominated by larger players. The brands are sorted first based on type of stores, and then based on the total number of stores in Malaysia; (2) Refers to the 13 States and 3 Federal Territories (FT) in Malaysia; (3) Store count as at 31 October 2026; (4) Computed based on gross profit divided by revenue; (5) Computed based on PBT divided by revenue; (6) myNEWS Holdings Bhd, through its subsidiaries, operates retail brands such as myNEWS, SUPERVALUE and CU. The revenue, gross profit and PBT attributable to each individual brand are not separately disclosed and it is only reported collectively under the company's 'retail convenience' segment. The group's revenue, gross profit margin and PBT margin are shown in Table 4-5; (7) Not available as the revenue, gross profit and PBT are not separately recognised with a single aggregated figure. The brands operate with multi-entities and a dealer-operated structure; (8) Indicates the revenue from the 'convenience' segment, however, gross profit and PBT are not separately recognised; (9) Exclude smart kiosks; (10) Indicates the revenue from the 'convenience store chain' segment, however, gross profit is not recognised separately.*

Source: Respective Company Websites; Frost & Sullivan

4.4.2 Product Pricing Comparison

The table below provides a pricing comparison, based on the category of focus for the Company, for the same products across key players in the convenience retail industry in Malaysia. Among the 52 products selected for comparison, the Company has a lower price for 29 products, compared to the average price by selected key convenience retailers in Malaysia. The prices of selected comparable products for household and personal care were generally lower at the Company's stores compared to the stores of other selected key convenience retailers in Malaysia.

Table 4-4: Product Comparison of Selected Products[1] Sold by the Company and Other Key Convenience Retailers in the Convenience Retail Industry[2] in Malaysia as at 19/20 September 2025

Category	Brand	Specification	Price Comparison (RM)[3]		
			The Company	Key Convenience Retailers	Price Difference (%)[4]
			F&B		
Snacks-chocolate	M&M's	Milk peanut 37g	**4.5**	FM: 4.4; MN: 4.8; PT: 3.6; SS: 3.2; KM: 3.4; ***Avg: 3.9***	+16.0%
Snacks-chocolate	Kinder	Kinder Joy (boy)	**6.9**	7E: 6.8; FM: 7.3; MN: 7.4; BHP: 5.2; PT: 6.0; SS: 6.0; KM: 12.9; ***Avg: 7.4***	-6.4%
Snacks-chocolate	Snickers	Peanut 51g	**5.5**	SV: 4.7; 7E: 5.1; FM: 5.5; MN: 5.1; BHP: 3.6; PT: 4.2; SS: 5.0; KM: 4.3; ***Avg: 4.7***	+17.3%
Snacks-chocolate biscuit stick	Lotte Pepero	Pepero almond 32g	**7.5**	7E: 6.8; FM: 7.6; MN: 7.4; KM: 6.4; ***Avg: 7.1***	+6.4%
Snacks-wafer biscuit	KitKat	4F 35g	**3.9**	SV: 4.1; BM: 4.2; 7E: 4.8; FM: 4.4; MN: 4.8; BHP: 3.8; PT: 3.9; SS:4.6; KM: 3.4; ***Avg: 4.2***	-7.6%
Snacks- wafer biscuit	Loacker	Wafer cream kakao 45g	**5.2**	FM: 4.7; MN: 5.0; BHP: 3.2; PT: 3.7; SS: 3.7; KM: 3.6; ***Avg: 4.0***	+30.5%
Snacks-biscuit	Meiji	Hello Panda strawberry 40g	**4.5**	PT: 4.0; SS: 4.4; KM: 4.4; ***Avg: 4.3***	+5.5%
Snacks-biscuit	Oreo	Original 64.4g	**2.5**	SV: 2.2; 7E: 2.7; FM: 2.5; MN: 2.8; BHP: 1.9; PT: 2.1; SS: 2.6; KM: 2.2; ***Avg: 2.4***	+5.3%
Snacks- candy	Mentos	Roll mint 37g	**1.9**	BM: 2.1; 7E: 2.4; FM: 2.6; MN: 2.7; BHP: 1.8; PT: 1.9; SS: 2.0; KM: 2.2; ***Avg: 2.2***	-14.1%
Snacks-candy	Halls	Hall xs mentholyptus 20's	**3.3**	7E: 3.5; FM: 3.4; MN: 3.6; SS: 3.6; KM: 3.2; ***Avg: 3.5***	-4.6%
Snacks-chips	Lay's	Salted egg flavour 50g	**4.9**	7E: 5.3; FM: 5.2; MN: 5.7; BHP: 3.8; PT: 4.4; SS: 5.0; ***Avg: 4.9***	0.0%

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8. INDUSTRY OVERVIEW *(Cont'd)*

Category	Brand	Specification	Price Comparison (RM)[3]		
			The Company	Key Convenience Retailers	Price Difference (%)[4]
Snacks-chips	Pringles	Original 102g	**9.9**	SV: 8.8; BM: 7.9; MN: 9.8; BHP: 7.0; SS: 7.6; KM: 8.7; ***Avg: 8.3***	+19.3%
Snacks-puffs	Twisties	Kaboom! BBQ curry 60g	**3.2**	SV: 2.8; BM: 2.8; 7E: 3.4; FM: 3.3; MN: 3.5; BHP: 2.4; PT: 2.4; SS: 3.0; KM: 2.5; ***Avg: 2.9***	+10.3%
Snacks-crackers	Double Decker	Prawn crackers 80g	**3.5**	BM: 2.9; MN: 3.6; PT: 2.5; SS: 3.1; KM: 2.6; ***Avg: 2.9***	+19.0%
Snacks-sunflower kernels	Tong Garden	Honey sunflower kernels 35g	**2.3**	FM: 2.7; MN: 2.6; BHP: 1.9; PT: 3.6; SS: 3.6; KM: 2.5; ***Avg: 2.8***	-18.3%
Snacks-cereal bar	Koko Krunch	Cereal bar 25g	**2.9**	BHP: 2.6; PT: 3.2; SS: 3.5; KM: 2.8; ***Avg: 3.0***	-4.1%
Cup noodles	Mamee	Express cup vegetarian 65g	**2.5**	SV: 2.4; BM: 2.5; 7E: 2.9; FM: 3.3; MN: 3.3; SS: 3.0; ***Avg: 2.9***	-13.8%
Cup noodles	Maggi	Hot cup tom yam 61g	**3.5**	SV: 3.0; BM: 3.4; 7E: 3.6; FM: 4.0; MN: 4.3; BHP: 2.5; PT: 3.0; KM: 2.9; ***Avg: 3.3***	+4.9%
Sauce	Maggi	Chilli sauce 340g	**3.9**	SV:4.5; BM: 4.9; MN: 6.1; ***Avg: 5.2***	-24.5%
Tea bags	OSK	Japan green tea 20*2g	**14.9**	7E: 12.9; MN: 13.9; ***Avg: 13.4***	+11.2%
Instant drink	Aik Cheong	IT's teh tarik 72g	**5.5**	PT: 6.4; SS: 6.0; KM: 5.0; ***Avg: 5.8***	-5.2%
Malt drink	Milo	Activ-Go kaw can 240ml	**3.9**	BM: 3.9; MN: 4.8; BHP: 3.1; PT: 3.3; SS: 3.6; KM: 3.3; ***Avg: 3.7***	+6.4%
Oat milk	Oatside	Chocolate oat milk 200ml	**3.9**	MN: 3.6; BHP: 3.5; SS: 3.7; ***Avg: 3.6***	+8.3%
Soy milk	Yeo's	Soy milk less sugar 1L	**4.5**	SV: 4.3; BM: 5.1; SS: 4.3; ***Avg: 4.6***	-1.5%
Yoghurt drink	Lactel	Bliss yoghurt drink strawberry 200ml	**3.5**	BM: 3.5; 7E: 3.9; MN: 4.0; SS: 3.5; KM: 2.9; ***Avg: 3.6***	-1.7%
UHT milk	Dutch Lady	UHT full cream milk 200ml	**2.5**	BM: 2.3; 7E: 3.1; FM: 2.9; MN: 3.1; BHP: 2.5; PT: 2.2; SS: 2.5; KM: 2.5; ***Avg: 2.6***	-5.2%
UHT milk	Farm Fresh	Banana milk 200ml	**3.5**	7E: 2.9; FM: 3.2; MN: 3.4; BHP: 2.6; ***Avg: 3.0***	+15.7%
Fruit juice	Tropicana Twister	Apple 355ml	**3.9**	BM: 3.5; 7E: 3.7; FM: 3.9; MN: 4.2; BHP: 3.1; PT: 3.0; SS: 3.5; KM: 3.2; ***Avg: 3.5***	+11.0%
Soft drink	Coca-Cola	Vanilla 500ml	**3.5**	7E: 3.9; FM: 4.3; MN: 4.4; BHP: 3.3; PT: 3.0; SS: 3.2; KM: 2.9; ***Avg: 3.6***	-2.0%
Energy drink	Red Bull	Gold can 250ml	**4.2**	7E: 4.8; FM: 4.3; MN: 5.1; BHP: 3.2; PT: 3.6; SS: 3.9; KM: 3.9; ***Avg: 4.1***	+2.1%
Household					
Disinfectant	Dettol	Antiseptic liquid 500ml	**7.9**	SS: 6.0	+31.7%
Bleach	Cocorex	Bleach regular 500ml	**3.9**	SV: 3.5; MN: 3.9; ***Avg: 3.7***	+5.4%
Laundry detergent	Breeze	Power detergent power clean 400g	**3.9**	SV:4.0; BM:4.9; MN: 5.0; ***Avg: 4.6***	-15.8%
Fabric freshener	Febreze	Fabric anti-bacterial 370ml	**12.9**	SV: 12.9; MN: 17.0; ***Avg: 15.0***	-13.7%
Air freshener	Glade	Scented gel lavender 180g	**11.9**	BM: 11.9; 7E: 14.0; BHP: 11.5; SS: 11.5; ***Avg: 12.2***	-2.7%
Air freshener	Ambi Pur	Car clip lavender comfort 2.2ml	**14.9**	MN: 18.0; SS: 18.5; ***Avg: 18.3***	-18.4%
Dishwashing liquid	Sunlight	Dishwashing liquid lime 400ml	**3.5**	BM: 4.9; MN: 6.0; ***Avg: 5.5***	-35.8%
Insecticide	Ridsect	Advance aerosol 270ml	**8.9**	BM: 9.9; MN: 12.0; ***Avg: 11.0***	-18.7%
Battery	Energizer	Max 9V 1pc	**16.5**	MN: 17.9; BHP: 15.6; KM: 15.6; ***Avg: 16.4***	+0.8%
Battery	Energizer	Max AAA 4pcs long lasting 3X	**19.9**	MN: 19.6; BHP: 16.9; PT: 18.9; KM: 15.6; ***Avg: 17.8***	+12.1%
Personal care					
Body wash	Dettol	Original antibacterial body wash 250ml	**9.9**	7E: 10.1; MN: 12.2; ***Avg: 11.2***	-11.2%
Body oil	Johnson's	Bedtime baby oil 50ml	**7.9**	7E: 8.1; MN: 8.5; ***Avg: 8.3***	-4.8%
Skin moisturizer	Vaseline	Petroleum jelly 50g	**6.9**	FM: 7.8; MN: 8.0; ***Avg: 7.9***	-12.7%
Sanitary pad	Kotex	Total protection overnight wing 32cm 6's	**6.5**	MN: 7.0; PT: 6.4; ***Avg: 6.7***	-3.0%
Hair care	Sunsilk	Shampoo smooth & manageable 70ml	**5.9**	7E: 6.0; FM: 5.3; MN: 5.9; ***Avg: 5.7***	+2.9%
Shaver	Gillette	Blue II Plus 2 sensitive 2's	**7.9**	FM: 7.1; SS: 7.5; ***Avg: 7.3***	+8.2%
Toothpaste	Darlie	Toothpaste double action 50g	**5.5**	FM: 5.4; SS: 5.7; ***Avg: 5.6***	-0.9%
Dental floss	Oral B	Satin floss 50m 1's	**14.9**	MN: 20.0	-25.5%
Mouthwash	Listerine	Cool mint 250ml	**14.9**	MN: 15.0	-0.7%
Eye drops	Eye Glo	Eye drops regular 10ml	**8.5**	7E: 8.9; SS: 9.0; ***Avg: 9.0***	-5.0%
Throat relief	Strepsils	Cooling menthol 6's	**4.9**	SV: 5.9; BM: 5.9; FM: 7.3; MN: 7.2; SS: 6.0; KM: 5.9; ***Avg: 6.4***	-23.0%
Pain relief	Panadol	Soluble 4's	**4.5**	7E: 4.6; FM: 5.1; MN: 5.8; PT: 4.4; SS: 5.5; ***Avg: 5.1***	-11.4%

*Notes: (1) The products were selected randomly based on the availability of the same comparable products during the store visit; (2) Key Convenience Retailers in the convenience retail industry in Malaysia refers to the key players listed in Table 4-4 and 4-5, with stores in Selangor. For forecourt retailers, the selection is based on petrol stations located within neighbourhoods rather than along highways. Convenience marts and convenience stores are selected based on neighbourhood locations rather than within malls; (3) The price shown in the table above refers to the initial retail selling price, i.e., not discounted price. If a product is available at two or more of the key players, the term "Avg" indicates the average of the prices of the key players; (4) Price difference refers to the price of the product of the Company against the key player's or the average of the prices of the key players; Prices retrieved as at the following dates from the following stores: 19 September 2025: SUPERVALUE (The Core Kota Damansara) ("**SV**"), BilaBila Mart (Bandar Utama 4) ("**BM**"); 20 September 2025: KK Super Mart (Edusentral Seksyen U13 and Setia Gemilang), 7-Eleven (Edusentral Seksyen U13)("**7E**"), FamilyMart (Eng Ann)("**FM**"), myNEWS (Trefoil)("**MN**"), BHPetromart (BHP Jalan Meru)("**BHP**"), Petron Treats (Petron Jalan Meru 2 (FI))("**PT**"), Shell SELECT (Shell Setia Alam)("**SS**"), Kedai Mesra (Petronas Batu 2 Jalan Meru)("**KM**").*

Source: Frost & Sullivan

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4.4.3 Benchmarking Versus Selected Grocery-based Retailers

As convenience retailers also competes indirectly with other grocery-based retailers, further analysis is provided for selected grocery-based retailers, focusing on higher-revenue-generating players for comparable benchmarking. Within the selected grocery-based retailers, the Company has demonstrated among the fastest revenue CAGR in the latest three years. This growth can be attributed to the Company's strategic expansion of its store network to better meet consumer demands. Additionally, the Company reported a high PBT margin in the latest financial year, indicating efficient operational performance.

Table 4-5: Benchmarking of Selected Grocery-based Retailers in Malaysia, 2025/2026

Company	Type of grocery-based retailers	Country of origin of the brand	Brand Owner in Malaysia	No. of States and FT in which the brand has stores (1)	No. of stores (2)	Store growth (2022-2025)	Stores with seating areas	Unmanned stores	FYE	Latest FYE Revenue (RM mil)	Revenue at start of 3 years period (RM mil)	Latest three years revenue CAGR	Gross profit (RM mil)	Gross profit margin (3)	PBT (RM mil)	PBT margin (4)
The Company	Convenience mart	Malaysia	Yes	11	1,106	add'l 376	Yes	Yes	30 Jun 26	1,774.6	1,254.9	12.2%	515.1	29.0%	140.7	7.9%
myNEWS Holdings Bhd (5)	Convenience mart + convenience store	Malaysia	Yes	13	600-700	add'l 95-105	Yes	No	31 Oct 25	878.5	631.3	11.6%	336.3	38.3%	26.9	3.1%
7-Eleven Malaysia Holdings Bhd	Convenience store	USA	No	16	2,800-3,000	add'l 220-230	Yes	No	31 Dec 25	3,176.6	2,484.7	8.5%	979.1	30.8%	37.0	1.2%
QL Resources Bhd	Convenience store	Japan	No	12	450-550 (6)	add'l 145-155	Yes	No	31 Mar 26	1,251.2 (7)	861.0 (7)	13.3%	NA (7)	NA (7)	47.7	3.8%
99 Holdings Bhd	Mini-market	Malaysia	Yes	16	2,900-3,100	add'l 780-790	No	No	31 Dec 25	11,433.2	8,075.3	12.3%	2,226.5	19.5%	803.4	7.0%
Trendcell Sdn Bhd (8)	Supermarket	Malaysia	Yes	9	55-65	add'l 10-20	Yes (10)	No	31 Dec 25	2,414.6	NA (11)	NA (11)	504.4	20.9%	77.8	3.2%
TFP Retail Sdn Bhd (9)		Malaysia	Yes	5	40-50	add'l 5-15	Yes (10)	No	31 Oct 25	1,240.4	1,038.3	6.1%	351.1	28.3%	93.5	7.5%
Mydin Mohamed Holdings Berhad	Hypermarket + supermarket	Malaysia	Yes	13	75-85	add'l 15-25	No	No	31 Mar 25	3,018.4	2,460.0	7.1%	504.8	16.7%	-17.7	-0.6%
Lotuss Stores (Malaysia) Sdn Bhd	Hypermarket	Thailand	No	10	65-75	add'l <5	No	No	31 Dec 25	5,187.3	NA (11)	NA (11)	911.3	17.6%	150.2	2.9%
AEON Big (M) Sdn Bhd		Japan	No	8	15-25	add'l <5	No	No	31 Dec 25	1,359.2	1,483.6	-2.9%	283.7	20.9%	-82.0	-6.0%

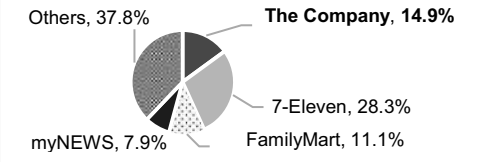
Notes: Data for each company is provided on a best-effort basis based on publicly available information. Financial information based on the latest available audited financial data reported by selected players as at 31 October 2026. The list of selected players may not be exhaustive, and the information is provided for reference only. The selected players are sorted first based on the type of grocery-based retailer, and then by revenue. The selected grocery-based retailers are either publicly listed or have reported a revenue of more than RM500 million in the latest financial statement available as at 31 October 2026. The revenue and PBT reported may be derived from other non-grocery-based retail activities. NA indicates not available; (1) Refers to the 13 States and 3 Federal Territories in Malaysia; (2) Store count as at 31 October 2026; (3) Computed based on gross profit divided by revenue; (4) Computed based on PBT divided by revenue; (5) myNEWS Holdings Bhd, through its subsidiaries, operates retail brands such as myNEWS, SUPERVALUE and CU. All information is presented at the group level, regardless of the brand; (6) Exclude smart kiosks; (7) Indicates the revenue from the 'convenience store chain' segment, however, gross profit is not recognised separately; (8) Trendcell Sdn Bhd operates Jaya Grocer; (9) TFP Retail Sdn Bhd operates Village Grocer, Ben's Independent Grocer (B.I.G.), BSC Fine Foods, Leisure Grocer and Pasaraya OTK; (10) Refers to dining areas within grocery premises, which may be operated as separate brands, excluding food courts; (11) Not available due to non-comparable historical revenue.

Source: Respective companies' audited financial statements; Frost & Sullivan

4.4.4 Market Share

In Malaysia, the Company is one of the key grocery-based retailers, holding a market share of 1.8% in 2025, based on revenue. Within the convenience retail segment, the Company stands out as one of the largest convenience retailers, holding a market share of 14.9% in the same year.[15] The Company's market share within this segment expanded from 10.6% in 2020 to 14.9% in 2025. The Company is the leading convenience mart in Malaysia, holding the largest market share of 77.6% in 2025. [16]

Chart 4-4: The Company's Market Share by Revenue in the Convenience Retail Segment in Malaysia, 2025



Notes: Information based on (1) Market share estimates derived from the latest available financial data reported by selected players as at 31 October 2026; (2) The category labelled as "Others" includes convenience retailers with a market share that is estimated to be less than 5.0% in 2025, and other players for which financial information is not available or cannot be estimated; (3) The revenue reported may include revenue derived from other non-convenience retail activities; (4) The revenue is estimated for the Financial Year January-December 2025 for key industry players that have a different financial reporting period and reported their revenue at group level.

Source: Frost & Sullivan

[15] The Company's market positioning in 2025 is confirmed by comparing its annualised revenue in 2025 against the estimated revenue of other similar convenience retailers reported in the table "Selected Key Players in the Convenience Retail Segment in Malaysia". The revenue data may not have been available for all players. Therefore, Frost & Sullivan has estimated their revenue based on various factors, including the number of established stores, the indicative revenue per store, and the industry average growth rate, amongst others.

[16] The Company's market positioning in 2025 is confirmed by comparing its annualised revenue in 2025 against the estimated revenue of other similar convenience marts reported in the table "Selected Key Players in the Convenience Marts Segment in Malaysia". The revenue data may not have been available for all players. Therefore, Frost & Sullivan has estimated their revenue based on various factors, including the number of established stores, the indicative revenue per store, and the industry average growth rate, amongst others.

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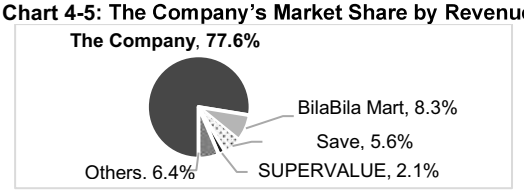
Chart 4-5: The Company's Market Share by Revenue in the Convenience Marts Segment in Malaysia, 2025



Notes: Information based on (1) Market share estimates derived from the latest available financial data reported by selected players as at 31 October 2026; (2) The category labelled as "Others" includes convenience marts with a market share that is estimated to be less than 2.0% in 2025, and other players for which financial information is not available or cannot be estimated; (3) The revenue reported may include revenue derived from other non-convenience marts retail activities; (4) The revenue is estimated for the Financial Year January-December 2025 for key industry players that have a different financial reporting period and reported their revenue at group level.

Source: Frost & Sullivan

4.5 SUMMARY PROSPECTS AND OUTLOOK OF THE CONVENIENCE RETAIL INDUSTRY

The convenience retail industry in Malaysia is forecasted to grow in the period from 2025 to 2030F. It has the potential to grow towards the level of Thailand and Japan, which have higher sales value per capita. The resilient economy encourages consumer spending and fosters the expansion of the retail industry, which includes convenience retailers. In addition, the desire for smaller, more easily navigable grocery stores is being driven by the nation's urbanisation and population growth trends. The convenience retail industry is a robust sector that can endure economic uncertainties, as evidenced by resilient spending on food and non-alcoholic drinks.

Due to the growing popularity of convenience shopping, which is fuelled by busy, fast-paced lifestyles, convenience retailers are in high demand. The increasing demand for RTE meals positions convenience retailers as viable alternatives for consumers seeking versatile foodservice solutions, creating new avenues for sales growth. This is particularly relevant as busy lifestyles drive the need for quick and accessible meal options. The convenience retail sector is also benefiting from high internet and smartphone penetration rates in Malaysia, which facilitate mobile ordering and delivery services. These digital technologies enhance customer experience and streamline operations, allowing stores to reach a broader audience and cater to the evolving preferences of consumers. These advantageous elements not only foster a favourable atmosphere but also open the door for the nation's convenience retail to flourish and grow rapidly.

5 SUMMARY PROSPECTS AND OUTLOOK FOR THE COMPANY

The Company is the leading convenience mart in Malaysia by number of stores as at 31 October 2026 and revenue in 2025. The Company is also the fastest-growing among the selected convenience retailers in Malaysia, by number of stores, from 2022 to 2025. Within the convenience retail industry, the convenience mart segment is experiencing robust growth with the potential for further expansion. This presents opportunities for industry players, including the Company which has established itself as a key player in Malaysia. As a homegrown entity, the Company is well-positioned to leverage the increasing demand for convenience shopping driven by urbanisation, changing consumer lifestyles, and rising household income.

The wide variety of products, including household and grocery items, coupled with additional services such as bill payment and top-up services, further attracts customers. Via the range of private label products, the Company provides more options to customers while controlling both the quality and price of its products. Operating with extended hours of up to 24 hours through three distinct business models—KK Super Mart, KK Concept Store, and KK Signature Store— the Company meets varying customer needs. KK Concept Store, which focuses on RTE meal offerings, and KK Signature Stores, which are unmanned stores, are strategically positioned to leverage growth opportunities arising from urbanisation trends. The emphasis on RTE meals by KK Concept Store aligns with the increasing demand for RTE meals in densely populated urban areas, while the unmanned KK Signature Store model utilises technological advancements to enhance operational efficiency and reduce overhead costs. As a result, it has established itself as a convenient spot for customers seeking urgent and/or daily necessities, beyond normal business hours. The Company also provides delivery services via its own website and partnerships with delivery aggregators to support doorstep requests from customers.

With widespread geographical coverage, the Company is able to expand its customer base and enhance its competitive position in the market. Its presence in both residential and commercial areas caters to diverse market segments. The Company continuously identifies areas with unmet market needs and significant growth potential, such as Penang and Johor, with high population density. With ongoing plans to expand its geographical footprint, the Company is positioned to increase its market share in grocery retailing. The Company's strategic focus on resilient consumer demand, alignment with market needs, and its competitive advantages ensure that it is well-prepared for future growth.

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

9.1 PROMOTERS AND SUBSTANTIAL SHAREHOLDERS

9.1.1 Profiles of our Promoters and substantial shareholders

(i) K8 Resources as Promoter and substantial shareholder

K8 Resources is our Promoter and substantial shareholder having 95.05% equity interest in our Company.

K8 Resources was incorporated in Malaysia under the Act on 27 September 2023 as a private limited company under the name of KK Mart Resources Sdn Bhd prior to it adopting the name of K8 Resources Sdn Bhd on 18 March 2026. K8 Resources is principally engaged in investment holding.

As at the LPD, the issued share capital of K8 Resources is RM246,618,982 comprising 246,618,982 ordinary shares.

The table below sets out the shareholders of K8 Resources and their respective shareholding in K8 Resources as at the LPD:

		Direct		Indirect	
Shareholder	**Nationality**	**No. of ordinary shares**	**%**	**No. of ordinary shares**	**%**
DSKK	Malaysian	234,288,033	95.00	-	-
DSL	Malaysian	12,330,949	5.00	-	-

(ii) DSKK as Promoter, substantial shareholder and Non-Independent Executive Director / Group Managing Director

DSKK, a Malaysian aged 58, is our Promoter, substantial shareholder and Non-Independent Executive Director / Group Managing Director. He is a seasoned entrepreneur and a community leader with 25 years of experience in the retail industry. He is our founder and was appointed to our Board on 27 September 2023.

He is a Chartered Accountant of the MIA, an Associate Chartered Management Accountant of the Chartered Institute of Management Accountants ("**CIMA**") and a Chartered Global Management Accountant of the Association of International Certified Professional Accountants ("**AICPA**") since 2013 and was admitted as a Fellow Member of the CIMA in May 2023.

DSKK started his career as an Internal Auditor with Ong Boon Bah & Co in 1991 where he conducted audits of client financials, verified regulatory compliance and evaluated internal control systems. From 1992 to 1994, he worked as an accounts executive in multiple companies which are involved in the oil and gas service sector as well as the retail and distribution sector, where he was involved in various finance and accounting responsibilities.

From 1994 to 1995, he was an Investment cum Marketing Manager where he conducted portfolio and performance analysis in foreign exchange. He also served as a licensed Futures Broker Representative with Pengkalen Options & Futures Sdn Bhd in 1996, where he was involved in brokerage operations in relation to futures/derivatives trading and client relationship management. From 1997 to 2000, he worked as the Operation and Investment Manager in a civil construction holding company where he was responsible for the company's financial and treasury management, as well as leading capital-raising negotiations and delivering project profitability analyses.

DSKK founded our Group with the incorporation of a legal entity named KK Super Mart (a partnership) in 2001. The business was formally incorporated as KKSMST in 2003 and under DSKK's leadership, has grown into the leading convenience mart player in Malaysia by number of stores as at the LPD and by revenue in 2025, according to the IMR Report, with 1,106 stores nationwide as at the LPD.

As our Non-Independent Executive Director / Group Managing Director, DSKK is responsible for defining and driving the overall vision, mission and strategic direction and growth of our Group; overseeing our Group's financial performance against financial budgets and strategic objectives; driving operational excellence by managing resource allocation, fostering leadership growth through talent acquisition and strategic succession planning; and identifying new market opportunities and leading innovation and expansion initiatives.

In addition to his business accomplishments, DSKK is committed to community service and leadership. He has served as the Chairman of the Federal Territory Honorary RELA Club since 2017, the President of the Malaysia Chinese Assembly Hall since 2015, the President of the Ti-Ratana Welfare Society Malaysia since 2016 and the Vice President of the Malaysia-Nepal Business Council since 2014.

DSKK was awarded the Asean Master Class Award in Retailing Excellence by the Asean Retail-Chains & Franchise Federation in 2016, the SEBA Entrepreneur of the Year by Yayasan Usahawan Malaysia in 2024 and the Asean Distinguished Entrepreneur Lifetime Achievement Award in the Asean Sarawak Business and Economic Forum 2025.

DSKK currently sits on the board of various subsidiaries of our Group and several private limited companies as disclosed in Section 9.2.3(ii) of this Prospectus.

9.1.2 Shareholding of our Promoters and substantial shareholders

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

Name/ Nationality/ Country of incorporation	Before our IPO[1]				After our IPO							
					Assuming the Over-allotment Option is not exercised[2]				Assuming the Over-allotment Option is fully exercised[3]			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
	No. of Shares ('000)	%	No. of Shares ('000)	%	No. of Shares ('000)	%	No. of Shares ('000)	%	No. of Shares ('000)	%	No. of Shares ('000)	%
K8 Resources / Malaysia	3,127,129	95.05	-	-	2,584,629	73.85	-	-	2,514,629	71.85	-	-
DSKK / Malaysian	-	-	3,127,129[4]	95.05	-	-	2,584,629[4]	73.85	-	-	2,514,629[4]	71.85

Notes:

(1) Based on our enlarged issued Shares of 3,290,000,000 after the Bonus Issue.

(2) Based on our enlarged issued Shares of 3,500,000,000 upon our Listing.

(3) Assuming an Over-allotment Option of up to an aggregate of 70,000,000 Shares, representing 8.3% of the total number of our IPO Shares offered.

(4) Deemed interest by virtue of his and his spouse's shareholding in K8 Resources pursuant to Sections 8(4) and 59(11)(c) of the Act.

9.1.3 Changes in our Promoters' and substantial shareholders' shareholdings in our Company for the past three years

Save as disclosed below, there has been no change in our Promoters' and substantial shareholders' interest in our Company for the past three years up to the date of this Prospectus:

	As at 31 December 2023				As at 31 December 2024			
	Direct		Indirect		Direct		Indirect	
Name	**No. of Shares**	**%**	**No. of Shares**	**%**	**No. of Shares ('000)**	**%**	**No. of Shares ('000)**	**%**
K8 Resources	-	-	-[1]	-	234,288[3]	95.00	-	-
DSKK	95	95.00	5[1]	5.00	-	-	234,288[2]	95.00

	As at 31 December 2025				As at the date of this Prospectus[5]			
	Direct		Indirect		Direct		Indirect	
Name	**No. of Shares ('000)**	**%**	**No. of Shares ('000)**	**%**	**No. of Shares ('000)**	**%**	**No. of Shares ('000)**	**%**
K8 Resources	246,619[4]	100.00	-	-	3,127,129[5]	95.05	-[1]	-
DSKK	-	-	246,619[2]	100.00	-	-	3,127,129[2]	95.05

Notes:

(1) Deemed interest by virtue of his spouse's shareholding pursuant to Section 59(11)(c) of the Act.

(2) Deemed interest by virtue of his and his spouse's shareholding in K8 Resources pursuant to Sections 8(4) and 59(11)(c) of the Act.

(3) Pursuant to the following corporate exercises:

*(a) **Acquisition of KK Mart by K8 Resources** – On 14 February 2024, K8 Resources had acquired the entire equity interest in our Company from DSKK and DSL for a purchase consideration of RM246,618,882 which was settled by way of issuance of 246,618,882 new ordinary shares in K8 Resources to DSKK and DSL; and*

*(b) **Investment by Arus Sejahtera** – On 20 September 2024, K8 Resources had disposed 12,330,944 Shares, representing 5.0% equity interest in our Company to Arus Sejahtera pursuant the SSPA.*

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

(4) *Pursuant to the acquisition by K8 Resources of 12,330,944 Shares, representing approximately 5% equity interest in our Company from Arus Sejahtera on 7 February 2025.*

(5) *Being the shareholding following the RCPS Conversion on 27 March 2026 where Arus Sejahtera is holding 12,844,733 Shares which is equivalent to 4.95% of the total number of issued Shares, and based on our enlarged issued Shares of 3,290,000,000 after the Bonus Issue.*

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

9.2 BOARD OF DIRECTORS

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

Our Board comprises at least 30% women Directors and has a majority of Independent Directors as per the recommendations under the MCCG.

With that, our Board believes that our current Board composition provides the appropriate balance in terms of skills, knowledge and experience to promote the interests of all shareholders and to govern our Group effectively. Our Board is also committed to achieving and sustaining high standards of corporate governance.

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

(i) together with management, promotes good and effective corporate governance culture within our Group which reinforces ethical, prudent and professional behaviour;

(ii) ensures the strategic plan of our Group supports long-term value creation and includes strategies on economic, environmental and social considerations underpinning sustainability;

(iii) reviews, challenges and decides on management's proposals for our Group, monitoring their implementation by management and their contribution to our Group;

(iv) oversees the execution of our Group's business to ensure it is properly and ethically conducted including supervising and assessing corporate behaviour and performance of our Group as a whole;

(v) understands and identifies principal risks of our Group's business and ensures implementation of appropriate internal controls and mitigation measures to achieve a suitable risk-reward balance to the shareholders;

(vi) adopts an appropriate risk management framework to identify, analyse, evaluate, manage and monitor significant financial and non-financial risks that appropriately reflects the risk appetite within which our Board expects management to operate;

(vii) reviews the framework for risk management and internal control system and ensure the effectiveness of such framework;

(viii) ensures that senior management has the necessary skills and experience, and that measures or policies are in place for an orderly succession of our Board and senior management;

(ix) ensures there are appropriate policies for training, appointment and performance monitoring of senior management;

(x) developing and implementing an investor relations programme or shareholders' communications policy for our Group to enable effective communication with stakeholders;

(xi) reviews financial statements and our annual report and forms a view on the information presented before approving the same;

(xii) ensures the integrity of our Group's financial and non-financial reporting; and

(xiii) undertakes a formal and objective annual evaluation of our Board, Board Committees and each individual Board member to gauge their respective effectiveness.

Our Board reserves a formal schedule of matters for our Board's deliberation and approval. This includes, among others, the following matters:

(i) strategic issues and planning, including sustainability matters;

(ii) business plans, budget and performance reviews;

(iii) quarterly financial results and audited financial statements;

(iv) dividend policy or declaration of dividends;

(v) capital expenditures;

(vi) adequacy and integrity of internal control and risk management policies;

(vii) material financing and borrowing activities;

(viii) treasury policies;

(ix) key human resources issues;

(x) material acquisitions and disposals of assets;

(xi) matters relating to regulatory compliance;

(xii) appointment of Directors, Group Managing Director and/or other key responsible persons;

(xiii) proposed appointment of external auditors and their audit fees;

(xiv) related party transactions, recurrent related party transactions and conflict of interest (including potential conflict of interest) and any other transactions, procedures or course of conduct that raises questions on management integrity and any recommendations relating thereto as set out in the terms of reference of our Audit Committee;

(xv) undertaking of new investments, divestments, mergers and acquisitions, establishment of subsidiaries, joint ventures and/or new business ventures and any other corporate exercise which requires the shareholders' approval; and

(xvi) limits of authority, whistleblowing policy and anti-bribery and anti-corruption policy.

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

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

Director	Designation	Age	Nationality	Date of appointment as Director	Date of expiration of the current term of office at AGM	No. of years and months in office
Tan Sri Abd Rahman Bin Mamat	Independent Non-Executive Chairperson	73	Malaysian	21 July 2026	Subject to retirement at the conclusion of our AGM to be held in December 2026	3 months and 10 days
DSKK	Non-Independent Executive Director / Group Managing Director	58	Malaysian	27 September 2023	Subject to retirement at the conclusion of our AGM to be held in December 2026	3 years and 1 month
Candy Chai	Non-Independent Executive Director / Chief Commercial Officer	56	Malaysian	22 September 2025	Subject to retirement at the conclusion of our AGM to be held in December 2026	1 year and 1 month
Sherman Lam	Non-Independent Non-Executive Director	53	Malaysian	22 September 2025	Subject to retirement at the conclusion of our AGM to be held in December 2026	1 year and 1 month
Agnes Chan	Independent Non-Executive Director	63	Malaysian	22 September 2025	Subject to retirement at the conclusion of our AGM to be held in December 2026	1 year and 1 month
Chin Wei Min	Independent Non-Executive Director	58	Malaysian	22 September 2025	Subject to retirement at the conclusion of our AGM to be held in December 2026	1 year and 1 month
Chin Shih Hui	Independent Non-Executive Director	50	Malaysian	22 September 2025	Subject to retirement at the conclusion of our AGM to be held in December 2026	1 year and 1 month

None of our Directors represents any corporate shareholder on our Board. Further, there are no family relationships between our Directors, save for DSKK and Candy Chai who are siblings. See Section 9.4 of this Prospectus for further details of the family relationships between our Promoters, substantial shareholders, Directors and Key Senior Management.

9.2.1 Profiles of our Directors

(i) Tan Sri Abd Rahman Bin Mamat

Tan Sri Abd Rahman Bin Mamat, a Malaysian aged 73, is our Independent Non-Executive Chairperson. He was appointed to our Board on 21 July 2026.

Tan Sri Abd Rahman Bin Mamat graduated with a Bachelor of Economics (Honours) from Universiti Malaya in 1975. He joined the MITI (*formerly known as Ministry of International Trade and Industry*) as an Attachment Officer in April 1975 and served in various capacities at the MITI for 35 years before retiring in December 2010. During his tenure, he held the following positions: (a) Deputy Trade Commissioner, Malaysian Trade Office, New York, United States; (b) Director of Trade, Malaysian Trade Centre, Taipei, Taiwan; (c) Economic Counsellor/Trade Commissioner and Deputy Permanent Representative to the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP), Malaysian Trade Office, Bangkok, Thailand; (d) Special Assistant to the then Minister of MITI; (e) Director of Industries, MITI; (f) Senior Director, Policy and Industry Services Division, MITI; (g) Deputy Secretary-General (Industry) of MITI; and (h) Secretary General of MITI.

During his tenure at the MITI, he also served as the MITI's representative on the boards of various companies and statutory bodies including the Malaysian Investment Development Authority (MIDA), Johor Corporation, Regional Corridor Development Authority (RECODA), Sarawak, Small and Medium Enterprise Corporation Malaysia (SME Corp. Malaysia), Pahang State Development Corporation (PKNP), Malaysian External Trade Development Corporation (MATRADE), Malaysian Industry-Government Group for High Technology (MIGHT) and Malaysian Technology Development Corporation (MTDC).

During his tenure at the MITI, he represented Malaysia at numerous international meetings, negotiations for Free Trade Agreements (FTAs), conferences and symposiums. He also contributed to the formulation, implementation and monitoring of policies as well as strategies on international trade, industrial and entrepreneurship development.

He was the Independent Non-Executive Chairman of several public listed companies in Malaysia, namely Hiap Teck Venture Berhad (from January 2011 to December 2022), Lotte Chemical Titan Holding Berhad (from June 2011 to May 2026), Dagang NeXchange Berhad (from December 2013 to December 2022) and Theta Edge Berhad (from July 2024 to June 2026). He was also the Independent Non-Executive Director of Parkson Holdings Berhad (from March 2011 to September 2019), MBSB Berhad (from December 2023 to December 2024) and Bioalpha Holdings Berhad (from January 2012 to January 2022).

Presently, Tan Sri Abd Rahman Bin Mamat is the Independent Non-Executive Chairman of several public listed companies in Malaysia, namely MCE Holdings Berhad (since September 2019) and ECA Integrated Solution Berhad (since March 2022). He was also the Independent Non-Executive Chairman of Malaysian Industrial Development Finance Berhad (from January 2016 to December 2024) and was redesignated as the Non-Independent Non-Executive Chairman effective January 2025. In addition, he serves as a director and shareholder of a number of private companies, details of which are set out in Section 9.2.3 of this Prospectus.

(ii) DSKK

See Section 9.1.1(ii) of this Prospectus for his profile.

(iii) Candy Chai

Candy Chai, a Malaysian aged 56, is our Non-Independent Executive Director / Chief Commercial Officer. She was appointed to our Board on 22 September 2025.

Candy Chai obtained a Diploma in Accounting from The London Chamber of Commerce and Industry in 1992. In 2023, she further enhanced her professional qualification by obtaining a Malaysian Skills Diploma in Retail Operation (Division) from the Department of Skills Development under the Ministry of Human Resources.

In 1993, she worked as Administrative Secretary at Technisystems (M) Sdn Bhd (a subsidiary of BEC Group, France), supporting the Serian-Tebedu-Indonesian Border Road Project in Sarawak. In 1997, she joined Technisystems (M) Sdn Bhd's Kuching branch as Personal Assistant to the Managing Director. From 2000 to 2009, she worked as Office Administrator at Sama Jaya Construction and Hitech Construction Co., where she was responsible for administrative functions and office accounts.

At the same time, from 2000 to 2012, Candy Chai managed her family-owned retail business in Sarawak, Sin Kiaw Chong, where she was responsible for overseeing the daily store operations and supervising a small team of staff.

Candy Chai joined our Group in 2013 as Senior Manager in Data Management, prior to her redesignation as Chief Commercial Officer in September 2025, where she manages master product data integrity, ensuring accuracy across itemisation, pricing and inventory information. In addition, she is also responsible for onboarding new suppliers and products to expand our Group's product offerings, coordinate the roll out of our promotional and marketing plans, conducting pricing and sales analysis to identify trends and opportunities, and executing strategic plans to achieve our Group's sales targets.

(iv) Sherman Lam

Sherman Lam, a Malaysian aged 53, is our Non-Independent Non-Executive Director. He was appointed to our Board on 22 September 2025.

Sherman Lam graduated with a Masters of Business Administration (Finance) from Charles Sturt University, Australia in 2001 and completed the ESG & Sustainable Financial Strategy program at the Said Business School, Oxford University in 2024. He is a Chartered Accountant of the MIA since 2020. He is also a Certified Financial Planner ("**CFP**") of the Financial Planning Association of Malaysia ("**FPAM**") since 2003, a Chartered Member of the Institute of Internal Auditors Malaysia, a Chartered Global Management Accountant of the AICPA and Fellow Member of the CIMA since 2020, a Fellow Member of the CPA Australia since 2020, a Fellow Member of the Institute of Corporate Directors Malaysia, as well as an ASEAN Chartered Professional Accountant of the ASEAN Chartered Professional Accountant Coordinating Committee.

He has more than 25 years of broad-based senior management experience in corporate advisory, treasury management, capital markets, corporate finance and investments with financial institutions as well as corporate board experience in public listed and privately held entities in Malaysia, Singapore, Indonesia and China.

From June 1995 to August 1997, Sherman worked as a money, foreign exchange and derivatives dealer in Fulton Prebon (M) Sdn Bhd, a financial services indirect subsidiary of Permodalan Nasional Berhad held under Amanah Capital Partners Berhad (now known as Malaysian Industrial Development Finance Berhad) dealing in money market, fixed income securities, derivatives and foreign exchange. He then joined the Treasury Division of Utama Merchant Bank Berhad (an investment bank jointly owned by Utama Banking Group Berhad and HSBC Investment Bank Asia Ltd) in August 1997, where he eventually took on the position of Chief Dealer and Treasury Manager, trading in fixed income securities, derivatives as well as managing treasury assets and liabilities. Thereafter in June 2000, he joined Nikkei Pacific Corporate Advisors Sdn Bhd, a regional corporate finance advisory firm, as Associate Director where he advised on several large corporate restructuring and capital raising exercises in Indonesia and Malaysia.

In April 2002, he co-founded Cirrus Ventures (M) Sdn Bhd ("**Cirrus Ventures**") as Managing Director, where he was primarily responsible for the management of the principal investment and corporate advisory services business of the Cirrus Ventures group in the Asia Pacific region. From February 2021 to September 2026, he was the managing partner at Sherman Lam & Co., which was an advisory firm registered with the MIA until September 2026, where he was leading a team of qualified and experienced professionals specialising in business advisory.

During the period from June 2022 to October 2023, Sherman Lam & Co. has provided transaction management services to our Group. Cirrus Ventures has also provided management consulting services to our Group's transformation programme from June 2022 to December 2025.

Sherman Lam is the Senior Independent Non-Executive Director of Gadang Holdings Berhad and Senior Independent Non-Executive Director of Hiap Teck Venture Berhad, which are both listed on the Main Market of Bursa Securities. He previously served as Independent Non-Executive Director of Bintai Kinden Corporation Berhad from 2010 to 2013 and Asian Pac Holdings Berhad from 2019 to 2023, which are both listed on the Main Market of Bursa Securities.

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

(v) Agnes Chan

Agnes Chan, a Malaysian aged 63, is our Independent Non-Executive Director. She was appointed to our Board on 22 September 2025.

She graduated with a Bachelor of Laws (LL.B.) from the University of London in 1992 and obtained a Certificate in Legal Practice in 1993. She was admitted as an advocate and solicitor of the High Court of Malaya in December 1994 and has been a Chartered Secretary and Chartered Governance Professional of The Chartered Governance Institute since 1990.

Agnes began her career in 1987 at Messrs Shearn Delamore & Co, where she headed the corporate secretarial department. In 1994, she joined Messrs Shook Lin & Bok as a pupil and subsequently served as a legal assistant. In 1995, she co-founded the legal firm Messrs Azlinda & Agnes Chan as a Partner.

She served two terms as the Chairperson of the Corporate & Conveyancing Practice Committee of the Kuala Lumpur Bar Committee in 2011 and 2012. She has also been appointed to various public roles, including as a member of the Board of the Labuan Port Authority where she was appointed by the Ministry of Transport in 2017 and the Board of the Malaysian Rubber Council where she was appointed by the Ministry of Plantation Industries and Commodities in 2016.

From 2023 to 2025, Agnes served as the Independent Non-Executive Director of EcoFirst Consolidated Berhad, a company listed on the Main Market of Bursa Securities. She currently serves as Non-Independent Non-Executive Director of Dynafront Holdings Berhad, a company listed on the LEAP Market of Bursa Securities.

(vi) Chin Wei Min

Chin Wei Min, a Malaysian aged 58, is our Independent Non-Executive Director. He was appointed to our Board on 22 September 2025.

He graduated with a Bachelor of Engineering (Hons) Aeronautical Engineering from University of Salford, United Kingdom in 1992.

He has more than 30 years of experience in the financial services industry, particularly in business strategy formulation, large scale transformation as well as complex technology implementation programs.

Chin Wei Min started his career in 1992 as an analyst in Accenture, where he stayed until 2016 with his last held position being the Asia Pacific Managing Director for the Capital Market Industry. As a member of the regional management team at Accenture, Chin Wei Min provided management oversight to various country capital market practices in Asia Pacific, where the overall industry agenda, key business services offerings and key sales initiatives were proposed to meet corporate objectives. In addition to his leadership and management roles, Chin Wei Min also led numerous strategic transformation initiatives including core investment management capability transformation, customer centricity transformation, core exchange trading implementation, and advanced analytics capability design for various financial institutions and stock exchange.

From April 2016 to June 2022, Chin Wei Min was the Executive Director of the Digital Strategy & Innovation Division at the SC, where he played a pivotal role in shaping and implementing the industry's digital agenda at the SC.

Since January 2023, Chin Wei Min is the Managing Director and co-founder of Odigos Consultancy Sdn Bhd, a consulting firm which provides advisory services on complex regulatory issues involving financial technology industry development as well as capital market policies and regulation.

He currently serves as the Independent Non-Executive Director of Kelington Group Berhad which is listed on the Main Market of Bursa Securities.

(vii) Chin Shih Hui

Chin Shih Hui, a Malaysian aged 50, is our Independent Non-Executive Director. She was appointed to our Board on 22 September 2025.

Chin Shih Hui graduated with a Bachelor of Commerce from the University of Southern Queensland in 1997. She is a Chartered Accountant of the MIA and a member of CPA Australia since 2000 and advanced to a Fellow Member of CPA Australia in 2020. She was also a CFP of the FPAM from 2003 to 2022.

In August 1997, Chin Shih Hui started her career as Staff Assistant and later an Audit Senior in Kassim Chan & Co. (now known as Deloitte Malaysia). She then ventured into investment banking when she joined the Corporate Finance department of Commerce International Merchant Bankers Berhad (now known as CIMB Investment Bank Berhad) as Executive in December 2000 and rose through the ranks until her last position as Senior Manager in February 2011. She then joined the Debt Capital Markets department of CIMB Investment Bank Berhad in February 2011 as Vice President. In October 2012, she joined the Client Coverage department of Maybank IB as Associate Director, where she was in-charge of the portfolios of conglomerates and institutions and was involved in various local and foreign funding transactions, corporate exercises as well as capital market fund raising transactions.

From October 2017 to September 2020, Chin Shih Hui was the Chief Financial Officer of Vee Seng Plantations Sdn Bhd ("**Vee Seng Plantations**") and was responsible for the full spectrum of accounting, financial reporting and administration, budget planning and control, special projects, implementation of policies and strategies and other general administrative functions of Vee Seng Plantations and its group of companies ("**Vee Seng Group**"). In July 2020, she joined Covenant Equity Consulting Sdn Bhd as Advisor where she was seconded to the Vee Seng Group as the Chief Financial Officer. She then rejoined the Vee Seng Group in October 2022 as Advisor where she oversees the Malaysia and China day-to-day operations and engages in potential merger and acquisition deals, a position which she still holds at present.

On 11 May 2026, she was appointed as an Independent Non-Executive Director of Wil-Key Berhad which is seeking listing on the ACE Market of Bursa Securities.

9.2.2 Shareholding of our Directors

The following table sets out the direct and indirect interest of our Directors before and after our IPO:

					After our IPO							
	Before our IPO[1]				Assuming the Over-allotment Option is not exercised[2]				Assuming the Over-allotment Option is fully exercised[3]			
Name	**Direct**		**Indirect**		**Direct**		**Indirect**		**Direct**		**Indirect**	
	No. of Shares ('000)	**%**	**No. of Shares ('000)**	**%**	**No. of Shares ('000)**	**%**	**No. of Shares ('000)**	**%**	**No. of Shares ('000)**	**%**	**No. of Shares ('000)**	**%**
Tan Sri Abd Rahman Bin Mamat	-	-	-	-	1,200	0.03	-	-	1,200	0.03	-	-
DSKK	-	-	3,127,129[4]	95.05	-	-	2,584,629[4]	73.85	-	-	2,514,629[4]	71.85
Candy Chai	-	-	-	-	500	0.01	-	-	500	0.01	-	-
Sherman Lam	-	-	-	-	1,000	0.03	-	-	1,000	0.03	-	-
Agnes Chan	-	-	-	-	200	0.01	-	-	200	0.01	-	-
Chin Wei Min	-	-	-	-	200	0.01	-	-	200	0.01	-	-
Chin Shih Hui	-	-	-	-	200	0.01	-	-	200	0.01	-	-

Notes:

(1) Based on our enlarged issued Shares of 3,290,000,000 after the Bonus Issue.

(2) Based on our enlarged issued Shares of 3,500,000,000 upon our Listing and assuming full subscription of our Issue Shares allocated to the Eligible Persons in respect of the Retail Offering.

(3) Assuming an Over-allotment Option of up to an aggregate of 70,000,000 Shares, representing 8.3% of the total number of our IPO Shares offered.

(4) Deemed interest by virtue of his and his spouse's shareholding in K8 Resources pursuant to Sections 8(4) and 59(11)(c) of the Act.

9.2.3 Principal business activities performed by our Directors outside our Group in the past five years

Save as disclosed below, none of our Directors are involved in principal business activities outside our Group as at the LPD or hold directorships in other companies outside our Group, at present and in the past five years preceding the LPD:

(i) Tan Sri Abd Rahman Bin Mamat

Name of company/entity	Principal activities	Involvement in business activities	Interest	
			Direct	Indirect
			%	%
Present involvement				
Annexe Fair Sdn Bhd	Investment holding company engaged in oil and gas upstream sector	Director(3) (appointed on 19 October 2012) and substantial shareholder	36.5	-
Asia Logistics Council Sdn Bhd	Investment holding company engaged in logistic services sector	Director(3) (appointed on 1 February 2011)	-	-
Broadgate Engineering (M) Sdn Bhd	Engineering and construction works	Shareholder	2.0	-
Eastern Steel Sdn Bhd	Manufacturing, selling and dealing in a range of steel products using blast furnace plant and transportation agent for private and public purpose	Director(1) (appointed on 7 December 2011)	-	-
ECA Integrated Solution Berhad *(listed on the ACE Market of Bursa Securities)*	Investment holding company engaged in semiconductor sector	Independent Non-Executive Chairman (appointed on 31 March 2022)	-	-

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

Name of company/entity	Principal activities	Involvement in business activities	Interest	
			Direct	Indirect
			%	%
Malaysian Industrial Development Finance Berhad	Investment holding, providing finance, leasing and industrial hire-purchase services to industries and businesses in Malaysia excluding retail consumer products. Its investment is in subsidiaries principally involved in investment banking, development finance, asset management and mezzanine financing	Independent Non-Executive Chairman (appointed on 1 January 2016) and redesignated as Non-Independent Non-Executive Chairman (effective 1 January 2025)	-	-
Malaysian Technology Development Corporation Sdn Bhd	The company is principally engaged in venture capital activities, management of government grants, technology incubation management and technology support services	Director(1) (appointed on 5 March 2012)	-	-
MCE Holdings Berhad *(listed on the Main Market of Bursa Securities)*	The company is principally engaged in the business of investment holding, with investments in subsidiaries involved in the design, manufacture and supply of automotive electronics and mechatronic parts	Independent Non-Executive Chairman (appointed on 4 September 2019)	-	-
MTDC BGF Sdn Bhd	Investment advisory services; venture capital companies; activities of holding companies in technology-based companies	Director(1) (appointed on 11 June 2018)	-	-
MTDC BSF Sdn Bhd	Venture capital companies; activities of holding companies in technology-based companies; investment advisory services	Director(1) (appointed on 11 June 2018)	-	-
Oceanmight Sdn Bhd	General trading, construction and maintenance services, steel structural fabrication, provision of structural assemblies and engineering services	Director(3) (appointed on 15 October 2012) and substantial shareholder	-	25.44(8)
River Of Life Hospital & Healthcare Sdn Bhd	Business of develop, own, manage and maintain hospital operations and other related services	Director(3) (appointed on 9 February 2012) and shareholder	<0.01	-

Name of company/entity	Principal activities	Involvement in business activities	Interest	
			Direct	Indirect
			%	%
Past involvement				
Astahl Innovation Robotics Sdn Bhd	Provide consultant services on artificial intelligence (AI) on related products	Director(3) (appointed on 2 March 2020, resigned on 10 September 2026)	-	-
Bioalpha Holdings Berhad *(listed on the ACE Market of Bursa Securities)*	Investment holding company with investments in subsidiaries principally involved in the manufacturing and sale of health supplement products	Independent Non-Executive Director (appointed on 3 January 2012, resigned on 25 January 2022)	-	-
Dagang Nexchange Berhad *(listed on the Main Market of Bursa Securities)*	Investment holding company with investments in subsidiaries involved in IT, semiconductor and energy business	Independent Non-Executive Chairman (appointed on 16 December 2013, resigned on 6 December 2022)	-	-
Hiap Teck Venture Berhad (*listed on the Main Market of Bursa Securities*)	Investment and property holdings and the provision of management services. It is the investment holding company of Hiap Teck Hardware Sdn Bhd and Alpine Pipe Manufacturing Sdn Bhd, which are principally involved in importer, exporter, general dealer and lessor of steel products, hardware and building materials, and manufacturing and selling of pipes, hollow sections and other steel products	Independent Non-Executive Chairman (appointed on 28 January 2011, resigned on 16 December 2022)	-	-
Lotte Chemical Titan Holding Berhad *(listed on the Main Market of Bursa Securities)*	Integrated petrochemical producer	Independent Non-Executive Chairman (appointed on 2 June 2011, resigned on 25 May 2026)	-	-

Name of company/entity	Principal activities	Involvement in business activities	Interest	
			Direct	Indirect
			%	%
MBSB Berhad (*listed on the Main Market of Bursa Securities*)	Investment holding company which, through its subsidiaries, provides a wide range of financial services encompassing consumer banking, corporate banking, global markets and investment banking	Independent Non-Executive Director (appointed on 5 December 2023, resigned on 31 December 2024)	-	-
Nexus Pacific Property Sdn Bhd	Real estate activities with own or leased property N.E.C. and manufacturing of gloves or medical devices	Director(3) (appointed on 26 July 2016, resigned on 11 January 2023)	-	-
Parkson Holdings Berhad (*listed on the Main Market of Bursa Securities*)	Investment holding. The subsidiaries of the company are principally involved in the operation of department stores and related trading activities, provision of money lending and credit services, provision of consultancy and management services, property management, operation of food and beverage businesses, intellectual property holding and investment holding	Independent Non-Executive Director (appointed on 14 March 2011, resigned on 1 September 2019)	-	-
Prisma Galeri Sdn Bhd	M.I.C.E services provider (Meeting, Incentive, Convention, Exhibitions)	Director(1) (appointed on 1 July 2017, resigned on 31 March 2024)	-	-
Theta Edge Berhad (*listed on the Main Market of Bursa Securities*)	Investment holding company with subsidiaries principally involved in the provision of information technology and telecommunications services, including system integration activities, trading of hardware and software, as well as the provision of telecommunication engineering and communication services	Independent Non-Executive Chairman (appointed on 9 July 2024, resigned on 22 June 2026)	-	-
Yayasan Tan Sri SM Nasimuddin	To receive, raise, manage and administer funds	Director(1) (appointed on 12 February 2014, resigned on 8 December 2023)	-	-

(ii) DSKK

Name of company/entity	Principal activities	Involvement in business activities	Interest	
			Direct	Indirect
			%	%
Present involvement				
88C Bakery Cafe	Business of café. It has ceased all business activities and became dormant in 2025	Director[(2)] (appointed on 4 October 2013) and substantial shareholder	80.0	-
Citta Worldwide Sdn Bhd	Property investment	Director[(2)] (appointed on 13 April 2011) and substantial shareholder	97.0	-
Factors Property Management Sdn Bhd ("**Factors Property Management**")	Investment property holding	Director[(2)] (appointed on 23 March 2015) and substantial shareholder	80.0	-
HD Mart Holding Sdn Bhd	Business activities of holding companies. It is dormant since 2023 and does not hold any investments	Substantial shareholder	40.0	-
Hornets Marketing Sdn Bhd	Wholesaling of hair and beauty products	Substantial shareholder	30.0	-
K Two Realty Holding Sdn Bhd	Investment in property	Director[(2)] (appointed on 16 May 2016) and substantial shareholder	30.0	-
K3 Systems	Software development and distributor	Director[(2)] (appointed on 5 August 2013) and substantial shareholder	55.0	-
K8 Food Industries Sdn Bhd	Manufacturing and trading of bakery food and related products. It has ceased all business activities and became dormant in 2018	Director[(2)] (appointed on 13 January 2015) and substantial shareholder	50.0	-

Name of company/entity	Principal activities	Involvement in business activities	Interest	
			Direct	Indirect
			%	%
K8 Cash & Carry Sdn Bhd *(formerly known as KK2 Cash & Carry Sdn Bhd)*	Operating of fresh food market and related activities. It has ceased all business activities and became dormant in 2024	Director[(2)] (appointed on 10 November 2009) and substantial shareholder	51.0	-
K8 DC Management	Distribution, logistics and warehousing services. Since 1 February 2025, the company has ceased operating the Balakong DC following the disposal of certain assets to KKSMST	Director[(2)] (appointed on 8 July 2013) and substantial shareholder	-	100.0[(4)]
K8 Foodmart Sdn Bhd *(formerly known as KK2 Foodmart Sdn Bhd)*	Food or beverage, food and beverage preparation in market stalls/hawkers. It has ceased all business activities and became dormant in 2017	Director[(2)] (appointed on 4 August 2010) and substantial shareholder	95.0	-
K8 Home Deco Sdn Bhd *(formerly known as KK2 Home Deco Sdn Bhd)*	Engaged in the retailing of ceramic products. It has ceased all business activities and became dormant in 2023	Director[(2)] (appointed on 2 April 2007) and substantial shareholder	80.0	-
Poliklinik Cahaya (Pandan) Sdn Bhd	Owning and operating a clinic	Director[(2)] (appointed on 30 July 2025) and substantial shareholder	90.0	-
RCC Kuchai Lama Sdn Bhd *(formerly known as KK Hypermart Sdn Bhd)*	Proprietors of cafeteria, restaurant and caterers. It has ceased all business activities and became dormant in 2023	Substantial shareholder	50.0	-
K8 Kopitiam Sdn Bhd *(formerly known as KK2 Kopitiam Sdn Bhd)*	Investment property holding	Director[(2)] (appointed on 25 April 2007) and substantial shareholder (direct)	70.0	-
K8 Kopitiam (S)	Restaurant business	Substantial shareholder	70.0	-
K8 Megasave Sdn Bhd *(formerly known as KK2 Megasave Sdn Bhd)*	Investment property holding	Director[(2)] (appointed on 2 April 2007) and substantial shareholder	90.0	-

Name of company/entity	Principal activities	Involvement in business activities	Interest	
			Direct	Indirect
			%	%
K8 Motorsports Sdn Bhd *(formerly known as KK2 Motorsports Sdn Bhd)*	Services and repair of motor vehicles and sales of auto parts and accessories. It has ceased all business activities on 20 May 2026	Director[(2)] (appointed on 11 January 2008) and substantial shareholder	80.0	-
K8 Resources	Other business support service activities; activities of holding companies; real estate activities with own or leased property. K8 Resources is the investment holding company of our Group	Director[(2)] (appointed on 27 September 2023) and substantial shareholder	95.0	-
K8 R&R Sdn Bhd *(formerly known as KK2 R&R Sdn Bhd)*	Property investment; and property rental business, home stay and Airbnb	Director[(2)] (appointed on 17 December 2010) and substantial shareholder	80.0	-
K8 Safeguards Sdn Bhd *(formerly known as KK2 Safeguards Sdn Bhd)*	Property investment	Director[(2)] (appointed on 2 January 2006) and substantial shareholder	95.0	-
K8 Super (MM2H) Sdn Bhd *(formerly known as KK Super (MM2H) Sdn Bhd)*	To carry on business relating to Malaysia my second home (MM2H) including consultancy and other related activities; activities of holding companies; other business support service activities. It is not holding any companies as at the LPD	Director[(2)] (appointed on 14 October 2019) and substantial shareholder	80.0	-
K8 Super (SMM2H) Sdn Bhd (*formerly known as KK Super (SMM2H) Sdn Bhd*)	To carry on business relating to Sarawak Malaysia My Second Home (S-MM2H)	Director[(2)] (appointed on 13 February 2025) and substantial shareholder	80.0	-
K8 Supermart Holdings	Property investment and joint venture	Director[(2)] (appointed on 9 October 2006) and substantial shareholder	95.0	-
K8 Supersave Sdn Bhd *(formerly known as KK2 Supersave Sdn Bhd)*	Investment holding. It has ceased all business activities and has become dormant for more than 10 years.	Director[(2)] (appointed on 24 April 2002) and substantial shareholder	85.0	-

Name of company/entity	Principal activities	Involvement in business activities	Interest	
			Direct	Indirect
			%	%
K8 Superstore Sdn Bhd *(formerly known as KK2 Superstore Sdn Bhd)*	Investment holding company which holds property only	Director[2] (appointed on 19 August 2004) and substantial shareholder	95.0	-
Mega Hugo Holdings Limited (British Virgin Islands)	Retail activities and investment company. It is the registered proprietor of "KK" trademarks in jurisdictions such as India, Sri Lanka, Bangladesh and Pakistan	Director[2] (appointed on 22 September 2010) and substantial shareholder	100.0	-
Milae Marketing Sdn Bhd	Selling and distributing of hair products and other related products. It has ceased all business activities and becomes dormant in 2026	Substantial shareholder	-	100.0[5]
Prasarana Juara Sdn Bhd	Property development. The housing construction project has already been completed and the company is currently inactive and holding properties only	Director[2] (appointed on 6 October 2011) and substantial shareholder	90.0	-
Restkin Resources Sdn Bhd	Importer and exporter of goods and investment holding company which holds property only. As at the LPD, it is holding properties and never commenced any business activities	Director[2] & Manager (appointed on 17 January 2012) and substantial shareholder	8.3	-
SKCC Beauty International Sdn Bhd	Investment holding company which holds property only	Director[2] (appointed on 25 April 2007) and substantial shareholder	90.0	-
SKCC Corporation Sdn Bhd	Property investment	Director[2] (appointed on 24 April 2002) and substantial shareholder	50.0	-
SKCC Development & Construction Sdn Bhd	Property investment	Director[2] (appointed on 21 January 2010) and substantial shareholder	95.0	-

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

Name of company/entity	Principal activities	Involvement in business activities	Interest	
			Direct	Indirect
			%	%
SKCC E Solutions Sdn Bhd	Property investment	Director[2] (appointed on 23 March 2011) and substantial shareholder	80.0	-
SKCC Laboratories	Manufacturing and trading of beauty and cosmetics products	Director[2] (appointed on 16 April 2010) and substantial shareholder	39.0	-
SKCC Lifetech Sdn Bhd	Investment property holding	Director[2] (appointed on 9 July 2010) and substantial shareholder	95.0	-
Super Homes Sdn Bhd	Investment holding company which holds property only	Director[2] (appointed on 25 October 2019) and substantial shareholder	80.0	-
Supergold Development	Property investment	Director[2] (appointed on 4 April 2008) and substantial shareholder	95.0	-
Swasta Sempurna Sdn Bhd	Investment holding; housing and real estate agents; and Investment. As at the LPD, it only holds properties	Director[2] (appointed on 30 November 2012) and substantial shareholder	50.0	-
Temasek Cahaya Sdn Bhd	Property investment; management services; and general trading	Director[2] (appointed on 8 March 2018) and substantial shareholder	80.0	-
Top Edge Marketing Sdn Bhd	Investment in films and media projects	Director[2] (appointed on 2 September 2010) and substantial shareholder	51.0	-
Top.Happy Star Super Store Sdn Bhd (Brunei)	Retail trade, except for motor vehicles and motorcycles	Substantial shareholder	10.0	-

Name of company/entity	Principal activities	Involvement in business activities	Interest	
			Direct	Indirect
			%	%
Twinflex Ventures Sdn Bhd	Investment holding company which holds property only	Director[(2)] (appointed on 3 June 2020) and substantial shareholder	80.0	-
Wellcome Store Sdn Bhd	Investment holding. It became dormant in 2022 and does not hold any investments	Director[(2)] (appointed on 30 August 2010) and substantial shareholder	75.0	-
Past involvement				
B Cafe International Sdn Bhd (dissolved on 1 September 2026)	Cafeterias/canteens; activities of holding companies; other business support service activities. It has never commenced any business and has filed for striking off on 6 May 2026	Director[(2)] (appointed on 17 March 2020) and substantial shareholder	72.0	-
Baiwago Malaysia Sdn Bhd (dissolved on 1 September 2026)	Investment holding. It became dormant in 2026 and does not hold any investments. It has applied for striking off on 6 May 2026	Director[(2)] (appointed on 1 April 2016) and substantial shareholder	80.0	-
Bersama Jaya Development Sdn Bhd (dissolved on 28 January 2026)	Construction works. It is previously engaged in investment holding which holds property only	Director[(2)] (appointed on 30 March 2011) and substantial shareholder	35.0	-
Capital Convention Bukit Bintang Sdn Bhd	Organisation, promotions and/or management of event	Director[(2)] (appointed on 11 May 2022, resigned on 29 August 2022)	-	-
Commercecash Sdn Bhd *(formerly known as Happy Momentum Sdn Bhd*)	Providing integrated digital payment platforms covering kiosks, reward platforms and related digital means, other digital development services and advisory, information technology gateway and other related activities	Director[(2)] (appointed on 6 March 2012, resigned on 27 February 2026) and substantial shareholder (cessation of shareholding on 11 February 2026)	80.0	-
Hornets Marketing Sdn Bhd	Wholesaling of hair and beauty products	Director[(2)] (appointed on 28 September 2000, resigned on 3 July 2025)	-	-

Name of company/entity	Principal activities	Involvement in business activities	Interest	
			Direct	Indirect
			%	%
KK HK International Limited (Hong Kong)	Retail of supermarket	Director[(2)] (appointed on 5 December 2011 and resigned on 7 May 2026) and substantial shareholder (cessation of shareholding on 7 May 2026)	50.0	-
KK Super Mart	Retailing and wholesaling grocery	Owner (date of entry on 2 January 2001) (business registration has been terminated on 21 October 2025)	-	-
K2 Corporation Sdn Bhd (dissolved on 1 September 2026)	Supply of alarms, video surveillance systems, access control and other related security equipment. It has ceased all business activities and became dormant in 2024 and has filed for striking off on 6 May 2026.	Director[(2)] (appointed on 3 September 2008) and substantial shareholder	50.0	-
K3 F&B Sdn Bhd	Repair and maintenance of other equipment; activities of holding companies; and to carry on health and cosmetic business (retail, wholesale & import)	Director[(2)] (appointed on 6 September 2019, resigned on 11 August 2025) and substantial shareholder (cessation of shareholding on 9 March 2026)	60.0	-
K8 Coreni Sdn Bhd *(formerly known as KK2 Coreni Sdn Bhd)* (dissolved on 1 September 2026)	Investment holding. It is dormant since 2020 and does not hold any investments and has applied for striking off in April 2026	Director[(2)] (appointed on 7 May 2010) and substantial shareholder	50.0	-
K8 HR Management Sdn Bhd *(formerly known as KK2 HR Management Sdn Bhd)* (dissolved on 1 September 2026)	Other sports activities. It has never commenced any business activities, is dormant and has applied for striking off on 6 May 2026	Director[(2)] (appointed on 15 April 2008) and substantial shareholder	90.0	-
K8 Kopitiam (S)	Restaurant business	Director[(2)] (appointed on 5 May 2009, resigned 26 March 2025)	-	-

Name of company/entity	Principal activities	Involvement in business activities	Interest	
			Direct	Indirect
			%	%
K8 Marketplace Sdn Bhd *(formerly known as KK2 Marketplace Sdn Bhd)* (dissolved on 1 September 2026)	Fresh food market and related activities. It has filed for striking off on 6 May 2026	Director[(2)] (appointed on 12 August 2010) and substantial shareholder	90.0	-
KK Digital Sdn Bhd *(formerly known as KK Mart Digital Sdn Bhd)* ("**KK Digital**")	Retail sales of general products and advertising including providing media space and advertising space through online media space, television screens, POS screens in convenience stores and other media; activities of holding companies; and other business support service activities	Director[(2)] (appointed on 31 October 2018, resigned on 11 April 2025) and substantial shareholder (cessation of shareholding on 11 April 2025)	60.0	-
Matri Properties Sdn Bhd	Ownership and management of landed properties; running hotel business; and general trading	Director[(2)] (appointed on 3 November 2021, resigned on 13 August 2025) and substantial shareholder (cessation of shareholding on 13 August 2025)	80.0	-
Milae Marketing Sdn Bhd	Selling and distributing of hair products and other related products. It has ceased all business activities and became dormant in 2026	Director[(2)] (appointed on 1 June 2015, resigned on 3 July 2025)	-	-
Morning Kitchen Sdn Bhd (dissolved on 29 June 2022)	Activities of holding companies; repair and maintenance of other equipment; installation of doors, windows, door and window frames of wood or other materials, fitted kitchens, staircases, shop fittings and furniture	Director[(2)] (appointed on 11 October 2019) and substantial shareholder	40.0	-
Mruncit Commerce Sdn Bhd	Developing and selling software and e-commerce; to provide mobile prepaid reload solutions, electronic voucher distribution and e-wallet business	Director[(2)] (appointed on 5 January 2018, resigned on 7 December 2023)	-	-

Name of company/entity	Principal activities	Involvement in business activities	Interest	
			Direct	Indirect
			%	%
Mruncit Ventures Sdn Bhd	Activities of holding companies. It was dormant and did not hold any investments during the period when DSKK was a director.	Director[2] (appointed on 8 September 2022, resigned on 18 April 2023)	-	-
RCC Kuchai Lama Sdn Bhd *(formerly known as KK Hypermart Sdn Bhd)*	Proprietors of cafeteria, restaurant and caterers. It has ceased all business activities and became dormant in 2023	Director[3] (appointed on 4 August 2010, resigned on 7 May 2025)	-	-
Temasek Mentari Sdn Bhd (dissolved on 1 September 2026)	Other business support services activities. It is dormant since 2019 and has applied for striking off on 9 April 2026	Director[2] (appointed on 13 December 2011) and substantial shareholder	95.0	-
Tmall Commerce Sdn Bhd	Investment holding company. It has invested in a digital payment, e-commerce and merchant acquiring platform company.	Director[2] (appointed on 31 October 2018 and resigned on 11 February 2026) and substantial shareholder (cessation of shareholding on 11 February 2026)	80.0	-
Wonderland Primary Sdn Bhd	Trading of beauty healthcare, cosmetic and toiletry products and original equipment manufacturer business; investment holding; general trading. It has ceased all business activities and became dormant in 2022	Director[2] (appointed on 9 September 2022, resigned on 10 April 2026) and substantial shareholder (cessation of shareholding on 10 April 2026)	80.0	-

(iii) Candy Chai

Name of company/entity	Principal activities	Involvement in business activities	Interest	
			Direct	Indirect
			%	%
Present involvement				
Bersama Jaya Construction Sdn Bhd	Property developer and construction	Director[2] (appointed on 17 September 2010) and substantial shareholder	20.0	-

Name of company/entity	Principal activities	Involvement in business activities	Interest	
			Direct	Indirect
			%	%
Bersama Jaya Mining Sdn Bhd	To carry business of prospecting, investigating, exploring and developing by sampling drilling and testing methods of all kinds and of working either underground, or open cut any sand and gravel, mineral, metal, ore, rock petroleum, mineral oil or natural gas and to acquire any permits, licences, leases, rights, authorities, holdings, tenements, claims, concessions, or any other rights upon over or attached to any property for the purpose of carrying out this or any associated business	Director[2] (appointed on 30 November 2018) and shareholder	0.2	-
K8 DC Management	Distribution, logistic and warehousing services. Since 1 February 2025, the company has ceased operating the Balakong DC following the disposal of certain assets to KKSMST	Director[3] (appointed on 28 March 2017)	-	-
Past involvement				
AZS Jaya Resources Sdn Bhd (dissolved on 27 May 2025)	Construction	Director[2] (appointed on 8 August 2018) and substantial shareholder	50.0	-

(iv) Sherman Lam

Name of company/entity	Principal activities	Involvement in business activities	Interest	
			Direct	Indirect
			%	%
Present involvement				
Cirrus Capital Partners Sdn Bhd	Business of management & advisory services	Director[2] (appointed on 24 February 2005) and substantial shareholder	-	49.0[6]
Cirrus Ventures	Business of management and advisory services	Director[2] (appointed on 23 April 2002) and substantial shareholder	100.0	-

Name of company/entity	Principal activities	Involvement in business activities	Interest	
			Direct	Indirect
			%	%
Gadang Holdings Berhad *(listed on the Main Market of Bursa Securities)*	Investment holding and provision of management services. It is the investment holding company of Gadang Engineering (M) Sdn Bhd and Bincon Sdn Bhd, which are principally involved in earthworks, building and civil engineering construction works and investment holding, and hire of plant and machinery, transportation agent	Independent Non-Executive Director (appointed on 16 August 2021)	-	-
Herbitec (M) Sdn Bhd	Research and sale of pharmaceutical products. (Note: It is also an indirect subsidiary of Tanco Holdings Berhad, a company listed on the Main Market of Bursa Securities	Director(3) (appointed on 6 March 2007) and substantial shareholder	-	27.4(6)
Herbitec Marketing Sdn Bhd	Healthcare products (Note: It is also a subsidiary of Herbitec (M) Sdn Bhd)	Director(3) (appointed on 6 December 2011) and substantial shareholder	-	27.4(6)
Hiap Teck Venture Berhad *(listed on the Main Market of Bursa Securities)*	Investment and property holdings and the provision of management services. It is the investment holding company of Hiap Teck Hardware Sdn Bhd and Alpine Pipe Manufacturing Sdn Bhd, which are principally involved in importer, exporter, general dealer and lessor of steel products, hardware and building materials, and manufacturing and selling of pipes, hollow sections and other steel products	Independent Non-Executive Director (appointed on 21 December 2020)	-	-
Idaman Alfa Sdn Bhd	Investment holding company which holds property only	Director(2) (appointed on 28 April 2026) and substantial shareholder	-	100.0(6)
Newave Swimming Club Sdn Bhd	Promotion of sports events. It is currently dormant	Director(3) (appointed on 28 May 2026 and substantial shareholder)	50.0	-

Name of company/entity	Principal activities	Involvement in business activities	Interest	
			Direct	Indirect
			%	%
Past involvement				
Asian PAC Holdings Berhad *(listed on the Main Market of Bursa Securities)*	Investment holding, provision of management services, trading of building materials. It is the holding company of various subsidiaries which are principally focused towards operations in investment holdings, property development and investment, mall and carpark ownership and trading in building materials	Independent Non-Executive Director (appointed on 2 January 2019 and resigned on 28 February 2023)	-	-
Havilah Resources Sdn Bhd	Geotechnical solution provider	Shareholder (cessation of shareholding on 27 July 2026)	0.01	-

(v) Agnes Chan

Name of company/entity	Principal activities	Involvement in business activities	Interest	
			Direct	Indirect
			%	%
Present involvement				
Bentara Alamanda Sdn Bhd	Construction of buildings	Substantial shareholder	100.0	-
DynaFront Holdings Berhad *(listed on the LEAP Market of Bursa Securities)*	Activities of holding companies. It is the investment holding company of DynaFront Systems Sdn Bhd and PT DynaFront Systems Indonesia, which are principally involved in life insurance applications, including development and deployment of comprehensive insurance software solutions ranging from front-end sales to back-end administrative systems	Non-Independent Non-Executive Director (appointed on 16 January 2025)	-	-
My Dominion Sdn Bhd	Packaging and distribution of cooking oil	Director[(3)] (appointed on 20 January 2015) and substantial shareholder	90.0	-

Name of company/entity	Principal activities	Involvement in business activities	Interest	
			Direct	Indirect
			%	%
Subur Asiamas Sdn Bhd	Manufacture, packaging and distribution of food products	Director[3] (appointed on 6 September 2016) and substantial shareholder	-	30.0[7]
Tsea Sdn Bhd	Packaging and distribution of cooking oil	Director[3] (appointed on 21 November 2018) and substantial shareholder	-	30.0[7]
Past involvement				
Bandar Baru Gelang Patah Sdn Bhd (wound up)	Dormant	Substantial shareholder	50.0	-
Duitmas (M) Sdn Bhd (dissolved on 20 July 2026)	Letting of premises for sub-rent and the provision of management services, land and property investment, and general trading	Substantial shareholder	25.0	-
Ecofirst Consolidated Bhd *(listed on the Main Market of Bursa Securities)*	Investment holding and provision of management services. It is the investment holding company of Pujian Development Sdn Bhd and EcoFirst Hartz Sdn Bhd which are principally involved in property development and construction, and property investment	Independent Non-Executive Director (appointed on 15 February 2023, resigned on 27 May 2025)	-	-
Fit Touch (Malaysia) Sdn Bhd (dissolved on 27 May 2025)	A national sports organisation registered with the Commissioner of Sports Malaysia, responsible for managing national development, tournaments, and events for the sport of touch, and serving as the sole Malaysian member of the International Federation	Director[1] (appointed on 16 October 2015, resigned on 27 May 2020) and substantial shareholder	66.7	-
GSN Klang Sdn Bhd (wound up on 10 November 2021)	Restaurants	Substantial shareholder	25.0	-
Latacita Sdn Bhd (dissolved on 7 September 2023)	To carry on the business of operating an internet portal	Director[3] (appointed on 16 August 2017) and substantial shareholder	100.0	-

(vi) Chin Wei Min

Name of company/entity	Principal activities	Involvement in business activities	Interest	
			Direct	Indirect
			%	%
Present involvement				
Jati Growth PLT	Activities of holding companies, business management consultancy services, organisation, promotion and management of events, and investment in early-stage Malaysian startups	Partner (appointed on 26 December 2023)	-	-
Kelington Group Berhad *(listed on the Main Market of Bursa Securities)*	Engaged in the business of investment holding, providing engineering services, construction and general trading. It is the investment holding company of Kelington Technologies Sdn Bhd and Kelington Engineering (S) Pte Ltd, which are principally involved in the provision of engineering services, and provision of engineering solutions on Ultra-High-Purity gas and chemical delivery system	Independent Non-Executive Director (appointed on 31 August 2023)	-	-
Mystartr Angel PLT	Activities of holding companies. It is an equity crowdfunding platform that connects startups and small and medium enterprises (SME's) with investors, its core activities include enabling capital raising, providing end-to-end campaign support, educating investors, and facilitating investment opportunities for retail and angel investors	Partner (appointed on 3 March 2023)	-	-
Odigos Consultancy Sdn Bhd	Business management consultancy services; other business support service activities	Director[(2)] (appointed on 4 January 2023) and substantial shareholder	50.0	-

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

(vii) Chin Shih Hui

Name of company/entity	Principal activities	Involvement in business activities	Interest	
			Direct	Indirect
			%	%
Present involvement				
Wil-Key Berhad	Investment holding company. Through its subsidiaries, it is a civil and environmental engineering services provider, specialising in the construction of civil and environmental infrastructure, supply and installation of geosynthetic systems, and supply of related products and services	Independent Non-Executive Director (appointed on 11 May 2026)	-	-

Notes:

(1) *Taking on a role similar to that of an Independent Non-Executive Director of a listed company during his/her tenure as a director of the relevant private companies.*

(2) *Taking on a role similar to that of a Non-Independent Executive Director of a listed company during his/her tenure as a director of the relevant private companies.*

(3) *Taking on a role similar to that of a Non-Independent Non-Executive Director of a listed company during his/her tenure as a director of the relevant private companies.*

(4) *Deemed interest by virtue of his and his spouse's shareholding in K8 Supermart Holdings pursuant to Sections 8(4) of the Act.*

(5) *Deemed interest by virtue of his shareholding in Hornets Marketing Sdn Bhd pursuant to Section 8(4) of the Act.*

(6) *Deemed interest by virtue of his shareholding in Cirrus Ventures pursuant to Section 8(4) of the Act.*

(7) *Deemed interest by virtues of her shareholding in My Dominion Sdn Bhd pursuant to Section 8(4) of the Act.*

(8) *Deemed interest by virtue of his shareholding in Annexe Fair Sdn Bhd pursuant to Section 8(4) of the Act.*

The involvement of our Directors mentioned above in other business activities outside our Group will not affect their commitment and responsibilities to our Group in their respective roles as our Directors as:

(i) our Non-Executive Directors are not involved in the day-to-day operations of our Group and they are able to devote sufficient time and attention to the affairs of our Company; and

(ii) the involvement of DSKK in other businesses or corporations ("**DSKK Private Companies**") does not preclude him from allocating or committing his time and attention to our Group as most of the DSKK Private Companies have already ceased or never commenced operations, are engaged in investment of property holding or have delegated the day-to-day operational management of the businesses to their own respective independent management teams. DSKK only oversees strategic planning, risk management and major business decisions through a monthly management and financial review meeting, which typically lasts approximately one hour. As such, the DSKK Private Companies do not require his substantial involvement or significant time commitment. Similarly, the involvement of Candy Chai in other businesses or corporations does not require her to allocate or commit any significant amount of time or attention, other than attending meetings of the board of directors on which they serve or attending shareholders' meetings as a shareholder, if any.

9.2.4 Service contracts with our Directors

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

9.2.5 Directors' remuneration and material benefits in-kind

The remuneration and material benefits in-kind paid or proposed to be paid to our Directors for services rendered to us in all capacities to our Group for the FYE 30 June 2026 and FYE 30 June 2027 are as follows:

FYE 30 June 2026 (Actual)	Salary (RM'000)	Directors' fees (RM'000)	Bonus (RM'000)	Contributions to EPF, SOCSO and EIS (RM'000)	Allowances (RM'000)	Profit-sharing (RM'000)	Benefits-in-kind (RM'000)	Total (RM'000)
Tan Sri Abd Rahman Bin Mamat[(1)]	-	-	-	-	-	-	-	-
DSKK	300	-	38	42	-	-	-	380
Candy Chai	144	-	12	20	12	-	-	188
Sherman Lam[(2)]	-	90	-	-	4	-	-	94
Agnes Chan	-	68	-	-	4	-	-	72
Chin Wei Min	-	68	-	-	4	-	-	72
Chin Shih Hui	-	75	-	-	4	-	-	79

Notes:

(1) Tan Sri Abd Rahman Bin Mamat was appointed as our Director after the FYE 30 June 2026.

(2) Payments of RM60,000 were made to Cirrus Ventures, where Sherman Lam is the managing director, for the management consulting services provided to our Group's transformation programme from June 2022 to December 2025.

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

FYE 30 June 2027 (Proposed to be paid)	Salary (RM'000)	Directors' fees (RM'000)	Bonus (RM'000)	Contributions to EPF, SOCSO and EIS (RM'000)	Allowances (RM'000)	Profit-sharing (RM'000)	Benefits-in-kind (RM'000)	Total (RM'000)
Tan Sri Abd Rahman Bin Mamat	-	150	-	-	6	-	-	156
DSKK	300	-	38	42	-	-	-	380
Candy Chai	144	-	12	20	12	-	-	188
Sherman Lam	-	120	-	-	6	-	-	126
Agnes Chan	-	90	-	-	6	-	-	96
Chin Wei Min	-	90	-	-	6	-	-	96
Chin Shih Hui	-	100	-	-	6	-	-	106

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

9.2.6 Audit Committee

Our Audit Committee was formed by our Board on 22 September 2025. Our Audit Committee currently comprises the following members, all of whom are Independent Non-Executive Directors:

Name	Designation	Directorship
Chin Shih Hui	Chairperson	Independent Non-Executive Director
Agnes Chan	Member	Independent Non-Executive Director
Chin Wei Min	Member	Independent Non-Executive Director

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

(i) External audit

(a) Consider and recommend to our Board the appointment or re-appointment of external auditors and to fix their fees (audit and non-audit), after assessing their suitability, objectivity, independence and capabilities as well as the effectiveness of the external audit process.

(b) Review the following and report the same to our Board:

(1) letter of resignation from the external auditors or suggestions for their dismissal, including a copy of any written representations or statement of circumstances in relation to the resignation made by the external auditors, if applicable;

(2) whether there is reason (supported by grounds) to believe that the external auditors are not suitable for re-appointment; and

(3) nomination of external auditors.

(c) Assess the suitability, objectivity and independence of the external auditors on an annual basis based on the policies and procedures that have been established and the annual performance evaluation of the external auditors undertaken by our Audit Committee. The policies and procedures must include, among others, consideration on:

(1) the criteria to guide decisions on the appointment and re-appointment of the external auditors. The criteria should include an assessment of the competence, audit quality and resource capacity of the external auditors in relation to the audit. The assessment should also consider information presented in the Annual Transparency Report of the audit firm. If the Annual Transparency Report is not available, our Audit Committee may engage the audit firm on matters typically covered in an Annual Transparency Report including the audit firm's governance and leadership structure as well as measures undertaken by the firm to uphold audit quality and manage risks;

(2) the adequacy of the scope, competency and resources of the external auditors and that they have the necessary authority to carry out their work;

(3) the appropriateness of audit fees to support a quality audit;

(4) requirement for non-audit service to be approved by our Audit Committee before they are rendered by the external auditors and its affiliates while taking into account the nature and extent of the non-audit services and the appropriateness of the level of fees;

(5) requirement to obtain written assurance from the external auditors confirming that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements; and

(6) the conduct of an annual evaluation on the performance of the external auditors and undertaking follow-up measures, where required.

(d) Review the following with the external auditors and report the same to our Board:

(1) audit plan, its scope and nature;

(2) audit report;

(3) evaluation of the system of internal controls;

(4) the assistance given by the employees to the external auditors, including any difficulties or disputes with management encountered during audit; and

(5) external auditors' management letter and management's response thereto.

(ii) Internal audit

(a) Review the adequacy of the scope, competency, resources and budget allocation of the internal audit function, and that it has the necessary authority to carry out its work.

(b) Review the internal audit plan, programme, processes and the reporting structure.

(c) Review the findings of the internal auditor's reports, internal audit assessments, investigations undertaken and whether or not appropriate actions are taken by the management, based on the recommendations of the internal auditors.

(d) Review the appraisal or assessment of the performance of members of the internal audit function on an annual basis.

(e) Review any special audit which our Audit Committee deems necessary.

(iv) Related party transactions, recurrent related party transactions and conflict of interest

(a) Establish and review the conflict of interest policy to effectively identify, address and manage conflict of interest or potential conflict of interest, including those that are actual, potential or perceived in nature.

(b) Monitor, review and report to our Board any related party transactions, recurrent related party transactions and conflict of interest situation that arose, persist or may arise within our Company or Group, including any transaction, procedures or course of conduct that raises questions of management integrity and the measures taken to resolve, eliminate or mitigate such conflicts.

(c) Where appropriate, make recommendations to our Board for approval on the basis that such transactions are based on normal commercial terms and not more favourable to the related parties than those generally available to their parties, are at arm's length basis and are in the best interest of our Company which are not detrimental to our Company's non-interested shareholders.

(d) Review the process used to procure the shareholders' mandate for recurrent related party transactions.

(v) Financial reporting

(a) Review the quarterly results and the year-end financial statements of our Group, before submission to our Board for approval, focusing particularly on:

(1) changes in or implementation of major accounting policy changes;

(2) significant matters highlighted including financial reporting issues, significant judgement made by management, significant and unusual events or transactions and how these matters are addressed;

(3) significant adjustment arising from the audit;

(4) material litigation or actions that could affect the financial position, performance or results;

(5) major judgemental areas;

(6) integrity of financial statements;

(7) the going concern assumption; and

(8) compliance with accounting standards, regulatory and other legal requirements.

(b) Review and provide advice on whether the financial statements taken as a whole provide a true and fair view of our Company's financial position and performance.

(c) Review and monitor our Company's and our Group's finance function in respect of adequacy and sufficiency to support financial recording and reporting process to ensure accurate, complete, consistent and timely reporting.

(d) Ask probing questions to ascertain whether the financial statements are consistent with operational and other information known, where there are significant matters requiring decision.

(vi) Others

(a) Review all financial related reports/statements or any other reports/statements as required by the Listing Requirements, for inclusion in our annual report.

(b) Verify allocation of units or options issued pursuant to the various incentive or retention schemes implemented by our Group (if any).

(c) Obtain regular updates from management regarding compliance matters.

(d) Review findings, queries or investigation by the regulatory agencies (if any).

(e) Perform the oversight function over the administration of whistleblowing policy that is approved and adopted by our Board and to protect the values of transparency, integrity, impartiality and accountability where our Group conducts our business and affairs.

(f) Review the adequacy and appropriateness of anti-bribery and anti-corruption policy and whistleblowing policy, when necessary.

(g) Carry out any other functions that may be mutually agreed upon by our Audit Committee and our Board.

9.2.7 Nomination and Remuneration Committee

Our Nomination and Remuneration Committee was established by our Board on 22 September 2025. Our Nomination and Remuneration Committee currently comprises the following members, of which the majority are Independent Non-Executive Directors:

Name	Designation	Directorship
Agnes Chan	Chairperson	Independent Non-Executive Director
Sherman Lam	Member	Non-Independent Non-Executive Director
Chin Wei Min	Member	Independent Non-Executive Director
Chin Shih Hui	Member	Independent Non-Executive Director

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

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

(i) Nomination

(a) New appointment

(1) Identify, consider and recommend to our Board suitable candidates for appointment as Directors to fill Board vacancies or to strengthen our Board's composition as and when required. The Nomination and Remuneration Committee shall not solely rely on recommendations from existing Board members, management or major shareholders, but will also utilise independent sources to identify suitably qualified candidates. In making the recommendations, our Nomination and Remuneration Committee shall:

(i) conduct the fit and proper assessment;

(ii) assess the candidates' skills, knowledge, expertise, experience, professionalism, commitment, integrity, character and competence;

(iii) consider board diversity including age and gender; and

(iv) in the case of candidates for the position of Independent Non-Executive Director, our Nomination and Remuneration Committee should also evaluate the candidate's ability to discharge such responsibilities/functions as are expected from Independent Non-Executive Directors.

(2) If the selection of candidates was solely based on recommendations made by our Board, management or major shareholders, our Nomination and Remuneration Committee should explain why other sources were not used.

(3) Recommend to our Board the appointment of members of each Board Committee.

(4) Assist our Board to assess and evaluate circumstances where a Director's involvement outside our Group may give rise to a potential conflict of interest with our Group's business, upon receiving the declaration (of such conflict) from a Director and thereafter, to inform our Audit Committee of the same.

(5) Discuss and deliberate with our Audit Committee and to recommend to our Board on any required actions to be taken in the event there is a conflict of interest.

(b) Size of Board

(1) Consider and recommend to our Board for approval, the appropriate composition and size of our Board and Board Committees to facilitate effective decision making after taking into consideration the scope and nature of the operations of our Group.

(2) Determine the criteria for membership on our Board, which may include, among other criteria, issues of character, judgment, independence, diversity, age, expertise, corporate experience, length of service and other commitments.

(3) Facilitate achievement of Board gender diversity policies and targets.

(c) Re-election, re-appointment and resignation/termination

(1) Develop and implement the fit and proper policy for the appointment and re-election of Directors of our Group that addresses the board quality and integrity.

(2) Review and recommend to our Board the re-election of Directors who retire by rotation pursuant to our Constitution and the re-appointment of Directors who retire pursuant to the relevant sections of the Act, subject to the conduct of the fit and proper assessment.

(3) Where there is an Independent Director whose term will exceed/has exceeded the nine-year tenure, our Nomination and Remuneration Committee shall justify the recommendation to retain the Independent Director after the ninth year to our Board for consideration before seeking annual shareholders' approval through a two-tier voting process.

(4) Deliberate on matters relating to the continuation in office of any Director at any time, including the suspension or termination of service of an Executive Director as an employee of our Company subject to the provisions of the law and the service contract.

(d) Annual performance assessment of our Board, Board Committees and individual Directors

(1) Develop and review the performance criteria to evaluate the performance of our Board, Board Committees and individual Directors.

(2) Assess annually the effectiveness of our Board as a whole, our Board Committees and the contribution of each individual Director as well as our Group Managing Director having regard to the time commitment, character, experience, integrity, the required mix of skills, experience and other qualities, including core competencies which Non-Executive Directors should bring to our Board and thereafter, recommend its findings to our Board. All assessments and evaluations carried out by our Nomination and Remuneration Committee in the discharge of all its functions shall be properly documented and disclosed in our annual report.

(3) Review annually the performance of our Board and senior management in addressing our Company's material sustainability risks and opportunities.

(4) Review the tenure of each Director annually and ensure that the annual re-election of a Director is based on satisfactory evaluation of the Director's performance and contribution to our Board, and the Director has submitted the fit and proper declaration form.

(5) Review and assess the independence of Independent Directors annually.

(6) Review the term of office and performance of our Audit Committee and each of its members annually to determine whether our Audit Committee and its members have carried out their duties in accordance with their terms of reference.

(7) Review the term of office and performance of our Sustainability and Risk Management Committee and each of its members annually to determine whether our Sustainability and Risk Management Committee and its members have carried out their duties in accordance with their terms of reference.

(8) Conduct periodic review of the involvements of our Group Managing Director and Executive Directors in the companies outside of our Group, in which they have executive functions to ensure that it does not affect their role and responsibilities within our Group.

(9) Review and recommend to our Board, the development and implementation of the relevant policies and procedures on nomination related matters concerning our Group.

(e) Training

(1) Facilitate Board induction programme for newly appointed Directors.

(2) Identify suitable educational and training programmes for continuous development of Directors to ensure our Directors keep abreast with development in the industry, regulatory changes and board business trends.

(f) Succession Planning

(1) Review our Board and senior management succession plans and overseeing the development of a diverse pipeline for our Board and senior management succession, taking into account the challenges and opportunities faced by our Group.

(g) Others

(1) Consider and examine such matters as our Nomination and Remuneration Committee considers appropriate.

(2) Carry out such other duties or functions as may be delegated by our Board from time to time or as required by the regulatory authority.

(ii) Remuneration

(a) Establish formal and transparent remuneration policies and procedures which should be sufficient to attract, retain and motivate Directors and key management team of calibre needed to run our Group successfully. Executive Directors are to abstain from deliberations and voting on the decision in respect of their own remuneration package. Directors, who are shareholders and controlling shareholders with a nominee or connected director on our Board should also abstain from voting on the resolution to approve Directors' fees at the general meeting.

(b) Review our Group's policies and procedures on remuneration including reviewing and recommending matters relating to the remuneration of Directors and senior management and recommend to our Board for approval.

(c) In determining the remuneration packages of Directors and senior management, our Nomination and Remuneration Committee should take into consideration the following:

(1) technical competency, skills, expertise and experience;

(2) qualification and professionalism;

(3) integrity;

(4) roles and responsibilities;

(5) our Company's performance in managing material sustainability risks and opportunities; and

(6) alignment with the business and risks strategies, and long-term objectives of our Group.

(d) Review remuneration packages of Directors and senior management, having regard to our Group's operating results, individual performance and comparable market statistics and recommend to our Board for approval.

(e) Review compensation policy of Directors and senior management and ensure the remuneration offered is in line with market practice.

(f) Ensure fees and benefits payable to Director, and any compensation for loss of employment of Executive Directors are approved by shareholders at general meetings.

(g) Review and recommend to our Board, the remuneration packages of Non-Executive Directors for shareholders' approval at a general meeting in accordance with the Act and ensure that remuneration and incentives for Independent Directors should not conflict with their obligation in bringing objectivity and independent judgement on matters discussed and remain appropriate to each Director's contribution, by taking into account the level of expertise, commitment and responsibilities undertaken.

(h) Consider other remuneration or rewards to retain, motivate and attract Directors.

(i) Oversee any major changes in employee remuneration and benefit structures throughout our Group.

(j) Recommend to our Board any performance related pay schemes for our Company or Group.

(k) Recommend to our Board on the appointment of experts or consultants, where necessary to fulfil its responsibilities.

(l) Provide clarification to shareholders during general meetings on matters pertaining to remuneration of Directors and senior management as well as the overall remuneration framework of our Company.

(m) Carry out other responsibilities, functions or assignments as may be agreed by our Board from time to time.

9.2.8 Sustainability and Risk Management Committee

Our Sustainability and Risk Management Committee was established by our Board on 22 September 2025. Our Sustainability and Risk Management Committee currently comprises the following members, of which the majority are Independent Non-Executive Directors:

Name	Designation	Directorship
Chin Wei Min	Chairperson	Independent Non-Executive Director
Candy Chai	Member	Non-Independent Executive Director / Chief Commercial Officer
Sherman Lam	Member	Non-Independent Non-Executive Director
Agnes Chan	Member	Independent Non-Executive Director
Chin Shih Hui	Member	Independent Non-Executive Director

Our Sustainability and Risk Management Committee undertakes, among others, the following functions:

(i) Sustainability

(a) Review and assess our Group's sustainability strategies, policies and standards in relation to ESG aspects including matters such as safety, health, employment, human rights, community affairs and other pertinent sustainability issues of our Group (collectively, "**Sustainability Matters**") guided by the applicable laws and regulations.

(b) Provide oversight and approve strategic initiatives in relation to the Sustainability Matters and report to our Board regularly.

(c) Review the implementation of our Group's Sustainability Matters in respect to compliance with the law and regulatory requirements.

(d) Review matters relating to sustainability arising from independent audits and assurance reports as well as other relevant matters pertaining to the industry.

(e) Receiving a half-yearly update from the Sustainability and Risk Management Working Group and/or management on the progress made towards achieving our Group's sustainability targets.

(ii) Sustainability disclosures

(a) Review and recommend the sustainability disclosures as required by the applicable laws and regulations.

(b) Review and recommend our Group's Sustainability Statement and Reporting and recommend to our Board for approval.

(iii) Risk management

(a) Ensure that an appropriate risk reporting structure is established to facilitate reporting of risks to management and our Board.

(b) Oversee our Group's overall risk management framework and policies and provide an objective view on its effectiveness.

(c) Review the risk management and internal control framework, policies and processes, which include steps on identifying, managing, monitoring, treating and mitigating significant financial and non-financial risks of our Group and recommend for approval by our Board.

(d) Ensure an adequate and effective Group's risk management and internal control framework is in place for our Group, embedding the management of sustainability risks and opportunities.

(e) Review and assess the risk appetite and risk tolerance for our Group.

(f) Review the report on the effectiveness of our Group's risk management, as prepared by management to our Sustainability and Risk Management Committee.

(g) Review the adequacy of the management's responses to issues identified to our Group's risks register, ensuring that risks are managed within our Group's risk appetite.

(h) Review our Group's risk management activities and significant risks identified and assess the mitigating actions put in place to manage these risks.

(i) Ensure that the key risks are effectively managed in accordance with our Group's risk management policies and strategies.

(j) Review the adequacy of resources in managing the risk management and internal control framework.

(k) Review and deliberate reports on non-compliance findings of internal investigations, and by regulatory agencies, as well as to consider the management's response to such findings.

(l) Ensure that the Sustainability and Risk Management Working Group implements and maintains a sound risk management framework that identifies, assesses, manages and monitors our Group's business risks, as well as matters relating to compliance and sustainability.

(m) Review the Statement on Risk Management and Internal Control for inclusion in our annual report and to recommend to our Board for approval.

(iv) Others

(a) Obtain regular updates from management regarding compliance matters.

(b) Review findings, queries or investigation by the regulatory agencies (if any).

(c) Review the adequacy and appropriateness of our Group's anti-bribery and anti-corruption policy, when necessary.

(d) Carry out any other functions that may be mutually agreed upon by our Sustainability and Risk Management Committee and our Board.

9.3 KEY SENIOR MANAGEMENT

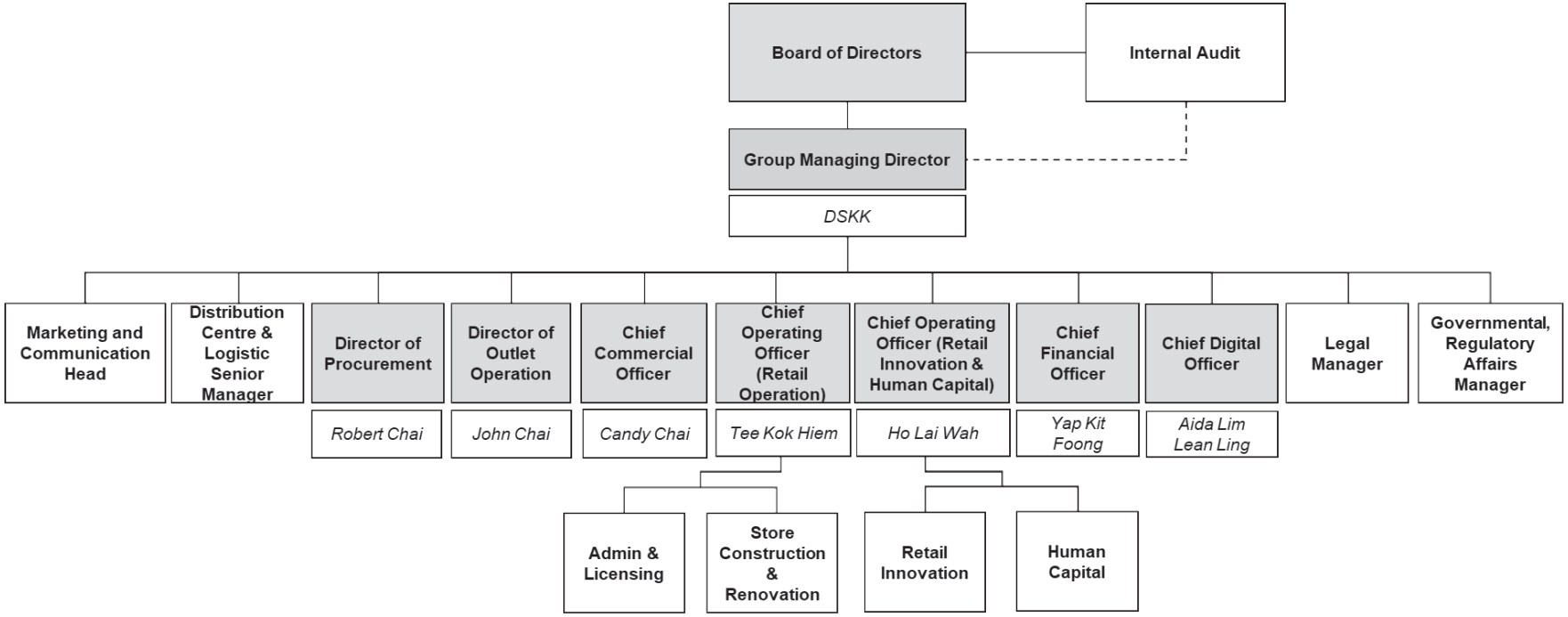
Our Key Senior Management is responsible for the day-to-day management and operations of our Group. The members of our Key Senior Management as at the date of this Prospectus are as follows:

Name	Age	Designation
DSKK	58	Non-Independent Executive Director / Group Managing Director
Candy Chai	56	Non-Independent Executive Director / Chief Commercial Officer
Tee Kok Hiem	62	Chief Operating Officer (Retail Operation)
Ho Lai Wah	47	Chief Operating Officer (Retail Innovation & Human Capital)
Yap Kit Foong	44	Chief Financial Officer
Aida Lim Lean Ling	55	Chief Digital Officer
Robert Chai	53	Director of Procurement
John Chai	51	Director of Outlet Operation

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

9.3.1 Management reporting structure

Our management reporting structure as at the LPD is as follows:



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

Each member of our Key Senior Management is entrusted with distinct responsibilities and collectively, supports our Group's overall strategic direction and operational management. Our Group Managing Director provides the overall leadership for our Group, supported by the other members of our Key Senior Management. Although their roles may involve certain areas of interaction, each member has a clearly defined and identifiable scope of responsibility within our Group's operations, as set out below:

(a) our Chief Operating Officer (Retail Operation) is principally responsible for the operational execution of our Group's strategies and expansion plans, including the identification and selection of new store locations, negotiations of new tenancy and subsequent renewal, licensing matters for our Group's operations and spearheading the development of new distribution centres. Our Chief Operating Officer (Retail Innovation & Human Capital) is principally responsible for process improvement, internal controls, and the oversight of human capital planning, training and leadership development across our Group. In contrast, our Director of Outlet Operation is responsible for store operations, including the day-to-day management of store operations, new store setup, store maintenance and staffing requirements at the store level;

(b) our Chief Commercial Officer is principally responsible for product master data integrity, supplier and product onboarding, promotional and marketing roll-outs, pricing and sales analysis, and the execution of commercial strategies to drive our Group's sales performance, while our Director of Procurement focuses on supplier sourcing, procurement negotiations, contract management and supplier relationships; and

(c) our Chief Financial Officer oversees our Group's finance function, while our Chief Digital Officer is responsible for our Group's IT and digitalisation initiatives.

9.3.2 Profiles of our Key Senior Management

The profiles of our Key Senior Management are as follows:

(i) DSKK

For details on DSKK's profile, see Section 9.1.1(ii) of this Prospectus.

(ii) Candy Chai

For details on Candy Chai's profile, see Section 9.2.1(iii) of this Prospectus.

(iii) Tee Kok Hiem

Tee Kok Hiem, a Malaysian aged 62, is our Chief Operating Officer (Retail Operation). He has over 20 years of experience in the retail industry.

Tee Kok Hiem obtained a Diploma of Civil Engineering from Institut Teknologi Jaya, Kuala Lumpur, Malaysia in 1985. He began his career with Clara International Beauty Salon Sdn Bhd in 1986 where he held the position of Factory Manager. In this role, he was instrumental in establishing manufacturing plants in both Malaysia and China, setting up retail outlets, managing the distribution of beauty equipment and products as well as ensuring product quality. He then worked as General Manager in another company involved in beauty and personal care in 2004 where he set up retail outlets and managed the distribution of beauty equipment and products.

In 2005, he joined Binary Consolidation Sdn Bhd as General Manager, where he was responsible for the nationwide distribution of herbs and personal care products to hypermarkets and traditional health and wellness supplements shops. In this role, he also oversaw the planning and establishment of a new manufacturing plant which included site selection, factory layout design and equipment installation. He also managed daily operations of the manufacturing plant and was responsible for product consistency, production downtime and delivery of products to the stockists.

In 2010, Tee Kok Hiem served as General Manager of SKCC Laboratories, a company involved in the trading and manufacturing of beauty and cosmetics products. In this role, he oversaw factory operations to ensure compliance with recognised manufacturing best practices and standards. He was also responsible for contract negotiations and customer relationship, coordinating product development with the research and development team and developing expansion strategies to drive production capacity and workforce efficiency.

In 2018, Tee Kok Hiem joined KKSMST as General Manager and in 2019, he was promoted to Group General Manager, contributing significantly to KKSMST's operational growth and strategic direction. In September 2025, he assumed the role of Chief Operating Officer and was subsequently redesignated as Chief Operating Officer (Retail Operation), where he oversees daily operations of our Group's business and ensures our Group's strategies and policies are implemented across all business divisions to ensure operational alignment and compliance. In addition, he executes our Group's business expansion plan, including sourcing potential locations for new distribution centres, managing new store renovations and overseeing licensing for all stores in Peninsular Malaysia.

Tee Kok Hiem is also a director of several subsidiaries of our Group.

(iv) Ho Lai Wah

Ho Lai Wah, a Malaysian aged 47, is our Chief Operating Officer (Retail Innovation & Human Capital). She has over 20 years of experience in the retail industry.

Ho Lai Wah graduated with a Bachelor of Economics in 2002 and a Master of Business Administration in 2006, both from Universiti Malaya.

Ho Lai Wah started her career as Retail Assistant at Kinokuniya Bookstores (Malaysia) Sdn Bhd in 2002 and was later on promoted to Retail Executive. In 2005, she joined Berjaya Books Sdn Bhd as Supervisor and was later on promoted to Assistant Manager, where she oversaw the day-to-day operations, customer service and team performance for one of the Borders Malaysia bookstores. In 2007, she joined Tesco Stores (Malaysia) Sdn Bhd as Buyer, forming part of the pioneer team that established and launched the entertainment department (books, music, magazines and newspapers) across Tesco stores in Malaysia.

In 2008, Ho Lai Wah rejoined Berjaya Books Sdn Bhd as Buyer under the Buying & Inventory Department, managing book category procurement, assortment planning and supplier negotiations. In 2011, she joined Bison Stores Sdn Bhd as Merchandising Manager, where she oversaw merchandising strategy and category performance across the MyNews store network. During her tenure, Bison Stores Sdn Bhd entered into a joint venture with WHSmith, and she was involved in establishing and opening the first WHSmith-branded outlet at Kuala Lumpur International Airport (KLIA), overseeing merchandising, assortment planning and store opening preparations. In 2013, she joined Watson Personal Care Stores Sdn Bhd as Senior Buyer, handling category management, product strategy and supplier engagement for selected retail categories.

In 2014, she joined WHSmith (Malaysia) Sdn Bhd as Books & Merchandising Buyer with her last held position being General Manager, managing product sourcing, vendor negotiations, pricing and category performance, supporting sales and profit growth across the airport retail network. In 2021, she worked at MYCU Retail Sdn Bhd as General Manager in Sales Planning where she oversaw nationwide operations for the CU convenience store chain, covering store standards, field operations, merchandising execution and organisational restructuring.

In March 2024, Ho Lai Wah led the grocery commercial division in Segi Cash & Carry Sdn Bhd as General Manager in Commercial, covering merchandising, pricing, supplier negotiations and category growth strategies. She was also responsible for driving sales growth, margin management and assortment optimisation across multiple grocery categories.

She then joined KKSMST as Senior Operations Manager in September 2024 where she managed store compliance (stock take, KPI audit and CCTV monitoring), training centre operations, and concept store enhancement initiatives across the KK Super Mart store network. In December 2025, she was promoted to Chief Operating Officer (Retail Innovation & Human Capital) of our Group with additional responsibility for the human resources department. She is currently overseeing operational innovation and process improvement through store compliance and control functions (such as KPI audits, stock take and CCTV monitoring), distribution centre operations, digital and system-enabled initiatives and leading human capital and organisational development initiatives, including workforce planning, training and leadership development, as well as strengthening internal controls and reporting frameworks to support business growth.

(v) Yap Kit Foong

Yap Kit Foong, a Malaysian aged 44, is our Chief Financial Officer. He has over 18 years of experience in finance and accounting.

Yap Kit Foong obtained a Diploma in Business Studies (Accounting) in 2003 and an Advanced Diploma in Commerce (Financial Accounting) in 2005 from Tunku Abdul Rahman College, Kuala Lumpur, Malaysia. He later obtained his Association of Chartered Certified Accountants ("**ACCA**") qualification in 2006. He is a fellow of the ACCA since 2009 and a Chartered Accountant of the MIA since 2010.

Yap Kit Foong started his career as Audit Assistant in Mustapha, Khoo & Co. in May 2006. In March 2007, he worked as Audit Senior Associate at BDO PLT in Malaysia where he led medium to large audit engagements and was exposed to annual audit for public listed and multinational companies.

In September 2010, he joined KPMG PLT ("**KPMG**") as Assistant Manager and subsequently rose through the ranks over the years until he was promoted to the Audit Director in 2018. He also served as the Head of the Audit Department from 2016 to 2018, where he was responsible for leading and guiding his team in achieving departmental goals. At KPMG, his expertise includes managing audits for public listed and multinational companies across various industries, such as healthcare, oil and gas, construction, utilities and power, food and beverage, manufacturing, and trading. Additionally, he has played a significant role in various corporate exercises such as IPO and mergers and acquisitions.

In 2022, he joined KKSMST as Chief Financial Officer and was later on redesignated as Chief Financial Officer of our Group in 2025. He is responsible for overseeing all corporate, financial and accounting functions of our Group including financial planning, budget control, treasury management, tax planning and forecasting. He has played a pivotal role in guiding the finance and accounting teams in improving financial processes and strengthening financial governance, ensuring the effective management of our Group's financial resources and fostering sustainable growth.

(vi) Aida Lim Lean Ling

Aida Lim Lean Ling, a Malaysian aged 55, is our Chief Digital Officer.

Aida Lim Lean Ling graduated with a Bachelor of Fishery Science, where she was awarded the Gold Coin Award for Best Student, from Universiti Putra Malaysia in 1995. She is a certified Project Management Professional (PMP)® by the Project Management Institute and a Certified Artificial Intelligence Strategist of the Institute of Strategic Intelligence (World Economic Forum).

In 1995, she joined Cedar Publications Sdn Bhd as a staff writer, producing feature articles, business news, and editorial content for Certified Management Digest magazine. In 1996, she served as Senior Manager of Business Development at Webworks Sdn Bhd, where she set up and presided over the Business Development department responsible for marketing, sales, and client relationship management.

In 1999, she held the position of Senior Manager of Business Development at Asiatravelmart Sdn Bhd (formerly Asia Travel Network Sdn Bhd), where she set up and presided over the Business Development department and was responsible for implementing innovative and high-impact marketing initiatives for asiatravelmart.com, with primary focus on driving revenue and new growth opportunities.

In 2002, she joined MSC Technology Centre Sdn Bhd, a fully-owned subsidiary of Malaysia Digital Economy Corporation, as Senior Manager of Strategy Consulting Practice, where she led a range of national-level consulting projects. These included the Strategic ICT Roadmap for the Ministry of Science, Technology and Innovation, the National Petrol and Diesel Subsidy Scheme for the Ministry of Finance and the National Strategic E-Commerce Directions Study for the Economic Planning Unit of the Prime Minister's Department. She also played key roles in the development of state-level information and communication technology blueprints for Perak and Pahang and Multimedia Super Corridor Malaysia Cybercentre applications for Mid Valley City and Bangsar South.

Between 2009 and 2021, Aida Lim Lean Ling served as Head of Digital Strategy and Innovation at UOA Development Bhd, where she was responsible for the planning and implementation of digital initiatives aligned with corporate growth objectives. She later joined Berjaya Corporation Berhad as Head of Digital Transformation in 2021, where she was responsible for the management of digital transformation initiatives to deliver key business goals.

In 2022, she was appointed as Chief Commercial and Operating Officer at Sustainability Data Management Sdn Bhd, where she led business development and revenue generation activities. In February 2023, she joined Centre for Sustainability Intelligence Sdn Bhd, a company offering ESG performance assessment services to businesses, as Chief Executive Officer.

Following that, she served as Digital Transformation Consultant to KKSMST from August 2023 to June 2024 through HJIB Solutions Sdn Bhd, where she led major digital initiatives to guide KKSMST in its transition to adopting modern and data-driven systems.

She was subsequently appointed as Chief Digital Officer of KKSMST in July 2024, which marks a continuation of her impactful contributions to our Group's evolution as a data and technology-enabled organisation. In her current role as Chief Digital Officer of our Group since September 2025, she is responsible for the overall management of the IT functions of our Group. She leads our Group's digital transformation agenda, overseeing initiatives that align technology and data with business priorities. She has also developed a strategic digitalisation roadmap that defines our Group's vision and drive innovation, optimise operations and enhance both customer and employee experiences.

(vii) Robert Chai

Robert Chai, a Malaysian aged 53, is our Director of Procurement.

Robert Chai began his educational journey at SMK Sungai Tapang, where he completed his Sijil Pelajaran Malaysia ("**SPM**") in 1991. He went on to pursue further qualification by obtaining a Malaysian Skills Certificate in Retail Operation (Department) from the Department of Skills Development under the Ministry of Human Resources in 2023.

He began his career in retail in 1992 with Sin Kiaw Chong, his family-owned retail business in Sarawak, where he managed the daily store operations. In 1997, he gained further retail experience as Assistant Supervisor in a department store cum supermarket in Johor where he handled routine operations.

He joined KK Super Mart (a partnership) as Purchasing Manager in 2001 where he initially oversaw the store operations of our first store in Kuchai Lama with a focus on product sourcing and pricing. He continued to serve as the Purchasing Manager of KKSMST, since its incorporation in 2003, a role which laid the foundation for KKSMST's procurement operations. He formalised and led the establishment of KKSMST's purchasing team which he continues to manage.

In 2015, Robert Chai began focusing exclusively on strengthening the purchasing department to support our Group's rapid expansion. In 2017, he served as Senior Purchasing Manager in-charge of product sourcing, pricing strategies, product listing and sales performance evaluation.

From February 2025 to June 2025, he also took on the additional responsibility of overseeing our Balakong DC, ensuring streamlined logistics and supply chain support. In September 2025, he was redesignated as Director of Procurement of our Group, where he is responsible for supplier management and product sourcing. His roles also include sourcing suppliers, identifying the optimal product portfolio and mix, negotiating contract terms and pricing, and maintaining ongoing relationship management to expand complementary income sources for our Group.

(viii) John Chai

John Chai, a Malaysian aged 51, is our Director of Outlet Operation.

John Chai began his educational journey at SMK Sungai Tapang, where he completed his SPM in 1993. He went on to pursue further qualification by obtaining a Malaysian Skills Diploma in Retail Operation (Division) from the Department of Skills Development under the Ministry of Human Resources in 2023.

He began his career in retail in 1993 with Sin Kiaw Chong, his family-owned retail business in Sarawak, where he managed the daily store operations.

John Chai's journey with our Group began in 2004 when he joined KKSMST as Regional Manager and was in-charge of our second store in Sunway Mentari. In 2017, he was appointed as Senior Operations Manager of KKSMST, where he led a growing operations team that comprised over 4,000 employees across both headquarters and store levels. As Senior Operations Manager, he was responsible for driving the operational excellence of our store operations, layout design and maintenance.

He was redesignated as Director of Outlet Operation of our Group in September 2025, where he is responsible for the overall operations of our Group's stores including the setting up of new stores, staff management and facility maintenance.

9.3.3 Shareholding of our Key Senior Management

The following table sets out the direct and indirect shareholdings of our Key Senior Management (other than our Directors who are also part of our Key Senior Management which are disclosed in Section 9.2.2 of this Prospectus) before and after our IPO:

						After our IPO							
		Before our IPO[1]				Assuming the Over-allotment Option is fully exercised[2]				Assuming the Over-allotment Option is fully exercised[3]			
Name	Designation	Direct		Indirect		Direct		Indirect		Direct		Indirect	
		No. of Shares ('000)	%	No. of Shares ('000)	%	No. of Shares ('000)	%	No. of Shares ('000)	%	No. of Shares ('000)	%	No. of Shares ('000)	%
DSKK	Non-Independent Executive Director / Group Managing Director	-	-	3,127,129[4]	95.05	-	-	2,584,629[4]	73.85	-	-	2,514,629[4]	71.85
Candy Chai	Non-Independent Executive Director / Chief Commercial Officer	-	-	-	-	500	0.01	-	-	500	0.71	-	-
Tee Kok Hiem	Chief Operating Officer (Retail Operation)	-	-	-	-	1,000	0.03	-	-	1,000	0.03	-	-
Ho Lai Wah	Chief Operating Officer (Retail Innovation & Human Capital)	-	-	-	-	150	*	-	-	150	*	-	-
Yap Kit Foong	Chief Financial Officer	-	-	-	-	200	0.01	-	-	200	0.01	-	-
Aida Lim Lean Ling	Chief Digital Officer	-	-	-	-	150	*	-	-	150	*	-	-
Robert Chai	Director of Procurement	-	-	-	-	1,000	0.03	-	-	1,000	0.03	-	-
John Chai	Director of Outlet Operation	-	-	-	-	1,000	0.03	-	-	1,000	0.03	-	-

Notes:

* *Negligible.*

(1) *Based on our enlarged issued Shares of 3,290,000,000 after the Bonus Issue.*

(2) *Based on our enlarged issued Shares of 3,500,000,000 upon our Listing and assuming full subscription of our Issue Shares allocated to the Eligible Persons under the Retail Offering.*

(3) *Assuming an Over-allotment Option of up to an aggregate of 70,000,000 Shares, representing 8.3% of the total number of our IPO Shares offered.*

(4) *Deemed interest by virtue of his and his spouse's shareholding in K8 Resources pursuant to Sections 8(4) and 59(11)(c) of the Act.*

9.3.4 Principal business activities performed by our Key Senior Management outside our Group in the past five years

Save as disclosed below, none of our Key Senior Management (other than our Directors who are also part of our Key Senior Management which are disclosed in Section 9.2.3 of this Prospectus) are involved in principal business activities outside our Group as at the LPD or hold directorships in other companies outside our Group, at present and in the past five years preceding the LPD:

(i) DSKK

See Section 9.2.3(ii) of this Prospectus for his business activities performed outside our Group or directorships in other companies outside our Group in the past five years.

(ii) Candy Chai

See Section 9.2.3(iii) of this Prospectus for her business activities performed outside our Group or directorships in other companies outside our Group in the past five years.

(iii) Tee Kok Hiem

Name of company/entity	Principal activities	Involvement in business activities	Interest	
			Direct %	Indirect %
Present involvement				
Bakery Century Sdn Bhd	Business of cafe. It has ceased all business activities and became dormant in 2024	Substantial shareholder	10.0	-

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

Name of company/entity	Principal activities	Involvement in business activities	Interest	
			Direct %	Indirect %
SKCC Laboratories Sdn Bhd	Manufacturing and trading of beauty and cosmetics products	Substantial shareholder	10.0	-
Past involvement				
Bakery Century Sdn Bhd	Business of cafe. It has ceased all business activities and became dormant in 2024	Director (appointed on 3 August 2017 and resigned on 27 June 2023)	-	-
88C Bakery Cafe	Business of café. It has ceased all business activities and became dormant in 2025	Director (appointed on 28 October 2016 and resigned on 30 April 2025)	-	-
Baiwago Malaysia Sdn Bhd (dissolved on 1 September 2026)	Investment holding. It became dormant in 2026 and does not hold any investments. It has applied for striking off on 6 May 2026	Director (appointed on 1 April 2016 and resigned on 30 April 2025)	-	-
Ecgo International Trading Sdn Bhd	To carry on the business as manufacturer, buyer, seller, dealer, importer and exporter of all kinds of products, including facial, cosmetic and health products, as well as lubricant products, additives and components.	Director (appointed on 11 June 2024 and resigned on 13 January 2025)	-	-
K3 F&B Sdn Bhd	Repair and maintenance of other equipment; activities of holding companies; and to carry on health and cosmetic business (retail, wholesale & import)	Director (appointed on 6 September 2019 and resigned on 11 August 2025)	-	-
K3 Systems	Software development and distributor	Director (appointed on 31 October 2018 and resigned on 16 May 2025)	-	-
K8 Food Industries Sdn Bhd	Manufacturing and trading of bakery food and related products. It has ceased all business activities and became dormant in 2018	Director (appointed on 29 April 2016 and resigned on 30 April 2025)	-	-

(iv) Ho Lai Wah

As at the LPD, Ho Lai Wah does not have any directorship or shareholding in other companies at present and in the past five years preceding the LPD.

(v) Yap Kit Foong

Name of company/entity	Principal activities	Involvement in business activities	Interest	
			Direct %	Indirect %
Present involvement				
SSE Enterprise Sdn Bhd	Trading of spare parts and accessories and retail of machineries	Substantial shareholder	10.0	-
Past involvement				
Mruncit Commerce Sdn Bhd	Developing and selling software and e-commerce; to provide mobile prepaid reload solutions, electronic voucher distribution and e-wallet business	Director (appointed on 8 July 2022 and resigned on 7 December 2023)	-	-

(vi) Aida Lim Lean Ling

Name of company/entity	Principal activities	Involvement in business activities	Interest	
			Direct %	Indirect %
Past involvement				
Centre For Sustainability Intelligence Sdn Bhd (dissolved on 10 February 2025)	Activities of holding companies.	Director (appointed on 29 September 2022) and substantial shareholder	5.0	-

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

(vii) Robert Chai

Name of company/entity	Principal activities	Involvement in business activities	Interest	
			Direct %	Indirect %
Present involvement				
Aspire Entrepreneurs Group Holdings Sdn Bhd	Public business consultant	Shareholder	2.4	-

(viii) John Chai

Name of company/entity	Principal activities	Involvement in business activities	Interest	
			Direct %	Indirect %
Present involvement				
Aspire Entrepreneurs Group Holdings Sdn Bhd	Public business consultant	Shareholder	2.4	-

The involvement of our Key Senior Management mentioned above in other principal business activities outside our Group will not affect their continued contributions to the day-to-day management of our Group and are not expected to require a significant amount of their time or attention or adversely affect the operations of our Group.

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

9.3.5 Service contracts with our Key Senior Management

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

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

The remuneration and material benefits in-kind of DSKK and Candy Chai who are also part of our Key Senior Management are set out in Section 9.2.5 of this Prospectus. The aggregate remuneration and material benefits in-kind paid or proposed to be paid to our other Key Senior Management, for services rendered in all capacities to our Group for the FYE 30 June 2025 and FYE 30 June 2026 are as follows:

	Remuneration band (in bands of RM50,000)	
	FYE 30 June 2026 (Actual)	**FYE 30 June 2027 (Proposed to be paid)**
	RM'000	**RM'000**
Tee Kok Hiem	300-350	300-350
Ho Lai Wah	200-250	200-250
Yap Kit Foong	350-400	350-400
Aida Lim Lean Ling	350-400	350-400
Robert Chai	300-350	300-350
John Chai	300-350	300-350

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

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

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

(i) DSKK, our Promoter, substantial shareholder and Non-Independent Executive Director / Group Managing Director is:

- a director and substantial shareholder of K8 Resources; and
- the brother of Robert Chai, Candy Chai and John Chai.

(ii) Candy Chai, our Non-Independent Executive Director / Chief Commercial Officer is the sister of DSKK, Robert Chai and John Chai.

(iii) Robert Chai, our Director of Procurement is the brother of DSKK, Candy Chai and John Chai.

(iv) John Chai, our Director of Outlet Operation is the brother of DSKK, Candy Chai and Robert Chai.

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

9.5 DECLARATION BY OUR PROMOTERS, DIRECTORS AND KEY SENIOR MANAGEMENT

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

(i) in the last 10 years, a petition under any bankruptcy or insolvency laws was filed (and not struck out) against such person or any partnership in which such person was a partner or any corporation of which such person was a director or member of key senior management;

(ii) disqualified from acting as a director of any corporation, or from taking part directly or indirectly in the management of any corporation;

(iii) save for DSKK as disclosed in Section 9.5.1 of this Prospectus, in the last 10 years, charged or convicted in a criminal proceeding or is a named subject of a pending criminal proceeding;

(iv) in the last 10 years, any judgment was entered against such person, or finding of fault, misrepresentation, dishonesty, incompetence or malpractice on his part, involving a breach of any law or regulatory requirement that relates to the capital market;

(v) save for Agnes Chan as disclosed in Section 9.5.2 of this Prospectus, in the last 10 years, the subject of any civil proceeding, involving an allegation of fraud, misrepresentation, dishonesty, incompetence or malpractice on his part that relates to the capital market;

(vi) the subject of any order, judgment or ruling of any court, government or regulatory authority or body temporarily enjoining such person from engaging in any type of business practice or activity;

(vii) save for Tan Sri Abd Rahman Bin Mamat as disclosed in Section 9.5.3 of this Prospectus, in the last 10 years, has been reprimanded or issued any warning by any regulatory authority, securities or derivatives exchange, professional body or government agency; and

(viii) there is any unsatisfied judgment against such person.

9.5.1 DSKK, in his capacity as a director and shareholder of KKSMST at the material time and KKSMST were charged on 26 March 2024 in the Sessions Court for intentionally wounding the religious feelings of others by offering socks bearing the word "Allah" for sale at our Bandar Sunway store pursuant to Section 298 of the Penal Code. However, DSKK was discharged and acquitted on 15 July 2024. The Sessions Court's court order (No. BA-62-29-03/2024) dated 15 July 2024 states that the court had received from the Deputy Public Prosecutor the application for withdrawal of the charge against DSKK and ordered that DSKK to be discharged and acquitted from the charge.

9.5.2 Agnes Chan, in her capacity as the company secretary of The Green Man Entertainment Sdn Bhd ("**Green Man**"), had a civil claim initiated against her and two others in the Commercial High Court at Kuala Lumpur on 4 June 2020. The first plaintiff alleged, among others, that acting as the company secretary of Green Man, Agnes Chan had deceived the first plaintiff in connection with the incorporation and shareholding structure of Green Man in 2003 and that Agnes Chan had assisted Christopher Gareth Howells in illegally obtaining his shareholding in Green Man. On 1 December 2020, the High Court ruled in favour of the defendants and struck out the plaintiffs' claim.

9.5.3 Tan Sri Abd Rahman Bin Mamat was issued a warning by the SC on 13 December 2018 in his capacity as the lndependent Non-Executive Chairman of Lotte Chemical Titan Holding Berhad ("**LCT**"). The warning arose as a consequence of the sanction of reprimand imposed by the SC on the entire board of directors of LCT on 9 July 2018 for breach of Section 354(1)(a) of the CMSA read together with Section 215(3)(a)(b)(i) of the CMSA and Section 367(1) of the CMSA for failure to inform the SC of material developments to LCT prior to its listing on the Main Market of Bursa Securities.

On 13 December 2018, the SC had maintained its decision to reprimand and impose penalties on LCT and its two Executive Directors. However, on even date, the SC had set aside the reprimand imposed on the three Independent Non-Executive Directors of LCT, which included Tan Sri Abd Rahman Bin Mamat, pursuant to his review application filed on 7 August 2018. In other words, the sanction of reprimand initially imposed on Tan Sri Abd Rahman Bin Mamat was effectively set aside by the SC on 13 December 2018.

Notwithstanding this, the SC had proceeded to issue a warning on Tan Sri Abd Rahman Bin Mamat as the SC viewed that Tan Sri Abd Rahman Bin Mamat, being in the capacity as the Independent Non-Executive Director of LCT, shall ought to, among others, apply reasonable diligence and scepticism in the review of all operational and financial affairs of LCT prior to listing, exercise oversight over management, be vigilant by constructively challenging management's decision and have sufficient knowledge and understanding of LCT's operational activities and fundamentals of LCT's business.

In addition to the above, for information purposes only, Sherman Lam was reprimanded by Bursa Securities more than 10 years ago.

In September 2013, Bursa Securities issued a public reprimand against Bintai Kinden Corporation Berhad ("**BKCB**") and its directors for a breach of Paragraph 9.16(1)(a) of the Listing Requirements which stated that a listed company must ensure that each announcement is factual, clear, unambiguous, accurate, succinct and contains sufficient information to enable investors to make informed investment decisions. Bursa Securities determined that BKCB failed to ensure that its announcement dated 31 May 2012 in relation to its fourth quarterly report for the FYE 31 March 2012 ("**4th QR 2012**") took into account the adjustments as disclosed in the announcement dated 31 July 2012, resulting in a significant deviation between BKCB's unaudited and audited results. The deviation arose from the recognition and provision for impairments in the audited financial statements for the FYE 31 March 2012 which were not reflected in the 4th QR 2012 announcement. Sherman Lam and four other directors of BKCB were fined RM150,000 in total for failing to discharge their duties to undertake reasonable assessment and enquiries in approving BKCB's 4th QR 2012 to ensure that the adjustments had been properly taken into account. Sherman Lam himself had paid a fine of RM25,000 and attended the requisite course as directed by Bursa Securities.

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

9.6 OTHER MATTERS

(i) No other amounts or benefits have been paid or intended to be paid or given to our Promoters and substantial shareholders within the two years preceding the date of this Prospectus, except for remuneration and benefits-in-kind received by one of our substantial shareholders who is our employee in the course of his employment, Directors' fees and dividends paid to our shareholders.

(ii) There is no arrangement which operation may result in the change in control of our Company at a date subsequent to our IPO and our Listing.

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

10. RELATED PARTY TRANSACTIONS

10.1 OUR GROUP'S RELATED PARTY TRANSACTIONS

10.1.1 Material related party transactions

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

(i) Material non-recurrent related party transactions

				Transaction value			
No.	**Transacting parties**	**Nature of relationship**	**Nature of transaction**	**FYE 30 June 2024**	**FYE 30 June 2025**	**FYE 30 June 2026**	**From 1 July 2026 to the LPD**
				RM'000	**RM'000**	**RM'000**	**RM'000**
1.	KKSMST and the following entities in which DSKK has or previously had an interest: • 88C Bakery Cafe • K8 Cash & Carry Sdn Bhd (*formerly known as KK2 Cash & Carry Sdn Bhd*) • SKCC Laboratories • KK Digital(2) • K3 F&B Sdn Bhd ("**K3 F&B**")(3)	DSKK is the Director and major shareholder of our Company by virtue of interest held by him and his spouse in K8 Resources. He is or previously was also a director and/or major shareholder of the entities that transacted with KKSMST	Purchase of groceries and computer accessories such as mouse and power bank for sales in our stores	471 (Negligible contribution to our Group's cost of goods sold)	194 (Negligible contribution to our Group's cost of goods sold)	-	-

10. RELATED PARTY TRANSACTIONS *(Cont'd)*

No.	Transacting parties	Nature of relationship	Nature of transaction	Transaction value			
				FYE 30 June 2024	FYE 30 June 2025	FYE 30 June 2026	From 1 July 2026 to the LPD
				RM'000	RM'000	RM'000	RM'000
2.	KKSMST and K8 DC Management	DSKK is the Director and major shareholder of our Company by virtue of interest held by him and his spouse in K8 Resources. He is also a director and major shareholder of K8 DC Management by virtue of his interest in K8 Supermart Holdings Sdn Bhd (*formerly known as KK2 Supermart Holdings Sdn Bhd*) ("**K8 Supermart Holdings**")	Fee charged for the distribution services provided by K8 DC Management	13,113 (Represents 1.3% of our Group's cost of goods sold)	8,904 (Represents 0.8% of our Group's cost of goods sold)	-	-
			Acquisition of the Balakong DC Assets as part of the Internal Restructuring undertaken by KKSMST. Further details on the acquisition are set out in Section 6.1.2 of this Prospectus	-	814 (Represents 0.3% of our Group's NA)	-	-
			Acquisition of Central DC Land. Further details on the acquisition are set out in Section 6.1.2 and Section 14.6.4 of this Prospectus	-	-	-	43,000
3.	KKSMST and the following entities in which DSKK, directly and indirectly, has an interest: • 88C Bakery Cafe • K8 DC Management • K8 Kopitiam (S)[(1)] • K3 F&B[(3)]	DSKK is the Director and major shareholder of our Company by virtue of interest held by him and his spouse in K8 Resources. He is or previously was also a director and/or major shareholder of the entities that transacted with KKSMST	Disposal of motor vehicles, including lorry and cars	33 (Negligible contribution to our Group's NA)	9 (Negligible contribution to our Group's NA)	48 (Negligible contribution to our Group's NA)	-

10. RELATED PARTY TRANSACTIONS *(Cont'd)*

No.	Transacting parties	Nature of relationship	Nature of transaction	Transaction value			
				FYE 30 June 2024	FYE 30 June 2025	FYE 30 June 2026	From 1 July 2026 to the LPD
				RM'000	RM'000	RM'000	RM'000
4.	KKSMST and the following entities in which DSKK, directly and indirectly, has or previously had an interest: • KK Digital(2) • K8 Kopitiam (S)(1) • SKCC Development & Construction Sdn Bhd ("**SKCC Development & Construction**") • K8 Superstore Sdn Bhd (*formerly known as KK2 Superstore Sdn Bhd*) ("**K8 Superstore**") • K2 Corporation Sdn Bhd • K8 R & R Sdn Bhd (*formerly known as KK2 R & R Sdn Bhd*) ("**K8 R & R**") • K8 Home Deco Sdn Bhd (*formerly known as KK2 Home Deco Sdn Bhd*)	DSKK is the Director and major shareholder of our Company by virtue of interest held by him and his spouse in K8 Resources. He is or previously was also a director and/or major shareholder and/or shareholder of the entities that transacted with KKSMST	Purchase of assets including motor vehicles and mini cassette fan	-	64 (Negligible contribution to our Group's NA)	427 (Represents 0.2% of our Group's NA)	-

10. RELATED PARTY TRANSACTIONS *(Cont'd)*

No.	Transacting parties	Nature of relationship	Nature of transaction	Transaction value			
				FYE 30 June 2024	FYE 30 June 2025	FYE 30 June 2026	From 1 July 2026 to the LPD
				RM'000	RM'000	RM'000	RM'000
5.	KKSMST and the following entities in which DSKK, directly and indirectly, has an interest: • 88C Bakery Cafe • K8 DC Management • K8 Kopitiam (S)(1) • K8 Motorsports Sdn Bhd *(formerly known as KK2 Motorsports Sdn Bhd)* ("**K8 Motorsports**") • K8 R & R • SKCC Beauty International Sdn Bhd ("**SKCC Beauty International**")	DSKK is the Director and major shareholder of our Company by virtue of interest held by him and his spouse in K8 Resources. He is or previously was also a director and/or major shareholder of the entities that transacted with KKSMST	Salary reimbursement payable by related parties to KKSMST for deployment of our employees to perform work for the related parties	1,582 (Represents 19.2% of our Group's other income)	821 (Represents 14.4% of our Group's other income)	10 (Represents 0.1% of our Group's other income)	-
6.	KKSMST and Commercecash Sdn Bhd (*formerly known as Happy Momentum Sdn Bhd*) ("**Commercecash**")	DSKK is the Director and major shareholder of our Company by virtue of interest held by him and his spouse in K8 Resources. He is also a director and a major shareholder of Commercecash by virtue of interest held by him and his spouse in Tmall Commerce Sdn Bhd	Our customer payments for bill payment and top-up services (such as top-up/reloads for mobile service providers and utility bills payment) via Commercecash's payment gateway platform, net of our earned commission	95,090^ (Represents 36.3% to our Group's NA)	-	-	-
			Listing fee and onboarding fee for e-wallet services provided via Commercecash's payment gateway platform	105 (Negligible contribution to our Group's revenue)	84 (Negligible contribution to our Group's revenue)	-	-

10. RELATED PARTY TRANSACTIONS *(Cont'd)*

No.	Transacting parties	Nature of relationship	Nature of transaction	Transaction value			
				FYE 30 June 2024	FYE 30 June 2025	FYE 30 June 2026	From 1 July 2026 to the LPD
				RM'000	RM'000	RM'000	RM'000
7.	KKSMST and DSKK	DSKK is the Director and major shareholder of our Company	Disposal of the Carved-Out Properties as part of the Internal Restructuring undertaken by KKSMST. Further details on the Carved-Out Properties are set out in Section 6.1.2 of this Prospectus	5,361 (Represents 2.0% of our Group's NA)	-	-	-
8.	KK Mega Hugo and Mega Hugo Holdings	DSKK is the Director and major shareholder of our Company by virtue of interest held by him and his spouse in K8 Resources. He is also a major shareholder and director of Mega Hugo Holdings	Assignment of trademarks pursuant to a Deed of Assignment dated 6 September 2024 between KK Mega Hugo and Mego Hugo Holdings	-	*	*	-
9.	KKSMST and the following parties • DSKK; and • DSL	DSKK is the Director and major shareholder of our Company by virtue of interest held by him and his spouse in K8 Resources. DSL is the spouse of DSKK	Disposal of K8 Superstore and Supergold Development by KKSMST as part of the Internal Restructuring undertaken by KKSMST. Further details on the disposal are set out in Section 6.1.2 of this Prospectus	16,429 (Represents 6.3% of our Group's NA)	-	-	-
10.	KK Mart Retail and the following parties • DSKK; and • DSL	DSKK is the Director and major shareholder of our Company by virtue of interest held by him and his spouse in K8 Resources. DSL is the spouse of DSKK	Acquisition of KKSMST by our Company as part of the Internal Restructuring undertaken by KKSMST. Further details on the acquisition are set out in Section 6.1.2 of this Prospectus	246,619 (Represents 94.3% of our Group's NA)	-	-	-

10. RELATED PARTY TRANSACTIONS *(Cont'd)*

No.	Transacting parties	Nature of relationship	Nature of transaction	Transaction value			
				FYE 30 June 2024	FYE 30 June 2025	FYE 30 June 2026	From 1 July 2026 to the LPD
				RM'000	RM'000	RM'000	RM'000
11.	KK Mart Retail and the following parties • DSKK; and • DSL	DSKK is the Director and major shareholder of our Company by virtue of interest held by him and his spouse in K8 Resources. DSL is the spouse of DSKK	Acquisition of KK Megamart, a dormant company, as part of the Internal Restructuring undertaken by KKSMST The purchase consideration for the said acquisition was paid on 11 September 2025 and the acquisition was completed on 17 September 2025	-	-	103 (Negligible contribution to our Group's NA)	-
12.	KK Mart Retail and the following parties • DSKK; and • DSL	DSKK is the Director and major shareholder of our Company by virtue of interest held by him and his spouse in K8 Resources. DSL is the spouse of DSKK	Acquisition of KK Supermart, a dormant company, as part of the Internal Restructuring undertaken by KKSMST The purchase consideration for the said acquisition was paid on 11 September 2025 and the acquisition was completed on 29 September 2025	-	-	*	-
13.	KKSMST and DSKK	DSKK is the Director and major shareholder of our Company by virtue of interest held by him and his spouse in K8 Resources	Sales of KK Super Mart cash vouchers	-	-	9 (Negligible contribution to our Group's revenue)	1

10. RELATED PARTY TRANSACTIONS *(Cont'd)*

(ii) Material recurrent related party transactions

No.	Transacting parties	Nature of relationship	Nature of transaction	Transaction value			
				FYE 30 June 2024	FYE 30 June 2025	FYE 30 June 2026	From 1 July 2026 to the LPD
				RM'000	RM'000	RM'000	RM'000
1.	KKSMST and the following entities in which DSKK, directly and indirectly, has or previously had an interest: • 88C Bakery Cafe • Commercecash • K8 Kopitiam (S)(1) • KK Digital(2) • K8 DC Management • SKCC Laboratories	DSKK is the Director and major shareholder of our Company by virtue of interest held by him and his spouse in K8 Resources. He is or previously was also a director and/or major shareholder of the entities that transacted with KKSMST	Sale of grocery items such as F&B	274 (Negligible contribution to our Group's revenue)	85 (Negligible contribution to our Group's revenue)	42 (Negligible contribution to our Group's revenue)	3
2.	KKSMST and the following entities in which DSKK, directly and indirectly, has or previously had an interest: • 88C Bakery Cafe • Commercecash • K3 F&B(3) • K3 Systems • K8 DC Management • KK Digital(2) • K8 Motorsports • K8 R & R • K8 Supermart Holdings • SKCC Beauty International • SKCC Laboratories	DSKK is the Director and major shareholder of our Company by virtue of interest held by him and his spouse in K8 Resources. He is or previously was also a director and/or major shareholder of the entities that transacted with KKSMST	Administrative expenses payable by KKSMST to the related parties including, for costs associated with the upkeep and maintenance of KKSMST's assets, equipment and vehicles, services and management fees and staff-related expenses (e.g., training and welfare) as well as the provision of support and maintenance services for our POS and inventory systems	6,414 (Represents 3.0% of our Group's administrative expenses)	3,981 (Represents 1.7% of our Group's administrative expenses)	810 (Represents 0.3% of our Group's administrative expenses)	282

10. RELATED PARTY TRANSACTIONS *(Cont'd)*

No.	Transacting parties	Nature of relationship	Nature of transaction	Transaction value			
				FYE 30 June 2024	FYE 30 June 2025	FYE 30 June 2026	From 1 July 2026 to the LPD
				RM'000	RM'000	RM'000	RM'000
3.	KKSMST and K8 Kopitiam (S)	DSKK is the Director and major shareholder of our Company by virtue of interest held by him and his spouse in K8 Resources. He is also a major shareholder of K8 Kopitiam (S) and previously a director of K8 Kopitiam (S)	Rental income (including rental deposit) received by KKSMST (landlord) from K8 Kopitiam (S) in respect of the shoplot at PT21074 Ground Floor (partial), Jalan Permai 2, 69000 Genting Highlands, Pahang *See Note (4) for the salient terms of the tenancy agreement between K8 Kopitiam (S) and KKSMST*	158 (Represents 1.9% of our Group's other income)	158 (Represents 2.8% of our Group's other income)	158 (Represents 2.0% of our Group's other income)	57
4.	KKSMST and Supergold Development	DSKK is the Director and major shareholder of our Company by virtue of interest held by him and his spouse in K8 Resources. He is also a director and major shareholder of Supergold Development	Rental expenses payable by KKSMST to Supergold Development (landlord) in respect of rental of hostel premises at No. 17-3A, Jalan 2/116B, Kuchai Entrepreneurs Park, Off Jalan Kuchai Lama, 58200 Kuala Lumpur *See Note (5)(a) for the salient terms of the tenancy agreement between Supergold Development and KKSMST*	4 (Negligible contribution to our Group's administrative expenses)	5 (Negligible contribution to our Group's administrative expenses)	9 (Negligible contribution to our Group's administrative expenses)	3

10. RELATED PARTY TRANSACTIONS *(Cont'd)*

No.	Transacting parties	Nature of relationship	Nature of transaction	Transaction value			
				FYE 30 June 2024	FYE 30 June 2025	FYE 30 June 2026	From 1 July 2026 to the LPD
				RM'000	RM'000	RM'000	RM'000
			Rental expenses payable by KKSMST to Supergold Development (landlord) in respect of rental of hostel premises at No. 17-1A, Jalan 2/116B, Kuchai Entrepreneurs Park, Off Jalan Kuchai Lama, 58200 Kuala Lumpur *See Note (5)(b) for the salient terms of the tenancy agreement between Supergold Development and KKSMST*	-	2 (Negligible contribution to our Group's administrative expenses)	9 (Negligible contribution to our Group's administrative expenses)	3
			Rental expenses payable by KKSMST to Supergold Development (landlord) in respect of rental of shoplot premises at No. 12-G, Plaza Citra, Jalan Citra, 43000 Kajang, Selangor *See Note (5)(c) for the salient terms of the tenancy agreement between Supergold Development and KKSMST*	30 (Negligible contribution to our Group's administrative expenses)	38 (Negligible contribution to our Group's administrative expenses)	54 (Negligible contribution to our Group's administrative expenses)	18

10. RELATED PARTY TRANSACTIONS *(Cont'd)*

No.	Transacting parties	Nature of relationship	Nature of transaction	Transaction value			
				FYE 30 June 2024	**FYE 30 June 2025**	**FYE 30 June 2026**	**From 1 July 2026 to the LPD**
				RM'000	**RM'000**	**RM'000**	**RM'000**
			Rental expenses payable by KKSMST to Supergold Development (landlord) in respect of rental of two units of shoplot premises at Nos. 33 & 35, Jalan 3/125D, Taman Desa Petaling, 57100 Kuala Lumpur ("**Taman Desa Petaling Store**") *See Note (5)(d) for the salient terms of the tenancy agreement between Supergold Development and KKSMST*	42 (Negligible contribution to our Group's administrative expenses)	60 (Negligible contribution to our Group's administrative expenses)	125 (Negligible contribution to our Group's administrative expenses)	48
5.	KKSMST and K8 Superstore	DSKK is the Director and major shareholder of our Company by virtue of interest held by him and his spouse in K8 Resources. He is also a director and major shareholder of K8 Superstore	Rental expenses payable by KKSMST to K8 Superstore (landlord) in respect of rental of shoplot premises at No. 19, Jalan Kesuma 3/2, Bandar Tasik Kesuma, 43700 Beranang, Selangor *See Note (6)(a) for the salient terms of the tenancy agreement between K8 Superstore and KKSMST*	29 (Negligible contribution to our Group's administrative expenses)	40 (Negligible contribution to our Group's administrative expenses)	40 (Negligible contribution to our Group's administrative expenses)	13
			Rental expenses payable by KKSMST to K8 Superstore (landlord) in respect of rental of shoplot premises at No. 5-GF, Jalan 2/116B, Kuchai Entrepreneurs Park, Off Jalan Kuchai Lama, 58200 Kuala Lumpur	22 (Negligible contribution to our Group's administrative expenses)	28 (Negligible contribution to our Group's administrative expenses)	28 (Negligible contribution to our Group's administrative expenses)	14

10. RELATED PARTY TRANSACTIONS *(Cont'd)*

No.	Transacting parties	Nature of relationship	Nature of transaction	Transaction value			
				FYE 30 June 2024 RM'000	FYE 30 June 2025 RM'000	FYE 30 June 2026 RM'000	From 1 July 2026 to the LPD RM'000
			See Note (6)(b) for the salient terms of the tenancy agreement between K8 Superstore and KKSMST				
6.	KKSMST and K8 Supermart Holdings	DSKK is the Director and major shareholder of our Company by virtue of interest held by him and his spouse in K8 Resources. He is also a director and major shareholder of K8Supermart Holdings	Rental expenses payable by KKSMST to K8 Supermart Holdings (landlord) in respect of rental of shoplot premises at No. 93, Ground Floor, Jalan Sultan, 50000 Kuala Lumpur *See Note (7)(a) for the salient terms of the tenancy agreement between K8 Supermart Holdings and KKSMST*	117 (Represents 0.1% of our Group's administrative expenses)	176 (Represents 0.1% of our Group's administrative expenses)	234 (Represents 0.1% of our Group's administrative expenses)	78
			Rental income (including rental deposit) received by KKSMST (landlord) from K8 Supermart Holdings in respect of rental of shop office at Menara KK, T6-3B-02, Tower 6, Lingkaran Maju, Jalan Lingkaran Tengah 2, Bandar Tasik Selatan, 57000 Kuala Lumpur *See Note (7)(b) for the salient terms of the tenancy agreement between K8 Supermart Holdings and KKSMST*	-	-	38 (Represents 0.5% of our Group's other income)	17

10. RELATED PARTY TRANSACTIONS *(Cont'd)*

No.	Transacting parties	Nature of relationship	Nature of transaction	Transaction value			
				FYE 30 June 2024	FYE 30 June 2025	FYE 30 June 2026	From 1 July 2026 to the LPD
				RM'000	RM'000	RM'000	RM'000
			Rental expenses (including rental deposit) payable by KKSMST to K8 Supermart Holdings (landlord) in respect of rental of the premises at No. 32 (Ground Floor), Jalan Metro Pudu 2, Fraser Business Park, 55100 Kuala Lumpur *See Note (7)(c) for the salient terms of the tenancy agreement between K8 Supermart Holdings and KKSMST*	-	-	49 (Negligible contribution to our Group's administrative expenses)	49
			Rental expenses (including rental deposit) payable by KKSMST to K8 Supermart Holdings (landlord) in respect of rental of the premises at No. 02-32, Mercu 2, Jalan Tanjung Puteri 1, R&F Tanjung Puteri, 80300 Johor Bahru, Johor *See Note (7)(d) for the salient terms of the tenancy agreement between K8 Supermart Holdings and KKSMST*	-	-	-	31

10. RELATED PARTY TRANSACTIONS *(Cont'd)*

No.	Transacting parties	Nature of relationship	Nature of transaction	Transaction value			
				FYE 30 June 2024	FYE 30 June 2025	FYE 30 June 2026	From 1 July 2026 to the LPD
				RM'000	RM'000	RM'000	RM'000
7.	KKSMST and SKCC Corporation Sdn Bhd ("**SKCC Corporation**")	DSKK is the Director and major shareholder of our Company by virtue of interest held by him and his spouse in K8 Resources. He is also a director and major shareholder of SKCC Corporation	Rental expenses payable by KKSMST to SKCC Corporation (landlord) in respect of rental of ground floor retail space unit at No. 868, Ground Floor, Kelab Pangsapuri Ridzuan, Pangsapuri Ridzuan, Jalan PJS 10/11, Bandar Sri Subang, 46000 Petaling Jaya, Selangor *See Note (8)(a) for the salient terms of the tenancy agreement between SKCC Corporation and KKSMST*	20 (Negligible contribution to our Group's administrative expenses)	20 (Negligible contribution to our Group's administrative expenses)	20 (Negligible contribution to our Group's administrative expenses)	7
			Rental expenses payable by KKSMST to SKCC Corporation (landlord) in respect of rental of hostel premises at C2-22P, Amber Court, 69000 Genting Highlands, Pahang *See Note (8)(b) for the salient terms of the tenancy agreement between SKCC Corporation and KKSMST*	21 (Negligible contribution to our Group's administrative expenses)	21 (Negligible contribution to our Group's administrative expenses)	21 (Negligible contribution to our Group's administrative expenses)	7

10. RELATED PARTY TRANSACTIONS *(Cont'd)*

No.	Transacting parties	Nature of relationship	Nature of transaction	Transaction value			
				FYE 30 June 2024	FYE 30 June 2025	FYE 30 June 2026	From 1 July 2026 to the LPD
				RM'000	RM'000	RM'000	RM'000
8.	KKSMST and SKCC Development & Construction	DSKK is the Director and major shareholder of our Company by virtue of interest held by him and his spouse in K8 Resources. He is also a director and major shareholder of SKCC Development & Construction	Rental expenses payable by KKSMST to SKCC Development & Construction (landlord) in respect of rental of shoplot premises at No. 26 (Ground Floor), Jalan 1, Kampung Baru Salak Selatan, 57100 Kuala Lumpur *See Note (9)(a) for the salient terms of the tenancy agreement between SKCC Development & Construction and KKSMST*	36 (Negligible contribution to our Group's administrative expenses)	36 (Negligible contribution to our Group's administrative expenses)	62 (Negligible contribution to our Group's administrative expenses)	22
			Rental expenses payable by KKSMST to SKCC Development & Construction (landlord) in respect of rental of shoplot premises for hostel at No. 26 (First Floor), Jalan 1, Kampung Baru Salak Selatan, 57100 Kuala Lumpur The tenancy agreement between KKSMST and SKCC Development & Construction was terminated on 31 March 2026	12 (Negligible contribution to our Group's administrative expenses)	12 (Negligible contribution to our Group's administrative expenses)	14 (Negligible contribution to our Group's administrative expenses)	-

10. RELATED PARTY TRANSACTIONS *(Cont'd)*

No.	Transacting parties	Nature of relationship	Nature of transaction	Transaction value			
				FYE 30 June 2024	FYE 30 June 2025	FYE 30 June 2026	From 1 July 2026 to the LPD
				RM'000	RM'000	RM'000	RM'000
			Rental expenses (including rental deposit) payable by KKSMST to SKCC Development & Construction (landlord) in respect of rental of the premises at No. 13 (Ground Floor), Jalan Bukit 11/2, 46200 Petaling Jaya, Selangor *See Note (9)(b) for the salient terms of the tenancy agreement between SKCC Development & Construction and KKSMST*	-	-	30 (Negligible contribution to our Group's administrative expenses)	29
9.	KKSMST and K3 Systems	DSKK is the Director and major shareholder of our Company by virtue of interest held by him and his spouse in K8 Resources. He is also a director and major shareholder of K3 Systems	Rental income received by KKSMST (landlord) from K3 Systems in respect of rental of a portion of shop office at Menara KK, T6-03-02, Tower 6, Lingkaran Maju, Jalan Lingkaran Tengah 2, Bandar Tasik Selatan, 57000 Kuala Lumpur *See Note (10) for the salient terms of the tenancy agreement between K3 Systems and KKSMST*	3 (Negligible contribution to our Group's other income)	10 (Represents 0.2% of our Group's other income)	11 (Represents 0.1% of our Group's other income)	4

10. RELATED PARTY TRANSACTIONS *(Cont'd)*

No.	Transacting parties	Nature of relationship	Nature of transaction	Transaction value			
				FYE 30 June 2024	FYE 30 June 2025	FYE 30 June 2026	From 1 July 2026 to the LPD
				RM'000	RM'000	RM'000	RM'000
10.	KKSMST and DSKK, Candy Chai, Robert Chai and John Chai	DSKK is the Director and major shareholder of our Company by virtue of interest held by him and his spouse in K8 Resources DSKK is the brother of Candy Chai, Robert Chai and John Chai	Rental expenses payable by KKSMST to DSKK, Candy Chai, Robert Chai and John Chai (landlords) in respect of rental of shoplot premises at No. 14, Jalan Penrissen, Kota Sentosa, 93250 Kuching, Sarawak *See Note (11) for the salient terms of the tenancy agreement between KKSMST and the landlords*	69 (Negligible contribution to our Group's administrative expenses)	69 (Negligible contribution to our Group's administrative expenses)	77 (Negligible contribution to our Group's administrative expenses)	25
11.	KKSMST and K8 Super (MM2H) Sdn Bhd *(formerly known as KK Super (MM2H) Sdn Bhd)* ("**K8 Super (MM2H)**")	DSKK is the Director and major shareholder of our Company by virtue of interest held by him and his spouse in K8 Resources. He is also a director and/or major shareholder of K8 Super (MM2H)	Rental income received by KKSMST (landlord) from K8 Super (MM2H) in respect of rental of a portion of office at Menara KK, T6-04-02, Tower 6, Lingkaran Maju, Jalan Lingkaran Tengah 2, Bandar Tasik Selatan, 57000 Kuala Lumpur *See Note (12) for the salient terms of the tenancy agreement between K8 Super (MM2H) and KKSMST*	-	3 (Represents 0.1% of our Group's other income)	6 (Represents 0.1% of our Group's other income)	2
12.	KKSMST and DSKK	DSKK is the Director and major shareholder of our Company by virtue of interest held by him and his spouse in K8 Resources	Rental expenses payable by KKSMST to DSKK (landlord) in respect of rental of shoplot premises at No. 1, Jalan Equine Park 9D, Taman Equine, Bandar Putra Permai, 43300 Seri Kembangan, Selangor	-	178 (Represents 0.1% of our Group's administrative expenses)	140 (Represents 0.1% of our Group's administrative expenses)	48

10. RELATED PARTY TRANSACTIONS *(Cont'd)*

No.	Transacting parties	Nature of relationship	Nature of transaction	Transaction value			
				FYE 30 June 2024 RM'000	FYE 30 June 2025 RM'000	FYE 30 June 2026 RM'000	From 1 July 2026 to the LPD RM'000
			See Note (13)(a) for the salient terms of the tenancy agreement between DSKK and KKSMST				
			Rental expenses payable by KKSMST to DSKK (landlord) in respect of rental of hostel at 22-17-3, Winner Court A, Blok 22, Jalan 1/125A, Desa Petaling, 57100 Kuala Lumpur	-	-	12 (Negligible contribution to our Group's administrative expenses)	4
			See Note (13)(b) for the salient terms of the tenancy agreement between DSKK and KKSMST				
13.	KKSMST and K8 R & R	DSKK is the Director and major shareholder of our Company by virtue of interest held by him and his spouse in K8 Resources. He is also a director and major shareholder of K8 R & R	Rental expenses (including rental deposit) payable by KKSMST to K8 R & R (landlord) in respect of rental of shoplot at No. 126G, Jalan Pahang, Gombak, 53000 Kuala Lumpur	-	-	41 (Negligible contribution to our Group's administrative expenses)	16
			See Note (14) for the salient terms of the tenancy agreement between KKSMST and K8 R & R				

10. RELATED PARTY TRANSACTIONS *(Cont'd)*

No.	Transacting parties	Nature of relationship	Nature of transaction	Transaction value			
				FYE 30 June 2024	FYE 30 June 2025	FYE 30 June 2026	From 1 July 2026 to the LPD
				RM'000	RM'000	RM'000	RM'000
14.	KKSMST and K8 Megasave Sdn Bhd *(formerly known as KK2 Megasave Sdn Bhd)* ("**K8 Megasave**")	DSKK is the Director and major shareholder of our Company by virtue of interest held by him and his spouse in K8 Resources. He is also a director and major shareholder of K8 Megasave	Rental expenses (including rental deposit) payable by KKSMST to K8 Megasave (landlord) in respect of rental of shop office at Menara KK, T3-01-04, Tower 3, Maju Link, Jalan Lingkaran Tengah 2, Bandar Tasik Selatan, 57000 Kuala Lumpur *See Note (15) for the salient terms of the tenancy agreement between KKSMST and K8 Megasave*	-	-	23 (Negligible contribution to our Group's administrative expenses)	12
15.	KKSMST and Poliklinik Cahaya (Pandan) Sdn Bhd ("**Poliklinik Cahaya**")	DSKK is the Director and major shareholder of our Company by virtue of interest held by him and his spouse in K8 Resources. He is also a director and major shareholder of Poliklinik Cahaya	Rental expenses (including rental deposit) payable by KKSMST to Poliklinik Cahaya (landlord) in respect of rental of the premises at D4-G-15, Blok D4, Atelier Centre, Jalan Atelier 2, Edusphere, Cyber 11, 63000 Cyberjaya, Selangor *See Note (16) for the salient terms of the tenancy agreement between KKSMST and Poliklinik Cahaya*	-	-	60 (Negligible contribution to our Group's administrative expenses)	32

10. RELATED PARTY TRANSACTIONS *(Cont'd)*

No.	Transacting parties	Nature of relationship	Nature of transaction	Transaction value			
				FYE 30 June 2024	FYE 30 June 2025	FYE 30 June 2026	From 1 July 2026 to the LPD
				RM'000	RM'000	RM'000	RM'000
16.	KKSMST and Factors Property Management	DSKK is the Director and major shareholder of our Company by virtue of interest held by him and his spouse in K8 Resources. He is also a director and major shareholder of Factors Property Management	Rental expenses (including rental deposit) payable by KKSMST to Factors Property Management (landlord) in respect of rental of the premises at GL-02-01 & 02-02, Gravit 8, Jalan Bayu Laut/KS09, Kota Bayuemas, 41200 Klang, Selangor *See Note (17) for the salient terms of the tenancy agreement between KKSMST and Factors Property Management*	-	-	6 (Negligible contribution to our Group's administrative expenses)	38
17.	KKSMST and the following entities in which DSKK has or previously had an interest: • 88C Bakery Cafe • K8 DC Management • Commercecash • K8 Kopitiam (S)(1) • K8 Motorsports • K8 R & R • KK Digital(2) • SKCC E Solutions Sdn Bhd ("**SKCC E Solutions**") • SKCC Corporation	DSKK is the Director and major shareholder of our Company by virtue of interest held by him and his spouse in K8 Resources. He is or previously was also a director and/or major shareholder of the entities that transacted with KKSMST	Rental income received by KKSMST in respect of 12 properties comprising apartment, shoplots, offices and factory The tenancy agreements between KKSMST and the entities that transacted with KKSMST have been terminated as at the LPD	201 (Represents 2.4% of our Group's other income)	40 (Represents 0.7% of our Group's other income)	-	-

10. RELATED PARTY TRANSACTIONS *(Cont'd)*

No.	Transacting parties	Nature of relationship	Nature of transaction	Transaction value			
				FYE 30 June 2024	FYE 30 June 2025	FYE 30 June 2026	From 1 July 2026 to the LPD
				RM'000	RM'000	RM'000	RM'000
			Rental expenses payable by KKSMST in respect of two properties comprising one factory and one shoplot The tenancy agreements between KKSMST and the entities that transacted with KKSMST have been terminated as at the LPD	396 (Represents 0.2% of our Group's administrative expenses)	384 (Represents 0.2% of our Group's administrative expenses)	65 (Negligible contribution to our Group's administrative expenses)	-

Notes:

* *Negligible*

^ *For clarification, these transaction values represent the total reload or bill payment amounts (net of our earned commission) and are not recognised as our revenue as we only earn commissions for such services. For information purposes only, our commissions for such services were RM0.6 million and RM0.8 million for the FYE 30 June 2023 and FYE 30 June 2024 respectively.*

(1) *DSKK had ceased to be a director of K8 Kopitiam (S) on 26 March 2025.*

(2) *DSKK had, on 11 April 2025, disposed of his entire shareholding in KK Digital and ceased to be a director on the same date.*

(3) *DSKK had ceased to be a director of K3 F&B on 11 August 2025.*

(4) *In respect of the salient terms of the tenancy agreement dated 22 July 2021 between KKSMST and K8 Kopitiam (S), K8 Kopitiam (S) rented a portion of the premises at Lot PT21074 (Ground Floor), Jalan Permai 2, 69000 Genting Highlands, Pahang from KKSMST, and the tenure of the tenancy was from 6 February 2021 to 15 September 2023 with an option to renew for a further one term of two years and seven months, and was renewed from 16 September 2023 to 15 September 2026. The monthly rental rate was revised from RM12,000 to RM13,200 (subject to SST) since 16 September 2023. The tenancy is further renewed from 16 September 2026 to 15 September 2029 and the monthly rental is RM14,520. KKSMST is entitled to terminate the tenancy at any time by providing a two months' written notice. In the event K8 Kopitiam (S) early terminates the tenancy, KKSMST may forfeit the deposit and is entitled for a compensation of the sum equivalent to the monthly rental of the remaining unexpired term and/or renewal term.*

10. RELATED PARTY TRANSACTIONS *(Cont'd)*

(5) The salient terms of the tenancy arrangements between KKSMST and Supergold Development are as follows:

(a) In respect of the tenancy agreement dated 17 April 2025, KKSMST rented the premises at No. 17-3A, Jalan 2/116B, Kuchai Entrepreneurs Park, Off Jalan Kuchai Lama, 58200 Kuala Lumpur from Supergold Development, and the tenure of the tenancy is from 1 April 2025 to 31 March 2027 with an automatic renewal for a further two years and the monthly rental rate is RM750. KKSMST is entitled to terminate the tenancy by giving one month's written notice.

(b) In respect of the tenancy agreement dated 17 April 2025, KKSMST rented the premises at No. 17-1A, Jalan 2/116B, Kuchai Entrepreneurs Park, Off Jalan Kuchai Lama, 58200 Kuala Lumpur from Supergold Development, and the tenure of the tenancy is from 1 April 2025 to 31 March 2027 with an automatic renewal for a further two years and the monthly rental rate is RM750. KKSMST is entitled to terminate the tenancy by giving one month's written notice.

(c) In respect of the tenancy agreement dated 20 May 2013, KKSMST rented the premises at No. 12-G, Plaza Citra, Jalan Citra, 43000 Kajang, Selangor from Supergold Development, and the tenure of the tenancy was from 1 June 2013 to 31 May 2016 with an automatic renewal for a further five terms of three years, and was renewed from 1 June 2025 to 31 May 2028. The monthly rental rate is RM4,500. Prior to that, the monthly rental rate was RM3,000 and the parties agreed to a rebated monthly rental rate of RM2,000 with effect from January 2023 until December 2023. KKSMST may terminate the tenancy by giving a three months' written notice.

(d) KKSMST rented the Taman Desa Petaling Store from Supergold Development and the tenancy was renewed from 22 September 2025 to 21 September 2028, with an option to renew for a further two terms for three years each, by way of a tenancy agreement dated 22 September 2025. The monthly rental rate is RM12,000. KKSMST may terminate the tenancy by giving a three months' written notice.

(6) The salient terms of the tenancy agreements between KKSMST and K8 Superstore are as follows:

(a) In respect of the tenancy agreement dated 30 September 2020, KKSMST rented the premises at No. 19, Jalan Kesuma 3/2, Bandar Tasik Kesuma, 43700 Beranang, Selangor from K8 Superstore, and the tenure of the tenancy was from 1 December 2020 to 30 November 2023 with an option to renew for a further five terms of three years, and was renewed from 1 December 2023 to 30 November 2026. The monthly rental rate is RM3,300. Prior to that, the parties agreed to a rebated monthly rental rate of RM1,500 from 1 January 2023 to 31 December 2023. KKSMST may terminate the tenancy by giving a three months' written notice.

(b) In respect of the tenancy agreement dated 1 July 2021, KKSMST rented the premises at No. 5-GF, Jalan 2/116B, Kuchai Entrepreneurs Park, Off Jalan Kuchai Lama, 58200 Kuala Lumpur from K8 Superstore, and the tenure of the tenancy was from 12 May 2021 to 31 July 2023 with an option to renew for a further one term of two years and half months, and the tenancy was renewed from 22 September 2025 to 21 September 2027, with an option to renew for a further two terms for three years each, by way of a tenancy agreement dated 22 September 2025. The monthly rental rate is RM2,300. KKSMST may terminate the tenancy by giving a three months' written notice.

10. RELATED PARTY TRANSACTIONS *(Cont'd)*

(7) The salient terms of the tenancy agreements between KKSMST and K8 Supermart Holdings are as follows:

(a) In respect of the salient terms of the tenancy agreement dated 5 October 2021 between KKSMST and K8 Supermart Holdings, KKSMST rented the premises at No. 93, Ground Floor, Jalan Sultan, 50000 Kuala Lumpur from K8 Supermart Holdings, and the tenure of the tenancy was from 1 October 2021 to 30 September 2022 with an option to renew for a further two terms of one year each, and was renewed from 1 October 2022 to 31 January 2027. The monthly rental rate is RM19,500. However, KKSMST received a rebate of RM9,750 effective from 1 July 2021 until 31 December 2024. K8 Supermart Holdings is entitled to terminate the tenancy at any time by providing a two months' written notice and the deposit will be refunded to KKSMST. In the event KKSMST early terminates the tenancy, K8 Supermart Holdings may forfeit the deposit and is entitled for a compensation of the sum equivalent to the monthly rental of the remaining unexpired term and/or renewal term.

(b) In respect of the salient terms of the tenancy agreement dated 26 December 2025 between KKSMST and K8 Supermart Holdings, K8 Supermart Holdings rented the office in Menara KK, T6-3B-02, Tower 6 Maju Link, Jalan Lingkaran Tengah 2, Bandar Tasik Selatan, Kuala Lumpur from KKSMST with monthly rental rate at RM4,200 (subject to SST). The tenure of the tenancy is from 1 December 2025 to 30 November 2028 with an option to renew for a further two terms of three years each.

(c) In respect of the salient terms of the tenancy agreement dated 30 June 2026 between KKSMST and K8 Supermart Holdings, KKSMST rented the premises at No. 32 (Ground Floor), Jalan Metro Pudu 2, Fraser Business Park, 55100 Kuala Lumpur from K8 Supermart Holdings with monthly rental rate at RM12,200. The tenure of the tenancy is from 1 June 2026 to 31 May 2028 with an option to renew for a further two terms of three years each.

(d) In respect of the salient terms of the tenancy agreement dated 27 August 2026 between KKSMST and K8 Supermart Holdings, KKSMST rented the premises at No. 02-32, Mercu 2, Jalan Tanjung Puteri 1, R&F Tanjung Puteri, 80300 Johor Bahru, Johor from K8 Supermart Holdings with monthly rental rate at RM10,000. The tenure of the tenancy is from 1 December 2026 to 30 November 2029 with an option to renew for a further four terms of three years each. KKSMST may terminate the tenancy by giving a three months' written notice.

(8) The salient terms of the tenancy arrangements between KKSMST and SKCC Corporation are as follows:

(a) KKSMST rented the premises at No. 868, Ground Floor, Kelab Pangsapuri Ridzuan, Pangsapuri Ridzuan, Jalan PJS 10/11, Bandar Sri Subang, 46000 Petaling Jaya, Selangor from SKCC Corporation and the tenancy was renewed from 22 September 2025 to 21 September 2028, with an option to renew for a further two terms for three years each, by way of a tenancy agreement dated 22 September 2025. The monthly rental rate is RM1,700. KKSMST may terminate the tenancy by giving a three months' written notice.

(b) In respect of the tenancy agreement dated 21 January 2022, KKSMST rented the premises at C2-22P, Amber Court, 69000 Genting Highlands, Pahang from SKCC Corporation, and the tenure of the tenancy was from 15 January 2022 to 14 January 2024 with an automatic renewal for a further three terms for two years, and was renewed from 15 January 2024 to 14 January 2026 at a monthly rental rate of RM1,760. The tenancy has been further renewed from 15 January 2026 to 14 January 2028, with an automatic renewal for a further two years, by way of a tenancy agreement dated 20 January 2026. The monthly rental rate is RM1,760. KKSMST is entitled to terminate the tenancy at any time by a one month's written notice.

10. RELATED PARTY TRANSACTIONS *(Cont'd)*

(9) The salient terms of the tenancy arrangements between KKSMST and SKCC Development & Construction are as follows:

(a) In respect of the salient terms of the tenancy agreement dated 21 September 2020, KKSMST rented the premises at No. 26 (Ground Floor & First Floor), Jalan 1, Kampung Baru Salak Selatan, 57100 Kuala Lumpur from SKCC Development & Construction, and the tenure of the tenancy was from 1 April 2020 until 31 March 2023 with an option to renew for a further five terms of three years. The monthly rental rate was RM6,500 for both the Ground Floor and First Floor. The tenancy was renewed from 1 April 2023 to 31 March 2026 and the monthly rental rate was adjusted to RM4,000 until further notice. Subsequently, the monthly rental rate was revised back to RM6,500 with effect from 1 July 2025. The tenancy in respect of the premises at No. 26 (Ground Floor), Jalan 1, Kampung Baru Salak Selatan, 57100 Kuala Lumpur was renewed from 1 April 2026 to 31 March 2029 and the monthly rental rate is RM5,500. For the avoidance of doubt, the tenancy in respect of the premises at No. 26 (First Floor), Jalan 1, Kampung Baru Salak Selatan, 57100 Kuala Lumpur was not renewed and accordingly, terminated on 31 March 2026.

(b) KKSMST had entered into a tenancy agreement dated 20 December 2017 with a third-party landlord to rent the premises at No. 13 (Ground Floor), Jalan Bukit 11/2, 46200 Petaling Jaya, Selangor for a tenancy period from 16 January 2024 to 15 January 2027. The monthly rental rate is RM7,350. Following the transfer of ownership of the premises to SKCC Development & Construction, the tenancy has been novated to SKCC Development & Construction with effect from 4 April 2026.

(10) In respect of the salient terms of the tenancy agreement dated 20 March 2024 between KKSMST and K3 Systems, K3 Systems rented a portion of the premises at Menara KK, T6-03-02, Tower 6, Lingkaran Maju, Jalan Lingkaran Tengah 2, Bandar Tasik Selatan, 57000 Kuala Lumpur from KKSMST, and the tenure of the tenancy is from 1 March 2024 until 28 February 2026 with an option to renew for a further one term of two years. The monthly rental rate is RM800 (subject to SST). The tenancy was renewed from 1 March 2026 to 29 February 2028 and the monthly rental rate was adjusted to RM1,000 (subject to SST).

(11) KKSMST rented the premises at No. 14 (Ground Floor), Kota Sentosa, Jalan Penrissen, 93250 Kuching, Sarawak, East Malaysia from DSKK, Candy Chai, Robert Chai and John Chai and the tenancy was renewed from 1 May 2025 to 30 April 2028, with an option to renew for a further two terms for three years each, by way of a tenancy agreement dated 22 September 2025 between KKSMST and DSKK, Candy Chai, Robert Chai and John Chai. The monthly rental rate is RM6,300. KKSMST may terminate tenancy by giving a three months' written notice.

(12) In respect of the salient terms of the tenancy agreement dated 14 February 2025 between KKSMST and K8 Super (MM2H), K8 Super (MM2H) rented the premises at Menara KK, T6-04-02, Tower 6, Lingkaran Maju, Jalan Lingkaran Tengah 2, Bandar Tasik Selatan, 57000 Kuala Lumpur from KKSMST, and the tenure of the tenancy is from 1 February 2025 until 31 January 2028 with an option to renew for a further term from 1 February 2028 until 31 January 2031. The monthly rental rate is RM500. KKSMST may terminate the tenancy by giving a one month's prior notice (subject to SST).

10. RELATED PARTY TRANSACTIONS *(Cont'd)*

(13) The salient terms of the tenancy agreements between KKSMST and DSKK are as follows:

(a) In respect of the tenancy agreement dated 15 May 2025, KKSMST rented the premises at No.1, Jalan Equine Park 9D, Taman Equine, Bandar Putra Permai, 43300 Seri Kembangan, Selangor from DSKK, and the tenure of the tenancy is from 1 March 2024 to 28 February 2027 with an automatic renewal for a further three years and the monthly rental rate for the first year is RM11,000, the second year is RM11,500 and the third year is RM12,000. KKSMST is entitled to terminate the tenancy by giving three months' written notice. The rentals payable for the period between 1 March 2024 to 30 June 2024 were paid by KKSMST to DSKK upon signing of the tenancy agreement on 15 May 2025.

(b) In respect of the tenancy agreement dated 21 May 2025, KKSMST rented the premises at 22-17-3, Winner Court A, Blok 22, Jalan 1/125A, Desa Petaling, 57100 Kuala Lumpur from DSKK, and the tenure of the tenancy is from 1 July 2025 to 30 June 2027 with an automatic renewal for a further two years and the monthly rental rate is RM1,000. KKSMST is entitled to terminate the tenancy by giving one month's written notice.

(14) In respect of the salient terms of the tenancy agreement dated 16 March 2026 between KKSMST and K8 R & R, KKSMST rented the shoplot at No. 126G, Jalan Pahang, Gombak, 53000 Kuala Lumpur from K8 R & R, and the tenure of the tenancy is from 1 October 2025 until 30 September 2027 with an option to renew for a further term of two years. The monthly rental rate was RM3,400 and it has been revised to RM4,000 with effect from 1 October 2026 following the renewal of the tenancy agreement between K8 R & R and the third party landlord on 1 October 2026 where the monthly rental rate was increased. In the event KKSMST early terminates the tenancy, K8 R & R may forfeit the deposit and is entitled to a compensation of the sum equivalent to the monthly rental of the remaining unexpired term and/or renewal term.

(15) In respect of the salient terms of the tenancy agreement dated 16 March 2026 between KKSMST and K8 Megasave, KKSMST rented the shop office at Menara KK, T3-01-04, Tower 3, Maju Link, Jalan Lingkaran Tengah 2, Bandar Tasik Selatan, 57000 Kuala Lumpur from K8 Megasave, and the tenure of the tenancy is from 1 April 2025 until 31 March 2028 with an option to renew for four further terms of three years each. Notwithstanding, the rentals payable for the period between 1 April 2025 to 31 December 2025 were paid to the previous landlord and subsequently remitted to K8 Megasave due to a lack of communication regarding the change of ownership. The monthly rental rate for the period from 1 April 2025 to 30 September 2026 is RM2,500, and for the period from 1 October 2026 to 31 March 2028 is RM4,500. KKSMST is entitled to terminate the tenancy by giving three months' written notice to K8 Megasave.

(16) In respect of the salient terms of the tenancy agreement dated 3 December 2025 between KKSMST and Poliklinik Cahaya, KKSMST rented the premises at D4-G-15, Blok D4, Atelier Centre, Jalan Atelier 2, Edusphere, Cyber 11, 63000 Cyberjaya, Selangor from Poliklinik Cahaya, and the tenure of the tenancy is from 16 January 2026 until 15 January 2029 with an option to renew for four further terms of three years each. The monthly rental rate is RM8,000. KKSMST is entitled to terminate the tenancy by giving three months' written notice to Poliklinik Cahaya.

(17) In respect of the salient terms of the tenancy agreement dated 27 March 2026 between KKSMST and Factors Property Management, KKSMST rented the premises at GL-02-01 & 02-02, Gravit 8, Jalan Bayu Laut/KS09, Kota Bayuemas, 41200 Klang, Selangor from Factors Property Management, and the tenure of the tenancy is from 1 June 2026 until 31 May 2029 with an option to renew for four further terms of three years each. The monthly rental rate is RM6,200. KKSMST is entitled to terminate the tenancy by giving three months' written notice to Factors Property Management.

10. RELATED PARTY TRANSACTIONS *(Cont'd)*

As shown in the table above, our Company entered into multiple tenancy agreements with certain related parties to rent properties for our Group's operations. The following related party transactions were not transacted on an arm's length basis and on normal commercial terms which were not more favourable to the related parties than those generally available to third parties as the monthly rental rates for the following properties were lower than the market rental rates:

(a) rental expense paid to Supergold Development for Taman Desa Petaling Store (see Section 10.1.1(ii) Item 4 above); and

(b) rental income received by KKSMST (landlord) from K8 Motorsports in respect of rental of a portion of premises at Lot 34358, Jalan 3/125D, Taman Desa Petaling, 57100 Kuala Lumpur, which has expired on 30 June 2025 (see Section 10.1.1(ii) Item 17 above).

Further, the Deed of Assignment dated 6 September 2024 between Mega Hugo Holdings and KK Mega Hugo where Mega Hugo Holdings had assigned the "KK" trademarks for the territory of Malaysia absolutely to KK Mega Hugo for a nominal consideration, was not entered into on an arm's length basis.

Although the abovementioned related party transactions were not carried out on arm's length basis and were not commercial terms, these related party transactions were not unfavourable to our Group due to the following reasons:

(a) rental expense for Taman Desa Petaling Store was below the prevailing market rental rate, resulting in lower rental expense that were favourable and not detrimental to our Group. Notwithstanding, the monthly rental rate of Taman Desa Petaling Store has been revised in accordance with market rental rate which has been formalised via a rental revision letter dated 26 September 2025;

(b) although the rental income received from K8 Motorsports pursuant to the tenancy agreement between KKSMST and K8 Motorsports was below the prevailing market rate, KKMST has already terminated the tenancy agreement on 30 June 2025; and

(c) the assignment of "KK" trademarks to KK Mega Hugo for the usage of such "KK" trademarks in Malaysia is a one-off transaction and is favourable and not detrimental to our Group as it allows our Group to use the trademarks at a nominal consideration.

Save for the abovementioned related party transactions, our Directors are of the view that all the related party transactions of our Group were transacted on an arm's length basis and on normal commercial terms which were not more favourable to the related parties than those generally available to third parties and were not detrimental to our non-interested shareholders based on the following considerations:

(a) for the rental of properties, rental rates of comparable units located in the vicinity of the relevant property and the salient terms of the tenancy agreements;

(b) for the recurrent related party transactions that are trading or revenue nature, the selling prices and the charges were either comparable to those generally charged by third parties for similar transactions or arrived at based on the cost-plus method;

10. RELATED PARTY TRANSACTIONS *(Cont'd)*

(c) for the Internal Restructuring:

i. the disposal consideration for the Balakong DC Assets was determined based on either the realisable value or unaudited NBV of the respective Balakong DC Assets as at 1 February 2025;

ii. the disposal consideration for the Carved-Out Properties was determined based on the NBV of the Carved-Out Properties as at 31 December 2023;

iii. the disposal considerations for K8 Superstore and Supergold Development were determined based on the unaudited NA of the respective companies as at 30 June 2023;

iv. the acquisition consideration for the Acquisition of KKSMST by our Company was determined based on the unaudited NA of KKSMST as at 30 June 2023; and

v. the purchase consideration for the Acquisition of Central DC Land was arrived at after taking into consideration the market value of the Central DC Land of RM43.0 million as appraised by Laurelcap;

(d) for the acquisition of motor vehicles, the purchase considerations were determined based on prevailing market prices, whereas the disposal consideration was determined based on the NBV, outstanding hire purchase balances, prevailing market value and sum insured of the motor vehicles; and

(e) for the salary reimbursement, the consideration reflects the actual salaries and expenses (including work permit fee) to be reimbursed by related parties to KKSMST for utilising its manpower resources.

Barring any unforeseen circumstances, our Company intends to renew the tenancy agreements entered into with the abovementioned related parties. The renewal terms of the tenancy agreements with the related parties will be reviewed by our Audit Committee and if the related parties (landlords) revise and charge rental rates that are materially higher than those that would be generally available to third parties, our Company will relocate the operations at these properties to other places. Our Group is of the view that there are sufficient suitable alternative properties available for lease in the market. Accordingly, such relocation would not have any material adverse effect on our Group's business operations, financial performance or financial condition.

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

10. RELATED PARTY TRANSACTIONS *(Cont'd)*

After our Listing, we will be required to seek our shareholders' approval each time we enter into a material related party transaction in accordance with the Listing Requirements. However, if the related party transactions can be deemed as recurrent related party transactions, we may seek a general mandate from our shareholders (which mandate would typically be renewed as required at each AGM of our Company) to enter into such recurrent transactions without having to seek separate shareholders' approval each time we wish to enter into such recurrent related party transactions during the validity period of the mandate.

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

10.1.2 Related party transactions entered into that are unusual in their nature or conditions

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

10. RELATED PARTY TRANSACTIONS *(Cont'd)*

10.1.3 Material outstanding loans and/or financial assistance (including guarantees of any kind)

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

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

No.	Name of related party and nature of relationship	Name of entity extending the loan	Nature of transaction	Principal outstanding amount			
				As at 30 June 2024	As at 30 June 2025	As at 30 June 2026	As at the LPD
				RM'000	RM'000	RM'000	RM'000
1.	DSKK and the following entities: • 88C Bakery Cafe • K3 F&B • Citta Worldwide Sdn Bhd • K8 DC Management • K8 Kopitiam (S) • K8 Megasave • K8 R & R • K8 Safeguards Sdn Bhd (*formerly known as KK2 Safeguards Sdn Bhd*) • K8 Supermart Holdings • SKCC Beauty International • SKCC Corporation • SKCC E Solutions • SKCC Laboratories • SKCC Lifetech Sdn Bhd • Commercecash • K3 Systems • SKCC Development & Construction • Baiwago Malaysia Sdn Bhd • K8 Food Industries Sdn Bhd • K8 Super (MM2H)	KKSMST	Payment on behalf of and/or amounts extended by KKSMST to the aforesaid companies for working capital purposes These amounts were unsecured, without fixed repayment term and do not carry any interest	79,490	11	-	-

10. RELATED PARTY TRANSACTIONS *(Cont'd)*

No.	Name of related party and nature of relationship	Name of entity extending the loan	Nature of transaction	Principal outstanding amount			
				As at 30 June 2024	As at 30 June 2025	As at 30 June 2026	As at the LPD
				RM'000	RM'000	RM'000	RM'000
	• K8 Superstore • Supergold Development						
2.	Prasarana Juara Sdn Bhd ("**Prasarana Juara**") DSKK and DSL are the directors and shareholders of Prasarana Juara, holding 90.0% and 10.0% direct equity interest respectively.	KKSMST	Amount owing by Prasarana Juara to KKSMST for the funding of a housing development project by Prasarana Juara ("**Prasarana Project Investment**") The Prasarana Project Investment was unsecured. It was repayable in 120 fixed monthly instalments, calculated based on a pre-agreed profit margin. The repayments commenced upon the expiry of 5 years from the date of the CCC issuance or after 50% of the properties constructed by Prasarana Juara had been sold	14,855	-	-	-

The payment on behalf and amounts extended by our Group to related parties were unsecured, interest-free or provided at a below-market return rate and therefore, were not on an arm's length basis and not on normal commercial terms. However, these amounts owing by related parties have been fully settled as at the LPD.

10. RELATED PARTY TRANSACTIONS *(Cont'd)*

(ii) Material outstanding loans and/or financial assistance (including guarantees of any kind) made by related parties for the benefit of our Group

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

				Transaction value			
No.	**Name of related party**	**Name of entity receiving the loan**	**Nature of transaction**	**FYE 30 June 2024**	**FYE 30 June 2025**	**FYE 30 June 2026**	**From 1 July 2026 up to the LPD**
				RM'000	**RM'000**	**RM'000**	**RM'000**
1.	DSKK	KK Mart	The amount was extended to fund the set-up of the business Non-trade in nature, unsecured, interest free and repayable on demand	743	-	-	-
		KK Mega Hugo	The amount was extended to fund the set-up of the business Non-trade in nature, unsecured, interest free and repayable on demand	3	-	-	-
		KK Supermart	The amount was extended to fund the corporate secretarial expenses and professional fees Non-trade in nature, unsecured, interest free and repayable on demand	22	25	-	-
		KK Megamart	The amount was extended to fund the corporate secretarial expenses and professional fees Non-trade in nature, unsecured, interest free and repayable on demand	18	24	-	-

The above advances by DSKK to our Group were unsecured and interest-free and therefore were not on an arm's length basis and not on normal commercial terms. However, these advances are not unfavourable to our Group and the amounts owing to related parties have been fully settled as at the LPD.

10.1.4 Personal guarantees

All personal guarantees previously provided by the related parties to secure the banking facilities and hire purchase facilities extended by financial institutions to our Group have been uplifted as at the date of this Prospectus.

10.2 MONITORING AND OVERSIGHT OF RELATED PARTY TRANSACTIONS

10.2.1 Audit Committee review

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

(i) the rationale and the cost/benefit to our Company are first considered;

(ii) where possible, comparative quotes will be taken into consideration;

(iii) that the transactions are based on normal commercial terms and not more favourable to the related parties than those generally available to third parties dealing on an arm's length basis; and

(iv) that the transactions are not detrimental to our Company's non-interested shareholders.

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

10.2.2 Our Group's policy on related party transactions

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

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

(i) our Board shall ensure that majority of our Board's members are Independent Directors and will undertake an annual assessment of our Independent Directors;

(ii) our Directors will be required to immediately make full disclosure of any direct or indirect interest that they may have in any business enterprise that is engaged in or proposed to be engaged in a transaction with our Group, whether or not they believe it is a material transaction. Upon such disclosure, the interested Director shall be required to abstain from deliberation and voting on any resolution related to the related party transaction; and

(iii) all existing or potential related party transactions would have to be disclosed by the interested party for management reporting. Our management will propose the transactions to our Audit Committee for evaluation and assessment who would in turn, make a recommendation to our Board.

11. CONFLICTS OF INTEREST

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

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

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

No.	Entity	Director and Substantial Shareholder	Nature	Principal activity	Nature of interest
1.	Top.Happy Star Super Store ("**Top.Happy Star**")	DSKK	Similar trade as that of our Group	A company incorporated in Brunei Darussalam and principally engaged in retail trading activities. Through its store in Brunei Darussalam, the company offers a range of products including hardware, household goods, home improvement products, electrical items, stationery, personal care products, and electronic accessories	DSKK is a shareholder holding 10.0% equity interest in Top.Happy Star

Any potential conflict of interest situation that may arise through the interest of DSKK in Top.Happy Star is mitigated due to the following reasons:

(i) Top.Happy Star operates its store exclusively in Brunei. Given the distinct geographical separation between KK Mart's stores and Top.Happy Star's store, as well as their separate and distinct customer base, Top.Happy Star's store does not compete for the same customers nor is it in the same market as KK Mart's stores in Malaysia;

(ii) the day-to-day management and operations of Top.Happy Star's store are carried out by its own independent and separate management team with no interference and involvement by our Group; and

(iii) DSKK is merely a passive investor holding an equity interest of 10.0% in Top.Happy Star.

11. CONFLICTS OF INTEREST *(Cont'd)*

As set out in Section 9.2.3(ii) of this Prospectus, DSKK (being the Director and substantial shareholder of our Company) also has interest, direct or indirect, in entities which were previously engaged in or were originally intended to operate a mini mart or convenience store, fresh food market, café and related activities such as K8 Cash & Carry Sdn Bhd (*formerly known as KK2 Cash & Carry Sdn Bhd*), K8 Supersave Sdn Bhd (*formerly known as KK2 Supersave Sdn Bhd*), 88C Bakery Cafe, KK HK International Limited (*formerly known as KK HK China Development Limited*) and Wellcome Store Sdn Bhd. These entities have already ceased operations or have never commenced operations and where possible, their stores have been absorbed as part of the KK Super Mart chain some time ago. These entities have no plans for future business activities and accordingly, will not compete with the business of our Group and do not give rise to any existing or potential conflict of interest.

Additionally, as at the LPD, DSKK has interest, direct or indirect, in entity that is currently carrying on retail business as follows:

Name of the company	Principal activity
K8 Kopitiam (S)	Restaurant business

However, K8 Kopitiam (S) is not carrying on a similar trade as that of our Group as K8 Kopitiam (S) offers different services and products compared to our Group. While K8 Kopitiam (S) may offer products similar to those of our Group such as canned drinks and alcohol, K8 Kopitiam (S) do not share any common major suppliers with our Group. As at the LPD, the signboard and/or company logo of K8 Kopitiam (S) has been redesigned and do not use the "KK" trademark for its business operations. As such, this business does not give rise to any existing or potential conflict of interest.

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

Save as disclosed below, as at the LPD, our Directors and substantial shareholders do not have any interest, direct or indirect, in any entities which is a customer and/or supplier of our Group:

No.	Entity	Director and substantial shareholder	Nature of transaction	Principal activity	Nature of interest
Involvement of our Directors and substantial shareholders in entities which are our suppliers					
1.	SKCC Laboratories	DSKK	Purchases of facial products	Manufacturing and trading of beauty and cosmetics products	DSKK is a director and shareholder directly and indirectly holding 39% equity interest in SKCC Laboratories

11. CONFLICTS OF INTEREST *(Cont'd)*

No.	Entity	Director and substantial shareholder	Nature of transaction	Principal activity	Nature of interest
2.	K3 Systems	DSKK	Upkeep of hardware and software (maintenance & licence software fee) K3 Systems is responsible for providing POS system monitoring and first-level support services to KKSMST	Software development and distributor	DSKK is a director and shareholder directly holding 55% equity interest in K3 Systems
Involvement of our Directors and substantial shareholders in an entity which is our customer					
3.	K8 Kopitiam (S)	DSKK	Sales of F&B items	Restaurant business	DSKK is a shareholder directly holding 70% equity interest in K8 Kopitiam (S)

(All the customers and suppliers listed above are collectively referred to as "**Related Entities**")

Any potential conflict of interest situation which may arise through the interests of our Director and substantial shareholder in the Related Entities is mitigated due to the following:

(i) the Related Entities are not in competition with our Group's business and operations and our Group is not involved in the business of the Related Entities;

(ii) all sales to and purchases from the Related Entities are transacted on an arm's length basis and on normal commercial terms which are not more favourable to them than those generally available to third parties as the rates charged to or by our Group are comparable with the rates charged to or by our other customers or suppliers. Additionally, there are other suppliers offering similar products or services, which could serve as alternatives for our Group. Our Group is not dependent on any of the Related Entities for its sales contribution, products or services. In each of the respective FYEs 30 June 2024, 30 June 2025 and 30 June 2026, the aggregate transaction amounts with the Related Entities represents less than 0.6% of our Group's NA and less than 1.2% of our Group's PBT; and

(iii) the involvement of our Director and substantial shareholder in the Related Entities do not affect his contributions to our Group as the Related Entities are managed by their respective management teams, and DSKK (being our Non-Independent Executive Director / Group Managing Director) is not involved in the day-to-day operations of the Related Entities. DSKK will abstain from deliberation and voting at Board meetings in relation to any transaction between our Group and the Related Entities, if any.

As set out in Section 10.2.1 of this Prospectus, our Audit Committee will review any conflict of interest situation that may arise within our Company or our Group including any transaction, procedure or course of conduct that raises questions on management integrity. Our Audit Committee will also ensure that such transactions are carried out on terms that are not detrimental to our Group.

11. CONFLICTS OF INTEREST *(Cont'd)*

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

11.2 DECLARATION BY ADVISERS ON CONFLICTS OF INTEREST

11.2.1 Declaration by Maybank IB

Maybank IB, being the Principal Adviser for our IPO, Sole Bookrunner and Sole Placement Agent for the Institutional Offering, and Sole Underwriter for the Retail Offering, and its related and associated companies ("**Maybank Group**") form a diversified financial group and are engaged in a wide range of investment and commercial banking, brokerage, securities trading, assets and funds management and credit transaction services businesses. The Maybank Group may in the future, engage in transactions with and perform services for our Company and/or our affiliates, in addition to the roles set out in this Prospectus. In addition, in the ordinary course of business, any member of the Maybank Group may at any time offer or provide its services to or engage in any transaction (on its own account or otherwise) with any member of our Group, our shareholders and/or our affiliates and/or any other entity or person, hold long or short positions in securities issued by our Company and/or our affiliates, and may trade or otherwise effect transactions for its own account or the account of its customers in debt or equity securities or senior loans of any member of our Group and/or our affiliates. This is a result of the businesses of the Maybank Group generally acting independently of each other, and accordingly, there may be situations where parts of the Maybank Group and/or its customers now have or in the future, may have interest or take actions that may conflict with the interest of our Group. Nonetheless, the Maybank Group is required to comply with applicable laws and regulations issued by the relevant authorities governing its advisory business, which require, among others, segregation between dealing and advisory activities and Chinese wall between different business divisions.

As at the LPD, Malayan Banking Berhad ("**Maybank**"), the holding company of Maybank IB, and Maybank Islamic Berhad ("**Maybank Islamic**"), a subsidiary of Maybank, have extended term loans and hire purchases of RM22.2 million as well as tradeline and overdraft facilities of RM33.0 million to KKSMST, one of which contains a condition granting Maybank IB the first right of refusal to act as the Principal Adviser for our IPO ("**First Right of Refusal**"). Further, the Maybank Group has extended RM2.5 million of term financing to DSKK and an aggregate of RM0.6 million of hire purchases, terms loans and overdraft facility to two Independent Directors of our Company.

Notwithstanding, Maybank IB is of the view that the abovementioned extension of credit facilities does not give rise to any conflict of interest situation in its capacity as Principal Adviser for our IPO, Sole Bookrunner and Sole Placement Agent for the Institutional Offering, and Sole Underwriter for the Retail Offering as:

(i) Maybank and Maybank Islamic are a licensed commercial bank and Islamic bank, respectively, and the extension of credit facilities to our Group arose in their ordinary course of business;

(ii) the conduct of the Maybank Group in its banking business is strictly regulated by, among others, the Financial Services Act 2013, the Islamic Financial Services Act 2013 and the Maybank Group's own internal controls and checks;

(iii) the total aggregate outstanding amount owed by KKSMST, DSKK and our three Independent Directors to the Maybank Group is not material when compared to the audited consolidated NA attributable to equity holders of Maybank as at 31 December 2025 of RM93.4 billion;

(iv) save as disclosed above, there are no other corporate or commercial facilities between the Maybank Group and our Directors, Promoters and major shareholders;

(v) the appointment of Maybank IB for the abovementioned roles had undergone a robust selection process undertaken by our Company that had taken into consideration, inter-alia, the credentials and capabilities of the banks involved, and was not determined or influenced by the First Right of Refusal;

(vi) none of the proceeds from our Public Issue or the Offer for Sale will be utilised, directly or indirectly, to repay the credit facilities extended by the Maybank Group to KKSMST and DSKK; and

(vii) save for the interest and profit income and fees arising from the extension of the abovementioned credit facilities in the ordinary course of the Maybank Group's banking business, the Maybank Group has not received and is not expected to receive any additional interest, profit or benefit from any repayment of such credit facilities extended to KKSMST, DSKK and the three Independent Directors of our Company.

Accordingly, Maybank IB confirms that there is no conflict of interest situation in its capacity as Principal Adviser for our IPO, Sole Bookrunner and Sole Placement Agent for the Institutional Offering, and Sole Underwriter for the Retail Offering.

11.2.2 Declaration by Baker Tilly Monteiro Heng PLT

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

11.2.3 Declaration by Abdullah Chan & Co

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

11.2.4 Declaration by Christopher & Lee Ong

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

11.2.5 Declaration by Frost & Sullivan

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

11.2.6 Declaration by Axcelasia ESG Sdn Bhd

Axcelasia ESG Sdn Bhd confirms that there is no conflict of interest situation in its capacity as the Internal Control Consultant in relation to our IPO.

11.2.7 Declaration by Laurelcap

Laurelcap confirms that there is no conflict of interest situation in its capacity as the independent property valuer in relation to the Acquisition of Central DC Land.

12. FINANCIAL INFORMATION

12.1 HISTORICAL FINANCIAL INFORMATION

The historical financial information for the Financial Years Under Review presented below have been derived from the Accountants' Report included in Section 13 of this Prospectus ("**Financial Statements**"). Our Financial Statements are prepared in accordance with MFRS and IFRS. There are no accounting policies which are peculiar to our Group because of the nature of our business or the industry in which we operate.

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

Selected financial information from the historical statements of comprehensive income

	FYE 30 June		
	Audited		
	2024	**2025**	**2026**
	RM'000	**RM'000**	**RM'000**
Revenue	1,454,902	1,567,193	1,774,644
Cost of sales	(1,046,357)	(1,116,359)	(1,259,535)
GP	**408,545**	**450,834**	**515,109**
Other income	8,223	5,693	7,953
Administrative expenses	(212,427)	(237,873)	(281,639)
Other operating expenses	(61,963)	(73,066)	(88,237)
Operating profit	**142,378**	**145,588**	**153,186**
Finance income	1,455	3,211	3,098
Finance costs	(8,126)	(16,687)	(15,619)
PBT	**135,707**	**132,112**	**140,665**
Income tax expense	(34,111)	(35,125)	(38,183)
Profit for the financial year(1)	**101,596**	**96,987**	**102,482**
Other selected financial data			
GP margin (%)(2)	28.1	28.8	29.0
EBITDA(3)	200,450	212,208	233,825
Adjusted EBITDA(3)	155,018	160,735	170,302
EBITDA margin (%)(4)	13.8	13.5	13.2
Adjusted EBITDA margin (%)(5)	10.7	10.3	9.6
PBT margin (%)(6)	9.3	8.4	7.9
PAT margin (%)(7)	7.0	6.2	5.8
Effective tax rate (%)(8)	25.1	26.6	27.1
Basic and diluted EPS (RM)(9)	1.0	0.4	0.4

Notes:

(1) All of our profit for the financial year is wholly attributable to owners of our Company as we do not have any non-controlling interest.

(2) Computed based on GP divided by revenue.

*(3) EBITDA represents earnings before interest, taxation, depreciation and amortisation. EBITDA is calculated as profit for the relevant financial year plus: (i) tax expense; (ii) finance costs; (iii) depreciation of PPE; (iv) depreciation of right-of-use ("**ROU**") assets; and (v) depreciation of investment properties, less (vi) finance income.*

Adjusted EBITDA for the financial year is presented to give effect to our EBITDA before the application of MFRS 16 Leases and is calculated as EBITDA less MFRS16 leases adjustments, comprising: (i) repayment of lease liabilities; and (ii) interest expense on lease liabilities, add (iii) loss on lease modification; and (iv) loss on lease termination.

12. FINANCIAL INFORMATION *(Cont'd)*

	FYE 30 June		
	2024	***2025***	***2026***
	RM'000	***RM'000***	***RM'000***
Profit for the financial year	***101,596***	***96,987***	***102,482***
Add/(Less):			
Income tax expense	*34,111*	*35,125*	*38,183*
Finance costs	*8,126*	*16,687*	*15,619*
Depreciation of PPE	*16,069*	*18,568*	*22,065*
Depreciation of ROU assets	*41,946*	*48,052*	*58,574*
Depreciation of investment properties	*57*	*-*	*-*
Finance income	*(1,455)*	*(3,211)*	*(3,098)*
EBITDA	***200,450***	***212,208***	***233,825***
Add/(Less):			
Repayment of lease liabilities	*(43,134)*	*(50,734)*	*(62,496)*
Interest expense on lease liabilities	*(6,174)*	*(6,852)*	*(8,253)*
Loss on lease modification	*3,876*	*6,113*	*7,214*
Loss on lease termination	*-*	*-*	*12*
Adjusted EBITDA	***155,018***	***160,735***	***170,302***

(4) Computed based on EBITDA divided by revenue.

(5) Computed based on Adjusted EBITDA divided by revenue.

(6) Computed based on PBT divided by revenue.

(7) Computed based on profit for the financial year divided by revenue.

(8) Computed based on income tax expense divided by PBT. The effective rate for the Financial Years Under Review was higher than the statutory rate of 24.0%, primarily due to the non-deductible expenses of RM2.9 million, RM3.4 million and RM4.0 million respectively, which were partially offset by the adjustment in respect of deferred tax of prior years of RM1.0 million, RM2.0 million and RM1.7 million respectively. The non-deductible expenses mainly comprise, among others, depreciation of PPE in respect of the non-qualifying expenditure and ROU assets, accrual of RCPS Interest and Dividend, entertainment expenses in connection with Chinese New Year events, professional fees, stamp duty as well as repair and maintenance incurred for the purposes of maintaining our Group's office and store premises. For further details, see Section 12.2.4(ix) and Note 26 of the Accountants' Report in Section 13 of this Prospectus.

(9) Computed by dividing the profit for the financial year attributable to owners of our Company by the weighted average number of Shares as adjusted for the basic EPS and includes all potential dilutive impact as described under Note 27 of the Accountants' Report in Section 13 of this Prospectus.

12. FINANCIAL INFORMATION *(Cont'd)*

Selected financial information from the historical statements of financial position

	As at 30 June		
	Audited		
	2024	2025	2026
	RM'000	RM'000	RM'000
Assets			
Non-current assets			
PPE	103,283	114,776	131,736
ROU assets	144,887	164,149	185,269
	248,170	278,925	317,005
Current assets			
Inventories	220,130	252,896	302,734
Trade and other receivables	120,832	21,910	24,622
Contract assets	513	7,724	9,740
Cash and short-term deposits	48,911	122,843	70,005
	390,386	405,373	407,101
Total assets	**638,556**	**684,298**	**724,106**
Liabilities			
Non-current liabilities			
Loans and borrowings	36,756	34,967	30,598
Lease liabilities	80,191	93,074	109,473
Deferred tax liabilities	5,991	5,828	4,192
Provision	1,013	1,183	1,383
	123,951	135,052	145,646
Current liabilities			
RCPS	-	10,976	-
Loans and borrowings	3,655	2,038	8,704
Lease liabilities	41,462	51,094	58,706
Trade and other payables	196,703	238,991	249,826
Contract liabilities	281	295	816
Current tax liabilities	10,867	9,728	11,875
	252,968	313,122	329,927
Total liabilities	**376,919**	**448,174**	**475,573**
NA	261,637	236,124	248,533
Net current assets	137,418	92,251	77,174
Equity			
Invested capital	246,769	246,769	-
Share capital	-	-	256,619
Reorganisation reserves	(230,434)	(230,434)	(230,357)
Retained earnings	245,302	219,789	222,271
Total equity	**261,637**	**236,124**	**248,533**
Other selected financial data			
Total borrowings[(1)]	40,411	37,005	39,302
Net cash[(2)]	8,500	85,838	30,703
Gearing ratio (times)[(3)]	0.2	0.2	0.2
Net gearing ratio (times)[(4)(5)]	*	(0.4)	(0.1)

Notes:

* *Negligible.*

(1) Excluding lease liabilities.

(2) Cash and short-term deposits less total borrowings.

(3) Computed based on total borrowings divided by total equity as at the end of the financial year.

(4) Computed based on net cash divided by total equity as at the end of the financial year.

(5) Negative net gearing ratio denotes a net cash position.

12.2 MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of our Group's financial condition and results of operations is based on our financial information for the Financial Years Under Review, which have been extracted from the Accountants' Report in Section 13 of this Prospectus.

12.2.1 Overview

We operate the well-known "KK Super Mart" chain of 24-hour convenience marts involved in the retailing of daily necessities, with 1,106 stores across the states of (1) the Federal Territories (excluding Labuan); (2) Selangor; (3) Negeri Sembilan; (4) Melaka; (5) Johor; (6) Pahang; (7) Perak; (8) Pulau Pinang; (9) Kedah; and (10) Sarawak as at the LPD. The majority of our stores operate 24 hours a day, seven days a week, to maximise convenience for customers, with the exception of eight stores which are located in buildings such as universities, shopping malls or at transportation hub.

Holding onto traditions while embracing modernity, "KK Super Mart" is known as a modernised mom-and-pop store offering daily essentials 24 hours a day, all year round. "KK Super Mart" is a convenience mart chain focused on providing accessible locations for quick purchases at affordable price points.

Our convenience marts are typically located at high foot traffic retail locations such as high street locations, transportation hubs, shopping malls and commercial spaces within residential developments. These strategically located stores are designed to offer convenience and cater to "on-the-go" and impulse purchases by a diverse range of end consumers.

Additionally, we offer online sales through our own website, complemented by delivery services both via our website and through partnerships with third-party delivery aggregator platforms, namely GrabMart, ShopeeFood and Foodpanda to fulfil customer doorstep requests. KK Super Mart also carries 182 house brand products to build a strong brand identity, fostering customer loyalty and providing more options to customers.

In addition to retail sales, our Group also generates other revenues from suppliers' incentive programmes such as Complementary Income. The Complementary Income is paid by product principals or suppliers and may be in the form of fixed fees per store, fees based on eye-level placement of products on the shelf per store or fees based on the volume or expected volume of products sold through the store. Therefore, with the continued growth in our number of stores, we anticipate a corresponding increase in the Complementary Income.

12.2.2 Significant factors affecting our financial condition and results of operations

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

(i) Average transaction value and number of sales transactions

Our revenue is mainly derived from the sales at our stores which is driven by the total number of sales transactions at our stores and the average transaction value of each sales transaction made by our customers. These factors are the primary drivers for our overall financial performance and directly impacts our revenue, financial position and the SSSG of our stores.

Our stores can increase revenue through (i) an increase in the average value of each sales transaction at our stores; and/or (ii) an increase in the number of sales transactions at our stores.

Due to the geographical distribution of our stores in areas with varying demographic profiles and level of disposable income, the average value of a sales transaction varies across our stores. This is influenced by a variety of factors such as product mix offered at our stores, pricing structures, and our ability to make data-driven decisions regarding customer behaviour, preferences and prevailing market trends in the area.

The number of sales transactions at a store depends primarily on, among others, the level of footfall in the vicinity of the store, overall customer experience and quality of service provided at our outlets as well as our responsiveness to evolving consumer preferences through our continual effort to refine product assortment and pricing strategies to maintain our competitive advantage in the convenience retail industry.

The following table sets out the number of sales transactions, the average number of sales transactions per store per day, the average value of each sales transaction and the ADSS for the Financial Years Under Review and up to the LPD:

	FYE 30 June			From 1 July 2026 up to the
	2024	**2025**	**2026**	**LPD**
Number of sales transaction ('000):				
- Merchandising sales	104,049	110,633	121,515	41,265
- Commission-based income	27,279	31,370	32,219	10,944
Total number of sales transactions ('000)	**131,328**	**142,003**	**153,734**	**52,209**
Average number of sales transactions per store per day from:[(1)]				
- Merchandising sales	398	363	342	314
- Commission-based income	104	103	91	83
Total average number of sales transactions per store per day	**502**	**465**	**433**	**397**
Average value of each sales transaction from (RM):[(2)]				
- Merchandising sales	13.20	13.30	13.69	13.69
- Commission-based income	0.46	0.40	0.38	0.38
Total average value of each sales transaction	**10.56**	**10.45**	**10.90**	**10.90**

	FYE 30 June			From 1 July 2026 up to the
	2024	2025	2026	LPD
ADSS (RM)[3]	**5,304**	**4,865**	**4,719**	**4,326**

Notes:

(1) Calculated as the aggregate number of sales transactions at our stores during the financial year/period divided by the aggregate number of stores operating days during the financial year/period.

(2) Calculated as the revenue generated by our stores during the financial year/period divided by the aggregate number of sales transactions at our stores during the financial year/period.

(3) Calculated as the aggregate sales of our stores during the financial year/period divided by the aggregate number of stores operating days during the financial year/period.

The average value of each sales transaction increased from RM10.56 in the FYE 30 June 2024 and RM10.45 in the FYE 30 June 2025 to RM10.90 in the FYE 30 June 2026 and up to the LPD, while the ADSS was RM5,304 in the FYE 30 June 2024 and declined to RM4,865 in the FYE 30 June 2025 and RM4,719 in the FYE 30 June 2026. Accordingly, the decline in ADSS was mainly attributable to the decrease in the average number of sales transactions per store per day.

The decline in the average number of sales transactions per store per day from 502 transactions in the FYE 30 June 2024 to 433 transactions in the FYE 30 June 2026 was primarily due to our rapid store expansion, from 777 stores as at 30 June 2024 to 1,042 stores as at 30 June 2026, as newly opened stores typically require time to ramp up, build customer awareness and achieve stable operating performance.

For the FYE 30 June 2026, we observed an increase in the average value per sales transaction to RM10.90. The improvement was mainly driven by the higher sales contribution from tobacco products. Sales of tobacco products increased from RM378.0 million or approximately 25.5% of our revenue for the FYE 30 June 2025 to RM454.6 million or approximately 27.1% for the FYE 30 June 2026, representing an increase of 20.2%. Given that approximately 73.9% of our tobacco products are priced above RM14, the higher contribution from tobacco products resulted in larger basket sizes**.** This trend continued during the four-month period from 1 July 2026 to the LPD, where our average value per sales transaction remained stable at RM10.90.

Despite the relatively stable average value per sales transaction, our ADSS and average number of sales transactions per store per day continued to decline to RM4,326 with 397 transactions for the four-month period from 1 July 2026 to the LPD, mainly due to our aggressive store expansion as explained above.

Moving forward, ADSS may continue to exhibit a declining trend. However, as the number of our stores continues to increase, we expect a corresponding increase in the total number of sales transactions and our Complementary Income. Additionally, our Group recorded a healthy adjusted EBITDA margin of between 10% to 11% for the Financial Years Under Review. As such, the lower ADSS is unlikely to have a material adverse impact on the overall financial performance of our Group.

Notwithstanding the above, it is part of our Group's strategy that where a KK Mart store performs well, we may open another store nearby to better capture the surrounding catchment area and strengthen our market presence against competitors ("**Store Clustering Strategy**"). While this may result in some sales redistribution to the newly opened store, the combined revenue from the two nearby stores is typically higher than that of a single store, notwithstanding a lower average sales per store.

Our Group has also continued to expand beyond Selangor and Kuala Lumpur, where stores generally record a lower average daily sales per store, mainly due to lower late-night consumer traffic. While this may result in a lower overall ADSS, our Group will continue to strategically grow our nationwide store network to strengthen our market presence, capture underserved demand and support long-term sustainable growth.

The following table sets out the SSSG of our stores for the Financial Years Under Review and up to the LPD:

	FYE 30 June			From 1 July 2026 up to the LPD
	2024	2025	2026	
SSSG (%)[(1)]	1.9	(2.7)	1.7	(6.0)
Number of stores included in the calculation of SSSG[(2)]	646	777	890	946

Notes:

(1) The SSSG of our stores for a financial year/period is calculated by dividing (a) the revenue generated by our stores during such financial year/period after deducting the revenue generated by those same stores during the immediate preceding financial year/period of the same duration, by (b) the revenue generated by those same stores during the immediate preceding financial year/period of the same duration.

(2) Calculated based on the number of stores which have been in operation for a minimum of 12 months.

FYE 30 June 2024

For the FYE 30 June 2024, our stores recorded a SSSG of 1.9% despite the following:

(a) a decline in average number of sales transactions per store per day from 515 for the FYE 30 June 2023 to 502 for the FYE 30 June 2024, representing a decline of 2.5%;

(b) a decline in average value per sales transaction from RM10.69 for the FYE 30 June 2023 to RM10.56 for the FYE 30 June 2024, representing a decline of 1.2%; and

(c) the negative customer sentiment following a controversy in March 2024 related to the sale of a product perceived as religiously insensitive.

For information purposes only, our SSSG for our stores between the FYE 30 June 2019 (being the financial year prior to the COVID-19 pandemic) and the FYE 30 June 2024 was 26.3%, calculated based on 281 stores over the period.

Additionally, the ADSS of RM5,304 for the FYE 30 June 2024 was 14.3% higher than the ADSS of RM4,642 for the FYE 30 June 2019. The total number of sales transactions also increased from approximately 75.2 million transactions for the FYE 30 June 2019 to approximately 131.3 million transactions for the FYE 30 June 2024, representing a CAGR of 11.8%.

FYE 30 June 2025

For the FYE 30 June 2025, our stores recorded a SSSG of -2.7%, primarily due to the following factors:

(a) in compliance with the EA1976, which governs the sale of intoxicating liquors, in March 2024, we ceased liquor sales at 320 of our stores that did not possess a valid liquor licence and also ceased liquor sales during the prohibited hours from 9:00 p.m. to 7:00 a.m. at 182 of our stores where we held a valid liquor licence at the time. As a result, we experienced a decline in liquor-related sales. For context, liquor sales contributed approximately 4.5%, 2.8% and 2.5% of our total sales for the FYEs 30 June 2024, 30 June 2025 and 30 June 2026 respectively.

For information purposes, the SSSG for the FYE 30 June 2025 excluding liquor sales is -1.1%. This demonstrates that the declining trend in SSSG was primarily attributable to the cessation of liquor sales;

(b) the negative publicity in January 2025 arising from the sale of sandwiches labelled as "Ham and Cheese Sandwich" and were affixed with a Halal logo, which led to customer concerns regarding the authenticity of the labelling; and

(c) the redistribution of sales to new stores following the aggressive expansion and growth of our store network from 777 stores as at 30 June 2024 to 890 stores as at 30 June 2025.

As part of our annual expansion plan to open at least 100 new stores, we closely monitor monthly store performance to identify stores with strong sales and high foot traffic. In areas showing robust demand, we may strategically open additional stores nearby to better serve the catchment area and tap into unmet market potential. This rapid growth likely resulted in diversion of foot traffic from existing stores to the new stores, thus lowering the average SSSG. In response, we have begun leveraging advanced technology-driven tools and store-level sales data to better identify underserved "white space" areas, with the objective of enhancing future SSSG. We have implemented an interactive map which integrates our internal data with third-party demographic information (i.e. affluence levels of neighbourhood, saturation of competitors, presence of public amenities, etc.) to provide a more structured, data-driven selection of potential locations for our new stores. For example, such interactive map will identify specific locations where our competitors have established a presence while our stores remain absent, allowing us to systematically detect market gaps and underserved locations for our new stores opening.

FYE 30 June 2026

For the FYE 30 June 2026, our stores recorded a SSSG of 1.7%, which was mainly driven by the following factors:

(a) the participation of our stores in various government and state assistance programmes, namely SARA through MyKasih as well as SKAS. The SARA and SKAS programmes were progressively rolled out across our store network from May 2025 and October 2025, respectively. For the FYE 30 June 2026, approximately 6.1% of our gross revenue generated by our stores was attributable to SARA and SKAS sales;

(b) the resumption of liquor sales at our stores following the successful application for and renewal of liquor licence. As at 30 June 2026, 336 out of 1,065 of our stores have a valid liquor licence as compared to 274 stores as at 30 June 2025. As at the LPD, 356 out of 1,106 of our stores have a valid liquor licence and there are currently 145 new liquor licence applications pending approval while 59 stores have liquor licences that have expired and are in the process of being renewed; and

(c) although our store expansion plan led to the redistribution of sales to our new stores, resulting in a decrease in the average number of sales transactions per store per day from 465 for the FYE 30 June 2025 to 433 for the FYE 30 June 2026, we recorded an increase in the average value per sales transaction from RM10.45 to RM10.90 over the same period, mainly attributable to a higher proportion of sales from tobacco products.

From 1 July 2026 up to the LPD

For the four-month period from 1 July 2026 up to the LPD, our stores recorded a SSSG of -6.0%, as compared to the corresponding four-month period from 1 July 2025 to 31 October 2025. The negative SSSG was mainly attributable to the roll-out of our new warehouse management system at our Balakong DC on 26 July 2026.

Following the roll-out, our warehouse operations entered a transition period, which remains ongoing as at the LPD. During this period, our personnel have continued to adapt to new workflows for warehouse activities, while certain system and operational processes continue to be stabilised. The resulting transition-related disruptions temporarily affected warehouse productivity, leading to a backlog in store order processing and fulfilment, as well as delays in the delivery of products from Balakong DC to our stores in Peninsular Malaysia. Consequently, although products delivered directly by our suppliers to our stores were not affected, our stores experienced temporary shortages of certain products fulfilled through our Balakong DC, which affected sales during the period.

Following the implementation of our new warehouse management system, average daily deliveries from our Balakong DC reached only approximately 45.1% of the average daily deliveries recorded during the three months prior to the implementation of the warehouse management system (representing a decline of 54.9%), before progressively recovering to approximately 70.1% of the pre-implementation level as at the LPD, reflecting the continued stabilisation of our warehouse operations.

For information purposes, before the operational impact of the implementation of the warehouse management system materialised, our stores recorded a SSSG of 0.9% for July 2026 as compared to July 2025. The SSSG of 0.9% recorded for July 2026 was lower than the SSSG recorded for the FYE 30 June 2026. This was mainly attributable to a lower contribution from the SARA and SKAS programmes, which accounted for 5.1% of the gross revenue generated by our stores in July 2026, compared with 6.1% for the FYE 30 June 2026. The higher contribution during the FYE 30 June 2026 was supported by increased sales under:

(a) the SARA programme through MyKasih during the period from October to December 2025, ahead of the expiry of the MyKasih credits; and

(b) the SKAS programme in March 2026 and May 2026, following the distribution of SKAS assistance to eligible recipients in those months.

Current status of our warehouse management system at our Balakong DC

The new warehouse management system was deployed at our Balakong DC on 26 July 2026. As at the LPD, the system vendor continues to provide dedicated on-site hypercare support to stabilise the system, resolve implementation issues and support users in adapting to the system. In addition, we have implemented the following measures to support and stabilise the operations at our Balakong DC:

(a) members of our management team are stationed on-site to provide support to operational staff and promptly address any ad hoc operational issue;

(b) for the first three months following the implementation of the new warehouse management system, we reduced the frequency of inbound deliveries from our key suppliers from once a week to once every two to three weeks, enabling our warehouse team to prioritise outbound deliveries and progressively clear the backlog in the picking process arising from this transitional period under the new warehouse management system;

(c) a dedicated manager has been assigned to oversee and coordinate inventory replenishment and deliveries from our suppliers to our Balakong DC; and

(d) trailers are being deployed, where appropriate, in place of delivery trucks to transport larger volumes of products from our Balakong DC to our stores.

For the avoidance of doubt, there was no malfunction or functionality issue with the warehouse management system. The decline in warehouse productivity was mainly attributable to the transition to the new system and associated operational processes at our Balakong DC. As such, our Group does not expect to incur any additional unplanned costs in connection with the implementation of the new warehouse management system at our Balakong DC, as the vendor's hypercare support is included under the existing contractual arrangement and the costs associated with the measures set out above form part of our ordinary operating expenses.

While the daily deliveries from our Balakong DC to our stores reached the pre-implementation level on certain days in October 2026, the recovery was inconsistent, with the average daily deliveries for the month remaining below the pre-implementation level. In addition, as our picking productivity is affected by the transition to the new system, this results in ongoing challenges to our order fulfilment.

The resulting reduction in stock availability may affect the gross revenue generated by our stores during this transition period as we continue to stabilise operations at our Balakong DC. Such reduced stock availability may be further compounded by seasonality, as customer traffic is typically lower in the months of July until November compared to periods coinciding with school holidays and festive seasons. In addition, the slower pace of store openings in August 2026 and September 2026 may also affect our revenue growth during this period.

As set out in the Reporting Accountants' Letter on the Pro Forma Consolidated Statements of Financial Position as included in Section 12.5 of this Prospectus, we have incurred RM4.2 million in listing expenses as at 30 June 2026. Of the remaining estimated listing expenses of RM9.9 million, RM6.4 million will be expensed off, while RM3.6 million has been determined to be directly attributable to the issuance of new Shares and will therefore be capitalised and adjusted against our share capital. While the recognition of the RM6.4 million in listing expenses, together with the moderation in our revenue growth during this transition period, may reduce our profitability for the 6-month financial period ending 31 December 2026, these factors are not expected to have a material adverse effect on our overall financial performance for the FYE 30 June 2027, taking into account the Complementary Income which we continue to receive and the additional revenue contribution from new store openings.

We expect our order fulfilment rate at our Balakong DC to progressively recover to normal level by the end of 2026. Subject to such recovery, we also expect our SSSG to progressively improve from the current negative growth rate back to normalised levels that are more reflective of the continued growth of our Group.

Store network growth strategy and performance assessment

While we remain committed and focused on delivering positive SSSG for our stores, our growth rates may moderate over time as a result of our Store Clustering Strategy, which may result in our stores recording a negative SSSG in certain years. See Section 5.1.7 of this Prospectus for further details of the associated risk.

Nothwithstanding the above, SSSG is not the only metric that we consider when evaluating the performance of our stores. Our strategic focus has been on expanding our store network to secure market leadership, a growth metric that we prioritise over short-term SSSG. While this expansion could lead to a decline or result in negative SSSG, it allows us to:

(a) **protect and/or increase our overall market share** – According to the IMR Report, we, through our proprietary brands – KK Super Mart, KK Concept Store and KK Signature Store – are the leading convenience mart operator in Malaysia by store count as at the LPD. We are also the fastest-growing among selected convenience retailers in Malaysia in terms of store count over the period from 2022 to 2025.

This is also evident from the growth in the total number of sales transactions from approximately 131.3 million transactions for the FYE 30 June 2024 to approximately 153.7 million transactions for the FYE 30 June 2026, representing a CAGR of 8.2%.

(b) **increase our revenue** – Our revenue increased at a CAGR of 10.4% from RM1,454.9 million for the FYE 30 June 2024 to RM1,774.6 million for the FYE 30 June 2026, which partially offset the impact of the SSSG decline.

Additionally, part of this revenue increase was contributed from the Complementary Income from our supplier incentive programmes. Our Complementary Income has increased from RM68.8 million for the FYE 30 June 2024 to RM99.1 million for the FYE 30 June 2026, which has no associated cost and therefore flows directly to our PBT.

Other than total number of sales transactions and growth in revenue, we also consider the following metrics in evaluating our Group's financial performance and sustainability:

(a) **Average value of each sales transaction** – It is an important indicator of potential sales cannibalisation. Our Group's average value of each sales transaction remained broadly stable at RM10.56, RM10.45 and RM10.90 for the FYEs 30 June 2024, 30 June 2025, and 30 June 2026, respectively despite opening 396 new stores (net of store closures) over this three-year period. Despite our Group's rapid store expansion, our Group recorded positive SSSG of 1.9% for the FYE 30 June 2024. Although SSSG declined by 2.7% for the FYE 30 June 2025, SSSG excluding liquor sales declined by only 1.1%. This demonstrates that the decline in SSSG was primarily attributable to the cessation of liquor sales and the negative publicity in January 2025 arising from the sale of sandwiches labelled as "Ham and Cheese Sandwich" and were affixed with a Halal logo, and, to a lesser extent, sales cannibalisation. Our Group recorded a SSSG of 1.7% for the FYE 30 June 2026.

(b) **Payback period** – It is another important metric, as it reflects how quickly capital invested in new stores can be recovered and redeployed into further expansion. Notably, we were able to achieve an average payback period of approximately two years for our new KK Super Mart stores and KK Concept Stores opened in the Financial Years Under Review.

(c) **GP margin** – It is a key measure of profitability and highlights our Company's ability to manage costs while continuing to grow its store footprint. Our GP margin of 29.0% for the FYE 30 June 2026 is above the average reported by retailers as set out in the IMR Report.

Although SSSG is not our primary growth metric, we have undertaken following initiatives to improve the sales performance of our existing stores:

(i) conducted selective store refurbishments and renovations to increase customer footfall;

(ii) introduced new products, including a greater variety of F&B and house brand products, to drive store traffic; and

(iii) enhanced our "KK Rewards" mobile application with new features and exclusive benefits to elevate customer acquisition, retention, and brand loyalty.

Our management team regularly reviews store performance and takes steps to improve sales at underperforming outlets where revenue is insufficient to cover the cost of products and services as well as key operating expenses, such as rent, utilities, and staff costs. An outlet assessment is conducted in consultation with Store Managers and Supervisors to identify operational issues. Stock levels are optimised by our operations team, while our procurement team engages with suppliers to better align product offerings with local customer preferences. If a store continues to underperform and incur losses after six months despite these improvement efforts, it will be considered for closure.

For information purposes only, our Group's SSSG for our stores between the FYE 30 June 2019 (being the financial year prior to the COVID-19 pandemic) and the FYE 30 June 2026 was 20.5%, as calculated based on 275 stores over the period. This reflects the continued resilience and improved performance of our stores that were already in operation in the FYE 30 June 2019. Our Group's ADSS of RM4,719 for the FYE 30 June 2026 was 1.7% higher than the ADSS of RM4,642 for the FYE 30 June 2019, indicating that we have continued to outperform pre-COVID levels.

Comparatively, the SSSG for these 275 stores was 0.3% for the FYE 30 June 2024, -4.8% for the FYE 30 June 2025 and 0.1% for the FYE 30 June 2026, while our Group's SSSG was 1.9%, -2.7% and 1.7% for the corresponding financial years. This is consistent with the natural normalisation of SSSG among more mature stores, while newer stores continue to deliver stronger SSSG as they ramp up operations and establish their customer base.

(ii) Expansion of our store network

We have an extensive store network in Malaysia, with 1,106 stores across the states of (1) the Federal Territories (excluding Labuan); (2) Selangor; (3) Negeri Sembilan; (4) Melaka; (5) Johor; (6) Pahang; (7) Perak; (8) Pulau Pinang; (9) Kedah; and (10) Sarawak as at the LPD. The number of stores that we operate directly affects our sales, costs and profitability. The following table sets out a breakdown of our store network as at 30 June 2024, 30 June 2025, 30 June 2026 and the LPD by region in Malaysia:

	As at 30 June			As at the
Region	**2024**	**2025**	**2026**	**LPD**
Peninsular Malaysia	**767**	**880**	**1,032**	**1,096**
- Central[(1)]	555	617	710	746
- East Coast[(2)]	17	24	30	30
- Northern[(3)]	44	62	76	83
- Southern[(4)]	151	177	216	237
East Malaysia[(5)]	**10**	**10**	**10**	**10**
Total	**777**	**890**	**1,042**	**1,106**

Notes:

(1) Consists of the state of Selangor and the Federal Territories of Kuala Lumpur and Putrajaya.

(2) Consists of the state of Pahang only.

(3) Consists of the states of Kedah, Pulau Pinang and Perak only.

(4) Consists of the states of Johor, Melaka and Negeri Sembilan.

(5) Consists of the state of Sarawak only.

Our revenue growth through the expansion of our store network depends primarily on our ability to identify and secure locations with strong commercial potential, particularly in areas characterised by high customer traffic and ease of access. The strategic placement of our stores in close proximity to residential communities with targeted population offers customers a convenient and accessible shopping experience which attracts repeat footfall.

As part of our strategic initiative to capitalise on the growth prospects within Malaysia's convenience retail sector, we plan to continue expanding our store presence across Malaysia by opening at least 100 new stores annually going forward. In the FYEs 30 June 2024, 30 June 2025 and 30 June 2026 and from 1 July 2026 up to the LPD, we opened 131, 113, 152 and 64 new stores (net of store closures), respectively. Our extensive stores network provides our customers with convenient access to our products and strengthens our brand presence, particularly in residential communities in urban, suburban and rural areas.

The expansion of our store network will result in a corresponding increase in our operating expenses and cost of sales including, among others, our cost of inventory, employee benefits expenses, store utilities expenses and insurance expenses, as well as an increase in our lease liabilities. Notwithstanding these cost implications, the enlarged scale of our operation allows us to leverage on economies of scale to improve our margins. Our large scale of operations strengthens our bargaining position with suppliers and service providers, allowing us to secure more advantageous commercial terms.

(iii) Product offering range and value-added consumer services

We offer a curated range of products, comprising, among others, household necessities, consumer staples, other non-discretionary consumables and "on-the-go" convenience products at compelling value. Our merchandising strategy is to offer our customers a comprehensive assortment of products that satisfy their immediate daily and household needs, while maintaining competitive and consistent price points that provide attractive price-to-quality value propositions.

In order to ensure our product selection remains aligned with the preferences of our target consumer group, we regularly monitor sales of our product and refresh our product mix by removing low-demand items and making space for popular and trending products. On average, we introduce 50 new, in-demand products to our stores each month, based on market insights and suppliers' feedback. We also adjust our product range by introducing seasonal products to reflect seasonal demands during Malaysian holidays and the school season.

In addition, we provide value-added services such as bill payments via e-pay, ATM services (including withdrawals and deposits), and top up services in our stores, which complement our retail product offerings by enhancing convenience for customers, allowing them to complete their essential transactions at our stores.

(iv) Effective sourcing and distribution of our products

Our cost of sales associated with procuring product inventory constitute our largest expense, representing approximately 99.9%, 100.2% and 101.3% of our total cost of sales for the FYEs 30 June 2024, 30 June 2025 and 30 June 2026, respectively. Therefore, our operating results are significantly affected by our ability to source and purchase product inventory in sufficient quantities at competitive prices. As part of our product cost management, we source our products directly from the principal brand owners and end suppliers to avoid pricing mark-ups. Leveraging on our large purchasing volume, we are able to secure bulk discounts, rebates and favourable pricing terms from our suppliers.

We operate our centrally managed DC to effectively maintain an integrated supply chain, which optimises our costs associated with inventory storage and product distribution to our stores. Our logistics operation includes a company-owned fleet comprising three delivery vehicles, complemented by partnerships with third-party logistics service providers for the product transportation from our DC to our stores in Peninsular Malaysia. On average, we make one to two deliveries to each store per week. Our centrally managed supply chain infrastructure ensures precise and timely replenishment of stocks while minimising excess inventory. In East Malaysia, we engage third party freight service providers for the distribution to our stores in order to ensure cost efficiency.

(v) Employee benefits expenses

We operate a labour-intensive business and therefore, our employee benefits expenses will affect our results of operations. As at the LPD, we employ a total of 5,640 employees. Our employee benefits expenses include, among others, salary, wages, allowances, overtime payments and contributions to defined contribution plan. Our employee benefits expenses are accounted for under administrative expenses in our statement of comprehensive income.

The following table sets out the percentage of total employee benefits expense over our revenue for the Financial Years Under Review:

	FYE 30 June		
	2024	**2025**	**2026**
	RM'000	**RM'000**	**RM'000**
Total employee benefits expenses	128,326	148,976	182,701
Total revenue	1,454,902	1,567,193	1,774,644
Total employee benefits expenses as a percentage of revenue (%)	8.8	9.5	10.3

We determine our employees' salaries based on various factors including the experience, job function and seniority of our employees. We pay our employees in accordance with the applicable Malaysian statutory minimum wage of RM1,700 nationwide, where approximately 88.7% of our total employees are paid the Malaysian minimum wage. Any future changes to our employees' salaries, such as salary increments or increases in the statutory minimum wage of Malaysia, will directly impact our employee benefits expenses. In addition to salaries and incentive based pay, we also incur ancillary expenses relating to, among others, medical fees, staff refreshments, staff welfare, meal allowance as well as the recruitment and training of our employees.

Our total employee benefits expenses increased from RM128.3 million for the FYE 30 June 2024 to RM182.7 million for the FYE 30 June 2026, primarily due to the following:

(a) the increase in minimum wage from RM1,500 to RM1,700 per month effective on 1 February 2025;

(b) the implementation of mandatory 2.0% EPF contribution for foreign workers effective on 1 October 2025; and

(c) the payment of directors' fees of RM301,000 to our Directors (save for DSKK and Candy Chai) following their appointment in the FYE 30 June 2026.

(vi) Store rental and maintenance

We operate under a brick-and-mortar business model, which requires us to establish a physical presence through owning or renting a property. As at the LPD, we operate 1,097 stores on tenanted properties and nine stores on properties owned by us, representing 99.2% and 0.8% of our stores respectively. For our rented properties, we generally enter into leases which are for initial terms of two to three years, with an option to extend another term of two to three years. Our rental rates may be adjusted depending on prevailing property market conditions in Malaysia at the time of extension or renewal, subject to the applicable maximum increment as agreed under respective tenancy agreements.

In accordance with MFRS 16 Leases, we account for lease in respect of our leases for our stores and DC (save for those with a lease term of 12 months or less) as a ROU asset and a lease liabilities in our statement of financial position and recognise the interest expense on the lease liability under finance costs and the depreciation expenses on the ROU asset under other operating expenses in our statement of comprehensive income. Significant adjustments to our rental rates would affect the repayment of our lease liabilities including the interest on lease liabilities.

Apart from rental considerations, we conduct periodic evaluations of the physical condition of our stores and generally may conduct refurbishment works when deemed necessary, in alignment with our Group's maintenance strategy.

(vii) Consumer spending and economic conditions in Malaysia

As we operate our business in Malaysia, our revenue and financial performance will be directly affected and depend on, among others, the Malaysian consumer spending and general state of the Malaysian economy. Demand for, and prevailing prices of our products relate directly to the strength, purchasing power and growth of the Malaysian economy.

According to the IMR Report, the Malaysian economy grew from 2020 to 2025 at a CAGR of 5.2%. The Malaysian economy has demonstrated resilience in 2025, growing by 5.2% which is supported by various government initiatives. The Malaysian economy is forecasted to grow at a CAGR of 4.5% from 2025 to 2030, reflecting a positive economic outlook. The convenience retail industry in Malaysia, in which we operate, is forecasted to grow at a CAGR of 10.6% over the same period, primarily driven by the strategic expansion of the retailers, which provides convenience through diversified offerings such as a variety of grab-and-go food options and limited edition items, as well as by the changing customer habits favouring convenience.

12.2.3 Critical accounting estimates and judgements

The preparation of financial statements in conformity with MFRSs requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of the revenue and expenses during the reporting period. It also requires our Directors to exercise their judgement in the process of applying our accounting policies. Although these estimates and judgement are based on our Directors' best knowledge of current events and actions, actual results may differ.

The areas involving a higher degree of judgement or complexity that have the most significant effect on our financial statements, or areas where assumptions and estimates that have a significant risk of resulting in a material adjustment to our financial statements within the next financial year are disclosed as follows:

Determining the lease term of contracts with renewal and termination options as lessee

We determine the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

We apply judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, we reassess the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate such as the construction of significant leasehold improvements or significant customisation to the leased asset.

For further details, see Note 4 of the Financial Statements included in Section 13 of this Prospectus.

12.2.4 Results of operations

The principal components of our statements of comprehensive income for the Financial Years Under Review are as follows:

(i) Revenue

We generate majority of our revenue from the sales of products and commission earned from electronic payment services rendered at our stores. In addition, we also earn Complementary Income through our supplier incentive programmes.

12. FINANCIAL INFORMATION *(Cont'd)*

	FYE 30 June					
	2024		2025		2026	
	RM'000	%	RM'000	%	RM'000	%
Sales of goods	1,373,773	94.4	1,471,742	93.9	1,664,039	93.8
Commission(1)	12,478	0.9	12,689	0.8	12,179	0.7
Gross revenue generated by our stores	**1,386,251**	**95.3**	**1,484,431**	**94.7**	**1,676,218**	**94.5**
Complementary Income(2)	68,752	4.7	82,837	5.3	99,093	5.5
Retail revenue	**1,455,003**	**100.0**	**1,567,268**	**100.0**	**1,775,311**	**100.0**
Less: MFRS 15 adjustment in relation to our loyalty programme	(101)	*	(75)	*	(667)	*
Total revenue	**1,454,902**	**100.0**	**1,567,193**	**100.0**	**1,774,644**	**100.0**

Notes:

* *Negligible.*

(1) Comprises commissions earned from electronic payment services (such as top-up/reloads for mobile service providers, utility bills payment, gaming and entertainment gift card and selected bill payments).

(2) Comprises new product listing fee, new store listing fee, display and advertising income, planogram compliance incentives received for adhering to specific product arrangements required by our suppliers, target incentives received for achieving certain sales target set by our suppliers, sales rebate associated with promotion campaign, utility charge, promotion fees and rental of chiller.

The breakdown of the Complementary Income for the Financial Years Under Review is as follows:

	FYE 30 June		
	2024	***2025***	***2026***
	RM'000	***RM'000***	***RM'000***
Listing fees	*22,394*	*24,546*	*30,688*
Advertising and promotional fee	*17,018*	*19,279*	*21,609*
Supplier incentives	*22,850*	*30,800*	*35,855*
Others(a)	*6,490*	*8,212*	*10,941*
	68,752	***82,837***	***99,093***

Note:

(a) Comprises income from in-store equipment rental, utilities charges, new account opening fees, other fees payable by suppliers and sales of products from our Balakong DC.

Revenue by geographical location

For the Financial Years Under Review, we generated all our revenue from our stores in Malaysia.

The following table sets out the breakdown of our revenue by geographical location for the Financial Years Under Review:

	FYE 30 June					
	2024		2025		2026	
	RM'000	%	RM'000	%	RM'000	%
Peninsular Malaysia	**1,373,317**	**99.1**	**1,471,116**	**99.1**	**1,662,053**	**99.2**
Central[(1)]	1,084,748	78.3	1,115,425	75.2	1,235,542	73.7
East Coast[(2)]	22,618	1.6	32,783	2.2	41,586	2.5
Northern[(3)]	29,012	2.1	52,317	3.5	69,822	4.2
Southern[(4)]	236,939	17.1	270,591	18.2	315,103	18.8
East Malaysia[(5)]	**12,934**	**0.9**	**13,315**	**0.9**	**14,165**	**0.8**
Gross revenue generated by our stores	**1,386,251**	**100.0**	**1,484,431**	**100.0**	**1,676,218**	**100.0**

Notes:

(1) Consists of the state of Selangor and the Federal Territories of Kuala Lumpur and Putrajaya.

(2) Consists of the state of Pahang only.

(3) Consists of the states of Kedah, Pulau Pinang and Perak only.

(4) Consists of the states of Johor, Melaka and Negeri Sembilan.

(5) Consists of the state of Sarawak only.

Revenue by store format

We operate our stores in two formats, namely (i) KK Super Mart; and (ii) KK Concept Store and KK Signature Store.

The following table sets out the breakdown of our revenue by store format for the Financial Years Under Review:

	FYE 30 June					
	2024		2025		2026	
	RM'000	%	RM'000	%	RM'000	%
KK Super Mart	1,364,814	98.5	1,454,087	98.0	1,626,942	97.1
KK Concept Store and KK Signature Store	21,437	1.5	30,344	2.0	49,276	2.9
Gross revenue generated by our stores	**1,386,251**	**100.0**	**1,484,431**	**100.0**	**1,676,218**	**100.0**

Revenue by product category

Our products are broadly categorised across four categories, namely (i) F&B products; (ii) tobacco; (iii) household, personal care and baby products; and (iv) services.

The following table sets out the breakdown of our revenue by product categories for the Financial Years Under Review:

	FYE 30 June					
	2024		2025		2026	
	RM'000	%	RM'000	%	RM'000	%
F&B products[(1)]	818,983	59.1	834,199	56.2	918,032	54.8
Tobacco[(2)]	313,140	22.6	378,047	25.5	454,584	27.1
Household, personal care and baby products[(3)]	185,228	13.4	203,613	13.7	229,984	13.7
Services[(4)]	13,236	1.0	12,870	0.9	12,198	0.7
Others[(5)]	55,664	3.9	55,702	3.7	61,420	3.7
Total	**1,386,251**	**100.0**	**1,484,431**	**100.0**	**1,676,218**	**100.0**

Notes:

(1) Comprises groceries, milk and other dairy products, snacks and confectioneries, bread, alcoholic beverages, drinks (including cordials and hot beverages), cooking oil, food seasonings and flavouring products, fresh foods and food spreads.

(2) Comprises cigarettes, vapes and electronic cigarettes typically sold at our front counter. In accordance with the Control of Smoking Act, all our stores comply with the regulation prohibiting the open display of tobacco products on open shelves or at our sales counters. While the tobacco display ban, which came into effect in October 2025, has not resulted in any significant adverse impact on our tobacco product sales to-date, there can be no assurance that our sales will not be adversely affected in the future or by any further regulatory changes. See Section 5.2.5 of this Prospectus for further details of the associated risk.

(3) Comprises household items such as laundry and cleaning products, kitchenware, garbage bags, plastic containers, paper cups and insecticides as well as personal and baby care items such as diapers and baby care products, pharmaceutical items, paper products, bath products and oral care products.

*(4) Comprises in-store services such as mobile phone, online gaming and Touch 'n Go reloads as well as other offerings such as token for capsule toy machine, photocopying services, parking coupon and big sweep ticket ("**Other Services Offering**"). Except for the sale of parking coupons at selected stores, these Other Services Offerings are no longer available at our stores.*

(5) Comprises print media, toys, stationery, pet food, home electric hardware and IT accessories.

(ii) Cost of sales

Our cost of sales comprises (i) the costs of the products purchased directly from our suppliers and trading houses; (ii) freight and logistic costs to deliver our products from our DC to our stores, including fees paid to third-party logistics service providers; (iii) costs associated to inventories written off and losses offset by discount; and (iv) storage costs and consumables offset by the DC charges.

12. FINANCIAL INFORMATION *(Cont'd)*

The following table sets out the components of our cost of sales for the Financial Years Under Review:

	FYE 30 June					
	2024		2025		2026	
	RM'000	%	RM'000	%	RM'000	%
Cost of products	1,045,767	99.9	1,118,818	100.2	1,276,460	101.3
Freight and logistics cost (1)	13,113	1.3	11,024	1.0	6,123	0.5
Inventories written off (2)	14,795	1.4	17,317	1.6	16,347	1.3
Store supply and consumables (3)	56	*	200	*	413	*
Less: Discount(4)	(20,358)	(1.9)	(22,959)	(2.1)	(26,313)	(2.1)
Less: DC charges(5)	(7,016)	(0.7)	(8,041)	(0.7)	(13,495)	(1.0)
Total	**1,046,357**	**100.0**	**1,116,359**	**100.0**	**1,259,535**	**100.0**

Notes:

* *Negligible.*

(1) Comprises the costs incurred in delivering products from our DC to retail stores, including fees paid to third-party logistics service providers.

(2) Comprises the cost of inventory written off arising from discrepancies in inventory records with physical stock in stores. These discrepancies were identified through our periodic inventory counts and mainly attributable to damage or losses arising from pilferage, shoplifting or burglary where such losses fall below the insurance policy deductible of RM1,000 and are therefore not covered by insurance.

The breakdown of the inventories written off for the Financial Years Under Review is as follows:

	FYE 30 June		
	2024	***2025***	***2026***
	RM'000	***RM'000***	***RM'000***
Due to damage or losses arising from pilferage, shoplifting and other causes	*14,726*	*17,264*	*16,318*
Burglary	*69*	*53*	*29*
	14,795	***17,317***	***16,347***

For information purposes, although most of our products is acquired through outright purchases rather than on a consignment basis, we have secured agreements with the majority of our suppliers allowing for the return of expired or near-expired items to them. Consequently, our exposure to inventory write-offs from expired goods is mitigated.

(3) Comprises the cost of miscellaneous items such as cutlery, cups, tablecloths, trays and paper bags provided alongside free meals during store openings.

(4) Comprises discounts received from suppliers for prompt payments, promotional items sold at our outlets, product rebates and bulk purchases.

(5) Comprises product discounts derived from DC charges applied to suppliers for storing their products in our DC.

(iii) GP and GP margin

GP and GP margin by product categories

The following table sets out the breakdown of our GP and GP margin by product categories for the Financial Years Under Review:

	F&B products	Tobacco	Household personal care and baby products	Services	Others	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
FYE 30 June 2024						
Revenue	818,983	313,140	185,228	13,236	55,664	1,386,251
Cost of products/ services	(598,134)	(286,235)	(126,372)	(582)	(34,444)	(1,045,767)
Product GP	220,849	26,905	58,856	12,654	21,220	340,484
Product GP margin (%)[1]	27.0	[4]8.6	31.8	95.6	38.1	24.6
Others[2]						68,061
GP						**408,545**
GP margin (%)[3]						**28.1**
FYE 30 June 2025						
Revenue	834,199	378,047	203,613	12,870	55,702	1,484,431
Cost of products/ services	(603,699)	(342,716)	(138,811)	(134)	(33,458)	(1,118,818)
Product GP	230,500	35,331	64,802	12,736	22,244	365,613
Product GP margin (%)[1]	27.6	[4]9.3	31.8	99.0	39.9	24.6
Others[2]						85,221
GP						**450,834**
GP margin (%)[3]						**28.8**
FYE 30 June 2026						
Revenue	918,032	454,584	229,984	12,198	61,420	1,676,218
Cost of products/ services	(670,792)	(412,575)	(155,911)	(18)	(37,164)	(1,276,460)
Product GP	247,240	42,009	74,073	12,180	24,256	399,758
Product GP margin (%)[1]	26.9	[4]9.2	32.2	99.9	39.5	23.8
Others[2]						115,351
GP						**515,109**
GP margin (%)[3]						**29.0**

Notes:

(1) Computed as product GP divided by revenue.

(2) Comprises Complementary Income and MFRS 15 adjustment in relation to our loyalty programme as well as costs associated with freight and logistics, inventories written off which are offset by discounts from suppliers and DC charges applied to suppliers.

(3) Computed as GP divided by revenue.

(4) The relatively lower GP margin recorded for tobacco products as compared to other product categories was mainly due the regulated nature of tobacco product pricing, including requirements for regulatory approval of retail selling prices. As such, the selling prices of these products are determined by our supplier/ principal brand owners and accordingly, our margin for tobacco products are constrained by the limited markups we are able to impose.

Notwithstanding the decrease in our product GP margin from 24.6% for the FYE 30 June 2024 to 23.8% for the FYE 30 June 2026, our GP margin increased from 28.1% for the FYE 30 June 2024 to 29.0% for the FYE 30 June 2026, mainly due to the following:

(a) an increase in Complementary Income from RM68.8 million, representing 4.7% of our revenue for the FYE 30 June 2024, to RM99.1 million, representing 5.5% of our revenue for the FYE 30 June 2026. As the Complementary Income has no associated cost, the increase in Complementary Income directly contributed to a higher GP margin; and

(b) an increase in the discounts received from our suppliers, which offset our cost of sales, from RM20.4 million, representing 1.9% of our cost of sales for the FYE 30 June 2024, to RM26.3 million, representing 2.1% of our cost of sales for the FYE 30 June 2026.

Product GP and product GP margin by geographical location

The following table sets out the breakdown of our product GP and product GP margin by geographical location for the Financial Years Under Review:

	FYE 30 June					
	2024		2025		2026	
	RM'000	(6)%	RM'000	(6)%	RM'000	(6)%
Peninsular Malaysia	**337,506**	**24.6**	**362,506**	**24.6**	**396,633**	**23.9**
Central(1)	265,648	24.5	273,865	24.6	293,729	23.8
East Coast(2)	6,246	27.6	9,217	28.1	11,836	28.5
Northern(3)	7,464	25.7	13,289	25.4	17,024	24.4
Southern(4)	58,148	24.5	66,135	24.4	74,044	23.5
East Malaysia(5)	**2,978**	**23.0**	**3,107**	**23.3**	**3,125**	**22.1**
Product GP	**340,484**	**24.6**	**365,613**	**24.6**	**399,758**	**23.8**

Notes:

(1) Consists of the state of Selangor and the Federal Territories of Kuala Lumpur and Putrajaya.

(2) Consists of the state of Pahang only.

(3) Consists of the states of Kedah, Pulau Pinang and Perak only.

(4) Consists of the states of Johor, Melaka and Negeri Sembilan.

(5) Consists of the state of Sarawak only.

(6) Computed as product GP divided by revenue from stores in respective geographical location.

As part of our pricing strategies, we may implement higher selling prices at stores located in high foot traffic retail locations. As at 30 June 2026, out of the 30 stores located in the East Coast region (i.e. Pahang), higher selling prices were implemented at our nine stores located in Genting Highlands, which contributed to the higher product GP margin in the East Coast region. For the FYE 30 June 2026, these nine stores contributed approximately 45.0% of our product GP from the East Coast region (i.e. Pahang). See Section 7.6.4 of this Prospectus for further details on our pricing strategies.

Product GP and product GP margin by store format

The following table sets out the breakdown of our product GP and product GP margin by store format for the Financial Years Under Review:

	FYE 30 June					
	2024		2025		2026	
	RM'000	(1)%	RM'000	(1)%	RM'000	(1)%
KK Super Mart	334,279	24.5	356,911	24.5	386,495	23.8
KK Concept Store and KK Signature Store	6,205	28.9	8,702	28.7	13,263	26.9
Product GP	**340,484**	**24.6**	**365,613**	**24.6**	**399,758**	**23.8**

Note:

(1) Computed as product GP divided by revenue from stores under respective store format.

The higher product GP margin recorded by KK Concept Store and KK Signature Store as compared to KK Super Mart stores are primarily attributable to the following:

(i) differences in product offering - Selected KK Concept Stores and KK Signature Store do not offer tobacco products which have lower product GP margins of approximately 8.6% to 9.3% for the Financial Years Under Review. For information purposes, six out of 34 KK Concept Stores and KK Signature Store did not offer tobacco products as at 30 June 2026. Excluding tobacco sales for KK Concept Store and KK Signature Store for the FYE 30 June 2026, the overall GP margin would be 30.6% which is relatively consistent with our Group's overall product GP margin excluding tobacco sales of 29.3%; and

(ii) differences in sales mix - KK Concept Store and KK Signature Store generally record a higher proportion of beverage sales, which typically carry higher product GP margins of approximately 37.7% to 38.1%. For the Financial Years Under Review, beverage sales contributed between 15.9% and 17.6% of total sales of KK Concept Store and KK Signature Store as compared to between 10.8% and 11.4% for KK Super Mart stores. As a result, the higher proportion of beverage sales was also a contributing factor to the higher product GP margin recorded by KK Concept Store and KK Signature Store.

(iv) Other income

Our other income mainly consists of rental income, government incentives, salary reimbursement income, insurance compensation, reversal of interest cost incurred for RCPS and miscellaneous income.

The following table sets out the breakdown of our other income for the Financial Years Under Review:

	FYE 30 June					
	2024		2025		2026	
	RM'000	%	RM'000	%	RM'000	%
Gain on disposal of PPE	-	-	-	-	53	0.7
Contribution income[(1)]	46	0.5	-	-	200	2.5
Government incentive[(2)]	2,187	26.6	359	6.3	484	6.1
Insurance compensation[(3)]	57	0.7	21	0.4	-	-
Rental income	2,435	29.6	2,090	36.7	1,396	17.6
Reversal of impairment loss	-	-	55	1.0	9	0.1
Salary reimbursement income[(4)]	1,617	19.7	828	14.5	7	0.1
Reversal of interest cost incurred for RCPS[(5)]	-	-	-	-	1,864	23.4
Reversal of provision for restoration	-	-	-	-	16	0.2
Miscellaneous income[(6)]	1,881	22.9	2,340	41.1	3,924	49.3
Total	**8,223**	**100.0**	**5,693**	**100.0**	**7,953**	**100.0**

Notes:

(1) Comprises advertisement and promotion contribution as well as sponsorships from our suppliers for our annual dinner.

(2) Comprises Government financial incentives such as Kerjaya Madani for hiring individuals from certain vulnerable groups.

(3) Comprises compensation for losses due to robberies and pilferages which were received during the Financial Years Under Review.

(4) Comprises the recovery of wages paid in advance by our Group to foreign workers, which are subsequently reimbursed by related parties.

(5) Represents the reversal of the cumulative accretion on the predetermined redemption price of the RCPS that was previously recognised as interest expense, as the obligation to redeem the RCPS ceased upon the RCPS Conversion.

*(6) Comprises penalties income imposed on suppliers for listing cancellation or failure to fulfill purchase order, e-vouchers or cash vouchers received from suppliers, discount allowed (e.g. Shopeepay) and business-to-business ("**B2B**") platform access fees.*

(v) Administrative expenses

Our administrative expenses mainly comprise employee benefits expenses, utilities expenses, rental, upkeep and maintenance expenses as well as travelling expenses.

The following table sets out the breakdown of our administrative expenses for the Financial Years Under Review:

	FYE 30 June					
	2024		2025		2026	
	RM'000	%	RM'000	%	RM'000	%
Employee benefits expenses[(1)]	128,326	60.4	148,976	62.6	182,701	64.9
Travelling expenses[(2)]	719	0.3	798	0.3	1,009	0.3
Outlet space related cost[(3)]	61,514	29.0	68,397	28.8	77,098	27.4
Office general cost[(4)]	21,868	10.3	19,702	8.3	20,831	7.4
Total	**212,427**	**100.0**	**237,873**	**100.0**	**281,639**	**100.0**

Notes:

(1) Employee benefits expenses include, among others, salaries, overtime payments, contributions to defined contribution plans, bonuses as well as directors' fees and remunerations.

(2) Travelling expenses include, among others, toll, petrol and mileage claims as well as domestic and overseas business travel expenses.

(3) Outlet-related expenses include, among others, expenses in respect of rental, water and sewerage, advertisement and promotion, insurance, licence fee, upkeeping, B2B platform access fees payable to platform vendor and telecommunication.

(4) Office-related expenses include, among others, rental of premises, printing and stationery, bank charges, utilities, professional fees, donation and upkeeping at our headquarters.

(vi) Other operating expenses

Our other operating expenses mainly comprise depreciation of assets including our PPE, ROU assets and investment properties, loss on disposal of PPE, loss on lease modification and PPE written off.

The following table sets out the breakdown of our other operating expenses for the Financial Years Under Review:

	FYE 30 June					
	2024		2025		2026	
	RM'000	%	RM'000	%	RM'000	%
Depreciation of PPE	16,069	25.9	18,568	25.4	22,065	25.0
Depreciation of ROU assets	41,946	67.7	48,052	65.8	58,574	66.4
Depreciation of investment properties	57	0.1	-	-	-	-
Loss on disposal of PPE	15	*	37	*	-	-

	FYE 30 June					
	2024		2025		2026	
	RM'000	%	RM'000	%	RM'000	%
Loss on lease modification[(1)]	3,876	6.3	6,113	8.4	7,214	8.2
Loss on lease termination[(2)]	-	-	-	-	12	*
PPE written off	*	*	296	0.4	372	0.4
Total	**61,963**	**100.0**	**73,066**	**100.0**	**88,237**	**100.0**

Notes:

* *Negligible.*

(1) *The loss on lease modification arose from the net changes in carrying amounts of the lease liabilities and ROU asset as a result of revisions to the monthly rental and lease term. The increase in loss on lease modification over the Financial Years Under Review was in line with the growth of our store network, which resulted in a higher number of lease revisions reaching the end of their existing lease terms and being renewed.*

(2) *The loss on lease termination arose from the derecognition of ROU assets and lease liabilities upon the lease termination. It represents the excess of the carrying amount of the ROU assets over the lease liabilities derecognised.*

(vii) Finance income

Finance income comprises interest income on bank balances as well as advance to related parties.

The following table sets out our finance income for the Financial Years Under Review:

	FYE 30 June					
	2024		2025		2026	
	RM'000	%	RM'000	%	RM'000	%
Interest income on:						
- Fixed deposits	-	-	1,165	36.3	115	3.7
- Bank balances	1,052	72.3	2,046	63.7	2,983	96.3
- Advance to related parties	403	27.7	-	-	-	-
Total	**1,455**	**100.0**	**3,211**	**100.0**	**3,098**	**100.0**

(viii) Finance costs

Finance costs comprise interest on our bankers' acceptances, term loans, hire purchase payables, lease liabilities arising from our ROU assets and RCPS as well as RCPS dividends.

The following table sets out our finance costs for the Financial Years Under Review:

	FYE 30 June					
	2024		2025		2026	
	RM'000	%	RM'000	%	RM'000	%
Interest expenses on:						
- Bankers' acceptances	-	-	-	-	56	0.4

	FYE 30 June					
	2024		2025		2026	
	RM'000	%	RM'000	%	RM'000	%
- Term loans	1,923	23.7	1,678	10.1	1,449	9.3
- Hire purchase payables	29	0.3	20	0.1	13	0.1
- Lease liabilities	6,174	76.0	6,852	41.1	8,253	52.8
- RCPS[(1)]	-	-	976	5.8	888	5.7
RCPS dividends	-	-	7,161	42.9	4,960	31.7
Total	**8,126**	**100.0**	**16,687**	**100.0**	**15,619**	**100.0**

Note:

(1) Represents finance cost arising from the accretion of the predetermined redemption price of the RCPS over its tenure, as the RCPS holder had the option to convert the RCPS into our Shares or redeem the RCPS.

(ix) Income tax expense

Our income tax expenses comprise current and deferred tax. We calculate current tax at the Malaysian statutory tax rate in respect of our profit for the financial year.

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

For further details on the reconciliation of the income tax expense, see Note 26 of the Financial Statements included in Section 13 of this Prospectus.

The following table sets out the breakdown of our income tax expense for the Financial Years Under Review:

	FYE 30 June		
	2024	2025	2026
	RM'000	RM'000	RM'000
Current tax			
- Current financial year	32,903	33,268	36,938
- (Over)/Under provision in prior financial years	(10)	[(1)]1,751	[(1)]2,881
Real property gains tax	-	269	-
	32,893	35,288	39,819
Deferred tax	1,218	(163)	(1,636)
Income tax expenses	**34,111**	**35,125**	**38,183**

Note:

(1) The under provision of current tax in the prior financial years arose from the differences between the income tax provision recognised in our financial statements and the final income tax payable as computed in our income tax returns filed with the Inland Revenue Board of Malaysia. These differences were mainly in respect of (i) repair and maintenance expenses incurred for our outlets, including minor renovation works and purchases of low-value assets, which were subsequently determined to be non-deductible for tax purposes; and (ii) the amount of capital allowances ultimately determined in the final income tax computation, which was lower than the initial estimates.

The table below sets out the relationship between PBT and income tax expense for the Financial Years Under Review:

	FYE 30 June		
	2024	**2025**	**2026**
	RM'000	**RM'000**	**RM'000**
PBT	135,707	132,112	140,665
Tax at Malaysian statutory income tax rate of 24%	32,570	31,707	33,759
Real property gains tax	-	269	-
Adjustments:			
Income not subject to tax	(350)	(24)	(707)
Non-deductible expenses	2,853	3,416	3,966
Adjustment in respect of current income tax of prior years	(10)	1,751	2,881
Adjustment in respect of deferred tax of prior years	(952)	(1,994)	(1,716)
Income tax expenses	**34,111**	**35,125**	**38,183**

12.2.5 Review of performance for the FYE 30 June 2026 compared to the FYE 30 June 2025

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

	FYE 30 June				
	2025		**2026**		**% change**
	RM'000	**%**	**RM'000**	**%**	
Revenue	1,567,193	100.0	1,774,644	100.0	13.2
Cost of sales	(1,116,359)	(71.2)	(1,259,535)	(71.0)	12.8
GP	**450,834**	**28.8**	**515,109**	**29.0**	**14.3**
Other income	5,693	0.4	7,953	0.5	39.7
Administrative expenses	(237,873)	(15.2)	(281,639)	(15.9)	18.4
Other operating expenses	(73,066)	(4.7)	(88,237)	(5.0)	20.8
Operating profit	**145,588**	**9.3**	**153,186**	**8.6**	**5.2**
Finance income	3,211	0.2	3,098	0.2	(3.5)
Finance costs	(16,687)	(1.1)	(15,619)	(0.9)	(6.4)
PBT	**132,112**	**8.4**	**140,665**	**7.9**	**6.5**
Income tax expense	(35,125)	(2.2)	(38,183)	(2.1)	8.7
Profit for the financial year	**96,987**	**6.2**	**102,482**	**5.8**	**5.7**

(i) Revenue

Our revenue increased by RM207.5 million or 13.2% from RM1,567.2 million for the FYE 30 June 2025 to RM1,774.6 million for the FYE 30 June 2026, mainly due to the following:

(a) an increase in our store network from 890 stores as at 30 June 2025 to 1,042 stores as at 30 June 2026, which represents an increase of 17.1%. As a result, our Group's sales of goods increased by RM192.3 million or 13.1% from RM1,471.7 million for the FYE 30 June 2025 to RM1,664.0 million for the FYE 30 June 2026; and

(b) an increase in Complementary Income provided by our suppliers by RM16.3 million or 19.6% from RM82.8 million for the FYE 30 June 2025 to RM99.1 million for the FYE 30 June 2026 arising from increased product purchases in support of our Group's store expansion in the FYE 30 June 2026, in particular, higher sales rebate associated with promotion campaign, new product listing fee, display and advertising income and planogram compliance incentives.

(ii) Cost of sales

Our cost of sales increased by RM143.2 million or 12.8% from RM1,116.4 million for the FYE 30 June 2025 to RM1,259.5 million for the FYE 30 June 2026. This was mainly due to higher costs associated with an increase in our store network from 890 stores as at 30 June 2025 to 1,042 stores as at 30 June 2026, partially offset by higher prompt payment and bulk discounts.

(iii) GP and GP margin

As a result of the foregoing, our GP increased by RM64.3 million or 14.3% from RM450.8 million for the FYE 30 June 2025 to RM515.1 million for the FYE 30 June 2026.

Our GP margin also increased from 28.8% for the FYE 30 June 2025 to 29.0% for the FYE 30 June 2026, mainly due to the lower rate of increase in cost of sales of 12.8% relative to revenue of 13.2%, driven by better negotiated terms with certain suppliers as well as higher prompt payment and bulk discounts, in line with our store expansion and increase in product purchases volume.

(iv) Other income

Our other income increased by RM2.3 million or 39.7% from RM5.7 million for the FYE 30 June 2025 to RM8.0 million for the FYE 30 June 2026 due to reversal of interest cost incurred for RCPS and increased in our suppliers' sponsorship income for our Company's event received in the FYE 30 June 2026.

(v) Administrative expenses

Our administrative expenses increased by RM43.7 million or 18.4% from RM237.9 million for the FYE 30 June 2025 to RM281.6 million for the FYE 30 June 2026 mainly due to increases in store-related employee benefits expenses, utilities expenses as well as upkeep and maintenance expenses, which are associated with the expansion of our store network.

(vi) Other operating expenses

Our other operating expenses increased by RM15.1 million or 20.8% from RM73.1 million for the FYE 30 June 2025 to RM88.2 million for the FYE 30 June 2026 mainly due to higher depreciation on PPE and ROU assets and higher loss on lease modification in line with the expansion of our store network.

(vii) Finance income

Our finance income decreased by RM0.1 million or 3.5% from RM3.2 million for the FYE 30 June 2025 to RM3.1 million for the FYE 30 June 2026 mainly due to decrease in the interest income on fixed deposits with financial institutions.

(viii) Finance costs

Our finance costs decreased by RM1.1 million or 6.4% from RM16.7 million for the FYE 30 June 2025 to RM15.6 million for the FYE 30 June 2026 mainly due to decrease in RCPS dividends which was partially offset by increase in interest expenses on lease liabilities.

(ix) PBT and PBT margin

As a result of the foregoing, our PBT increased by RM8.6 million or 6.5% from RM132.1 million for the FYE 30 June 2025 to RM140.7 million for the FYE 30 June 2026. Our PBT margin decreased from 8.4% for the FYE 30 June 2025 to 7.9% for the FYE 30 June 2026 as a result of the higher rate of increase in administrative expenses and other operating expenses for the reasons described above.

(x) Income tax expense

Our income tax expense increased by RM3.1 million or 8.7% from RM35.1 million for the FYE 30 June 2025 to RM38.2 million for the FYE 30 June 2026, primarily due to the under provision of income tax for the FYE 30 June 2025.

(xi) Profit for the financial year

As a result of the foregoing, our profit for the financial year increased by RM5.5 million or 5.7% from RM97.0 million for the FYE 30 June 2025 to RM102.5 million for the FYE 30 June 2026. Our PAT margin decreased from 6.2% for the FYE 30 June 2025 to 5.8% for the FYE 30 June 2026.

12.2.6 Review of performance for the FYE 30 June 2025 compared to the FYE 30 June 2024

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

	FYE 30 June				
	2024		2025		% change
	RM'000	%	RM'000	%	
Revenue	1,454,902	100.0	1,567,193	100.0	7.7
Cost of sales	(1,046,357)	(71.9)	(1,116,359)	(71.2)	6.7
GP	**408,545**	**28.1**	**450,834**	**28.8**	**10.4**
Other income	8,223	0.6	5,693	0.4	(30.8)
Administrative expenses	(212,427)	(14.6)	(237,873)	(15.2)	12.0
Other operating expenses	(61,963)	(4.3)	(73,066)	(4.7)	17.9
Operating profit	**142,378**	**9.8**	**145,588**	**9.3**	**2.3**
Finance income	1,455	0.1	3,211	0.2	120.7
Finance costs	(8,126)	(0.6)	(16,687)	(1.1)	105.4
PBT	**135,707**	**9.3**	**132,112**	**8.4**	**(2.6)**
Income tax expense	(34,111)	(2.3)	(35,125)	(2.2)	3.0
Profit for the financial year	**101,596**	**7.0**	**96,987**	**6.2**	**(4.5)**

(i) Revenue

Our revenue increased by RM112.3 million or 7.7% from RM1,454.9 million for the FYE 30 June 2024 to RM1,567.2 million for the FYE 30 June 2025, mainly due to the following:

(a) an increase in our store network from 777 stores as at 30 June 2024 to 890 stores as at 30 June 2025, which represents an increase of 14.5%. As a result, our Group's sales of goods increased by RM98.0 million or 7.1% from RM1,373.8 million for the FYE 30 June 2024 to RM1,471.7 million for the FYE 30 June 2025; and

(b) an increase in Complementary Income provided by our suppliers by RM14.1 million or 20.5% from RM68.8 million for the FYE 30 June 2024 to RM82.8 million for the FYE 30 June 2025 arising from increased product purchases in support of our Group's store expansion in the FYE 30 June 2025, in particular, higher sales rebate associated with promotion campaign, new product listing fee, display and advertising income and planogram compliance incentives.

(ii) Cost of sales

Our cost of sales increased by RM70.0 million or 6.7% from RM1,046.4 million for the FYE 30 June 2024 to RM1,116.4 million for the FYE 30 June 2025. This was mainly due to higher costs associated with an increase in our store network from 777 stores as at 30 June 2024 to 890 stores as at 30 June 2025, partially offset by higher prompt payment and bulk discounts.

(iii) GP and GP margin

As a result of the foregoing, our GP increased by RM42.3 million or 10.4% from RM408.5 million for the FYE 30 June 2024 to RM450.8 million for the FYE 30 June 2025.

Our GP margin also increased from 28.1% for the FYE 30 June 2024 to 28.8% for the FYE 30 June 2025, mainly due to the lower rate of increase in cost of sales of 6.7% relative to revenue of 7.7%, driven by better negotiated terms with certain suppliers as well as higher prompt payment and bulk discounts, in line with our store expansion and increase in product purchases volume.

(iv) Other income

Our other income decreased by RM2.5 million or 30.8% from RM8.2 million for the FYE 30 June 2024 to RM5.7 million for the FYE 30 June 2025 due to lower government incentive received in the FYE 30 June 2025 and lower rental income following the distribution of investment properties in February 2024.

(v) Administrative expenses

Our administrative expenses increased by RM25.4 million or 12.0% from RM212.4 million for the FYE 30 June 2024 to RM237.9 million for the FYE 30 June 2025 mainly due to increases in store-related employee benefits expenses, utilities expenses as well as upkeep and maintenance costs, which are associated with the expansion of our store network.

(vi) Other operating expenses

Our other operating expenses increased by RM11.1 million or 17.9% from RM62.0 million for the FYE 30 June 2024 to RM73.1 million for the FYE 30 June 2025 mainly due to higher depreciation on PPE and ROU assets and higher loss on lease modification in line with the expansion of our store network.

(vii) Finance income

Our finance income increased by RM1.8 million or 120.7% from RM1.5 million for the FYE 30 June 2024 to RM3.2 million for the FYE 30 June 2025 mainly due to an increase in the interest income on bank balances and fixed deposits with financial institutions.

(viii) Finance costs

Our finance costs increased by RM8.6 million or 105.4% from RM8.1 million for the FYE 30 June 2024 to RM16.7 million for the FYE 30 June 2025 mainly due to an increase in interest expenses on lease liabilities and the RCPS as well as the accrual of RCPS dividends.

(ix) PBT and PBT margin

As a result of the foregoing, our PBT decreased by RM3.6 million or 2.6% from RM135.7 million for the FYE 30 June 2024 to RM132.1 million for the FYE 30 June 2025. Our PBT margin decreased from 9.3% for the FYE 30 June 2024 to 8.4% for the FYE 30 June 2025 as a result of:

(a) the higher rate of increase in administrative expenses and other operating expenses for the reasons described above; and

(b) increase in RCPS Interest and Dividend for the FYE 30 June 2025 of RM8.1 million,

which was partially offset by our improved revenue and GP margin.

For information purposes, our PBT and PBT margin would have been RM140.2 million and 8.9% for the FYE 30 June 2025 respectively, if the impact of the RCPS Interest and Dividend was eliminated. Following the RCPS Conversion on 27 March 2026, the RCPS Interest and Dividend is no longer applicable to our Group.

(x) Income tax expense

Our income tax expense increased by RM1.0 million or 3.0% from RM34.1 million for the FYE 30 June 2024 to RM35.1 million for the FYE 30 June 2025, primarily due to the under provision of income tax for the FYE 30 June 2024 and real property gains tax arising from the distribution of investment properties during the FYE 30 June 2024.

(xi) Profit for the financial year

As a result of the foregoing, our profit for the financial year decreased by RM4.6 million or 4.5% from RM101.6 million for the FYE 30 June 2024 to RM97.0 million for the FYE 30 June 2025. Our PAT margin decreased from 7.0% for the FYE 30 June 2024 to 6.2% for the FYE 30 June 2025.

12.2.7 Liquidity and capital resources

(i) Working capital

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

As at 30 June 2026, we had cash and cash equivalents of RM70.0 million and loans and borrowings of RM39.3 million. As at the LPD, our Group has unutilised credit facilities amounting to RM62.4 million. See Section 12.2.8 of this Prospectus for further details on our Group's unutilised credit facilities.

As at 30 June 2026, our working capital, calculated as current assets of RM407.1 million minus current liabilities of RM329.9 million was RM77.2 million.

Based on the above and taking into consideration our funding requirements for our committed capital expenditure, expected cash flows from operations, our existing level of cash and cash equivalents and credit sources, our Board confirms that we have sufficient working capital for at least 12 months from the date of this Prospectus.

(ii) Cash flows

The following table summarises our statements of cash flows for the Financial Years Under Review:

	FYE 30 June		
	Audited		
	2024	**2025**	**2026**
	RM'000	**RM'000**	**RM'000**
Net cash from operating activities	181,212	279,516	168,897
Net cash used in investing activities	(33,267)	(30,358)	(39,514)
Net cash used in financing activities	(132,519)	(175,226)	(182,221)
Net increase/(decrease) in cash and cash equivalents	**15,426**	**73,932**	**(52,838)**
Cash and cash equivalents at beginning of the financial year	33,485	48,911	122,843
Cash and cash equivalents at end of the financial year	**48,911**	**122,843**	**70,005**

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

Net cash from operating activities

FYE 30 June 2026

Our net cash generated from operating activities was RM168.9 million for the FYE 30 June 2026. This was calculated based on our PBT of RM140.7 million, which was then adjusted for non-cash and other items of RM115.3 million mainly comprising depreciation of ROU assets and PPE, inventories written off and finance costs as well as further adjustment for working capital changes of RM52.5 million which mainly comprised:

(a) an increase in inventories of RM66.2 million due to the expansion of our store network from 890 stores as at 30 June 2025 to 1,042 stores as at 30 June 2026;

(b) an increase in trade and other receivables of RM2.9 million mainly due to increase in deposits and trade receivables;

(c) an increase in trade and other payables of RM18.0 million due to higher purchase volume to support the expansion of our store network; and

(d) an increase in contract assets of RM2.0 million due to the timing difference in billing of Complementary Income receivable from our suppliers. Following the issuance of such billings, the contract assets were subsequently recognised as trade receivables.

Our Group received RM3.1 million in interest and paid RM37.7 million in income tax for the FYE 30 June 2026.

FYE 30 June 2025

Our net cash generated from operating activities was RM279.5 million for the FYE 30 June 2025. This was calculated based on our PBT of RM132.1 million, which was then adjusted for non-cash and other items of RM103.8 million mainly comprising depreciation of ROU assets and PPE, inventories written off and finance costs as well as further adjustment for working capital changes of RM76.8 million which mainly comprised:

(a) an increase in inventories of RM50.1 million due to the expansion of our store network from 777 stores as at 30 June 2024 to 890 stores as at 30 June 2025;

(b) a decrease in trade and other receivables of RM99.0 million mainly due to settlement of outstanding balances from related parties;

(c) an increase in trade and other payables of RM35.1 million due to higher purchase volume to support the expansion of our store network; and

(d) an increase in contract assets of RM7.2 million due to the timing difference in billing of Complementary Income receivable from our suppliers. Following the issuance of such billings, the contract assets were subsequently recognised as trade receivables.

Our Group received RM3.2 million in interest and paid RM36.4 million in income tax for the FYE 30 June 2025.

FYE 30 June 2024

Our net cash from operating activities was RM181.2 million for the FYE 30 June 2024. This was calculated based on our PBT of RM135.7 million, which was then adjusted for non-cash and other items of RM83.5 million mainly comprising depreciation of ROU assets and PPE, inventories written off and finance costs as well as further adjustment for working capital changes of RM3.7 million which mainly comprised:

(a) an increase in inventories of RM62.0 million due to the expansion of our store network from 646 stores as at 30 June 2023 to 777 stores as at 30 June 2024;

(b) a decrease in trade and other receivables of RM19.7 million primarily due to the decreases in related parties balances and other receivables following the repayment from the related parties and other receivables, which are partially offset by an increase in trade receivables;

(c) an increase in trade and other payables of RM36.1 million due to higher purchase volume to support the expansion of our store network;

(d) a decrease in contract assets of RM2.3 million due to the timing difference in billing of Complementary Income receivable from our suppliers. Following the issuance of such billings, the contract assets were subsequently recognised as trade receivables; and

(e) an increase in contract liabilities of RM0.2 million due to the issuance of our KK Super Mart cash vouchers and increase in the number of KK coins balance.

Our Group received RM1.5 million in interest and paid RM35.7 million in income tax in the FYE 30 June 2024.

Net cash used in investing activities

FYE 30 June 2026

Our net cash used in investing activities was RM39.5 million for the FYE 30 June 2026, which comprised:

(a) purchase of PPE for the opening of our new stores amounting to RM39.3 million;

(b) purchase of ROU assets amounting to RM0.2 million; and

(c) acquisition of subsidiaries amounting to RM0.1 million,

which was partially offset by proceed from disposal of PPE of RM0.1 million.

FYE 30 June 2025

Our net cash used in investing activities was RM30.4 million for the FYE 30 June 2025, which comprised purchase of PPE for the opening of our new stores amounting to RM30.5 million, which was partially offset by proceed from disposal of PPE of RM0.1 million.

FYE 30 June 2024

Our net cash used in investing activities was RM33.3 million for the FYE 30 June 2024, which comprised purchase of PPE for the opening of our new stores amounting to RM33.4 million; which was partially offset by proceed from disposal of PPE of RM0.1 million.

Net cash used in financing activities

FYE 30 June 2026

Our net cash used in financing activities was RM182.2 million for the FYE 30 June 2026, which mainly comprised:

(a) payment of dividends to our shareholders amounting to RM100.0 million;

(b) repayment of lease liabilities, which mainly arose from rental of stores, amounting to RM62.5 million;

(c) payment of RCPS dividends amounting to RM12.1 million;

(d) payment of interest on term loans, hire purchases and lease liabilities amounting to RM9.8 million; and

(e) repayment of term loans, bankers' acceptance and hire purchases of RM6.1 million,

which was partially offset by drawdown of bankers' acceptance of RM8.3 million.

FYE 30 June 2025

Our net cash used in financing activities was RM175.2 million for the FYE 30 June 2025, which mainly comprised:

(a) payment of dividends to our shareholders amounting to RM122.5 million;

(b) repayment of lease liabilities, which mainly arose from rental of stores, amounting to RM50.7 million;

(c) payment of interest on term loans, hire purchases and lease liabilities amounting to RM8.6 million; and

(d) repayment of term loans and hire purchases of RM3.4 million,

which was partially offset by proceeds received from the issuance of RCPS of RM10.0 million.

FYE 30 June 2024

Our net cash used in financing activities was RM132.5 million for the FYE 30 June 2024, which mainly comprised:

(a) payment of dividends to our shareholders amounting to RM71.0 million;

(b) repayment of lease liabilities, which mainly arose from rental of stores, amounting to RM43.1 million;

(c) repayment of term loans and hire purchases of RM10.3 million; and

(d) payment of interest on term loans, hire purchases and lease liabilities of RM8.1 million.

12.2.8 Borrowings

Loans and borrowings

As at 30 June 2026, we had loans and borrowings from financial institutions amounted to RM39.3 million comprising term loans and hire purchase payables as set out in the table below:

	Average effective interest rates	RM'000
Non-current		
Secured		
Term loans	4.05% - 4.45%	30,442
Hire purchase payables	3.84% - 6.61%	156
Current		
Secured		
Term loans	4.05% - 4.45%	1,824
Hire purchase payables	3.84% - 6.61%	94
Bankers' acceptances	3.99% - 4.04%	6,786
Total loans and borrowings		**39,302**

The maturity profile of our loans and borrowings as at 30 June 2026 is set out below:

	Within one year	One to five years	Over five years	Total
	RM'000	RM'000	RM'000	RM'000
Floating rate borrowings				
Term loans	1,824	8,120	22,322	32,266
Fixed rate borrowings				
Hire purchase payables	94	156	-	250
Bankers' acceptances	6,786	-	-	6,786
	8,704	**8,276**	**22,322**	**39,302**

As at 30 June 2026, all of our term loans are denominated in RM and secured by way of legal charges over certain properties and ROU assets belonging to our Group as well as personal guarantees provided by certain directors of our Group. We have obtained consent from the respective financial institutions to fully discharge these guarantees upon our Listing.

In addition to the above, the table below sets out the credit facilities granted to our Group as at the LPD:

	As at the LPD		
	Facilities granted	Utilised	Unutilised
	RM'000	RM'000	RM'000
Term loans	24,370	24,370	-
Trade financing	61,500	-	61,500
Revolving credit	(1)100,000	38,003	61,997
Overdraft	4,000	-	4,000
Total	**189,870**	**62,373**	**127,497**

Note:

(1) Including two new revolving credit facilities of RM38.0 million and RM54.0 million to part-finance the purchase consideration for the Acquisition of Central DC Land and the construction of the Central DC respectively. As at the LPD, the RM38.0 million facility has been fully drawn down.

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

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

Lease liabilities

As at 30 June 2026, our total lease liabilities amounted to RM168.2 million as set out in the table below:

	Incremental borrowing rate	RM'000
Non-current lease liabilities	4.75%	109,473
Current lease liabilities	4.75%	58,706
Total lease liabilities		**168,179**

The maturity profile of our lease liabilities as at 30 June 2026 is set out below:

	Within one year	One to five years	Over five years	Total
	RM'000	RM'000	RM'000	RM'000
Lease liabilities	58,706	105,267	4,206	168,179

We lease our stores for the sale of our products and services and DC to be used for the distribution of products to our stores. Rental contracts for our stores are typically for an initial term of three years with renewal options of three years while the rental contract for our DC is usually for a period of three years. The terms and conditions of our leases are negotiated on an individual basis.

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

12.2.9 Key financial ratios

The following table sets out certain of our key financial ratios for the Financial Years Under Review:

	FYE 30 June		
	2024	2025	2026
Average trade receivables turnover (days)[(1)]	1	1	*
Average trade payables turnover (days)[(2)]	51	58	57
Average inventory turnover (days)[(3)]	69	77	81
Current ratio (times)[(4)]	1.5	1.3	1.2
Gearing ratio (times)[(5)]	0.2	0.2	0.2
Net gearing ratio (times)[(6)(7)]	*	(0.4)	(0.1)

Notes:

* *Negligible.*

(1) Computed based on the average trade receivables as at the beginning and end of the financial year divided by revenue for such financial year, multiplied by number of days in the financial year.

(2) Computed based on the average trade payables as at the beginning and end of the financial year divided by cost of sales for such financial year, multiplied by number of days in the financial year.

(3) Computed based on the average inventories as at the beginning and end of the financial year divided by cost of sales for such financial year, multiplied by number of days in the financial year.

(4) Computed based on current assets over current liabilities as at the end of the financial year.

(5) *Computed based on total borrowings (excluding lease liabilities) over total equity as at the end of the financial year.*

(6) *Computed based on total borrowings (excluding lease liabilities) less cash and short-term deposits divided by total equity as at the end of the financial year.*

(7) *Negative net gearing ratio denotes a net cash position.*

(i) Average trade receivables turnover period

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

Our trade receivables turnover period for the Financial Years Under Review has been consistently maintained at or below one day for the FYEs 30 June 2024, 30 June 2025 and 30 June 2026, which primarily comprised third party online service payment channel service providers related to customer's payment made through e-wallet and credit card.

As at 30 June 2026, our total outstanding trade receivables amounted to approximately RM2.4 million mainly in relation to outstanding Complementary Income receivable from our suppliers.

The following table sets out the ageing analysis for our trade receivables as at 30 June 2026:

		Past due				
	Current	**1-30 days**	**31-90 days**	**91-120 days**	**>120 days**	**Total**
As at 30 June 2026:						
Trade receivables (RM'000)	1,633	814	-	-	-	2,447
% of total trade receivables	66.7	33.3	-	-	-	100.0
As at the LPD:						
Trade receivables collected (RM'000)	1,633	814	-	-	-	2,447
Trade receivables settled (% of total trade receivables)	66.7	33.3	-	-	-	100.0
Trade receivables outstanding (RM'000)	-	-	-	-	-	-

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

(ii) Average trade payables turnover period

The normal trade credit period under our trade payables is 30 to 60 days and our average trade payables turnover period for the Financial Years Under Review have remained in the lower range of the normal credit period that our trade creditors have extended to us.

Our trade payables increased from RM159.7 million as at 30 June 2024 to RM193.7 million as at 30 June 2025, primarily due to an increase in purchases in line with the store expansion for the FYE 30 June 2025. As a result, our trade payables turnover period increased from 51 days for the FYE 30 June 2024 to 58 days for the FYE 30 June 2025, reflecting the higher level of purchases as at the end of the FYE 30 June 2025.

Our trade payables increased from RM193.7 million as at 30 June 2025 to RM202.6 million as at 30 June 2026, primarily due to an increase in purchases in line with the store expansion for the FYE 30 June 2026. Nonetheless, our trade payables turnover period remained relatively constant at 58 days and 57 days for the FYEs 30 June 2025 and 30 June 2026 respectively.

The following table sets out the ageing analysis for our trade payables as at 30 June 2026:

		Past due				
	Current	**1-30 days**	**31-90 days**	**91-120 days**	**>120 days**	**Total**
As at 30 June 2026:						
Trade payables (RM'000)	179,214	15,990	4,315	435	2,627	202,581
% of total trade payables	88.5	7.9	2.1	0.2	1.3	100.0
As at the LPD:						
Trade payables settled (RM'000)	178,598	15,962	4,284	423	2,600	201,867
Trade payables settled (% of total trade payables)	88.2	7.9	2.1	0.2	1.3	99.6
Trade payables outstanding (RM'000)	616	28	31	12	27	714

We endeavour to pay our suppliers within credit period granted to us to ensure our supplies are not disrupted. As at the LPD, we do not have any material disputes or legal proceedings for outstanding payment that have been initiated by our suppliers against us. Our suppliers do not impose any late payment charges or interest in respect of our past due trade payables, as such delays are generally due to the need to verify the relevant billings prior to payment, including adjustments arising from product returns.

(iii) Inventory turnover

The table below sets out a summary breakdown of our inventories for the Financial Years Under Review:

	FYE 30 June		
	2024	**2025**	**2026**
	RM'000	**RM'000**	**RM'000**
Opening inventory	172,962	220,130	252,896
Closing inventory	220,130	252,896	302,734
Average inventory	196,546	236,513	277,815
Cost of sales	1,046,357	1,116,359	1,259,535
Average inventory turnover (days)[(1)]	69	77	81

Note:

(1) Computed as an average of the opening and closing inventory for the financial year divided by cost of sales for such financial year, multiplied by number of days in the financial year.

Our average inventory turnover period increased from 69 days for the FYE 30 June 2024 to 77 days for the FYE 30 June 2025, primarily due to our Group's ongoing commitment to maintain higher inventory levels to support both current and expanding business operations as well as anticipated sales moving forward.

Our average inventory turnover period increased from 77 days for the FYE 30 June 2025 to 81 days for the FYE 30 June 2026, primarily due to our Group's ongoing commitment to maintain higher inventory levels to support both current and expanding business operations as well as anticipated sales moving forward.

For information purposes, the average inventory turnover periods for our perishable and non-perishable food products during the Financial Years Under Review are set out below:

	FYE 30 June		
	2024	**2025**	**2026**
Average inventory turnover (days)[(1)]			
- Perishable food products[(2)]	9	10	10
- Other products[(3)]	76	84	86

Notes:

(1) Computed as an average of the opening and closing inventory for the financial year divided by cost of products for such financial year, multiplied by number of days in the financial year.

(2) Comprising perishable food products namely, eggs, bread, milk and other dairy products, onigiri and sandwiches.

(3) Comprising packaged food products, beverages, tobacco, personal care products, household cleaning products and other general merchandise.

For clarification purposes, fresh produce (e.g., fruits and vegetables) and sundries (e.g., herbs and dried foods) are sourced on a consignment basis and hence, are therefore excluded from the calculation of our inventory turnover periods.

As part of our inventory management, we have secured arrangements with most of our suppliers for the return of expired or near-expired products. Accordingly, our exposure to inventory obsolescence is mitigated.

As a result, the value of inventory written off during the Financial Years Under Review represented only between 5.4% and 6.8% of our total inventory as at the end of the respective Financial Years Under Review. See Section 12.2.4(ii) of this Prospectus for the breakdown of the inventories written off for the Financial Years Under Review.

The inventory written off for the period from 1 July 2026 up to 30 September 2026 represented approximately 1.4% of our total inventory as at 30 September 2026 and mainly comprised inventories damaged by fire incidents or lost due to pilferage, shoplifting, burglary and other causes. We do not expect to incur any significant inventory write-offs subsequent to the LPD.

(iv) Current ratio

Our current ratio decreased from 1.5 times as at 30 June 2024 to 1.3 times as at 30 June 2025 primarily due to (i) an increase in trade payables in line with higher purchase volume to support our store expansion; (ii) an increase in other accruals; (iii) the issuance of RCPS; and (iv) an increase in lease liabilities attributable to our new store openings.

Our current ratio decreased from 1.3 times as at 30 June 2025 to 1.2 times as at 30 June 2026 primarily due to (i) an increase in trade payables and trade accruals in line with higher purchase volume to support our store expansion; (ii) an increase in lease liabilities attributable to our new store openings; and (iii) an increase in bankers' acceptances arising from the drawdown of trade facilities for payments to our suppliers.

(v) Gearing ratio

Our gearing ratios remained constant at 0.2 times as at 30 June 2024, 30 June 2025 and 30 June 2026.

Our net gearing ratios remained relatively constant at negligible, (0.4) and (0.1) times as at 30 June 2024, 30 June 2025 and 30 June 2026 respectively.

12.2.10 Capital expenditure

The following table sets out our capital expenditure for the Financial Years Under Review:

	FYE 30 June		
	2024	**2025**	**2026**
	RM'000	**RM'000**	**RM'000**
Computers	2,446	2,761	5,842
Furniture and fittings	2,364	842	821
Motor vehicles	85	339	705
Office equipment	57	54	78
Renovation	9,634	9,787	13,324
Shop equipment	18,017	15,939	17,231
Signboards	830	784	1,406
Total	**33,433**	**30,506**	**39,407**

The majority of our capital expenditures were incurred in conjunction with setting up and renovation of our stores.

Our capital expenditure decreased by 8.8% from RM33.4 million for the FYE 30 June 2024 to RM30.5 million for the FYE 30 June 2025 mainly due to a lower number of new store opening of 113 in the FYE 30 June 2025 as compared to 131 new store opening in the FYE 30 June 2024.

Our capital expenditure increased by 29.2% from RM30.5 million for the FYE 30 June 2025 to RM39.4 million for the FYE 30 June 2026 mainly due to a higher number of new store opening of 152 in the FYE 30 June 2026 as compared to 113 new store opening in the FYE 30 June 2025.

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

12.2.11 Material investments and divestitures

Save as disclosed in Sections 12.2.10 and 14.6 of this Prospectus, we have not undertaken any material investments or divestitures during the Financial Years Under Review and up to the LPD.

12.2.12 Capital commitments and contractual obligations

Our capital commitments as at 30 June 2026 and the LPD are as follows:

	As at 30 June 2026	As at the LPD
	RM'000	RM'000
Approved but not contracted for:		
Acquisition of property and equipment	67,776	71,265
Construction of the Central DC	-	50,100
Commissioning of Southern DC	-	2,200
Approved and contracted for:		
IT infrastructure and system enhancement	210	-
Total	**67,986**	**123,565**

For information purposes, subsequent to the FYE 30 June 2026 and prior to the LPD, our Group has completed the Acquisition of Central DC Land for a purchase consideration of RM43.0 million funded using a combination of internally generated funds and bank borrowings.

Our capital commitments as at the LPD primarily comprise capital expenditure in respect of the Central DC, existing stores and new store openings for the 12 months from the LPD, details of which are as follows:

	RM'000
Capital expenditure commitments in relation to:	
- Central DC	(1)-
- Southern DC	2,200
- New stores opening	58,880
- Refurbishment of our stores	2,827
- IT infrastructure and system enhancement	8,672
- Others	886
Total	**73,465**

Note:

(1) Excluding the cost in relation to the construction of the Central DC amounting to RM50.1 million (including architectural and other consultancy fees), which is expected to be incurred commencing in the first half of 2028.

We plan to meet our capital commitments through the proceeds raised from our Public Issue, internally generated funds and/or borrowings.

Save as disclosed above, as at the LPD, we do not have any other material capital commitments incurred or known to be incurred or known to be incurred by us which may have a material impact on our financial results.

Other contractual obligations

Our contractual cash obligations (excluding capital expenditure commitments) as at 30 June 2026 comprise primarily of repayment obligations for our loans and borrowings, trade and other payables and lease liabilities.

The maturity profile of our undiscounted contractual cash repayment obligations as at 30 June 2026 is as follows:

	Within one year	One year to five years	Over five years	Total
	RM'000	RM'000	RM'000	RM'000
Payments due by period				
Term loans	3,136	12,542	26,622	42,300
Hire purchase payables	104	164	-	268
Lease liabilities	65,097	113,226	4,261	182,584
Trade and other payables	249,826	-	-	249,826
Bankers' acceptances	6,786	-	-	6,786
	324,949	**125,932**	**30,883**	**481,764**

We plan to meet our contractual cash obligations through our cash and cash equivalents on hand, as well as cash generated from future operations, proceeds from our Public Issue and funding from other financing activities (if required).

12.2.13 Contingent liabilities

As at the LPD, we do not have any contingent liabilities that, upon becoming enforceable, may have a material adverse effect on our results of operations or financial position.

12.2.14 Off-balance sheet arrangements

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

12.2.15 Financial risk management

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

(i) Credit risk

Credit risk is the risk of financial loss to us that may arise on outstanding financial instruments should a counterparty default on its obligations. We are exposed to credit risk arises primarily from trade and other receivables. We have a credit policy in place and the exposure to credit risk is managed through the application of credit approvals, credit limits and monitoring procedures. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment.

As at 30 June 2026, our trade receivables are primarily the outstanding Complementary Income receivable from our suppliers. Based on our low historical observed default rates (adjusted for forward-looking estimates), the expected credits losses are not material and therefore is not recognised.

As at 30 June 2026, we have not incurred and do not expect to incur material credit losses on our financial assets or other financial instruments.

(ii) Liquidity risk

Liquidity risk is the risk that we will encounter difficulty in meeting financial obligations when they fall due. Our exposure to liquidity risk arises primarily from mismatches of the maturities between financial assets and liabilities. Our exposure to liquidity risk arises principally from trade and other payables and loans and borrowings.

In managing our exposures to liquidity risk, we maintain a balance between continuity of funding and flexibility through the use of stand-by facilities. We maintain sufficient liquidity and available funds to meet daily cash needs, while maintaining controls and security over cash movements. We use a series of processes to obtain maximum benefits from its flow of funds, such that they are efficiently managed to maximise income from investment and minimise cost on borrowed funds. Our finance department also ensures that there are sufficient unutilised stand-by facilities, funding and liquid assets available to meet both short-term and long-term funding requirements.

For a summary of the maturity profile of our borrowings as well as lease liabilities as at the end of the Financial Years Under Review based on undiscounted contractual payments, see Note 29(b)(ii) of the Financial Statements included in Section 13 of this Prospectus.

(iii) Interest rate risk

Interest rate risk is the risk of fluctuation in fair value or future cash flows of our financial instruments as a result of changes in market interest rates. Our exposure to interest rate risk arises primarily from our loans and borrowings with floating interest rates.

Our interest rate risk arises primarily from interest-bearing borrowings. Borrowings at floating rates expose us to cash flow interest rate risk.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant on our Group's total equity and profit for the financial years:

	FYE 30 June		
	2024	**2025**	**2026**
	RM'000	**RM'000**	**RM'000**
Floating rate instruments			
Increase in 50 basis point	(152)	(140)	(123)
Decrease in 50 basis point	152	140	123

For more information in relation to interest rate risk, see Note 29(b)(iii) of the Financial Statements included in Section 13 of this Prospectus.

(iv) Foreign currency risk

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

For the Financial Years Under Review, we were not exposed to foreign currency risk as all our revenue derived from our business as well as the purchases of input materials are transacted in RM.

12.2.16 Inflation

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

12.2.17 Order book

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

12.2.18 Trends information

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

12.2.19 Significant changes

Save as disclosed, no significant changes have occurred since 30 June 2026 which may have a material effect on our financial condition and results of operation.

12.2.20 Government / economic / fiscal / monetary policies

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

For the Financial Years Under Review and up to the LPD, our results have not been materially and adversely affected by any unfavourable changes relating to government, economic, fiscal or monetary policies. For further information on government, economic, fiscal or monetary policies or factors which could materially affect our Group's operations, see Section 5 of this Prospectus.

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

For a description of accounting standards issued but not yet effective and not early adopted, see Note 2.3 of the Financial Statements included in Section 13 of this Prospectus.

12.2.22 Treasury policies and objectives

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

Adhering to our SOP, sales proceeds from each of our stores are banked-in daily and monitored by our Store Supervisor, Store Managers and our corporate headquarters. We rely on our daily sales proceeds to enable us to make timely payments to our creditors where the normal credit period given to our Group is generally 30 to 60 days.

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

12.3 CAPITALISATION AND INDEBTEDNESS

The table below sets out our capitalisation and indebtedness as at 30 September 2026 and on the assumption that our IPO, our Listing and the use of proceeds from our Public Issue and as set out in Section 4 of this Prospectus had occurred on 30 September 2026. The pro forma financial information below does not represent our actual capitalisation and indebtedness as at 30 September 2026 and is provided for illustrative purposes only.

			Pro Forma I	**Pro Forma II**
	Unaudited as at 30 September 2026	**After adjusting event**	**After adjusting event, Bonus Issue, Public Issue and Offer for Sale**	**After Pro Forma I and utilisation of proceeds**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Indebtedness				
Current				
Secured and guaranteed				
Term loans	1,824	1,824	1,824	1,824
Banker's acceptance	6,786	6,786	6,786	6,786
Hire purchase payables	94	94	94	94
Revolving credit	-	1,689	1,689	1,689
	8,704	10,393	10,393	10,393
Unsecured and unguaranteed				
Lease liabilities	58,706	58,706	58,706	58,706
Non-current				
Secured and guaranteed				
Term loans	30,442	30,442	30,442	30,442
Hire purchase payables	156	156	156	156
Revolving credit	-	36,311	36,311	36,311
	30,598	66,909	66,909	66,909
Unsecured and unguaranteed				
Lease liabilities	109,473	109,473	109,473	109,473
Total indebtedness	**207,481**	**245,481**	**245,481**	**245,481**

12. FINANCIAL INFORMATION *(Cont'd)*

	Unaudited as at 30 September 2026	After adjusting event	Pro Forma I: After adjusting event, Bonus Issue, Public Issue and Offer for Sale	Pro Forma II: After Pro Forma I and utilisation of proceeds
	RM'000	RM'000	RM'000	RM'000
Capitalisation				
Share capital	256,619	256,619	[(1)]372,119	[(2)]368,485
Reorganisation reserve	(230,357)	(230,357)	(230,357)	(230,357)
Retained earnings	246,731	246,731	246,731	[(2)]240,591
Total capitalisation	**272,993**	**272,993**	**388,493**	**378,719**
Total capitalisation and indebtedness	**480,474**	**518,474**	**633,974**	**624,200**

Notes:

(1) Calculated after taking into account our Public Issue based on the Retail Price.

(2) Calculated after taking into account the estimated listing expenses directly attributable to the new issuance of Shares.

12.4 DIVIDEND POLICY

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

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

(i) the level of our cash, gearing, return on equity and retained earnings;

(ii) our expected financial performance;

(iii) our projected levels of capital expenditure and other growth/investment plans;

(iv) applicable restrictive covenants under our financing documents;

(v) our working capital requirements; and

(vi) the general economic and business conditions and other factors deemed relevant by our Board.

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

We target a payout ratio of approximately 40% to 60% of our PAT for each financial year on a consolidated basis after taking into account the working capital, maintenance capital and committed capital requirements of our Group. The declaration and payment of any dividend is subject to the confirmation of our Board as well as any applicable law, licence conditions and contractual obligations and provided that such distribution will not be detrimental to our Group's cash requirements or any plans approved by our Board.

12. FINANCIAL INFORMATION *(Cont'd)*

As at the LPD, there are no dividend restrictions imposed on our subsidiaries, save for the restrictive covenants to seek consent from the relevant financial institutions.

Investors should note that this dividend policy merely describes our present intention and shall not constitute legally binding statements in respect of our Company's future dividends which are subject to modification (including non-declaration thereof) at our Board's discretion. There can be no assurance that we will be able to pay dividends or that our Board will declare dividends in the future. There can also be no assurance that future dividends declared by our Board, if any, will not differ materially from historical dividend levels. See Section 5 of this Prospectus for the factors which may affect or restrict our ability to pay dividends.

The following table sets out our dividends declared and paid for the Financial Years Under Review and up to the LPD:

	FYE 30 June			From 1 July 2026 up to the LPD
	2024	2025	2026	
	RM'000	RM'000	RM'000	RM'000
Ordinary shares				
Total dividends declared in respect of the financial year/period	81,790	113,500	100,000	-
Total dividends paid	(2)92,790	(3)122,500	100,000	-
PAT	101,596	96,987	102,482	N/A
Dividend payout ratio (%)(1)	80.5	117.0	97.6	N/A
RCPS				
RCPS dividends	-	(4)7,161	(4)4,960	-

Notes:

(1) Computed based on dividends declared divided by the PAT for the financial year/period.

(2) Comprising a dividend of RM20.0 million in respect of the FYE 30 June 2023 paid on 30 September 2023, dividends amounting to RM51.0 million in respect of the FYE 30 June 2024 paid on 12 October 2023, 22 January 2024 and 25 April 2024 respectively, as well as dividends-in-specie amounting to RM16,429,203 by way of distribution of KKSMST's entire equity interests in K8 Superstore and Supergold Development for a consideration of RM760,879 and RM15,668,324 respectively to DSKK and DSL on 2 February 2024 and RM5,361,058 by way of transfer of investment properties to DSKK in the FYE 30 June 2024.

(3) Comprising a dividend of RM9.0 million in respect of the FYE 30 June 2024 paid on 23 August 2024 and dividends amounting to RM113.5 million in respect of the FYE 30 June 2025 paid on 11 November 2024, 26 December 2024 and 28 May 2025 respectively.

(4) Being the accrual of RCPS dividends for the FYEs 30 June 2025 and 30 June 2026, which was only paid during the FYE 30 June 2026. Our Company had paid to Arus Sejahtera RCPS dividends amounting to RM8,800,000 in respect of the period from 6 September 2024 to 5 September 2025 on 4 September 2025 and RM3,320,548 in respect of the period from 6 September 2025 to 27 March 2026 on 27 March 2026.

During the FYE 30 June 2026, we declared and paid the Pre-IPO Dividend of RM100.0 million on 30 March 2026. The Pre-IPO Dividend was funded from our cash from operations and is not expected to have any material adverse impact on the execution and implementation of our future plans and strategies. Subsequent to the Financial Years Under Review and up to the LPD, no dividend has been declared, made or paid by our Company and we do not intend to declare any additional dividends prior to our Listing.

Save as mentioned above, we have not declared or paid any other dividends to our shareholders. All the dividends mentioned above were funded by internal funds generated from our operations. The dividends paid as described above will not affect the execution and implementation of our future plans and strategies as mentioned in this Prospectus.

For more information on our dividends, see Note 28 of the Financial Statements included in Section 13 of this Prospectus.

12.5 REPORTING ACCOUNTANTS' LETTER ON THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION



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11 November 2026

The Board of Directors
KK Mart Retail Berhad
Menara KK
T6-01-03, Tower 6, Maju Link
Jalan Lingkaran Tengah 2
Bandar Tasik Selatan
57000 Kuala Lumpur

Dear Sirs,

KK MART RETAIL BERHAD ("KK MART" or the "COMPANY") AND ITS SUBSIDIARIES

REPORTING ACCOUNTANTS' REPORT ON THE COMPILATION OF THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2026 INCLUDED IN THE PROSPECTUS

We have completed our assurance engagement to report on the compilation of the pro forma consolidated statements of financial position of KK Mart and its subsidiaries, namely KK Supermart & Superstore Sdn. Bhd., KK Supermart Sdn. Bhd., KK Megamart Sdn. Bhd., and KK Mega Hugo Sdn. Bhd. (collectively referred to as the "Group") for which the Board of Directors of KK Mart ("Board") is solely responsible. The pro forma consolidated statements of financial position consist of the pro forma consolidated statements of financial position as at 30 June 2026 together with the accompanying notes thereon, as set out in the accompanying statements, for which we have stamped for the purpose of identification. The applicable criteria on the basis of which the Board has compiled the pro forma consolidated statements of financial position are as described in Note 3 to the pro forma consolidated statements of financial position and in accordance with the requirements of the *Chapter 9 Part II Division I: Equity of the Prospectus Guidelines* issued by the Securities Commission Malaysia and Guidance Note for Issuers of Pro forma Financial Information issued by the Malaysian Institute of Accountants ("Applicable Criteria").

The pro forma consolidated statements of financial position of the Group have been compiled by the Board, for illustrative purposes only, for inclusion in the prospectus of KK Mart ("Prospectus") in connection with the initial public offering ("IPO") in conjunction with the listing of and quotation for the entire enlarged issued shares in KK Mart on the Main Market of Bursa Malaysia Securities Berhad, after making certain assumptions and such adjustments to show the effects on the pro forma consolidated financial position of the Group as at 30 June 2026 adjusted for the transactions and events as described in Notes 1.2, 1.4, 2, and 4.2.2 to the pro forma consolidated statements of financial position.

Baker Tilly Monteiro Heng PLT trading as Baker Tilly is a member of the global network of Baker Tilly International Ltd., the members of which are separate and independent legal entities.

KK MART RETAIL BERHAD
Reporting Accountants' Report on the Compilation of the
Pro Forma Consolidated Statements of Financial Position
as at 30 June 2026 Included in a Prospectus

As part of this process, information about the Group's pro forma consolidated financial position has been extracted by the Board from the audited consolidated financial statements of the Group for the financial year ended ("FYE") 30 June 2026, on which a reporting accountants' report dated 11 November 2026 has been issued.

The audited consolidated financial statements of the Group for the FYE 30 June 2026 were reported by us to the Board without any modifications.

Directors' Responsibility for the Pro Forma Consolidated Statements of Financial Position

The Board is responsible for compiling the pro forma consolidated statements of financial position based on the Applicable Criteria.

Our Independence and Quality Control

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

Our firm applies *International Standard on Quality Management 1 (ISQM 1), Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements* and accordingly maintains a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants' Responsibilities

Our responsibility is to express an opinion, on whether the pro forma consolidated statements of financial position has been compiled, in all material respects, by the Board based on the Applicable Criteria and in accordance with the Malaysian Institute of Accountants' Guidance Note for Issuers of Pro forma Financial Information.

We conducted our engagement in accordance with *International Standard on Assurance Engagements (ISAE) 3420: Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*, issued by the International Auditing and Assurance Standards Board and adopted by the Malaysian Institute of Accountants. This standard requires that we plan and perform procedures to obtain reasonable assurance about whether the Board has compiled, in all material respects, the pro forma consolidated statements of financial position based on the Applicable Criteria.

KK MART RETAIL BERHAD
Reporting Accountants' Report on the Compilation of the
Pro Forma Consolidated Statements of Financial Position
as at 30 June 2026 Included in a Prospectus

Reporting Accountants' Responsibilities (Continued)

For the purpose of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma consolidated statements of financial position, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma consolidated statements of financial position.

The purpose of the pro forma consolidated statements of financial position included in the Prospectus is solely to illustrate the impact of significant events or transactions on the unadjusted financial information of the Group as if the events had occurred or the transaction had been undertaken at an earlier date selected for illustrative purposes only. Accordingly, we do not provide any assurance that the actual outcome of the events or transactions would have been as presented.

A reasonable assurance engagement to report on whether the pro forma consolidated statements of financial position have been compiled, in all material respects, based on the Applicable Criteria involves performing procedures to assess whether the Applicable Criteria used by the Board in the compilation of the pro forma consolidated statements of financial position of the Group provide a reasonable basis for presenting the significant effects directly attributable to the events or transactions, and to obtain sufficient appropriate evidence about whether:

(a) the related pro forma adjustments give appropriate effect to those criteria; and

(b) the pro forma consolidated statements of financial position reflect the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on our judgement, having regard to our understanding of the nature of the Group, the events or transactions in respect of which the pro forma consolidated statements of financial position have been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the pro forma consolidated statements of financial position.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KK MART RETAIL BERHAD
Reporting Accountants' Report on the Compilation of the
Pro Forma Consolidated Statements of Financial Position
as at 30 June 2026 Included in a Prospectus

Opinion

In our opinion:

(a) the pro forma consolidated statements of financial position of the Group has been properly prepared on the basis and assumptions set out in the accompanying notes to the pro forma consolidated statements of financial position, based on the audited consolidated financial statements of the Group for the FYE 30 June 2026, and in a manner consistent with both the format of the consolidated financial statements and the accounting policies adopted by the Group in the preparation of its audited consolidated financial statements for the FYE 30 June 2026; and

(b) each material adjustment made to the information used in the preparation of the pro forma consolidated statements of financial position of the Group is appropriate for the purpose of preparing the pro forma consolidated statements of financial position.

Other Matter

This report has been prepared for inclusion in the Prospectus of KK Mart in connection with the IPO. As such, this report should not be used, circulated, quoted or otherwise referred to in any document or used for any other purpose without our prior written consent. Neither the firm nor any member or employee of the firm undertakes responsibility arising in any way whatsoever to any party in respect of this report contrary to the aforesaid purpose.

Yours faithfully,

Baker Tilly Monteiro Heng PLT
201906000600 (LLP0019411-LCA) & AF 0117
Chartered Accountants

Paul Tan Hong
No. 03459/11/2027 J
Chartered Accountant

KK MART RETAIL BERHAD

PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

1. INTRODUCTION

The pro forma consolidated statements of financial position of KK Mart Retail Berhad ("KK Mart" or the "Company") and its subsidiaries, namely KK Supermart & Superstore Sdn. Bhd., KK Supermart Sdn. Bhd. ("KKSM"), KK Megamart Sdn. Bhd. ("KKMM"), and KK Mega Hugo Sdn. Bhd. ("KKMH") (hereinafter collectively referred to as the "Group") have been compiled by the Board of Directors of KK Mart ("Board"), for illustrative purposes only, for inclusion in the prospectus of KK Mart in conjunction with initial public offering, offer for sale and listing of and quotation for the entire enlarged issued shares in KK Mart ("Share(s)") on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities") ("Listing").

1.1 In conjunction with the admission of Shares to the Official List of the Main Market of Bursa Securities and the Listing, KK Mart had undertaken the following transactions:

1.2 **Listing Scheme**

1.2.1 **Public Issue**

The public issue of 210,000,000 new Shares at the issue price of RM0.55 per Share, representing 6.00% of the enlarged issued Shares, will be allocated in the following manner:

(i) 70,000,000 new Shares, representing 2.00% of enlarged issued Shares, will be made available for application by the Malaysian public;

(ii) 35,000,000 new Shares, representing 1.00% of enlarged issued Shares, will be made available for application by the eligible Directors and employees of the Group as well as persons who have contributed to the success of the Group; and

(iii) 105,000,000 new Shares, representing 3.00% of enlarged issued Shares, will be made available for application by way of private placement to institutional and selected investors.

(Collectively hereinafter referred to as "Public Issue").

1.2.2 **Offer for Sale**

Offer for sale of 630,000,000 existing Shares at an offer price of RM0.55 per Share, representing 18.00% of the enlarged issued Shares, will be allocated in the following manner:

(i) 437,500,000 existing Shares, representing 12.50% of enlarged issued Shares, will be made available for application by way of private placement to selected Bumiputera investors approved by the Ministry of Investment, Trade and Industry; and

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PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONTINUED)

1. (Continued)

1.2 (Continued)

1.2.2 **Offer for Sale (Continued)**

Offer for sale of 630,000,000 existing Shares at an offer price of RM0.55 per Share, representing 18.00% of the enlarged issued Shares, will be allocated in the following manner: (continued)

(ii) 192,500,000 existing Shares, representing 5.50% of enlarged issued Shares, will be made available for application by way of private placement to institutional and selected investors.

(Collectively hereinafter referred to as "Offer for Sale").

1.3 **Listing**

The admission of KK Mart to the Official List of Bursa Securities and the listing of and quotation for its entire enlarged issued Share of 3,500,000,000 on the Main Market of Bursa Securities.

1.4 **Employees' Share Option Scheme ("ESOS")**

In conjunction with the Listing, the Company will establish the ESOS which entails the granting of ESOS options to the eligible executive directors and employees of the Group (excluding dormant subsidiaries).

The ESOS will be administered by the ESOS committee and governed by the Bylaws. The total number of Shares which may be made available under the ESOS shall not exceed in aggregate 1.0% of the total issued Shares (excluding treasury shares, if any) at any point of time during the duration of the ESOS. The ESOS shall be in force for a period of five years from the effective date.

The ESOS does not have an impact on the audited consolidated statements of financial position of the Group as at 30 June 2026 as the details of granting including the terms and vesting conditions have not yet been determined as at the date of this report, thus the financial impact cannot be illustrated at this stage.



PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONTINUED)

2. ADJUSTED FOR ADJUSTING EVENTS

2.1 Upgrade of Warehouse Management System

During the financial year ended ("FYE") 30 June 2026, KKSMST entered into an agreement to upgrade the warehouse management system ("WMS") for a total consideration of RM896,400 which comprise of WMS upgrade costs of RM378,000 and licence fees of RM518,400.

As at 30 June 2026, RM151,200 had been incurred. The remaining RM226,800 was recognised as property, plant and equipment and RM518,400 was charged to retained earnings as incurred after the financial year end.

The upgrade was funded through the Group's internally generated funds which will be reimbursed from the proceeds from the Public Issue earmarked for investment in digital initiatives, information technology ("IT") hardware and software.

2.2 Acquisition of Freehold Land

On 20 August 2026, KKSMST entered into a sale and purchase agreement with K8 DC Management Sdn. Bhd. *(formerly known as KK2 DC Management Sdn. Bhd.)* for the acquisition of the freehold land located at H.S.(M) 29390, PT No. 88826, Locality of Sungai Keladi, Pekan Kajang, District of Hulu Langat, State of Selangor for a total consideration of RM43,000,000 ("SPA").

The acquisition was financed through internally generated funds of RM5,000,000 and credit facility of RM38,000,000.

The SPA has been completed on 28 October 2026. KKSMST is currently in the process of submitting the Memorandum of Transfer for registration with the land office to register KKSMST as the registered proprietor.

2.3 Bonus Issue

On 4 November 2026, the Company had undertaken a bonus issue exercise, which entailed the issuance of 3,030,536,385 new Shares ("Bonus Shares") on the basis of approximately 12 Bonus Shares for every one existing Share held by the shareholders whose name appear in the register of member as at 4 November 2026 ("Bonus Issue"). The Bonus Issue was implemented by way of capitalising the Company's retained earnings at a nominal amount per Bonus Share.

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PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONTINUED)

2. (**Continued)**

2.3 **Bonus Issue (Continued)**

Following the completion of the Bonus Issue, total number of issued Shares increased from 259,463,615 Shares to 3,290,000,000 Shares. The share capital remained at approximately RM256,618,882 as the aggregate amount capitalised for the Bonus Issue was negligible.

(The upgrade of WMS, acquisition of freehold land and Bonus Issue are collectively hereinafter referred to as "Adjusting Events").

3. BASIS OF PREPARATION OF THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

3.1 The pro forma consolidated statements of financial position have been prepared to illustrate the pro forma consolidated financial position of the Group as at 30 June 2026, adjusted for the Adjusting Events, Public Issue, Offer for Sale, Utilisation of Proceeds (as defined below) and ESOS as described in Notes 2, 1.2.1, 1.2.2, 4.2.2 and 1.4 respectively.

3.2 The pro forma consolidated statements of financial position have been prepared based on the audited consolidated financial statements of the Group for the FYE 30 June 2026.

3.3 The audited consolidated financial statements of the Group for the FYE 30 June 2026 were reported by the auditors to the members without any modifications.

3.4 The pro forma consolidated statements of financial position of the Group have been prepared for illustrative purposes only and, such information may not, because of its nature, give a true picture of the actual financial position and the results of the Group and do not purport to predict the future financial position and results of the Group.

3.5 The pro forma consolidated statements of financial position of the Group have been properly prepared based on the audited consolidated financial statements of the Group and in a manner consistent with the format of the audited consolidated financial statements and the accounting policies adopted by the Group as set out in the Accountants' Report, which have been prepared in accordance with the Malaysian Financial Reporting Standards and the International Financial Reporting Standards as well as Chapter 10, Part II Division 1: Equity of the Prospectus Guidelines as issued by the Securities Commission Malaysia.

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4. PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF THE GROUP

4.1 The pro forma consolidated statements of financial position of the Group as set out below, for which the Board is solely responsible, have been prepared for illustrative purposes only, to show the effects on the audited consolidated statement of financial position of KK Mart as at 30 June 2026, had the Adjusting Events, Public Issue, Offer for Sale, Utilisation of Proceeds (as defined below) and ESOS as described in Notes 2, 1.2.1, 1.2.2, 4.2.2 and 1.4 respectively been effected on that date, and should be read in conjunction with the notes accompanying thereto.

			Pro Forma I	Pro Forma II
	Audited Consolidated Statements of Financial Position as at 30 June 2026[#] RM'000	**After Adjusting Events RM'000**	**After Adjusting Events, Public Issue and Offer for Sale RM'000**	**After Pro Forma I and Utilisation of Proceeds RM'000**
ASSETS				
Non-current assets				
Property, plant and equipment	131,736	174,963	174,963	174,963
Right-of-use assets	185,269	185,269	185,269	185,269
Total non-current assets	**317,005**	**360,232**	**360,232**	**360,232**
Current assets				
Inventories	302,734	302,734	302,734	302,734
Trade and other receivables	24,622	24,622	24,622	24,551
Contract assets	9,740	9,740	9,740	9,740
Cash and short-term deposits	70,005	64,260	179,760	169,826
Total current assets	**407,101**	**401,356**	**516,856**	**506,851**
TOTAL ASSETS	**724,106**	**761,588**	**877,088**	**867,083**

4. PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF THE GROUP (CONTINUED)

4.1 (Continued)

			Pro Forma I	Pro Forma II
	Audited Consolidated Statements of Financial Position as at 30 June 2026[#] RM'000	**After Adjusting Events RM'000**	**After Adjusting Events, Public Issue and Offer for Sale RM'000**	**After Pro Forma I and Utilisation of Proceeds RM'000**
EQUITY AND LIABILITIES				
Equity attributable to owners of the Company				
Share capital	256,619	256,619	372,119	368,485
Reorganisation reserve	(230,357)	(230,357)	(230,357)	(230,357)
Retained earnings	222,271	221,753	221,753	215,382
TOTAL EQUITY	**248,533**	**248,015**	**363,515**	**353,510**
Non-current liabilities				
Loans and borrowings	30,598	66,909	66,909	66,909
Lease liabilities	109,473	109,473	109,473	109,473
Deferred tax liabilities	4,192	4,192	4,192	4,192
Provision	1,383	1,383	1,383	1,383
Total non-current liabilities	**145,646**	**181,957**	**181,957**	**181,957**
Current liabilities				
Loans and borrowings	8,704	10,393	10,393	10,393
Lease liabilities	58,706	58,706	58,706	58,706
Trade and other payables	249,826	249,826	249,826	249,826
Contract liabilities	816	816	816	816
Current tax liabilities	11,875	11,875	11,875	11,875
Total current liabilities	**329,927**	**331,616**	**331,616**	**331,616**
TOTAL LIABILITIES	**475,573**	**513,573**	**513,573**	**513,573**
TOTAL EQUITY AND LIABILITIES	**724,106**	**761,588**	**877,088**	**867,083**

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4. PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF THE GROUP (CONTINUED)

4.1 (Continued)

	Audited Consolidated Statements of Financial Position as at 30 June 2026[#]	After Adjusting Events	Pro Forma I After Adjusting Events, Public Issue and Offer for Sale	Pro Forma II After Pro Forma I and Utilisation of Proceeds
Number of ordinary shares assumed to be in issue ('000)	259,464	3,290,000	3,500,000	3,500,000
Net assets ("NA") attributable to the owners of the Company (RM'000)	248,533	248,015	363,515	353,510
NA per ordinary share attributable to the owners of the Company (RM)	0.96	0.08	0.10	0.10
Interest-bearing borrowings (RM'000) [@]	39,302	77,302	77,302	77,302
Gearing (times) [>]	0.16	0.31	0.21	0.22

[#] *Extracted from the Group's audited consolidated financial statements for the FYE 30 June 2026.*

[@] *Computed based on total borrowings excluding lease liabilities.*

[>] *Computed based on total interest-bearing borrowings divided by total equity of the Group.*

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4. PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF THE GROUP (CONTINUED)

4.2 Notes to the pro forma consolidated statements of financial position are as follows:

4.2.1 The pro forma consolidated statements of financial position of the Group, for which the Board is solely responsible, have been prepared for illustrative purposes only, to show the effects on the audited consolidated statement of financial position of KK Mart as at 30 June 2026, had the Adjusting Events, Public Issue, Offer for Sale, Utilisation of Proceeds (as defined below) and ESOS as described in Notes 2, 1.2.1, 1.2.2, 4.2.2 and 1.4 respectively been effected on that date, and should be read in conjunction with the notes accompanying thereto.

4.2.2 The proceeds from the Public Issue would be used in the following manner:

Details of utilisation	RM'000	%	Estimated timeframe for utilisation from the date of listing
Not reflected in pro forma consolidated statements of financial position			
Expansion of new stores in Malaysia [(1)]	25,000	21.65	Within 12 months
Distribution centre expansion plan [(1)]	48,400	41.90	Within 36 months
Investment in digital initiatives, IT hardware and software [(1)]	27,104	23.47	Within 36 months
Reflected in pro forma consolidated statements of financial position			
Investment in digital initiatives, IT hardware and software [(2)]	896	0.78	Within 36 months
Estimated listing expenses	14,100	12.20	Within 3 months
Gross proceeds	**115,500**	**100.00**	

(Collectively hereinafter referred to as "Utilisation of Proceeds").

[(1)] *As at the latest practicable date of 31 October 2026, the Group has yet to enter into any agreement or issue any purchase order in relation to the Utilisation of Proceeds earmarked for (1) the expansion of new stores in Malaysia, (2) distribution centre expansion plan, (3) investment in digital initiatives, IT hardware and software, except in relation to the WMS. Accordingly, the Utilisation of Proceeds earmarked for the abovementioned purposes are not reflected in the pro forma consolidated statements of financial position.*

[(2)] *During the FYE 30 June 2026, the Group entered into the agreement for the upgrade of WMS and licence fees from the Utilisation of Proceeds earmarked for the investment in digital initiatives, IT hardware and software. Accordingly, the Utilisation of Proceeds is reflected in the pro forma consolidated statements of financial position.*

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4. PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF THE GROUP (CONTINUED)

4.2 (Continued)

4.2.3 The audited consolidated statements of financial position of the Group as at 30 June 2026 had been adjusted for the following significant transaction:

(a) **Adjusting Events**

The adjustment for the Adjusting Events incorporate the effect of upgrade of WMS, acquisition of freehold land and Bonus Issue as described in Note 2 on the pro forma consolidated statements of financial position of the Group for the FYE 30 June 2026.

(i) Upgrade of WMS

The remaining upgrade costs of RM0.23 million were recorded as property, plant and equipment and licence fees of RM0.52 million were charged to retained earnings as incurred.

	Increase/(Decrease)	
	Effects on Total Assets RM'000	**Effects on Total Equity RM'000**
Property, plant and equipment	227	-
Cash and short-term deposits	(745)	-
Retained earnings	-	(518)
	(518)	(518)

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4. PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF THE GROUP (CONTINUED)

4.2 (Continued)

4.2.3 (Continued)

(a) **Adjusting Events (Continued)**

(ii) Acquisition of Freehold Land

Out of the total consideration of RM43.00 million for the acquisition of the freehold land, of which RM5.00 million has been paid in cash and the remaining RM38.00 million was financed by the credit facility. KKSMST is currently in the process of submitting the Memorandum of Transfer for registration with the land office.

	Increase/(Decrease)	
	Effects on Total Assets RM'000	**Effects on Total Liabilities RM'000**
Property, plant and equipment	43,000	-
Cash and short-term deposits	(5,000)	-
Loans and borrowings		
- Non-current liabilities	-	36,311
- Current liabilities	-	1,689
	38,000	38,000

(iii) Bonus Issue

	Increase/ (Decrease) Effects on Total Equity RM'000
Share capital	*
Retained earnings	(*)
	-

* *Denotes less than RM1,000*

Following the completion of the Bonus Issue on 4 November 2026, the total number of issued Shares increased from 259,463,615 Shares to 3,290,000,000 Shares. The share capital remained at approximately RM256,618,882 as the aggregate amount capitalised for the Bonus Issue was negligible.

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4. PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF THE GROUP (CONTINUED)

4.2 (Continued)

4.2.3 (Continued)

(a) **Adjusting Events (Continued)**

The Adjusting Events have the following impact on the audited consolidated statements of financial position of the Group as at 30 June 2026:

	Increase/(Decrease)	
	Effects on Total Assets RM'000	**Effects on Total Equity/ Liabilities RM'000**
Property, plant and equipment	43,227	-
Cash and short-term deposits	(5,745)	-
Share capital	-	*
Retained earnings	-	(518)
Loans and borrowings		
- Non-current liabilities	-	36,311
- Current liabilities	-	1,689
	37,482	37,482

* *Denotes less than RM1,000*

(b) **Pro Forma I**

Pro Forma I incorporates the cumulative effects from the Adjusting Events, Public Issue and Offer for Sale as described in Notes 2, 1.2.1 and 1.2.2 respectively on the audited consolidated statements of financial position of the Group as at 30 June 2026.

The Public Issue will have the following impact on the audited consolidated statements of financial position of the Group as at 30 June 2026:

	Increase	
	Effects on Total Assets RM'000	**Effects on Total Equity RM'000**
Cash and short-term deposits	115,500	-
Share capital	-	115,500
	115,500	115,500

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4. PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF THE GROUP (CONTINUED)

4.2 (Continued)

4.2.3 (Continued)

(b) **Pro Forma I (Continued)**

Upon the completion of the Public Issue of 210,000,000 new Shares and prior to the Utilisation of Proceeds, KK Mart's entire enlarged issued share capital would amount to RM372,118,882 comprising 3,500,000,000 Shares.

Offer for Sale does not have an impact on the audited consolidated statements of financial position of the Group as at 30 June 2026.

(c) **Pro Forma II**

Pro Forma II incorporates the cumulative effects of Pro Forma I and Utilisation of Proceeds from the Public Issue of RM101.40 million after netting off RM14.10 million of estimated listing expenses.

RM0.90 million out of the Utilisation of Proceeds arising from the Public Issue earmarked for the investment in digital initiatives, IT hardware and software was reflected in the Adjusting Events as the Group has completed the upgrade of WMS using internally generated funds, which will be reimbursed from the proceeds from Public Issue. The remaining proceeds arising from the Public Issue of RM100.50 million that are earmarked for (1) the expansion of new stores in Malaysia, (2) distribution centre expansion plan as well as (3) investment in digital initiatives, IT hardware and software except in relation to the WMS, will be debited to cash and short-term deposits account as the Group has yet to enter into any contractual binding agreements or issue any purchase orders in relation to these purposes.

As at 30 June 2026, out of the RM14.10 million estimated listing expenses, RM4.17 million has already been incurred of which RM4.10 million was charged to retained earnings account and RM0.07 million has been recognised in prepayment account.

Out of the remaining estimated listing expenses to be incurred of RM9.93 million, RM6.37 million will be charged to the retained earnings account and RM3.56 million will be debited against the share capital account as these are directly attributable expenses relating to the issuance of new Shares. Together with the amount previously recorded as prepayment of RM0.07 million, a total of RM3.63 million will be debited against the share capital account as directly attributable expenses relating to the issuance of new Shares.

Accordingly, the share capital account would amount to RM368.49 million after take into account directly attributable expenses of RM3.63 million.

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4. PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF THE GROUP (CONTINUED)

4.2 (Continued)

4.2.3 (Continued)

(c) **Pro Forma II (Continued)**

The Utilisation of Proceeds will have the following impact on the audited consolidated statements of financial position of the Group as at 30 June 2026:

	Decrease	
	Effects on Total Assets RM'000	**Effects on Total Equity RM'000**
Trade and other receivables	(71)	-
Cash and short-term deposits	(9,934)	-
Share capital	-	(3,634)
Retained earnings	-	(6,371)
	(10,005)	(10,005)

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4. **PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF THE GROUP (CONTINUED)**

4.2 (Continued)

4.2.4 Movements in share capital and reserves are as follows:

	Number of Ordinary Shares '000 units	Share Capital RM'000	Reorganisation Reserve RM'000	Retained Earnings RM'000	Total RM'000
Audited Consolidated Statements of Financial Position as at 30 June 2026	**259,464**	**256,619**	**(230,357)**	**222,271**	**248,533**
Arising from Adjusting Events	3,030,536	-	-	(518)	(518)
After Adjusting Events	**3,290,000**	**256,619**	**(230,357)**	**221,753**	**248,015**
Arising from Public Issue and Offer for Sale	210,000	115,500	-	-	115,500
As per Pro Forma I	**3,500,000**	**372,119**	**(230,357)**	**221,753**	**363,515**
Arising from Utilisation of Proceeds	-	(3,634)	-	(6,371)	(10,005)
As per Pro Forma II	**3,500,000**	**368,485**	**(230,357)**	**215,382**	**353,510**

4. PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF THE GROUP (CONTINUED)

4.2 (Continued)

4.2.5 Movements in cash and short-term deposits are as follows:

	RM'000
Audited Consolidated Statements of Financial Position as at 30 June 2026	**70,005**
Arising from Adjusting Events	(5,745)
After Adjusting Events	**64,260**
Arising from Public Issue and Offer for Sale	115,500
As per Pro Forma I	**179,760**
Arising from Utilisation of Proceeds	(9,934)
As per Pro Forma II	**169,826**

4.2.6 Movements in loans and borrowings are as follows:

	RM'000
Audited Consolidated Statements of Financial Position as at 30 June 2026	**39,302**
Arising from Adjusting Events	38,000
After Adjusting Events	**77,302**
Arising from Public Issue and Offer for Sale	-
As per Pro Forma I	**77,302**
Arising from Utilisation of Proceeds	-
As per Pro Forma II	**77,302**

KK MART RETAIL BERHAD

APPROVAL BY BOARD OF DIRECTORS

Approved and adopted by the Board of Directors of KK Mart Retail Berhad in accordance with a resolution dated 11 NOV 2026

……..……	……..……..
Datuk Seri Dr. Chai Kee Kan	**Chai Oi Cheng**
Director	Director

13. ACCOUNTANTS' REPORT

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11 November 2026

The Board of Directors
KK Mart Retail Berhad
Menara KK
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Jalan Lingkaran Tengah 2
Bandar Tasik Selatan
57000 Kuala Lumpur

Dear Sirs,

Reporting Accountants' opinion on the Financial Statements contained in the Accountants' Report of KK Mart Retail Berhad ("KK Mart" or the "Company")

Opinion

We have audited the accompanying financial statements of the Company as defined in Note 2 to the financial statements (collectively known as the "Group") which comprise of:

i) The combined statements of financial position as at 30 June 2024 and 30 June 2025, the combined statements of comprehensive income, combined statements of changes in equity and combined statements of cash flows for the financial years ended 30 June 2024 and 30 June 2025 ("combined financial statements");

ii) The consolidated statement of financial position as at 30 June 2026, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the financial year ended 30 June 2026 ("consolidated financial statements"); and

iii) Notes to the combined/consolidated financial statements, including material accounting policy information, as set out on pages 6 to 80.

In our opinion, the accompanying financial statements contained in the Accountants' Report of the Company gives a true and fair view of the financial positions of the Group as at 30 June 2024, 30 June 2025 and 30 June 2026, and of its financial performance and cash flows for the financial years ended 30 June 2024, 30 June 2025 and 30 June 2026 in accordance with the Malaysian Financial Reporting Standards and International Financial Reporting Standards as well as Chapter 10, Part II Division 1: Equity of the Prospectus Guidelines as issued by the Securities Commission Malaysia.

Baker Tilly Monteiro Heng PLT trading as Baker Tilly is a member of the global network of Baker Tilly International Ltd., the members of which are separate and independent legal entities.

KK MART RETAIL BERHAD
(Incorporated in Malaysia)

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the 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.

Independence and Other Ethical Responsibilities

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

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of the financial statements contained in the Accountants' Report of the Company, so as to give a true and fair view in accordance with the Malaysian Financial Reporting Standards and the International Financial Reporting Standards. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of the financial statements of the Group that are free from material misstatement, whether due to fraud or error.

In preparing the 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 Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group as a whole are free from material misstatement, whether due to fraud or error, and to issue a Reporting Accountants' 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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(Incorporated in Malaysia)

Reporting Accountants' Responsibilities for the Audit of the Financial Statements (continued)

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 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.

- 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 Reporting Accountants' report to the related disclosures in the financial statements 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 our Reporting Accountants' 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 financial statements of the Group, including the disclosures, and whether the financial statements of the Group represent the underlying transactions and events in a manner that achieves fair presentation.

- plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes 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.

KK MART RETAIL BERHAD
(Incorporated in Malaysia)

Other Matter

This report is made solely to the Company and has been prepared solely to comply with the Prospectus Guidelines issued by the Securities Commission Malaysia 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 and should not be relied upon any other purpose. We do not assume responsibility to any other person for the content of this report.

Baker Tilly Monteiro Heng PLT
201906000600 (LLP0019411-LCA) & AF 0117
Chartered Accountants

Paul Tan Hong
No. 03459/11/2027 J
Chartered Accountant

Kuala Lumpur

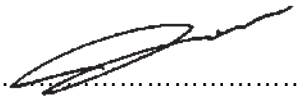
Date: 11 November 2026

KK MART RETAIL BERHAD
Accountants' Report

STATEMENT BY DIRECTORS

We, **DATUK SERI DR. CHAI KEE KAN** and **CHAI OI CHENG**, being two of the directors of KK MART RETAIL BERHAD, do hereby state that in the opinion of the directors, the accompanying financial statements are drawn up in accordance with the Malaysian Financial Reporting Standards and International Financial Reporting Standards so as to give a true and fair view of the financial position of the Group as at 30 June 2024, 30 June 2025 and 30 June 2026 and of its financial performance and cash flows for the financial years ended 30 June 2024, 30 June 2025 and 30 June 2026.

Signed by the Board of Directors in accordance with a resolution of the directors:



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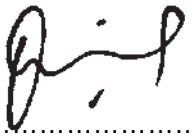
DATUK SERI DR. CHAI KEE KAN
Director



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CHAI OI CHENG
Director

Kuala Lumpur

Date: 11 NOV 2026

KK MART RETAIL BERHAD
Accountants' Report

STATEMENTS OF FINANCIAL POSITION

	Note	As at 30 June 2024 RM'000	2025 RM'000	2026 RM'000
ASSETS				
Non-current assets				
Property, plant and equipment	**5**	103,283	114,776	131,736
Right-of-use assets	**6**	144,887	164,149	185,269
Investment properties	**7**	-	-	-
Total non-current assets		**248,170**	**278,925**	**317,005**
Current assets				
Inventories	**8**	220,130	252,896	302,734
Trade and other receivables	**9**	120,832	21,910	24,622
Contract assets	**10**	513	7,724	9,740
Cash and short-term deposits	**11**	48,911	122,843	70,005
Total current assets		**390,386**	**405,373**	**407,101**
TOTAL ASSETS		**638,556**	**684,298**	**724,106**
EQUITY AND LIABILITIES				
Equity attributable to owners of the Company				
Invested equity	**12**	246,769	246,769	-
Share capital	**12**	-	-	256,619
Reorganisation reserve	**13**	(230,434)	(230,434)	(230,357)
Retained earnings		245,302	219,789	222,271
TOTAL EQUITY		**261,637**	**236,124**	**248,533**

KK MART RETAIL BERHAD
Accountants' Report

STATEMENTS OF FINANCIAL POSITION (CONTINUED)

		As at 30 June		
		2024	2025	2026
	Note	RM'000	RM'000	RM'000
Non-current liabilities				
Loans and borrowings	**14**	36,756	34,967	30,598
Lease liabilities	**15**	80,191	93,074	109,473
Deferred tax liabilities	**16**	5,991	5,828	4,192
Provision	**17**	1,013	1,183	1,383
Total non-current liabilities		**123,951**	**135,052**	**145,646**
Current liabilities				
Redeemable convertible preference shares ("RCPS")	**18**	-	10,976	-
Loans and borrowings	**14**	3,655	2,038	8,704
Lease liabilities	**15**	41,462	51,094	58,706
Trade and other payables	**19**	196,703	238,991	249,826
Contract liabilities	**10**	281	295	816
Current tax liabilities		10,867	9,728	11,875
Total current liabilities		**252,968**	**313,122**	**329,927**
TOTAL LIABILITIES		**376,919**	**448,174**	**475,573**
TOTAL EQUITY AND LIABILITIES		**638,556**	**684,298**	**724,106**

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

KK MART RETAIL BERHAD
Accountants' Report

STATEMENTS OF COMPREHENSIVE INCOME

		FYE 30 June		
		2024	2025	2026
	Note	RM'000	RM'000	RM'000
Revenue	**20**	1,454,902	1,567,193	1,774,644
Cost of sales		(1,046,357)	(1,116,359)	(1,259,535)
Gross profit		**408,545**	**450,834**	**515,109**
Other income	**21**	8,223	5,693	7,953
Administrative expenses		(212,427)	(237,873)	(281,639)
Other operating expenses		(61,963)	(73,066)	(88,237)
Operating profit		**142,378**	**145,588**	**153,186**
Finance income	**22**	1,455	3,211	3,098
Finance costs	**23**	(8,126)	(16,687)	(15,619)
Profit before tax	**24**	**135,707**	**132,112**	**140,665**
Income tax expense	**26**	(34,111)	(35,125)	(38,183)
Profit for the financial year, representing total comprehensive income for the financial year		**101,596**	**96,987**	**102,482**
Earnings per share				
- Basic (RM)	**27**	1.04	0.39	0.41
- Diluted (RM)	**27**	1.04	0.39	0.41

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

KK MART RETAIL BERHAD
Accountants' Report

STATEMENTS OF CHANGES IN EQUITY

	Note	Attributable to owners of the Company			
		Invested equity RM'000	**Reorganisation reserve RM'000**	**Retained earnings RM'000**	**Total equity RM'000**
At 1 July 2023		**16,335**	**-**	**236,496**	**252,831**
Total comprehensive income for the financial year					
Profit for the financial year, representing total comprehensive income for the financial year		-	-	101,596	101,596
Transactions with owners					
Issuance of ordinary shares of combining entity	**12**	*	-	-	*
Shares issued upon incorporation	**12**	*	-	-	*
Issuance of shares for acquisition of a subsidiary	**12**	246,619	(246,619)	-	-
Adjustment arising from internal restructuring	**12,13**	(16,185)	16,185	-	-
Dividends paid on shares	**28**	-	-	(92,790)	(92,790)
Total transactions with owners		230,434	(230,434)	(92,790)	(92,790)
At 30 June 2024		**246,769**	**(230,434)**	**245,302**	**261,637**
Total comprehensive income for the financial year					
Profit for the financial year, representing total comprehensive income for the financial year		-	-	96,987	96,987
Transaction with owners					
Dividends paid on shares	**28**	-	-	(122,500)	(122,500)
At 30 June 2025		**246,769**	**(230,434)**	**219,789**	**236,124**

** Denotes < RM1,000*

STATEMENTS OF CHANGES IN EQUITY (CONTINUED)

	Note	Attributable to owners of the Company				
		Invested equity RM'000	Share capital RM'000	Reorganisation reserve RM'000	Retained earnings RM'000	Total equity RM'000
At 1 July 2025		**246,769**	**-**	**(230,434)**	**219,789**	**236,124**
Total comprehensive income for the financial year						
Profit for the financial year, representing total comprehensive income for the financial year		-	-	-	102,482	102,482
Transaction with owners						
Issuance of ordinary shares of combining entity	**12**	30	-	-	-	30
Adjustment arising from internal restructuring	**12,13**	(246,799)	246,619	77	-	(103)
Conversion of RCPS into ordinary shares	**12**	-	10,000	-	-	10,000
Dividends paid on shares	**28**	-	-	-	(100,000)	(100,000)
Total transactions with owners		(246,769)	256,619	77	(100,000)	(90,073)
At 30 June 2026		**-**	**256,619**	**(230,357)**	**222,271**	**248,533**

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

KK MART RETAIL BERHAD
Accountants' Report

STATEMENTS OF CASH FLOWS

	Note	FYE 30 June 2024 RM'000	2025 RM'000	2026 RM'000
Cash flows from operating activities				
Profit before tax		135,707	132,112	140,665
Adjustments for:				
Depreciation of property, plant and equipment	**5**	16,069	18,568	22,065
Depreciation of right-of-use assets	**6**	41,946	48,052	58,574
Depreciation of investment properties	**7**	57	-	-
Impairment loss/(Reversal of impairment loss) on trade and other receivables		46	(55)	(9)
Inventories written off		14,795	17,317	16,347
Property, plant and equipment written off		*	296	372
Bad debts written off on receivables		*	-	173
Loss on lease modification		3,876	6,113	7,214
Loss on lease termination		-	-	12
Loss/(Gain) on disposal of property, plant and equipment		15	37	(53)
Reversal of provision for restoration		-	-	(16)
Reversal of finance cost on RCPS upon conversion		-	-	(1,864)
Finance income		(1,455)	(3,211)	(3,098)
Finance costs		8,126	16,687	15,619
Operating profits before changes in working capital		219,182	235,916	256,001
Changes in working capital:				
Inventories		(61,963)	(50,083)	(66,185)
Trade and other receivables		19,713	98,985	(2,876)
Trade and other payables		36,057	35,121	18,026
Contract assets		2,298	(7,211)	(2,016)
Contract liabilities		183	14	521
Net cash generated from operations		215,470	312,742	203,471
Income tax paid		(35,713)	(36,420)	(37,672)
Interests received		1,455	3,194	3,098
Net cash from operating activities		181,212	279,516	168,897

** Denotes < RM1,000*

STATEMENTS OF CASH FLOWS (CONTINUED)

		FYE 30 June		
	Note	2024 RM'000	2025 RM'000	2026 RM'000
Cash flows from investing activities				
Purchase of property, plant and equipment	**11(i)**	(33,397)	(30,470)	(39,277)
Purchase of right-of-use assets	**11(ii)**	-	-	(197)
Proceeds from disposal of property, plant and equipment		130	112	63
Acquisition of subsidiaries		-	-	(103)
Net cash used in investing activities		(33,267)	(30,358)	(39,514)
Cash flows from financing activities	**11(iii)**			
Issuance of RCPS		-	10,000	-
Dividends paid		(71,000)	(122,500)	(100,000)
RCPS dividends paid		-	-	(12,121)
Interests paid		(8,126)	(8,550)	(9,771)
Repayment of term loans		(10,035)	(3,288)	(4,458)
Drawdown of bankers' acceptances		-	-	8,317
Repayment of bankers' acceptances		-	-	(1,531)
Repayment of lease liabilities		(43,134)	(50,734)	(62,496)
Repayment of hire purchase payables		(224)	(154)	(161)
Net cash used in financing activities		(132,519)	(175,226)	(182,221)
Net increase/(decrease) in cash and cash equivalents		15,426	73,932	(52,838)
Cash and cash equivalents at the beginning of the financial year		33,485	48,911	122,843
Cash and cash equivalents at the end of the financial year	**11**	**48,911**	**122,843**	**70,005**

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

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

KK Mart Retail Berhad ("KK Mart" or the "Company") was incorporated as a private company limited by shares on 27 September 2023 under Companies Act 2016 and is domiciled in Malaysia.

The principal place of the Company is located at Menara KK, T6-01-03, Tower 6, Maju Link, Jalan Lingkaran Tengah 2, Bandar Tasik Selatan, 57000 Kuala Lumpur.

On 25 March 2026, the Company was converted to a public limited company.

The principal activity of the Company is investment holding. The details of the combined entities are as follows:

Combined entities/subsidiaries	Principal place of business/ country of incorporation	Principal activities
KK Supermart & Superstore Sdn. Bhd. ("KKSMST") (1)	Malaysia	Operating and franchising of convenience stores
KK Mega Hugo Sdn. Bhd. ("KKMH") (2)	Malaysia	Dormant
KK Supermart Sdn. Bhd. ("KKSM") (3)	Malaysia	Dormant
KK Megamart Sdn. Bhd. ("KKMM") (3)	Malaysia	Dormant

(1) KKSMST became a wholly-owned subsidiary of KK Mart on 6 February 2024.
(2) KKMH became a wholly-owned subsidiary of KK Mart on 8 January 2024.
(3) KKSM and KKMM became the wholly-owned subsidiaries of KK Mart on 2 September 2025.

There have been no significant changes in the nature of these principal activities during the financial years under review.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 11 November 2026.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. BASIS OF PREPARATION

The financial statements of KK Mart for the financial years ended ("FYE(s)") 30 June 2024, 30 June 2025 and 30 June 2026 have been prepared pursuant to the listing of and quotation for the entire issued share capital of KK Mart on the Main Market of Bursa Malaysia Securities Berhad and comprise:

(i) The combined statements of financial position as at 30 June 2024 and 30 June 2025, the combined statements of comprehensive income, combined statements of changes in equity and combined statements of cash flows for the FYEs 30 June 2024 and 30 June 2025 ("combined financial statements"); and

(ii) The consolidated statements of financial position as at 30 June 2026, the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for the FYE 30 June 2026 ("consolidated financial statements").

Combined financial statements of the Group for the FYEs 30 June 2024 and 30 June 2025

The combined financial statements of KK Mart consist of the financial statements of the following entities under common control which is accounted for using the merger method of accounting (collectively hereinafter referred to as the "Group") for each of the financial years:

	FYE 30 June	
Entities Under Common Control	**2024**	**2025**
KK Mart	√,^	√,^
KKSMST	√,^	√,^
KKSM	√,@	√,^
KKMM	√,@	√,^
KKMH	√,^	√,^

√ *The combined financial statements of the Group include the financial statements of these combined entities prepared in accordance with the Malaysian Financial Reporting Standards ("MFRSs") and/or the International Financial Reporting Standards ("IFRSs") for the respective financial years.*

^ *The combined financial statements of the Group for the respective financial years have been prepared based on the audited financial statements which were audited by Baker Tilly Monteiro Heng PLT.*

@ *The combined financial statements of the Group for the respective financial years have been prepared based on the audited financial statements which were re-audited by Baker Tilly Monteiro Heng PLT for the purpose of inclusion into the financial statements of the Group. The audited financial statements which were lodged with Companies Commission of Malaysian were audited by a firm of chartered accountants other than Baker Tilly Monteiro Heng PLT.*

The audited financial statements of all the combined entities within the Group for the relevant years reported above were not subject to any qualification or modification.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. BASIS OF PREPARATION (CONTINUED)

The combined financial statements of the Group for the relevant periods were prepared in a manner as if the entities under common control were operating as a single economic enterprise from the beginning of the earliest comparative period covered by the relevant period or the dates of incorporation of entity within the Group, if later.

Entities under common control are entities which are ultimately controlled by the same parties and that control is not transitory ("commonly controlled entities"). 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 commonly controlled entities so as to obtain 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 financial information presented in the combined financial statements may not correspond to those in the combined financial statements of the Group had the relevant transactions to legally constitute a group been incorporated in the combined financial statements for the respective financial years. Such financial information in the combined financial statements does not purport to predict the financial position, results and the cash flows of the entities under common control for those financial years.

Consolidated financial statements of the Group for the FYE 30 June 2026

The consolidated financial statements of the Group for the FYE 30 June 2026 were prepared based on the audited consolidated financial statements of the Group which were audited by Baker Tilly Monteiro Heng PLT. The audited financial statements of these entities were not subject to any modifications and were prepared in accordance with the MFRSs and IFRSs.

The combined financial statements and consolidated financial statements are prepared under the historical cost convention except otherwise indicated in the material accounting policy information.

The accounting policies applied by the Group are consistently applied for all the financial years presented in these combined financial statements and consolidated financial statements.

2.1 Statement of compliance

The combined financial statements and consolidated financial statements of the Group have been prepared in accordance with the MFRSs and IFRSs.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. BASIS OF PREPARATION (CONTINUED)

2.2 Adoption of amendments to MFRS and explanation of change in accounting policy

(a) Adoption of amendments to MFRS

The Group has adopted the following applicable amendments to MFRS for the current financial year:

MFRS 121 The Effects of Changes in Foreign Exchange Rates

The adoption of the above amendments to MFRS did not have any significant effect on the financial statements of the Group and did not result in significant changes to the Group's existing accounting policies.

(b) Change in accounting policy

Accounting policy for inventories from First-in-First-out method (FIFO) to Weighted Average Cost method (WAC)

The Group re-assessed its accounting for inventories with respect to valuation of inventories. The Group had previously measured all inventories using the First-in-First-out (FIFO) method. During the FYE 30 June 2025, the Group elected to voluntarily change the method of valuing inventories to Weighted Average Cost (WAC).

The directors believe that the WAC method would give fairer presentation of the results and financial position of the Group and provide more relevant and comparable information in enabling users to evaluate financial performance of the Group than the existing FIFO method. The WAC method is suitable since the inventories are located in various locations including outlets and warehouses.

The change from FIFO to WAC method represents a change in accounting policy which must be accounted for retrospectively in the financial statements. The change in accounting policy does not have significant effect on the financial statements of the Group.

2.3 New MFRSs and amendments to MFRSs that have been issued, but yet to be effective

(a) The Group has not adopted the following new MFRSs and amendments to MFRSs that have been issued, but yet to be effective.

		Effective for financial periods beginning on or after
New MFRSs		
MFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. BASIS OF PREPARATION (CONTINUED)

2.3 New MFRSs and amendments to MFRSs that have been issued, but yet to be effective (continued)

(a) The Group has not adopted the following new MFRSs and amendments to MFRSs that have been issued, but yet to be effective. (continued)

		Effective for financial periods beginning on or after
New MFRSs (continued)		
MFRS 20	Regulatory Assets and Regulatory Liabilities	1 January 2029
Amendments to MFRSs		
MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards	1 January 2026
MFRS 7	Financial Instruments: Disclosures	1 January 2026
MFRS 9	Financial Instruments	1 January 2026
MFRS 10	Consolidated Financial Statements	1 January 2026/ Deferred
MFRS 107	Statements of Cash Flows	1 January 2026
MFRS 121	The Effects of Changes in Foreign Exchange Rates	1 January 2027
MFRS 128	Investments in Associates and Joint Ventures	1 January 2027[#]/ Deferred

[#] *Amendments to MFRS 128 shall apply when an entity first applies MFRS 18 Presentation and Disclosure in Financial Statements.*

(b) The Group plans to adopt the above applicable new MFRSs and amendments to MFRSs when they become effective. A brief discussion on the above significant new MFRSs and amendments to MFRSs that may be applicable to the Group are summarised below.

MFRS 18 Presentation and Disclosure in Financial Statements

MFRS 18 replaces MFRS 101 *Presentation of Financial Statements*. It retains many requirements from MFRS 101 without modification.

MFRS 18 introduces two subtotals which are to be presented in the statement of profit or loss – including "operating profit", which has been specifically defined. Income and expenses shall be presented in five categories: operating, investing, financing, income taxes and discontinued operations.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. BASIS OF PREPARATION (CONTINUED)

2.3 New MFRSs and amendments to MFRSs that have been issued, but yet to be effective (continued)

(b) The Group plans to adopt the above applicable new MFRSs and amendments to MFRSs when they become effective. A brief discussion on the above significant new MFRSs and amendments to MFRSs that may be applicable to the Group are summarised below. (continued)

MFRS 18 Presentation and Disclosure in Financial Statements (continued)

MFRS 18 requires disclosure of explanations of the entity's company-specific measures that are related to the statement of profit or loss, referred to as management-defined performance measures ("MPMs"). The entity is required to reconcile MPMs to a total or subtotal required by MFRS 18 or another MFRS Accounting Standards. MFRS 18 also requires other disclosures, including how each MPM is calculated, what the MPM communication about the entity's financial performance, and any changes made to the MPMs in the year.

MFRS 18 adds new principles for aggregation and disaggregation of information. It requires the entity to classify the expenses in the "operating" category in the profit or loss by nature or function, or both. The entity that classifies operating expenses by functions are required to disclose in the notes to the financial statements, the amount of depreciation, amortisation, employee benefits, impairment losses and write-downs of inventories included in each line in the operating category. Subject to materiality, MFRS 18 requires items presented or disclosed as "other" to be labelled and/or described in as faithfully representative and precise a way as possible.

MFRS 20 Regulatory Assets and Regulatory Liabilities

MFRS 20 replaces MFRS 14 *Regulatory Deferral Accounts* and sets out the requirements for the recognition, measurement, presentation and disclosure of regulatory assets, regulatory liabilities, regulatory income and regulatory expense.

An entity applies MFRS 20 if the entity is a party to a regulatory agreement that creates regulatory assets and regulatory liabilities, except for regulatory assets and regulatory liabilities that arise if premiums charged in insurance contracts within the scope of MFRS 17 *Insurance Contracts* are regulated.

MFRS 20 is based on the principle that an entity recognises the total allowed compensation for regulatory goods or services in the same reporting period that the entity supplies those regulatory goods or services.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. BASIS OF PREPARATION (CONTINUED)

2.3 New MFRSs and amendments to MFRSs that have been issued, but yet to be effective (continued)

(b) The Group plans to adopt the above applicable new MFRSs and amendments to MFRSs when they become effective. A brief discussion on the above significant new MFRSs and amendments to MFRSs that may be applicable to the Group are summarised below. (continued)

Amendments to MFRS 9 Financial Instruments and MFRS 7 Financial Instruments: Disclosures

These narrow scope amendments to MFRS 9 clarify the requirements, including:

- clarify the classification of financial assets, particularly those with environmental, social and corporate governance and similar features. The Amendments clarify how the contractual cash flows on such financial assets should be assessed, specifically the assessment of interest focuses on what an entity is being compensated for, rather than how much compensation it receives. Nonetheless, the amount of compensation the entity receives may indicate that it is being compensated for something other than basic lending risks and costs.
- clarify the date on which a financial asset or a financial liability settled via electronic payment systems is derecognised. The Amendments permit an entity to derecognise a financial liability before it delivers cash on the settlement date if specified criteria are met.

Amendments to MFRS 7 introduces new disclosure requirements relating to investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features that do not relate directly to basic lending risks and costs.

Amendments to MFRS 121 The Effects of Changes in Foreign Exchange Rates

Amendments to MFRS 121 clarifies how entities should translate financial statements from a non-hyperinflationary currency into a hyperinflationary presentation currency.

- When an entity's functional currency is the currency of a non-hyperinflationary economy but its presentation currency is the currency of a hyperinflationary economy, the results and financial position of the entity shall be translated into the presentation currency by translating all amounts (ie assets, liabilities, equity items, income and expenses, including comparatives) at the closing rate at the date of the most recent statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. BASIS OF PREPARATION (CONTINUED)

2.3 New MFRSs and amendments to MFRSs that have been issued, but yet to be effective (continued)

(b) The Group plans to adopt the above applicable new MFRSs and amendments to MFRSs when they become effective. A brief discussion on the above significant new MFRSs and amendments to MFRSs that may be applicable to the Group are summarised below. (continued)

Amendments to MFRS 121 The Effects of Changes in Foreign Exchange Rates (continued)

Amendments to MFRS 121 clarifies how entities should translate financial statements from a non-hyperinflationary currency into a hyperinflationary presentation currency. (continued)

- When an entity's functional currency and presentation currency are the currency of a hyperinflationary economy (or are the currencies of different hyperinflationary economies) and the entity translates the results and financial position of a foreign operation whose functional currency is that of a non-hyperinflationary economy, the entity shall restate the comparative amounts of that foreign operation included in the entity's previously issued financial statements by applying the general price index it applies to corresponding figures for the previous reporting period in accordance with paragraph 34 of MFRS 129 Financial Reporting in Hyperinflationary Economies.

Amendments to MFRS 128 Investments in Associates and Joint Ventures

These narrow-scope amendments clarify which entities are eligible to measure investments in associates and joint ventures at fair value through profit or loss in accordance with MFRS 9 *Financial Instruments* (i.e., the fair value option in MFRS 128). The application of the fair value option has direct consequences on how an entity classifies income and expenses in the statement of profit or loss under MFRS 18 *Presentation and Disclosure in Financial Statements*.

(c) The initial application of the above applicable new MFRSs and amendments to MFRSs is not expected to have any material impact on the financial statements.

2.4 Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which they operate ("functional currency"). The financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency, and has been rounded to the nearest thousand, unless otherwise stated.

2.5 Basis of measurement

The financial statements of the Group have been prepared on the historical cost basis, except as otherwise disclosed.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. MATERIAL ACCOUNTING POLICY INFORMATION

Unless otherwise stated, the following material accounting policy information have been applied consistently to all the financial years presented in the financial statements of the Group.

3.1 Basis of combination/consolidation

Subsidiaries and business combination

The Group applies the acquisition method to account for business combinations from the acquisition date when the acquired set of activities meets the definition of a business and control is transferred to the Group.

A business combination involving entities under common control is a business combination in which all the combining entities or subsidiaries are ultimately controlled by the same party and parties both before and after the business combination, and that control is not transitory. Under the merger method of accounting, the results of subsidiaries are presented as if the business combination had been affected throughout the current and previous financial years. The assets and liabilities combined are accounted for based on the carrying amounts from the perspective of the common control shareholder at the date of transfer. On consolidation, the difference between costs of acquisition over the nominal value of share capital of the subsidiaries is taken to reorganisation reserve or merger deficit.

3.2 Separate financial statements

In the Company's statement of financial position, investment in a subsidiary is measured at cost less any accumulated impairment losses.

Contributions to subsidiaries are amounts for which the settlement is neither planned nor likely to occur in the foreseeable future and are, in substance, considered as part of the Company's investment in the subsidiaries.

3.3 Financial instruments

Financial assets – subsequent measurement and gains and losses

Debt instruments at amortised cost

The Group subsequently measures these assets at amortised cost under the effective interest method. The gross carrying amount is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial liabilities – subsequent measurement and gains and losses

The Group classifies the financial liabilities at amortised cost.

The Group subsequently measures other financial liabilities at amortised cost under the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.4 Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

All property, plant and equipment are depreciated on straight-line basis by allocating their depreciable amounts over their remaining useful lives.

	Useful lives (years)
Buildings	50
Computers	5
Furniture and fittings	5 – 10
Motor vehicles	5 – 10
Office equipment	5 – 10
Renovation	3 – 10
Shop equipment	5 – 10
Signboards	5 – 10

3.5 Leases

(a) Lessee accounting

The Group presents right-of-use assets and lease liabilities as separate lines in the statements of financial position.

Short-term leases and leases of low value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. Accordingly, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

Right-of-use assets

The right-of-use assets are measured at cost less accumulated depreciation and any accumulated impairment losses, and adjust for any remeasurement of the 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 useful life of the right-of-use asset or the end of the lease term.

Lease liabilities

The lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the incremental borrowing rate.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.5 Leases (continued)

(a) Lessee accounting (continued)

Lease liabilities (continued)

The Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

(b) Lessor accounting

The Group recognises lease payments received from investment properties under operating leases as income on a straight-line basis over the lease term as part of revenue. Rental income from sublease properties is recognised as other income.

3.6 Investment properties

Investment properties stated at cost less accumulated depreciation and any accumulated impairment losses.

Freehold land has an unlimited useful life and therefore is not depreciated. All other investment properties are depreciated on straight-line basis by allocating their depreciable amounts over their remaining useful lives.

	Useful lives (years)
Buildings	50
Leasehold land	83

3.7 Inventories

Inventories are measured at the lower of cost and net realisable value.

Costs incurred in bringing the inventories to their present location and condition are accounted for as purchase costs on a weighted average cost basis.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

3.8 Preference shares

The Group classifies preference shares as financial liability as the preference shares are redeemable on a specific date at the option of the equity holders and the dividend payments are not discretionary. Dividends thereon are recognised as interest expense in profit or loss as accrued.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.9 Revenue and other income

(a) Dividend income

Dividend income is recognised when the right to receive payment is established.

(b) Sale of goods

The Group sells a range of general merchandise to local customers. Revenue from sale of goods is recognised at a point in time when control of the products has been transferred, being when the customer accepts the delivery of the goods.

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g. customer loyalty points).

(c) Commission

The Group acts as an agent in providing in-store services to its customers.

When another party is involved in providing services to its customers, the Group determines whether it is a principal or an agent in these transactions by evaluating the nature of its promise to the customer. When the Group's role is only to arrange for another entity to provide the services, then the Group is an agent and will need to record revenue at the net amount that it retains for its agency services.

(d) Interest income

Interest income is recognised using the effective interest rate method.

(e) Rental income

Rental income from properties are recognised on a straight-line basis over the term of the lease.

(f) Complementary income

The Group receives complementary income such as incentives and rebates from suppliers for various programs, primarily volume incentives, display and advertising income. Rebates are recognised in the statements of comprehensive income when the Group achieves the volume-purchase targets and promotional programs have been fulfilled by the Group in accordance with the terms as stipulated in the trade agreements with vendors.

Other incentives mainly comprise in-store displays and promotions and advertisements for specific products. Incentives are recognised in the statements of comprehensive income when the performance obligations have been fulfilled by the Group in accordance with the terms as stipulated in the agreements with vendors. These incentives are recognised as revenue in the statements of comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.9 Revenue and other income (continued)

(g) Customer loyalty programme

The Group's loyalty programme allows the customers to collect award credits when specified sales terms were fulfilled by the customers. The customers can then redeem these credits once the specified number of award credits has been collected.

The Group accounts for the award credits as separately identifiable component of the initial sales transactions. The fair value of the consideration received or receivable in respect of the initial sales is allocated between the fair value of the award credits and the other components of the sale.

The consideration allocated to the award credits is deferred and subsequently recognised as revenue when the award credits are redeemed. The deferral is treated as a deduction from revenue. The fair value of the award credits is determined with reference to the fair value of the gift to the customer and takes into account the redemption rate for the award credits.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with MFRSs requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of the revenue and expenses during the reporting period. It also requires directors to exercise their judgement in the process of applying the Group's accounting policies. Although these estimates and judgement are based on the directors' best knowledge of current events and actions, actual results may differ.

The areas involving a higher degree of judgement or complexity that have the most significant effect on the Group's financial statements, or areas where assumptions and estimates that have a significant risk of resulting in a material adjustment to the Group's financial statements within the next financial year are disclosed as follows:

Determining the lease term of contracts with renewal and termination options as lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate such as the construction of significant leasehold improvements or significant customisation to the leased asset.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5. PROPERTY, PLANT AND EQUIPMENT

FYE 2024	Note	Freehold land and buildings RM'000	Computers RM'000	Furniture and fittings RM'000	Motor vehicles RM'000	Office equipment RM'000	Renovation RM'000	Shop equipment RM'000	Signboards RM'000	Total RM'000
Cost										
At 1 July 2023		13,117	13,189	4,034	3,113	4,217	38,398	61,626	5,706	143,400
Additions		-	2,446	2,364	85	57	9,634	18,017	830	33,433
Disposals		-	-	-	(443)	-	-	(23)	-	(466)
Written off		-	-	-	(171)	-	-	-	-	(171)
Reclassification		-	-	-	-	-	(720)	23	-	(697)
At 30 June 2024		13,117	15,635	6,398	2,584	4,274	47,312	79,643	6,536	175,499
Accumulated depreciation										
At 1 July 2023		911	8,484	1,111	2,341	1,479	14,778	25,070	2,905	57,079
Depreciation charge for the financial year	**24**	262	2,344	808	188	415	4,367	7,143	542	16,069
Disposals		-	-	-	(316)	-	-	(5)	-	(321)
Written off		-	-	-	(171)	-	-	-	-	(171)
Reclassification		-	-	-	-	-	(445)	5	-	(440)
At 30 June 2024		1,173	10,828	1,919	2,042	1,894	18,700	32,213	3,447	72,216
Carrying amount										
At 1 July 2023		**12,206**	**4,705**	**2,923**	**772**	**2,738**	**23,620**	**36,556**	**2,801**	**86,321**
At 30 June 2024		**11,944**	**4,807**	**4,479**	**542**	**2,380**	**28,612**	**47,430**	**3,089**	**103,283**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

FYE 2025	Note	Freehold land and buildings RM'000	Computers RM'000	Furniture and fittings RM'000	Motor vehicles RM'000	Office equipment RM'000	Renovation RM'000	Shop equipment RM'000	Signboards RM'000	Total RM'000
Cost										
At 1 July 2024		13,117	15,635	6,398	2,584	4,274	47,312	79,643	6,536	175,499
Additions		-	2,761	842	339	54	9,787	15,939	784	30,506
Disposals		-	-	-	(41)	-	-	(619)	-	(660)
Written off		-	(39)	(7)	-	-	(502)	(60)	(224)	(832)
At 30 June 2025		13,117	18,357	7,233	2,882	4,328	56,597	94,903	7,096	204,513
Accumulated depreciation										
At 1 July 2024		1,173	10,828	1,919	2,042	1,894	18,700	32,213	3,447	72,216
Depreciation charge for the financial year	**24**	262	2,550	724	140	418	5,280	8,605	589	18,568
Disposals		-	-	-	(40)	-	-	(471)	-	(511)
Written off		-	(39)	(2)	-	-	(274)	(34)	(187)	(536)
At 30 June 2025		1,435	13,339	2,641	2,142	2,312	23,706	40,313	3,849	89,737
Carrying amount										
At 1 July 2024		**11,944**	**4,807**	**4,479**	**542**	**2,380**	**28,612**	**47,430**	**3,089**	**103,283**
At 30 June 2025		**11,682**	**5,018**	**4,592**	**740**	**2,016**	**32,891**	**54,590**	**3,247**	**114,776**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

FYE 2026	Note	Freehold land and buildings RM'000	Computers RM'000	Furniture and fittings RM'000	Motor vehicles RM'000	Office equipment RM'000	Renovation RM'000	Shop equipment RM'000	Signboards RM'000	Total RM'000
Cost										
At 1 July 2025		13,117	18,357	7,233	2,882	4,328	56,597	94,903	7,096	204,513
Additions		-	5,842	821	705	78	13,324	17,231	1,406	39,407
Disposals		-	-	-	(309)	-	-	(80)	-	(389)
Written off		-	(14)	(97)	-	-	(537)	(37)	(141)	(826)
Reclassification		-	-	-	-	9	-	(9)	-	-
At 30 June 2026		13,117	24,185	7,957	3,278	4,415	69,384	112,008	8,361	242,705
Accumulated depreciation										
At 1 July 2025		1,435	13,339	2,641	2,142	2,312	23,706	40,313	3,849	89,737
Depreciation charge for the financial year	**24**	262	3,022	798	209	423	6,509	10,138	704	22,065
Disposals		-	-	-	(309)	-	-	(70)	-	(379)
Written off		-	(14)	(56)	-	-	(277)	(23)	(84)	(454)
Reclassification		-	-	-	-	7	-	(7)	-	-
At 30 June 2026		1,697	16,347	3,383	2,042	2,742	29,938	50,351	4,469	110,969
Carrying amount										
At 1 July 2025		**11,682**	**5,018**	**4,592**	**740**	**2,016**	**32,891**	**54,590**	**3,247**	**114,776**
At 30 June 2026		**11,420**	**7,838**	**4,574**	**1,236**	**1,673**	**39,446**	**61,657**	**3,892**	**131,736**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(a) Assets held in trust

Motor vehicles with a carrying amount of Nil (2025: RM4 and 2024: RM5) are held in trust by a director of the Group.

(b) Assets pledged as security

Freehold land and buildings with a carrying amount of RM7,463,101 (2025: RM11,681,449 and 2024: RM11,943,797) have been pledged as securities to secure banking facilities granted to the Group as disclosed in Note 14(a).

Motor vehicles with carrying amount of RM481,871 (2025: RM437,537 and 2024: RM502,088) have been pledged as security for hire purchase arrangement as disclosed in Note 14(b).

6. RIGHT-OF-USE ASSETS

Information about leases for which the Group is lessee is presented below:

FYE 2024	Note	Leasehold land RM'000	Buildings RM'000	Shoplots RM'000	Hostels RM'000	Total RM'000
Cost						
At 1 July 2023		500	39,407	245,054	748	285,709
Additions		-	-	26,232	515	26,747
Reclassification		-	-	697	-	697
Lease modification		-	-	17,836	(154)	17,682
Derecognised due to end of lease term		-	-	(1,801)	-	(1,801)
At 30 June 2024		500	39,407	288,018	1,109	329,034
Accumulated depreciation						
At 1 July 2023		72	3,255	140,166	192	143,685
Reclassification		-	-	440	-	440
Depreciation charge for the financial year	**24**	7	788	40,664	487	41,946
Lease modification		-	-	-	(123)	(123)
Derecognised due to end of lease term		-	-	(1,801)	-	(1,801)
At 30 June 2024		79	4,043	179,469	556	184,147

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6. RIGHT-OF-USE ASSETS (CONTINUED)

Information about leases for which the Group is lessee is presented below: (continued)

FYE 2024	Note	Leasehold land RM'000	Buildings RM'000	Shoplots RM'000	Hostels RM'000	Total RM'000
Carrying amount						
At 1 July 2023		**428**	**36,152**	**104,888**	**556**	**142,024**
At 30 June 2024		**421**	**35,364**	**108,549**	**553**	**144,887**

FYE 2025	Note	Leasehold land RM'000	Buildings RM'000	Shoplots RM'000	Hostels RM'000	Training centres RM'000	Total RM'000
Cost							
At 1 July 2024		500	39,407	288,018	1,109	-	329,034
Additions		-	-	42,578	2,048	17	44,643
Lease modification		-	-	22,388	283	-	22,671
Derecognised due to end of lease term		-	-	(2,258)	(134)	-	(2,392)
At 30 June 2025		500	39,407	350,726	3,306	17	393,956
Accumulated depreciation							
At 1 July 2024		79	4,043	179,469	556	-	184,147
Depreciation charge for the financial year	**24**	7	788	46,239	1,013	5	48,052
Derecognised due to end of lease term		-	-	(2,258)	(134)	-	(2,392)
At 30 June 2025		86	4,831	223,450	1,435	5	229,807
Carrying amount							
At 1 July 2024		**421**	**35,364**	**108,549**	**553**	**-**	**144,887**
At 30 June 2025		**414**	**34,576**	**127,276**	**1,871**	**12**	**164,149**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6. RIGHT-OF-USE ASSETS (CONTINUED)

Information about leases for which the Group is lessee is presented below: (continued)

FYE 2026	Note	Leasehold land RM'000	Buildings RM'000	Shoplots RM'000	Warehouse RM'000	Hostels RM'000	Training centres RM'000	Total RM'000
Cost								
At 1 July 2025		500	39,407	350,726	-	3,306	17	393,956
Additions		-	197	53,510	5,334	272	-	59,313
Lease modification		-	-	19,804	-	589	-	20,393
Derecognised due to end of lease term		-	-	(7,967)	-	(241)	-	(8,208)
At 30 June 2026		500	39,604	416,073	5,334	3,926	17	465,454
Accumulated depreciation								
At 1 July 2025		86	4,831	223,450	-	1,435	5	229,807
Depreciation charge for the financial year	**24**	7	792	54,719	1,482	1,566	8	58,574
Derecognised due to end of lease term		-	-	(7,955)	-	(241)	-	(8,196)
At 30 June 2026		93	5,623	270,214	1,482	2,760	13	280,185
Carrying amount								
At 1 July 2025		**414**	**34,576**	**127,276**	**-**	**1,871**	**12**	**164,149**
At 30 June 2026		**407**	**33,981**	**145,859**	**3,852**	**1,166**	**4**	**185,269**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6. RIGHT-OF-USE ASSETS (CONTINUED)

The Group leases several assets including leasehold land, buildings, shoplots, warehouse, hostels and training centres.

The Group leases land and buildings for its office space and operation site. The leases for office space and operation site generally have remaining lease term of three (3) to sixty-one (61) years.

Leased assets are pledged as securities for the related lease liabilities as disclosed in Note 15.

Extension and termination options

The Group has several lease contracts that include extension and termination options. These options are negotiated by the Group to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs.

7. INVESTMENT PROPERTIES

	Note	Freehold land RM'000	Freehold buildings RM'000	Leasehold land RM'000	Leasehold buildings RM'000	Total RM'000
Cost						
At 1 July 2023		194	467	1,080	4,587	6,328
Distribution	**(a)**	(194)	(467)	(1,080)	(4,587)	(6,328)
At 30 June 2024/30 June 2025 /30 June 2026		-	-	-	-	-
Accumulated depreciation						
At 1 July 2023		-	140	167	603	910
Depreciation charge for the financial year	**24**	-	5	6	46	57
Distribution	**(a)**	-	(145)	(173)	(649)	(967)
At 30 June 2024/30 June 2025 /30 June 2026		-	-	-	-	-
Carrying amount						
At 1 July 2023		**194**	**327**	**913**	**3,984**	**5,418**
At 30 June 2024/30 June 2025 /30 June 2026		**-**	**-**	**-**	**-**	**-**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7. INVESTMENT PROPERTIES (CONTINUED)

(a) Distribution of investment properties

On 8 February 2024, KKSMST had entered into a memorandum of agreement with Datuk Seri Dr. Chai Kee Kan to distribute its entire nine (9) investment properties for a total consideration of RM5,361,058 via a dividend-in-specie declared by KKSMST in respect of the FYE 30 June 2024. The sales and purchase agreements for the distribution of the nine (9) investment properties were signed on 8 November 2024 and 15 November 2024, respectively.

The followings are recognised in profit or loss in respect of investment properties:

	← FYE 30 June →		
	2024	**2025**	**2026**
	RM'000	**RM'000**	**RM'000**
Rental income	290	-	-
Direct operating expenses:			
- income generating investment properties	(15)	-	-
- non-income generating investment properties	(2)	-	-

Investment properties pledged as security

Investment properties of the Group with carrying amount of Nil (2025 and 2024: Nil) have been pledged as security to secure term loans as disclosed in Note 14(a).

Fair value information

There are no Level 1 and Level 3 investment properties or transfers between Level 1, Level 2 and Level 3 during the FYE 30 June 2024.

Level 2 fair value

Level 2 fair value of freehold land and buildings has been derived using the sales comparison approach. Sales prices of comparable property in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square foot of comparable property.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8. INVENTORIES

	As at 30 June		
	2024	**2025**	**2026**
	RM'000	**RM'000**	**RM'000**
At lower of cost and net realisable value:			
Trading goods	220,130	252,896	302,734
Inventories recognised as expenses in cost of sales	1,033,188	1,105,135	1,252,999

The cost of inventories of the Group included in expenses in cost of sales during the financial years in respect of write-off of inventories was RM16,346,741 (2025: RM17,317,469 and 2024: RM14,794,817).

9. TRADE AND OTHER RECEIVABLES

		As at 30 June		
		2024	**2025**	**2026**
	Note	**RM'000**	**RM'000**	**RM'000**
Trade				
Trade receivables	**(a)**	4,928	1,432	2,447
Non-trade				
Other receivables	**(b)**	648	789	901
Amount owing by holding company	**(c)**	*	-	-
Amount owing by related parties	**(c)**	100,329	212	2
Deposits		14,594	17,779	20,160
Prepayments		397	1,707	1,112
		115,968	20,487	22,175
Less: Impairment loss on other receivables	**(b)**	(64)	(9)	*
		115,904	20,478	22,175
Total trade and other receivables		120,832	21,910	24,622

** Denotes < RM1,000*

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9. TRADE AND OTHER RECEIVABLES (CONTINUED)

(a) Trade receivables

Trade receivables are non-interest bearing and normal credit terms offered by the Group is 30 days to 60 days (2025 and 2024: 30 days to 60 days) from the date of invoices. Other credit terms are assessed and approved on a case-by-case basis.

The information about the credit exposures are disclosed in Note 29(b)(i).

(b) Other receivables

Other receivables that are impaired

	As at 30 June		
	2024	**2025**	**2026**
	RM'000	**RM'000**	**RM'000**
At the beginning of the financial year	18	64	9
Charge during the financial year	46	-	-
Reversal of impairment losses	-	(55)	(9)
At the end of the financial year	64	9	*

** Denotes < RM1,000*

(c) Amount owing by holding company and related parties

Amount owing by holding company and related parties are unsecured, non-trade in nature, and repayable on demand.

Amount owing by related parties are non-interest bearing, other than the amount owing by a related party of Nil (2025: Nil and 2024: RM16,053,732) bears interest rate of Nil (2025: Nil and 2024: 2.00%) per annum.

10. CONTRACT ASSETS/(LIABILITIES)

	As at 30 June		
	2024	**2025**	**2026**
	RM'000	**RM'000**	**RM'000**
Contract assets relating to timing difference between recognition of revenue and issuance of invoice	513	7,724	9,740
Contract liabilities relating to timing difference between recognition of revenue and receipt of cash	(281)	(295)	(816)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

10. CONTRACT ASSETS/(LIABILITIES) (CONTINUED)

Significant changes in contract balances

	FYE 30 June					
	2024		2025		2026	
	Contract assets increase/ (decrease) RM'000	Contract liabilities (increase)/ decrease RM'000	Contract assets increase/ (decrease) RM'000	Contract liabilities (increase)/ decrease RM'000	Contract assets increase/ (decrease) RM'000	Contract liabilities (increase)/ decrease RM'000
Increase due to revenue recognised, but no right to consideration	513	-	7,724	-	9,740	-
Transfer from contract assets recognised at the beginning of the year to receivables	(2,811)	-	(513)	-	(7,724)	-
Revenue recognised that was included in contract liabilities at the beginning of the financial year	-	98	-	281	-	295
Increase due to invoice billed in advance to customers, but revenue not recognised	-	(281)	-	(295)	-	(816)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11. CASH AND SHORT-TERM DEPOSITS

	As at 30 June		
	2024 RM'000	2025 RM'000	2026 RM'000
Cash in hand	10,795	12,157	9,902
Cash at banks	38,116	102,686	60,103
Short-term deposits	-	8,000	-
	48,911	122,843	70,005

(i) During the financial years under review, the Group made the following cash payments to purchase property, plant and equipment.

	FYE 30 June		
	2024 RM'000	2025 RM'000	2026 RM'000
Purchase of property, plant and equipment	33,433	30,506	39,407
Financed by way of hire purchase arrangement	(36)	(36)	(130)
Cash payments for purchase of property, plant and equipment	33,397	30,470	39,277

(ii) During the financial years under review, the Group made the following cash payments in respect of right-of-use assets.

	FYE 30 June		
	2024 RM'000	2025 RM'000	2026 RM'000
Addition of right-of-use assets	26,747	44,643	59,313
Lease liabilities recognised	(26,553)	(44,465)	(58,900)
Provision of restoration costs	(194)	(178)	(216)
Cash payments for addition of right-of-use assets	-	-	197

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11. CASH AND SHORT-TERM DEPOSITS (CONTINUED)

(iii) Reconciliation of changes in liabilities arising from financing activities are as follows:

		←Non-cash changes→			
	At 1 July 2023 RM'000	**Cash flows RM'000**	**Addition RM'000**	**Lease modification RM'000**	**At 30 June 2024 RM'000**
Term loans	50,047	(10,035)	-	-	40,012
Lease liabilities	116,553	(43,134)	26,553	21,681	121,653
Hire purchase payables	587	(224)	36	-	399
	167,187	(53,393)	26,589	21,681	162,064

		←Non-cash changes→			
	At 1 July 2024 RM'000	**Cash flows RM'000**	**Addition RM'000**	**Lease modification RM'000**	**At 30 June 2025 RM'000**
Term loans	40,012	(3,288)	-	-	36,724
Lease liabilities	121,653	(50,734)	44,465	28,784	144,168
Hire purchase payables	399	(154)	36	-	281
	162,064	(54,176)	44,501	28,784	181,173

		←Non-cash changes→			
	At 1 July 2025 RM'000	**Cash flows RM'000**	**Addition RM'000**	**Lease modification RM'000**	**At 30 June 2026 RM'000**
Term loans	36,724	(4,458)	-	-	32,266
Lease liabilities	144,168	(62,496)	58,900	27,607	168,179
Hire purchase payables	281	(161)	130	-	250
Bankers' acceptances	-	6,786	-	-	6,786
	181,173	(60,329)	59,030	27,607	207,481

(iv) Total cash outflows for leases

During the financial years, the Group had total cash outflows for leases of RM72,842,379 (2025: RM59,814,500 and 2024: RM50,873,123).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

12. INVESTED EQUITY AND SHARE CAPITAL

(a) Invested equity

		← Number of ordinary shares →		
		← As at 30 June →		
		2024	2025	2026
	Note	Units'000	Units'000	Units'000
Issued and fully paid-up:				
At the beginning of the financial year		5,150	246,769	246,769
Issuance of ordinary shares of combining entity	**(i)**	>	-	30
Shares issued upon incorporation	**(ii)**	*	-	-
Issuance of ordinary shares pursuant to acquisition of a subsidiary	**(iii)**	246,619	-	-
Adjustment pursuant to internal restructuring		(5,000)	-	(246,799)
At the end of the financial year		246,769	246,769	-

		← Amounts →		
		← As at 30 June →		
		2024	2025	2026
	Note	RM'000	RM'000	RM'000
Issued and fully paid-up:				
At the beginning of the financial year		16,335	246,769	246,769
Issuance of ordinary shares of combining entity	**(i)**	>	-	30
Shares issued upon incorporation	**(ii)**	*	-	-
Issuance of ordinary shares pursuant to acquisition of a subsidiary	**(iii)**	246,619	-	-
Adjustment pursuant to internal restructuring		(16,185)	-	(246,799)
At the end of the financial year		246,769	246,769	-

> Represents 98 ordinary shares equivalent to RM98
* Represents 100 ordinary shares equivalent to RM100

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

12. INVESTED EQUITY AND SHARE CAPITAL (CONTINUED)

(a) Invested equity (continued)

For the purposes of these financial statements, the invested equity as at 30 June 2024 and 30 June 2025 is the aggregate of the share capital of the combining entities constituting the Group.

(i) Issuance of ordinary shares of combining entity

On 15 September 2023, KKSM issued 98 ordinary shares at RM1 per ordinary share to shareholder of KKSM for a total consideration of RM98.

On 8 August 2025, KKSM issued 29,900 ordinary shares at RM1 per ordinary share to capitalise amount owing to directors of RM29,900.

(ii) Shares issued upon incorporation

On 27 September 2023, the Company issued 100 ordinary shares at a price of RM1 per ordinary share as subscribers' shares on the date of incorporation for a total consideration of RM100.

(iii) Issuance of ordinary shares pursuant to acquisition of a subsidiary

On 8 February 2024, the Company issued 246,618,782 new ordinary shares at a price of RM1 per ordinary share pursuant to the acquisition of entire equity interest (representing 5,000,000 shares) of a subsidiary for purchase consideration of RM246,618,782.

(b) Share capital

	← Number of ordinary shares →		
	← As at 30 June →		
	2024	**2025**	**2026**
	Units'000	**Units'000**	**Units'000**
Issued and fully paid-up:			
At the beginning of the financial year	-	-	-
Adjustment pursuant to internal restructuring	-	-	246,619
Conversion of RCPS into ordinary shares	-	-	12,845
At the end of the financial year	-	-	259,464

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

12. INVESTED EQUITY AND SHARE CAPITAL (CONTINUED)

(b) Share capital (continued)

	Amounts		
	As at 30 June		
	2024	**2025**	**2026**
	RM'000	**RM'000**	**RM'000**
Issued and fully paid-up:			
At the beginning of the financial year	-	-	-
Adjustment pursuant to internal restructuring	-	-	246,619
Conversion of RCPS into ordinary shares	-	-	10,000
At the end of the financial year	-	-	256,619

On 27 March 2026, the Company issued 12,844,733 new ordinary shares from the conversion of RCPS at the conversion ratio of approximately 1.28 new ordinary shares for one RCPS held and no additional cash payment is required for the conversion of the RCPS by the holder.

The new ordinary shares issued during the financial year rank pari passu in all respects with the existing ordinary shares of the Company.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

13. REORGANISATION RESERVE

The reorganisation reserve arose from the difference between the carrying value of the investment and the nominal value of the shares of the subsidiaries upon consolidation under the merger accounting principles.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

14. LOANS AND BORROWINGS

	Note	As at 30 June 2024 RM'000	2025 RM'000	2026 RM'000
Non-current:				
Secured				
Term loans	**(a)**	36,508	34,796	30,442
Hire purchase payables	**(b)**	248	171	156
		36,756	34,967	30,598
Current:				
Secured				
Term loans	**(a)**	3,504	1,928	1,824
Hire purchase payables	**(b)**	151	110	94
Bankers' acceptances	**(c)**	-	-	6,786
		3,655	2,038	8,704
Total loans and borrowings:				
Term loans	**(a)**	40,012	36,724	32,266
Hire purchase payables	**(b)**	399	281	250
Bankers' acceptances	**(c)**	-	-	6,786
		40,411	37,005	39,302

(a) Term loans

Term loan 1 of the Group of Nil (2025: Nil and 2024: RM47,517) bears interest at Nil (2025: Nil and 2024: 4.89%) per annum and is repayable by monthly instalments over 12 years commencing from the day of first drawdown and is secured and supported as follows:

(i) Legal charge over the freehold building of the Group;
(ii) Legal charge over the investment properties of a former subsidiary; and
(iii) Joint and several guarantees by one of the current and former directors of the Group.

Term loan 2 of the Group of Nil (2025: Nil and 2024: RM11,729) bears interest at Nil (2025: Nil and 2024: 4.89%) per annum and is repayable by monthly instalments over 12 years commencing from the day of first drawdown and is secured and supported as follows:

(i) Legal charge over the investment properties of a related company; and
(ii) Joint and several guarantees by one of the current and former directors of the Group.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

14. LOANS AND BORROWINGS (CONTINUED)

(a) Term loans (continued)

Term loan 3 of the Group of Nil (2025: Nil and 2024: RM51,842) bears interest at Nil (2025: Nil and 2024: 4.89%) per annum and is repayable by monthly instalments over 12 years commencing from the day of first drawdown and is secured and supported by the legal charge over the freehold buildings of a director.

Term loan 4 of the Group of RM1,481,447 (2025: RM1,552,861 and 2024: RM1,633,582) bears interest at 4.27% (2025: 4.52% and 2024: 4.52%) per annum and is repayable by monthly instalments over 25 years commencing from the day of first drawdown and is secured and supported as follows:

(i) First legal charge over the leasehold building financed; and
(ii) Joint and several guarantees by one of the current and former directors of the Group.

Term loan 5 of the Group of RM476,357 (2025: RM521,873 and 2024: RM564,304) bears interest at 4.35% (2025: 4.60% and 2024: 4.60%) per annum and is repayable by monthly instalments over 20 years commencing from the day of first drawdown and is secured and supported as follows:

(i) First party legal charge over the leasehold building financed of the Group; and
(ii) Joint and several guarantees by one of the current and former directors of the Group.

Term loan 6 of the Group of RM1,729,113 (2025: RM1,828,702 and 2024: RM1,913,607) bears interest at 4.45% (2025: 4.70% and 2024: 4.70%) per annum and is repayable by monthly instalments over 20 years commencing from the day of first drawdown and is secured and supported as follows:

(i) Open all monies facility agreement;
(ii) Legal charge over the freehold building of the Group; and
(iii) Joint and several guarantees by one of the current and former directors of the Group.

Term loan 7 of the Group of Nil (2025: Nil and 2024: RM598,787) bears interest at Nil (2025: Nil and 2024: 5.28%) per annum and is repayable by monthly instalments over 12 years commencing from the day of first drawdown and is secured and supported as follows:

(i) Legal charge over the investment building of a former subsidiary; and
(ii) Joint and several guarantees by one of the current and former directors of the Group.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

14. LOANS AND BORROWINGS (CONTINUED)

(a) Term loans (continued)

Term loan 8 of the Group of Nil (2025: RM2,686,869 and 2024: RM2,913,649) bears interest at Nil (2025: 5.20% and 2024: 5.20%) per annum and is repayable by monthly instalments over 15 years commencing from the day of first drawdown and is secured and supported as follows:

(i) Open all monies facilities agreement;
(ii) Legal charge over the freehold building of the Group;
(iii) Joint and several guarantees by one of the current and former directors of the Group; and
(iv) Secured over a fixed deposit.

Term loan 9 of the Group of RM1,217,971 (2025: RM1,287,106 and 2024: RM1,361,308) bears interest at 4.12% (2025: 4.42% and 2024: 4.37%) per annum and is repayable by monthly instalments over 20 years commencing from the day of first drawdown and is secured and supported as follows:

(i) Open all monies facilities agreement; and
(ii) Legal charge over the freehold building of the Group.

Term loan 10 of the Group of Nil (2025: Nil and 2024: RM710,673) bears interest at Nil (2025: Nil and 2024: 5.51%) per annum and is repayable by monthly instalments over 5 years commencing from the day of first drawdown and is secured and supported as follows:

(i) Third party legal charge over property financed by the Group and related company; and
(ii) Joint and several guarantees by one of the current and former directors of the Group.

Term loan 11 of the Group of RM17,362,706 (2025: RM18,334,347 and 2024: RM19,223,367) bears interest at 4.10% (2025: 4.35% and 2024: 4.35%) per annum and is repayable by monthly instalments over 20 years commencing from the day of first drawdown and is secured and supported as follows:

(i) Legal charge over the properties of the Group; and
(ii) Joint and several guarantees by one of the current and former directors of the Group.

Term loan 12 of the Group of RM1,738,853 (2025: RM1,810,869 and 2024: RM1,875,715) bears interest at 4.10% (2025: 4.35% and 2024: 4.35%) per annum and is repayable by monthly instalments over 20 years commencing from the day of first drawdown and is secured and supported as follows:

(i) Legal charge over the properties of the Group; and
(ii) Joint and several guarantees by one of the current and former directors of the Group.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

14. LOANS AND BORROWINGS (CONTINUED)

(a) Term loans (continued)

Term loan 13 of the Group of RM3,512,575 (2025: RM3,649,960 and 2024: RM3,773,214) bears interest at 4.10% (2025: 4.35% and 2024: 4.35%) per annum and is repayable by monthly instalments over 20 years commencing from the day of first drawdown and is secured and supported as follows:

(i) Legal charge over the properties of the Group; and
(ii) Joint and several guarantees by one of the current and former directors of the Group.

Term loan 14 of the Group of RM823,704 (2025: RM859,843 and 2024: RM892,506) bears interest at 4.17% (2025: 4.42% and 2024: 4.42%) per annum and is repayable by monthly instalments over 20 years commencing from the day of first drawdown and is secured and supported as follows:

(i) Open all monies facilities agreement;
(ii) Legal charge over the freehold building of the Group; and
(iii) Joint and several guarantees by one of the current and former directors of the Group.

Term loan 15 of the Group of RM1,595,464 (2025: RM1,707,285 and 2024: RM1,810,287) bears interest at 4.07% (2025: 4.32% and 2024: 4.32%) per annum and is repayable by monthly instalments over 15 years commencing from the day of first drawdown and is secured and supported as follows:

(i) Open all monies facilities agreement;
(ii) Legal charge over the freehold building of the Group; and
(iii) Joint and several guarantees by one of the current and former directors of the Group.

Term loan 16 of the Group of RM799,812 (2025: RM855,669 and 2024: RM907,213) bears interest at 4.07% (2025: 4.32% and 2024: 4.32%) per annum and is repayable by monthly instalments over 15 years commencing from the day of first drawdown and is secured and supported as follows:

(i) Open all monies facilities agreement;
(ii) Legal charge over the freehold building of the Group; and
(iii) Joint and several guarantees by one of the current and former directors of the Group.

Term loan 17 of the Group of RM1,527,721 (2025: RM1,628,643 and 2024: RM1,722,348) bears interest at 4.05% (2025: 4.32% and 2024: 4.30%) per annum and is repayable by monthly installments over 15 years commencing from the day of first drawdown and is secured and supported as follows:

(i) Open all monies facilities agreement;
(ii) Legal charge over the leasehold building of the Group; and
(iii) Joint and several guarantees by one of the current and former directors of the Group.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

14. LOANS AND BORROWINGS (CONTINUED)

(b) Hire purchase payables

Hire purchase payables of the Group bear interest ranging from 3.84% to 6.61% (2025: 4.42% to 7.04% and 2024: 4.42% to 7.04%) per annum and are secured by the Group's motor vehicles under hire purchase arrangements as disclosed in Note 5(b).

Future minimum lease payments together with the present value of the net minimum lease payments are as follows:

	As at 30 June		
	2024	**2025**	**2026**
	RM'000	**RM'000**	**RM'000**
Minimum lease payments:			
Not later than one year	168	123	104
Later than one year and not later than five years	269	182	164
	437	305	268
Less: Future interest charges	(38)	(24)	(18)
Present value of minimum lease payments	399	281	250
Present value of minimum lease payments:			
Not later than one year	151	110	94
Later than one year and not later than five years	248	171	156
	399	281	250
Less: Amount due within twelve months	(151)	(110)	(94)
Amount due after twelve months	248	171	156

(c) Bankers' acceptances

Bankers' acceptances of the Group of RM6,786,000 (2025 and 2024: Nil) bear interest from 3.99% to 4.04% (2025 and 2024: Nil) per annum and are secured and supported by joint and several guarantee by one of the current and former directors of the Group.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

15. LEASE LIABILITIES

	As at 30 June		
	2024 RM'000	2025 RM'000	2026 RM'000
Non-current:			
Lease liabilities	80,191	93,074	109,473
Current:			
Lease liabilities	41,462	51,094	58,706
Total lease liabilities:			
Lease liabilities	121,653	144,168	168,179

Future minimum lease payments together with the present value of net minimum lease payments are as follows:

	As at 30 June		
	2024 RM'000	2025 RM'000	2026 RM'000
Minimum lease payments:			
Not later than one year	46,122	56,575	65,097
Later than one year and not later than five years	83,881	95,359	113,226
Later than five years	1,743	4,272	4,261
	131,746	156,206	182,584
Less: Future interest charges	(10,093)	(12,038)	(14,405)
Present value of minimum lease payments	121,653	144,168	168,179
Present value of minimum lease payments:			
Not later than one year	41,462	51,094	58,706
Later than one year and not later than five years	78,469	88,864	105,267
Later than five years	1,722	4,210	4,206
	121,653	144,168	168,179
Less: Amount due within twelve months	(41,462)	(51,094)	(58,706)
Amount due after twelve months	80,191	93,074	109,473

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

16. DEFERRED TAX LIABILITIES

Deferred tax relates to the following:

	As at 1 July 2023 RM'000	Recognised in profit or loss RM'000 (Note 26)	As at 30 June 2024 RM'000
Deferred tax assets:			
Right-of-use assets	(2,664)	(409)	(3,073)
Impairment loss on other receivables	(4)	(11)	(15)
Contract liabilities	(24)	(44)	(68)
	(2,692)	(464)	(3,156)
Deferred tax liabilities:			
Property, plant and equipment	7,465	1,682	9,147
	4,773	1,218	5,991

	As at 1 July 2024 RM'000	Recognised in profit or loss RM'000 (Note 26)	As at 30 June 2025 RM'000
Deferred tax assets:			
Right-of-use assets	(3,073)	(529)	(3,602)
Impairment loss on other receivables	(15)	13	(2)
Contract liabilities	(68)	(3)	(71)
	(3,156)	(519)	(3,675)
Deferred tax liabilities:			
Property, plant and equipment	9,147	356	9,503
	5,991	(163)	5,828

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

16. DEFERRED TAX LIABILITIES (CONTINUED)

Deferred tax relates to the following: (continued)

	As at 1 July 2025 RM'000	Recognised in profit or loss RM'000 (Note 26)	As at 30 June 2026 RM'000
Deferred tax assets:			
Right-of-use assets	(3,602)	(549)	(4,151)
Impairment loss on other receivables	(2)	2	*
Contract liabilities	(71)	(125)	(196)
	(3,675)	(672)	(4,347)
Deferred tax liabilities:			
Property, plant and equipment	9,503	(964)	8,539
	5,828	(1,636)	4,192

* *Denotes < RM1,000*

	As at 30 June		
	2024 RM'000	2025 RM'000	2026 RM'000
Presented after appropriate offsetting as follows:			
Deferred tax assets	(3,156)	(3,675)	(4,347)
Deferred tax liabilities	9,147	9,503	8,539
	5,991	5,828	4,192

17. PROVISION

	As at 30 June		
	2024 RM'000	2025 RM'000	2026 RM'000
At the beginning of the financial year	828	1,013	1,183
Provision during the financial year	194	178	216
Utilisation/Reversal during the financial year	(9)	(8)	(16)
At the end of the financial year	1,013	1,183	1,383

Provisions mainly represent the estimated costs of dismantlement, removal or restoration of property, plant and equipment arising from the use of such assets, which are capitalised and included in the right-of-use assets.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

18. RCPS

	← Number of preference shares →		
	← As at 30 June →		
	2024	**2025**	**2026**
	Units'000	**Units'000**	**Units'000**
Issued and fully paid-up:			
At the beginning of the financial year	-	-	10,000
Issued during the financial year	-	10,000	-
Conversion into ordinary shares	-	-	(10,000)
At the end of the financial year	-	10,000	-

	← Amounts →		
	← As at 30 June →		
	2024	**2025**	**2026**
	RM'000	**RM'000**	**RM'000**
Issued and fully paid-up:			
At the beginning of the financial year	-	-	10,976
Issued during the financial year	-	10,000	-
Interest expense	-	976	888
Conversion into ordinary shares	-	-	(10,000)
Reversal of finance cost upon conversion	-	-	(1,864)
At the end of the financial year	-	10,976	-

Issuance of RCPS

On 6 September 2024, the Company issued 10,000,000 RCPS at a price of RM1 per share for total consideration of RM10,000,000.

Conversion of RCPS

On 27 March 2026, the Company converted 10,000,000 RCPS into 12,844,733 ordinary shares of the Company at the conversion ratio of approximately 1.28 new ordinary shares for one RCPS held.

Following the conversion of RCPS, the total issued shares has increased from 246,618,882 shares to 259,463,615 shares and the ordinary share capital has increased from RM246,618,882 to RM256,618,882 as disclosed in Note 12(b).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

18. RCPS (CONTINUED)

The salient features of the RCPS are as follows:

(i) the RCPS have no fixed tenure or maturity date and shall exist in perpetuity unless redeemed in any time after the occurrence of event of default is suffered or committed by and of the promoters and/or any companies in the Group or a liquidity event fails to occur by 30 June 2026 ("Redemption Event");

(ii) each RCPS carries a fixed cumulative preferential dividend at the rate of 88% per annum on the issue price for the first completion year and 60% per annum on the issue price for the second completion year onwards ("Fixed Dividend");

(iii) the RCPS will carry the right to attend but no right to vote at any general meeting of the Company except that the RCPS shall carry the right to attend and vote at any general meeting of the Company in respect of the following:

(a) upon any resolution or any alteration of the constitution of the Company which, whether directly or indirectly, affects the rights and privileges (including the enjoyment of any such right or privilege) attaching to the RCPS;
(b) when any dividend or part of any dividend on the RCPS (if any) is in arrears for more than six (6) months;
(c) upon any resolution to reduce the Company's issued and paid-up share capital;
(d) upon any resolution for the disposal of the whole or substantially the whole of the Company's property, assets, business and undertaking;
(e) upon any resolution for the winding-up of the Company; and
(f) during the winding up of the Company.

(iv) the RCPS shall rank in priority to all other classes of the share in the Company (including the ordinary shares) in respect of the right to receive the Fixed Dividend out of profits available for distribution by the Company and in respect of the funds and assets that may be legally distributed to the Company's shareholders upon an insolvency event;

(v) a holder of a RCPS may, at any time after the occurrence of a redemption event, on giving a RCPS redemption notice, require the Company to redeem all or any of its RCPS at the redemption price;

(vi) upon redemption, each RCPS holder shall receive a cash payment equal to the issue price increased by an amount that will yield or result in an internal rate of return at a pre-determined rate, accrued daily from the date of the Shareholders' Agreement ("SHA") up to the redemption date, taking into account any dividends received prior to the redemption (if any) (excluding all or any part of the Fixed Dividend that have been paid to Datuk Seri Dr. Chai Kee Kan and Datin Seri Loh Siew Mui pursuant to the SHA, if any); and

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

18. RCPS (CONTINUED)

The salient features of the RCPS are as follows: (continued)

(vii) the RCPS shall be convertible in the event of a proposed liquidity event, an initial public offering proposed to be undertaken by the Company, or a transfer notice having been issued by the holding company (K8 Resources Sdn. Bhd. *(formerly known as KK2 Resources Sdn. Bhd.)*), at the option of the holder(s) of the RCPS, into fully paid ordinary share without the payment of additional consideration based on the Company's valuation, adjusted by a discount that varies according to the year in which the liquidity event is to be completed or the year in which a transfer notice is issued by the holding company (K8 Resources Sdn. Bhd. *(formerly known as KK2 Resources Sdn. Bhd.)*) (whichever applicable).

19. TRADE AND OTHER PAYABLES

		As at 30 June		
		2024	2025	2026
	Note	RM'000	RM'000	RM'000
Trade				
Trade payables	**(a)**	159,729	193,653	202,581
Trade accruals		13,998	13,844	17,039
		173,727	207,497	219,620
Non-trade				
Other payables		9,145	8,563	10,575
Sales and service tax payable ("SST payable")		-	-	29
Accruals		10,265	21,382	18,112
Deposits received		905	1,206	1,490
Amount owing to related parties	**(b)**	1,681	110	-
Amount owing to a director	**(b)**	980	233	-
		22,976	31,494	30,206
Total trade and other payables		196,703	238,991	249,826

(a) Trade payables

Trade payables are non-interest bearing and the normal trade credit term granted to the Group is 30 to 60 days (2025 and 2024: 30 to 60 days).

(b) Amount owing to related parties and a director

Amounts owing to related parties and a director are unsecured, non-interest bearing with no fixed term of repayment.

For explanations on the Group's liquidity risk management process, refer to Note 29(b)(ii).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

20. REVENUE

	FYE 30 June		
	2024	**2025**	**2026**
	RM'000	**RM'000**	**RM'000**
At a point in time:			
Sale of goods	1,373,773	1,471,742	1,664,039
Commission	12,478	12,689	12,179
Gross revenue generated by the stores	**1,386,251**	**1,484,431**	**1,676,218**
Complementary income	68,752	82,837	99,093
Retail revenue	**1,455,003**	**1,567,268**	**1,775,311**
Less: MFRS 15 adjustment in relation to the loyalty programme	(101)	(75)	(667)
Total revenue	**1,454,902**	**1,567,193**	**1,774,644**

21. OTHER INCOME

	FYE 30 June		
	2024	**2025**	**2026**
	RM'000	**RM'000**	**RM'000**
Gain on disposal of property, plant and equipment	-	-	53
Contribution income	46	-	200
Government incentive	2,187	359	484
Insurance compensation	57	21	-
Rental income	2,435	2,090	1,396
Reversal of impairment loss	-	55	9
Reversal of provision for restoration	-	-	16
Salary reimbursement income	1,617	828	7
Reversal of finance cost on RCPS upon conversion	-	-	1,864
Miscellaneous income	1,881	2,340	3,924
	8,223	5,693	7,953

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

22. FINANCE INCOME

	FYE 30 June		
	2024	**2025**	**2026**
	RM'000	**RM'000**	**RM'000**
Interest income on:			
- Fixed deposits	-	1,165	115
- Bank balances	1,052	2,046	2,983
- Advance to related parties	403	-	-
	1,455	3,211	3,098

23. FINANCE COSTS

	FYE 30 June		
	2024	**2025**	**2026**
	RM'000	**RM'000**	**RM'000**
Interest expenses on:			
- Term loans	1,923	1,678	1,449
- Lease liabilities	6,174	6,852	8,253
- Hire purchase payables	29	20	13
- Bankers' acceptances	-	-	56
- RCPS	-	976	888
RCPS dividends	-	7,161	4,960
	8,126	16,687	15,619

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

24. PROFIT BEFORE TAX

Other than disclosed elsewhere in the financial statements, the following items have been charged in arriving at profit before tax:

		FYE 30 June		
		2024	2025	2026
	Note	RM'000	RM'000	RM'000
Auditors' remuneration:				
- Statutory audit				
- Baker Tilly Monteiro Heng PLT		210	210	230
- Other auditors		1	*	*
- Non-statutory audit				
- Baker Tilly Monteiro Heng PLT		-	310	320
Other services				
- Member firms of Baker Tilly International		-	85	168
Bad debt written off		*	-	173
Depreciation of property, plant and equipment	**5**	16,069	18,568	22,065
Depreciation of right-of-use assets	**6**	41,946	48,052	58,574
Depreciation of investment properties	**7**	57	-	-
Loss on disposal of property, plant and equipment		15	37	-
Loss on lease modification		3,876	6,113	7,214
Loss on lease termination		-	-	12
Property, plant and equipment written off		*	296	372
Impairment losses on other receivables		46	-	-
Incorporation expenses		5	-	-
Employee benefits expense	**25**	128,326	148,976	182,701
Rental expenses on:				
- Premise/Hostel		1,438	2,020	1,618
- Equipment		127	129	174
- Motor vehicle		-	80	301

** Denotes < RM1,000*

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

25. EMPLOYEE BENEFITS EXPENSE

	FYE 30 June		
	2024	**2025**	**2026**
	RM'000	**RM'000**	**RM'000**
Directors' fees	-	-	412
Salaries and other staff benefits	119,280	137,295	165,891
Defined contribution plans	7,502	9,711	13,772
Other emoluments	1,544	1,970	2,626
	128,326	148,976	182,701
Included in the employee benefits expenses are:			
Directors' remuneration:			
Executive directors			
- Salaries, bonuses and allowances	350	448	787
- Defined contribution plans	43	49	68
- Other emoluments	2	3	4
	395	500	859
Non-executive directors			
- Directors' fees	-	-	412
- Salaries, bonuses and allowances	-	-	20
	-	-	432
	395	500	1,291

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

26. INCOME TAX EXPENSE

The major components of income tax expense for the FYEs 30 June 2024, 30 June 2025 and 30 June 2026 are as follows:

	FYE 30 June		
	2024	**2025**	**2026**
	RM'000	**RM'000**	**RM'000**
Statements of comprehensive income			
Current income tax:			
- Current income tax charge	32,903	33,268	36,938
- Adjustment in respect of prior financial years	(10)	1,751	2,881
- Real property gains tax	-	269	-
	32,893	35,288	39,819
Deferred tax: (Note 16)			
- Origination of temporary differences	2,170	1,831	80
- Adjustment in respect of prior financial years	(952)	(1,994)	(1,716)
	1,218	(163)	(1,636)
Income tax expense recognised in profit or loss	34,111	35,125	38,183

Domestic income tax is calculated at the Malaysian statutory income tax rate of 24% (2025 and 2024: 24%) of the estimated assessable profit for the financial year.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

26. INCOME TAX EXPENSE (CONTINUED)

The reconciliations from the tax amount at the statutory income tax rate to the Group's tax expense is as follows:

	FYE 30 June		
	2024	**2025**	**2026**
	RM'000	**RM'000**	**RM'000**
Profit before tax	135,707	132,112	140,665
Tax at Malaysian statutory income tax rate of 24%	32,570	31,707	33,759
Real property gains tax	-	269	-
Adjustments:			
Income not subject to tax	(350)	(24)	(707)
Non-deductible expenses	2,853	3,416	3,966
Adjustment in respect of current income tax of prior years	(10)	1,751	2,881
Adjustment in respect of deferred tax of prior years	(952)	(1,994)	(1,716)
Income tax expense	34,111	35,125	38,183

27. EARNINGS PER SHARE

Basic earnings per ordinary share

Basic earnings per ordinary share are based on the profit for the financial years attributable to owners of the Group and the weighted average number of ordinary shares outstanding during the financial years, calculated as follows:

	FYE 30 June		
	2024 [(1)]	**2025 [(1)]**	**2026 [(2)]**
	RM'000	**RM'000**	**RM'000**
Profit attributable to the owners of the Group	101,596	96,987	102,482
Weighted average number of ordinary shares for basic earnings per share ('000 units)	97,446	246,769	250,025
Basic earnings per ordinary share (RM)	1.04	0.39	0.41

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

27. EARNINGS PER SHARE (CONTINUED)

Basic earnings per ordinary share (continued)

(1) For the purpose of calculating the basic earnings per share for the FYEs 30 June 2024 and 30 June 2025, the weighted average number of ordinary shares is the aggregate of the shares of the combined entities constituting the Group.

(2) Based on weighted average number of ordinary shares.

Diluted earnings per ordinary share

Diluted earnings per ordinary share are based on the profit for the financial years attributable to owners of the Group (after adjusting for interest and dividends on the RCPS) and the weighted average number of ordinary shares outstanding during the financial years plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares, calculated as follows:

	← FYE 30 June →		
	2024 (1)	**2025 (1)**	**2026 (2)**
	RM'000	**RM'000**	**RM'000**
Profit attributable to the owners of the Group	101,596	96,987	102,482
Add: Interest expense on RCPS	-	976	888
Add: RCPS dividends	-	7,161	4,960
Profit used to determine diluted earnings per share	101,596	105,124	108,330
Weighted average number of ordinary shares for basic earnings per share ('000 units)	97,446	246,769	250,025
Effect of dilution from RCPS ('000 units) (3)	-	12,845	-
Effect of conversion of RCPS prior to the conversion date	-	-	9,467
Weighted average number of ordinary shares for diluted earnings per share ('000 units)	97,446	259,614	259,492
Diluted earnings per ordinary share (RM)	1.04	0.39 (4)	0.41 (4)

(1) For the purpose of calculating the diluted earnings per share for the FYEs 30 June 2024 and 30 June 2025, the weighted average number of ordinary shares is the aggregate of the shares of the combined entities constituting the Group.

(2) Based on weighted average number of ordinary shares.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

27. EARNINGS PER SHARE (CONTINUED)

Diluted earnings per ordinary share (continued)

(3) The effect of dilution from RCPS is in relation to the conversion of RCPS as disclosed in Note 18.

(4) The diluted earnings per share for the FYEs 30 June 2025 and 30 June 2026 are anti-dilutive. Accordingly, the diluted earnings per share for the FYEs 30 June 2025 and 30 June 2026 are presented as equal to basic earnings per share.

28. DIVIDENDS

	FYE 30 June		
	2024	**2025**	**2026**
Recognised during the financial year:	**RM'000**	**RM'000**	**RM'000**
Dividends on ordinary shares:			
- Single-tier final dividend of RM4.00 per ordinary share, in respect of the FYE 30 June 2023, paid on 30 September 2023	20,000	-	-
- Single-tier interim dividend of RM4.20 per ordinary share, in respect of the FYE 30 June 2024, paid on 12 October 2023	21,000	-	-
- Single-tier interim dividend of RM3.00 per ordinary share, in respect of the FYE 30 June 2024, paid on 22 January 2024	15,000	-	-
- Single-tier interim dividend of RM0.15 per ordinary share, in respect of the FYE 30 June 2024, payable in specie by way of transfer of 100,000 units of ordinary shares in KKST which was completed on 22 January 2024	761	-	-
- Single-tier interim dividend of RM3.13 per ordinary share, in respect of the FYE 30 June 2024, payable in specie by way of transfer of 250,000 units of ordinary shares in SGD which was completed on 24 January 2024	15,668	-	-

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

28. DIVIDENDS (CONTINUED)

	FYE 30 June		
	2024	**2025**	**2026**
Recognised during the financial year: (continued)	**RM'000**	**RM'000**	**RM'000**
Dividends on ordinary shares: (continued)			
- Single-tier interim dividend of RM1.07 per ordinary share, in respect of the FYE 30 June 2024, payable in specie by way of distribution of investment properties which was completed on 8 February 2024	5,361	-	-
- Single-tier interim dividend of RM0.06 per ordinary share, in respect of the FYE 30 June 2024, paid on 25 April 2024	15,000	-	-
- Single-tier final dividend of RM0.04 per ordinary share, in respect of the FYE 30 June 2024, paid on 23 August 2024	-	9,000	-
- Single-tier interim dividend of RM0.07 per ordinary share, in respect of the FYE 30 June 2025, paid on 11 November 2024	-	18,000	-
- Single-tier interim dividend of RM0.33 per ordinary share, in respect of the FYE 30 June 2025, paid on 26 December 2024	-	82,000	-
- Single-tier interim dividend of RM0.05 per ordinary share, in respect of the FYE 30 June 2025, paid on 28 May 2025	-	13,500	-
- Single-tier interim dividend of RM0.39 per ordinary share, in respect of the FYE 30 June 2026, paid on 30 March 2026	-	-	100,000
	92,790	122,500	100,000

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

28. DIVIDENDS (CONTINUED)

	FYE 30 June		
	2024	**2025**	**2026**
Recognised during the financial year: (continued)	**RM'000**	**RM'000**	**RM'000**
Dividends on preference shares:			
- Preferential dividend of 88% per annum per RCPS, in respect of the period from 6 September 2024 to 5 September 2025, paid on 4 September 2025	-	-	8,800
- Preferential dividend of 60% per annum per RCPS, in respect of the period from 6 September 2025 to 27 March 2026, paid on 27 March 2026	-	-	3,321
	-	-	12,121
	92,790	122,500	112,121

29. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

The following table analyses the financial instruments in the statements of financial position by the classes of financial instruments to which they are assigned at amortised cost:

	Carrying amounts	**Amortised cost**
	RM'000	**RM'000**
At 30 June 2024		
Financial assets		
Trade and other receivables, excluding prepayments	120,435	120,435
Cash and short-term deposits	48,911	48,911
	169,346	169,346
Financial liabilities		
Loans and borrowings	(40,411)	(40,411)
Trade and other payables	(196,703)	(196,703)
	(237,114)	(237,114)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

29. FINANCIAL INSTRUMENTS (CONTINUED)

(a) Categories of financial instruments (continued)

The following table analyses the financial instruments in the statements of financial position by the classes of financial instruments to which they are assigned at amortised cost: (continued)

	Carrying amounts RM'000	Amortised cost RM'000
At 30 June 2025		
Financial assets		
Trade and other receivables, excluding prepayments	20,203	20,203
Cash and short-term deposits	122,843	122,843
	143,046	143,046
Financial liabilities		
Loans and borrowings	(37,005)	(37,005)
RCPS	(10,976)	(10,976)
Trade and other payables	(238,991)	(238,991)
	(286,972)	(286,972)
At 30 June 2026		
Financial assets		
Trade and other receivables, excluding prepayments	23,510	23,510
Cash and short-term deposits	70,005	70,005
	93,515	93,515
Financial liabilities		
Loans and borrowings	(39,302)	(39,302)
Trade and other payables, excluding SST payable	(249,797)	(249,797)
	(289,099)	(289,099)

(b) Financial risk management

The Group's activities are exposed to a variety of financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk and interest rate risk. The Group's overall financial risk management objective is to optimise value for its shareholders. The Group does not trade in financial instruments.

The Board of Directors reviews and agrees to policies and procedures for the management of these risks, which are executed by the Group's senior management.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

29. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (continued)

(i) Credit risk

Credit risk is the risk of financial loss to the Group that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group is exposed to credit risk from its operating activities (primarily from trade and other receivables). The Group has a credit policy in place and the exposure to credit risk is managed through the application of credit approvals, credit limits and monitoring procedures. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment.

The Group considers a financial asset to be in default when:

- the counterparty is unable to pay its credit obligations to the Group in full, without taking into account any credit enhancements held by the Group; or
- the contractual payment of the financial asset is more than credit term unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

At the end of the reporting period, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Those events evidence that a financial asset is credit-impaired include observable data about the following events:

- significant financial difficulty of the counterparty;
- a breach of contract, including a default event;
- a concession or restructuring of loans granted by the lender of the counterparty relating to the counterparty's financial difficulty; or
- it is probable that the counterparty will enter bankruptcy or other financial reorganisation.

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or source of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedure for recovery of amounts due.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

29. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (continued)

(i) Credit risk (continued)

Trade receivables and contract assets

As at the end of the reporting period, the maximum exposure to credit risk arising from trade receivables and contract assets is represented by the carrying amounts in the statements of financial position.

The carrying amounts of trade receivables and contract assets are not secured by any collateral or supported by any other credit enhancements. In determining the recoverability of these receivables, the Group considers any change in the credit quality of the receivables from the date the credit was initially granted up to the reporting date. The Group has adopted a policy of dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults.

Credit risk concentration profile
The Group determines the concentration of credit risk by monitoring its trade receivables on an ongoing basis. The Group has no significant concentration of credit risk from its receivables.

The Group applies the simplified approach to providing for impairment losses prescribed by MFRS 9 *Financial Instruments*, which permits the use of the lifetime expected credit losses provision for all trade receivables. To measure the impairment losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The impairment losses also incorporate forward-looking information. Forward-looking information considered includes consideration of various external sources of actual and forecast economic information that related to the Group's core operations.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

29. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (continued)

(i) Credit risk (continued)

Trade receivables and contract assets (continued)

The information about the credit risk exposure on the Group's trade receivables and contract assets are as follows:

		Trade receivables						
	Contract assets RM'000	Current RM'000	1 to 30 days past due RM'000	31 to 60 days past due RM'000	61 to 90 days past due RM'000	91 to 120 days past due RM'000	> 120 days past due RM'000	Total RM'000
At 30 June 2024								
Gross carrying amount at default	513	4,928	-	-	-	-	-	4,928
Impairment losses	-	-	-	-	-	-	-	-
Net balance	513	4,928	-	-	-	-	-	4,928
At 30 June 2025								
Gross carrying amount at default	7,724	1,432	-	-	-	-	-	1,432
Impairment losses	-	-	-	-	-	-	-	-
Net balance	7,724	1,432	-	-	-	-	-	1,432

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

29. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (continued)

(i) Credit risk (continued)

Trade receivables and contract assets (continued)

The information about the credit risk exposure on the Group's trade receivables and contract assets are as follows: (continued)

		Trade receivables						
	Contract assets RM'000	**Current RM'000**	**1 to 30 days past due RM'000**	**31 to 60 days past due RM'000**	**61 to 90 days past due RM'000**	**91 to 120 days past due RM'000**	**> 120 days past due RM'000**	**Total RM'000**
At 30 June 2026								
Gross carrying amount at default	9,740	1,633	814	-	*	-	-	2,447
Impairment losses	-	-	-	-	-	-	-	-
Net balance	9,740	1,633	814	-	*	-	-	2,447

* *Denotes < RM1,000*

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

29. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (continued)

(i) Credit risk (continued)

Other receivables and other financial assets

For other receivables and other financial assets (including cash and cash equivalents), the Group minimises credit risk by dealing exclusively with high credit rating counterparties. At the reporting date, the Group's maximum exposure to credit risk arising from other receivables and other financial assets is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information. Especially the following indicators are incorporated:

- internal credit rating;
- external credit rating (as far as available);
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations;
- actual or expected significant changes in the operating results of the counterparty;
- significant increases in credit risk on other financial instruments of the same counterparty;
- significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements; and
- significant changes in the expected performance and behaviour of the counterparty, including changes in the payment status of counterparties in the group and changes in the operating results of the counterparty.

Macroeconomic information (such as market interest rates or growth rates) is incorporated as part of the internal rating model.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 120 days past due in making a contractual payment.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

29. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (continued)

(i) Credit risk (continued)

Other receivables and other financial assets (continued)

Intercompany loans between entities within the Group are repayable on demand. The Group regularly monitors the financial performance and position of these entities on an individual basis. When these entities' financial performance and position deteriorate significantly, the Group assumes that there is a significant increase in credit risk, and thereby a lifetime expected credit loss assessment is necessary. As the Group is able to determine the timing of repayment of the loans or advances, the Group will consider the loans or advances to be in default when these entities are unable to pay based on the expected manner of recovery and recovery period. The Group determines the probability of default for these loans or advances using internally available information. The Group considers the loans or advances to be credit-impaired when the entities are unlikely to repay their debts.

As at the end of the reporting date, the Group considers the other receivables and other financial assets as low credit risk and any loss allowance would be negligible.

Financial guarantee contracts

The Group is exposed to credit risk in relation to financial guarantees given to banks in respect of loans granted to certain related parties. The Group monitors the results of the related parties and their repayment on an ongoing basis. The maximum exposure to credit risks amounts to Nil (2025: Nil and 2024: RM6,044,435) representing the maximum amount the Group would be required to pay if the guarantee is called on as disclosed in Note 29(b)(ii). As at the reporting date, there was no loss allowance for impairment as determined by the Group for the financial guarantee.

The financial guarantees have not been recognised since the fair value on initial recognition was not material as the financial guarantees were provided as credit enhancement to related parties' secured borrowings.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

29. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (continued)

(ii) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations when they fall due. The Group's exposure to liquidity risk arises primarily from mismatches of the maturities between financial assets and liabilities. The Group's exposure to liquidity risk arises principally from trade and other payables and loans and borrowings.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by facilities. The Group maintains sufficient liquidity and available funds to meet daily cash needs, while maintaining controls and security over cash movements. The Group uses a series of processes to obtain maximum benefits from its flow of funds, such that they are efficiently managed to maximise income from investment and minimise cost on borrowed funds. The Group's finance department also ensures that there are sufficient unutilised stand-by facilities, funding and liquid assets available to meet both short-term and long-term funding requirements.

Maturity analysis
The maturity analysis of the Group's financial liabilities by their relevant maturity at the reporting date based on contractual undiscounted repayment obligations are as follows:

		← Contractual cash flows →			
	Carrying amount RM'000	**On demand or within one year RM'000**	**Between one to five years RM'000**	**More than five years RM'000**	**Total RM'000**
At 30 June 2024					
Trade and other payables	196,703	196,703	-	-	196,703
Term loans	40,012	5,775	14,613	35,286	55,674
Hire purchase payables	399	168	269	-	437
Lease liabilities	121,653	46,122	83,881	1,743	131,746
Financial guarantee	-	6,044	-	-	6,044
	358,767	254,812	98,763	37,029	390,604

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

29. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (continued)

(ii) Liquidity risk (continued)

Maturity analysis (continued)
The maturity analysis of the Group's financial liabilities by their relevant maturity at the reporting date based on contractual undiscounted repayment obligations are as follows: (continued)

		← Contractual cash flows →			
	Carrying amount RM'000	**On demand or within one year RM'000**	**Between one to five years RM'000**	**More than five years RM'000**	**Total RM'000**
At 30 June 2025					
Trade and other payables	238,991	238,991	-	-	238,991
Term loans	36,724	3,528	14,114	31,795	49,437
Hire purchase payables	281	123	182	-	305
Lease liabilities	144,168	56,575	95,359	4,272	156,206
RCPS	10,976	23,018	-	-	23,018
	431,140	322,235	109,655	36,067	467,957
At 30 June 2026					
Trade and other payables	249,826	249,826	-	-	249,826
Term loans	32,266	3,136	12,542	26,622	42,300
Hire purchase payables	250	104	164	-	268
Lease liabilities	168,179	65,097	113,226	4,261	182,584
Bankers' acceptances	6,786	6,786	-	-	6,786
	457,307	324,949	125,932	30,883	481,764

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

29. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (continued)

(iii) Interest rate risk

Interest rate risk is the risk of fluctuation in fair value or future cash flows of the Group's financial instruments as a result of changes in market interest rates. The Group's exposure to interest rate risk arises primarily from its loans and borrowings with floating interest rates.

The Group's policy is to obtain the most favourable interest rates available.

Sensitivity analysis for interest rate risk
The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant on the Group's total equity and profit for the financial years.

	Carrying amount RM'000	Change in basis point	Effect on profit for the financial year/equity RM'000
30 June 2024			
Term loans	40,012	+ 50	(152)
		- 50	152
30 June 2025			
Term loans	36,724	+ 50	(140)
		- 50	140
30 June 2026			
Term loans	32,266	+ 50	(123)
		- 50	123

(c) Fair value measurement

The carrying amounts of cash and cash equivalents, short-term receivables and payables and short-term borrowings are reasonably approximate to their fair values due to relatively short-term nature of these financial instruments.

The carrying amounts of long-term floating rate term loans are reasonably approximate to their fair values as the loans will be re-priced to market interest rate on or near reporting date.

There have been no transfers between Level 1, Level 2 and Level 3 during the financial year (2025 and 2024: no transfer in either directions).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

29. FINANCIAL INSTRUMENTS (CONTINUED)

(c) Fair value measurement (continued)

The following table provides the fair value measurement hierarchy of the Group's financial instruments:

		Fair value of financial instruments not carried at fair value			
	Carrying amount	← Fair value →			
	RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
30 June 2024					
Financial liabilities					
Term loans	36,508	-	-	29,487	29,487
30 June 2025					
Financial liabilities					
Term loans	34,796	-	-	27,785	27,785
RCPS	10,976	-	-	9,400	9,400
30 June 2026					
Financial liabilities					
Term loans	30,442	-	-	24,580	24,580

Level 3 fair value

Fair value of financial instruments not carried at fair value
The fair value of term loans and RCPS are determined using the discounted cash flows method based on discount rates that reflect the issuer's borrowing rate as at the end of the reporting period.

30. COMMITMENTS

The Group has made commitments for the following capital expenditures:

	← As at 30 June →		
	2024 RM'000	2025 RM'000	2026 RM'000
- Property, plant and equipment			
- Computers	-	-	210
- Right-of-use assets			
- Leasehold land and building	-	169	-

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

31. RELATED PARTIES

(a) Identity of related parties

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operational decisions, or vice versa, or where the Group and the party are subject to common control. Related parties may be individuals or other entity.

Related parties of the Group include:
(i) Subsidiaries;
(ii) Holding company;
(iii) Personnel connected to the director;
(iv) Entity in which directors have substantial financial interests; and
(v) Key management personnel of the Group, comprise persons (including directors) having the authority and responsibility for planning, directing and controlling the activities directly or indirectly.

(b) Significant related party transactions

Significant related party transactions other than disclosed elsewhere in the financial statements are as follows:

	← FYE 30 June →		
	2024 RM'000	**2025 RM'000**	**2026 RM'000**
Sales of goods and rendering of services			
Director	-	-	9
Entities in which director has substantial financial interest	380	169	42
Purchase of goods			
Entities in which director has substantial financial interest	471	194	-
Distribution charges			
Entities in which director has substantial financial interest	13,113	8,904	-

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

31. RELATED PARTIES (CONTINUED)

(b) Significant related party transactions (continued)

Significant related party transactions other than disclosed elsewhere in the financial statements are as follows: (continued)

	FYE 30 June		
	2024	**2025**	**2026**
	RM'000	**RM'000**	**RM'000**
Transaction costs paid for in-store services such as reloads and top-up of mobile phone and bill payment [(1)]			
Entities in which director has substantial financial interest	95,090	-	-
Rental income			
Entities in which director has substantial financial interest	367	217	204
Rental expenses			
Director	-	178	152
Entities in which director has substantial financial interest	729	821	814
Personnel connected to the director	69	69	77
Salary reimbursement income			
Entities in which director has substantial financial interest	1,582	821	10
Interest income			
Entities in which directors have substantial financial interest	403	-	-
Administrative expenses			
Entities in which director has substantial financial interest	6,414	3,981	875

(1) Customer payments for bill payment and top-up services (such as top-up/reloads for mobile service providers and utility bills payment) via payment gateway platform of the entity in which director has substantial financial interest, net of earned commission.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

31. RELATED PARTIES (CONTINUED)

(b) Significant related party transactions (continued)

Significant related party transactions other than disclosed elsewhere in the financial statements are as follows: (continued)

	FYE 30 June		
	2024	**2025**	**2026**
	RM'000	**RM'000**	**RM'000**
Sales of property, plant and equipment			
Entities in which director has substantial financial interest	33	9	48
Purchase of property, plant and equipment			
Entities in which director has substantial financial interest	-	877	427
Deposits received from			
Entities in which director has substantial financial interest	9	*	8
Deposits paid/refund to			
Entities in which director has substantial financial interest	8	7	75
Advances to			
Entities in which director has substantial financial interest	9,332	2,254	77
Repayment from			
Director	2,270	-	9
Entities in which director has substantial financial interest	17,125	103,587	611
Advances from			
Director	3,160	1,581	323
Entities in which director has substantial financial interest	75	41	250

* *Denotes < RM1,000*

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

31. RELATED PARTIES (CONTINUED)

(b) Significant related party transactions (continued)

Significant related party transactions other than disclosed elsewhere in the financial statements are as follows: (continued)

	FYE 30 June		
	2024 RM'000	**2025 RM'000**	**2026 RM'000**
Repayment to			
Director	2,212	2,328	678
Entities in which director has substantial financial interest	115,025	16,396	2,545
Acquisition of subsidiaries from			
Directors	246,619	-	180
Distribution of investment properties			
Director	5,361	-	-
Distribution of other investments			
Directors	16,429	-	-

Significant outstanding balances with related parties at the end of the reporting period are as disclosed in Notes 9 and 19.

(c) Compensation of key management personnel

	FYE 30 June		
	2024 RM'000	**2025 RM'000**	**2026 RM'000**
Directors' remuneration:			
- Directors' fees	-	-	412
- Salaries, bonuses and allowances	350	448	807
- Defined contribution plans	43	49	68
- Other emoluments	2	3	4
	395	500	1,291

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

32. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratio in order to support its business and maximise shareholder value.

The Group manages its capital structure and make adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies and processes during the FYEs 30 June 2024, 30 June 2025 and 30 June 2026.

The Group monitors capital using gearing ratio, which is total interest bearing debts divided by total equity of the Group. The gearing ratio as at 30 June 2024, 30 June 2025 and 30 June 2026 are as follows:

		As at 30 June		
		2024	2025	2026
	Note	RM'000	RM'000	RM'000
Loans and borrowings	**14**	40,411	37,005	39,302
Total debts		40,411	37,005	39,302
Equity attributable to owner of the Company				
Total equity		261,637	236,124	248,533
Gearing ratio (times)		0.154	0.157	0.158

There were no changes in the Group's approach to capital management during the financial years under review.

The Group is not subject to externally imposed capital requirements.

33. SIGNIFICANT EVENTS DURING THE FINANCIAL YEARS

(a) Distribution of investment properties

On 8 February 2024, KKSMST had entered into a memorandum of agreement with Datuk Seri Dr. Chai Kee Kan to distribute its entire nine (9) investment properties for a total consideration of RM5,361,058 via a dividend-in-specie declared by KKSMST in respect of the FYE 30 June 2024. The sales and purchase agreements for the distribution of the nine (9) investment properties were signed on 8 November 2024 and 15 November 2024, respectively.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

33. SIGNIFICANT EVENTS DURING THE FINANCIAL YEARS (CONTINUED)

(b) Distribution of other investments

On 2 February 2024, KKSMST had distributed its entire equity interest (representing 250,000 shares) in SGD to its shareholders for a consideration of RM15,668,324 via a dividend-in-specie declared by KKSMST in respect of the FYE 30 June 2024.

On 2 February 2024, KKSMST had distributed its entire equity interest (representing 100,000 shares) in KKST to its shareholders for a consideration of RM760,879 via a dividend-in-specie declared by KKSMST in respect of the FYE 30 June 2024.

(c) Incorporation of a subsidiary

On 8 January 2024, KK Mart had incorporated a wholly-owned subsidiary, namely KKMH, with an issued share capital of RM100 comprising 100 ordinary shares at RM1 per share.

(d) Acquisition of a subsidiary

On 8 February 2024, KK Mart had acquired the entire equity interest (representing 5,000,000 shares) in KKSMST from its shareholders for a consideration of RM246,618,782 which was satisfied by way of issuance of 246,618,782 new ordinary shares in KK Mart to its shareholders at an issue price of RM1.00 per ordinary share.

(e) Issuance of RCPS

On 6 September 2024, KK Mart issued 10,000,000 RCPS at a price of RM1 per share for total consideration of RM10,000,000.

(f) Subscription of new ordinary shares in KKMH

On 28 May 2025, KK Mart subscribed for an additional issued and paid-up ordinary shares (representing 99,900 shares) in KKMH for a total consideration of RM99,900 which was fully satisfied by cash.

(g) Issuance of ordinary shares by KKSM

On 8 August 2025, KKSM issued 29,900 ordinary shares at RM1 per ordinary share to capitalise amount owing to directors of RM29,900.

(h) Acquisition of subsidiaries

On 2 September 2025, KK Mart had acquired the entire equity interest (comprising 150,000 shares) in KKMM from its shareholders for a consideration of RM103,270 which was fully satisfied by cash.

On 2 September 2025, KK Mart had acquired the entire equity interest (comprising 30,000 shares) in KKSM from its shareholders for a consideration of RM206 which was fully satisfied by cash.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

33. SIGNIFICANT EVENTS DURING THE FINANCIAL YEARS (CONTINUED)

(i) Conversion of RCPS

On 27 March 2026, 10,000,000 RCPS of the Company were converted into 12,844,733 ordinary shares of the Company at the conversion ratio of approximately 1.28 new ordinary shares for one RCPS held.

Following the conversion of RCPS, the total issued shares has increased from 246,618,882 shares to 259,463,615 shares and the ordinary share capital has increased from RM246,618,882 to RM256,618,882.

34. SIGNIFICANT EVENTS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

(a) Acquisition of freehold land

On 20 August 2026, KKSMST entered into a sale and purchase agreement with K8 DC Management Sdn. Bhd. *(formerly known as KK2 DC Management Sdn. Bhd.)* for the acquisition of the freehold land located at H.S.(M) 29390, PT No. 88826, Locality of Sungai Keladi, Pekan Kajang, District of Hulu Langat, State of Selangor for a total consideration of RM43,000,000 ("SPA").

The acquisition was financed through internally generated funds of RM5,000,000 and credit facility of RM38,000,000.

The SPA has been completed on 28 October 2026. KKSMST is currently in the process of submitting the Memorandum of Transfer for registration with the land office to register KKSMST as the registered proprietor.

(b) Bonus issue

On 4 November 2026, the Company had undertaken a bonus issue exercise, which entailed the issuance of 3,030,536,385 new shares ("Bonus Shares") on the basis of approximately 12 Bonus Shares for every one existing share held by the shareholders whose name appear in the register of member as at 4 November 2026. The bonus issue was implemented by way of capitalising the Company's retained earnings at a nominal amount per Bonus Share.

Following the completion of the bonus issue, total number of issued shares increased from 259,463,615 shares to 3,290,000,000 shares. The share capital remained at approximately RM256,618,882 as the aggregate amount capitalised for the bonus issue was negligible.

35. 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.

Information about geographical areas has not been reported separately as the Group only operates in Malaysia.

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 six months after the date of issue of this Prospectus.

(ii) As at the LPD, we have only one 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 Sections 4.2.1, 4.2.6, 6.1.2 and 6.1.3 of this Prospectus and our Public Issue, 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 Financial Years 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 4.2.3 of this Prospectus and the ESOS as disclosed in Section 4.2.6 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) Save for the ESOS as disclosed in Section 4.2.6 of this Prospectus, 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, 4.8.3 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"	Means the Companies Act 2016, as amended, substituted or re-enacted from time to time.
"Auditors"	Means the auditors of the Company.
"Board" or "Board of Directors"	Means the board of directors of the Company for the time being.
"Board Meeting"	Means a meeting of the Directors of the Company.
"Bursa Securities"	Means Bursa Malaysia Securities Berhad.
"Company"	Means KK MART RETAIL BERHAD [Registration No. 202301037992 (1531914-U)], or such other name which may be adopted from time to time.

14. ADDITIONAL INFORMATION *(Cont'd)*

Words	Meaning
"Constitution"	The constitution of the Company as constituted by this document, or as altered from time to time by a special resolution.
"Deposited Security"	Means a security standing to the credit of a Securities Account and includes a security in a Securities Account that is in suspense.
"Depositor"	Means a holder of a Securities Account.
"Depository"	Means Bursa Malaysia Depository Sdn. Bhd.
"Directors"	Means the directors of the Company for the time being (inclusive of alternate or nominee directors).
"General Meeting"	Means a meeting of Members of the Company.
"Listing Requirements"	Means Main Market Listing Requirements of Bursa Securities, including any amendment that may be made from time to time.
"Member"	Means: (a) a person whose name is entered in the Register of Members as the holder for the time being of one or more shares in the Company; and/or (b) a Depositor whose name appears in the Record of Depositors as the holder for the time being of one or more shares in the Company. Shares include ordinary shares, preference shares or other type of shares that may be issued and allotted by the Company from time to time.
"Office"	Means the registered office of the Company.
"Record of Depositors"	Means a record provided by the Depository to the Company under Chapter 24.0 of the Rules.
"Register of Members"	Means the record of members of the Company kept and maintained pursuant to Section 50 of the Act.
"Registrar"	Means the Registrar of Companies designated under Section 20A(1) of the Companies Commission of Malaysia Act 2001.
"Rules"	Means the Rules of the Depository, including any amendment that may be made from time to time.
"Security" or "Securities"	Has the meaning given in Section 2(1) of the Capital Markets and Services Act 2007, including any modification, amendment or re-enactment that may be made from time to time.
"Securities Account"	Means an account established by the Depository for a Depositor for the recording of deposit of Securities or withdrawal of Securities and for dealing in such Securities by the Depositor.

14. ADDITIONAL INFORMATION *(Cont'd)*

Words	Meaning
"Shareholder"	Means a holder of one or more share(s) in the Company.

14.2.1 Remuneration of Directors

Remuneration

Clause 84

"A Managing Director or an Executive Director shall, subject to the terms of any agreement entered into in any particular case, receive such remuneration (whether by way of salary, bonus, commission, or participation in profits, or partly in one way and partly in another and other benefits) as the Board of Directors may determine."

Not entitled to receive remuneration

Clause 89(1)

"An Alternate Director has no entitlement to receive remuneration from the Company and any fee paid by the Company to the Alternate Director shall be deducted from the Appointer's remuneration;"

Non-executive Directors' remuneration

Clause 93(1)

"The Company may from time to time by an ordinary resolution passed at a General Meeting, approve the remuneration of the Directors, who hold non-executive office with the Company, for their services as non-executive Directors."

Fee

Clause 93(2) and 93(3)

"(2) Subject to Clause 84, the fees of the Directors and any allowance and benefits payable to the Directors shall be subject to annual shareholders' approval at a General Meeting."

"(3) If the fee, allowance and benefit of each such non-executive Director is not specifically fixed by the Members, then the quantum of fees, allowance and benefit to be paid to each non-executive Director within the overall limits fixed by the Members, shall be decided by resolution of the Board. In default of any decision being made in this respect by the Board, the fees, allowance and benefit payable to the non-executive Directors shall be divided equally among themselves and such a Director holding office for only part of a year shall be entitled to a proportionate part of a full year's fees, allowance and benefit. The non-executive Directors shall be paid by a fixed sum and not by a commission on or percentage of profits or turnover."

Expenses

Clause 93(4)

"The following expenses shall be determined by the Directors:

(a) Traveling, hotel and other expenses properly incurred by the Directors in attending and returning from meetings of the Directors or any committee of the Directors or General Meetings of the Company or in connection with the business of the Company; and

(b) Other expenses properly incurred by the Directors arising from the requirements imposed by the authorities to enable the Directors to effectively discharge their duties."

Executive Directors' remuneration

Clause 93(5)

"Executive Directors of the Company shall be remunerated in the manner referred to in Clause 84 but such remuneration shall not include a commission on or percentage of turnover."

14.2.2 Voting and borrowing powers of Directors

Borrowing Powers of Directors

Clause 95

"Without limiting the generality of Clause 94(1) and (2), the Directors may, subject to the Act and the Listing Requirements, exercise all the powers of the Company to do all or any of the following for any debt, liability, or obligation of the Company or of any third party:

(1) borrow money, raise funds and/or accept credit facilities;

(2) mortgage or charge its undertaking, property (both present and future), and uncalled capital, or any part of such undertaking, property and uncalled capital;

(3) issue debentures and other Securities whether outright or as security; and/or

(4) (a) lend and advance money or give credit to any person or company;

(b) guarantee and give guarantees or indemnities for the payment of money or the performance of contracts or obligations by any person or company;

(c) secure or undertake in any way the repayment of moneys lent or advanced to or the liabilities incurred by any person or company;

and otherwise to assist any person or company."

Voting Powers of Directors

Clause 87

"An Alternate Director is entitled to receive notice of Board Meetings and, if the Appointer is not present at such a meeting, is entitled to attend and vote in his stead."

Directors' Interest in Contracts

Clause 105(a)

"A Director shall not vote in regard to any contract or proposed contract or arrangement in which he has, directly or indirectly, an interest. A Director shall, notwithstanding his interest, be counted in the quorum for any meeting where a decision is to be taken upon any contract or proposed contract or arrangement in which he is in any way interested."

Voting at Board Meetings

Clause 118

"(1) Subject to this Constitution, questions arising at a Board Meeting shall be decided by a majority of votes of Directors present and voting and any such decision shall for all purposes be deemed a decision of the Directors."

"(2) Each Director is entitled to cast one (1) vote on each matter for determination."

Casting Vote

Clause 119

"In the case of an equality of votes, the chairperson of the Board Meeting is entitled to a second or casting vote, except where two (2) Directors form a quorum and only such a quorum is present at the meeting, or at which only two (2) Directors are competent to vote on the question at issue at which the chairperson of a meeting shall not have a casting vote."

14.2.3 Alteration of capital

Clause 46

"(1) The Company may from time to time by ordinary resolution and subject to other applicable laws or requirements:

(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 share from which the subdivided share is derived; or

(b) subdivide its shares or any of them into shares, whichever 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 share from which the subdivided share is derived.

(2) The Company may from time to time by special resolution and subject to other applicable requirements:

(a) cancel shares which, at the date of the passing of the resolution in that regard, 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 or in such other manner allowed by law; or

(b) reduce its share capital in such manner permitted by law, and (where applicable) subject to the relevant required approvals being obtained.

(3) The Company shall have the power, subject to and in accordance with the provisions of the Act, the Listing Requirements and any rules, regulations and guidelines in respect thereof for the time being in force, to purchase its own shares. Any shares so purchased by the Company shall be purchased in good faith and in the interests of the Company and dealt with in accordance with the provisions of the Act, the Listing Requirements and any rules, regulations and guidelines thereunder or issued by Bursa Securities and any other relevant authorities in respect thereof."

14.2.4 Transfer of Securities

Clause 14

"14. The transfer of any Deposited Security or class of Deposited Security of the Company, shall be by way of book entry by the Depository in accordance with the Rules and, notwithstanding Sections 105, 106 or 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 the Deposited Securities."

14.2.5 Transfer of Shares or Debentures

Clause 17

"(1) Subject to this Constitution and other written laws, any Shareholder or debenture holder may transfer all or any of his shares or debentures by instrument of transfer as prescribed under the Act.

(2) The instrument of transfer lodged with the Company must be executed by or on behalf of the transferor and the transferee.

(3) The transferor shall remain as the holder of such shares or debentures until the transfer is registered and the name of the transferee is entered in the Register of Members or register of debenture holders in respect of the shares or debentures respectively."

Clause 18

"(1) To enable the Company to register the name of the transferee, the following items in relation to the transfer of shares or debentures must be delivered by the transferor or transferee, as the case may be, to the Office of the Company:

(a) the instrument of transfer duly executed and stamped;

(b) the certificate of the shares or debentures which the instrument of transfer relates; and

(c) any other evidence as the Directors may reasonably require showing the right of the transferor to make the transfer.

(2) Upon receipt of the items referred to in Clause 18(1), the Company shall, upon the approval of the Board and unless otherwise resolved, register the name of the transferee in the Register of Members or register of debenture holders (as applicable)."

Clause 19

"(1) The Directors may decline or delay to register the transfer of shares within thirty (30) days from the receipt of the instrument of transfer if:

(a) the shares are not fully paid shares;

(b) the Directors passed a resolution with full justification to refuse or delay the registration of transfer;

(c) the Company has a lien on the shares; and/or

(d) the Shareholder fails to pay the Company an amount due in respect of those shares, whether by way of consideration for the issue of the shares or in respect of the sums payable by the Shareholder in accordance with this Constitution.

(2) Where applicable, the Company shall send a notice of the resolution referred to in Clause 19(1)(b) to the transferor and transferee, within seven (7) days of the resolution being passed by the Directors."

Clause 20

"On giving at least fourteen (14) days' notice to the Registrar to close the Register of Members or register of debenture holders and to the Bursa Securities of such intended closure for such period as prescribed by the Bursa Securities or any relevant governing laws and/or guidelines before the intended date of such closure including such notice, such date, the reason for such closure and the address of the share registry at which documents will be accepted for registration, the Company may close the Register of Members or register for any class of members or register of debenture holders (collectively, the "**Registers**") for the purpose of updating the Registers. The registration of transfer may be suspended at such time and for such period as the Directors may from time to time determine, provided that no part of the relevant Register(s) be closed for more than thirty (30) days in aggregate in any calendar year."

14.2.6 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 8

Variation of Rights

"(1) Subject to Section 91 of the Act, if at any time the share capital is divided into different classes of shares, the rights attached to each class of shares (unless otherwise provided by the terms of issue of the shares of that class) may only, whether or not the Company is being wound up, be varied:

(a) with the consent in writing of the holders holding not less than seventy-five percent (75%) of the total voting rights of the holders of that class of shares; or

(b) by a special resolution passed by a separate meeting of the holders of that class of shares sanctioning the variation.

(3) The rights attached to an existing class of preference shares shall be deemed to be varied by the issue of new preference shares that rank equally with the existing class of preference shares unless such issuance was authorised by:

(a) the terms of the issue of the existing preference shares; or

(b) this Constitution as in force at the time when the existing preference shares were issued."

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 Inc. 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, we do not have any foreign subsidiary or associate and are not subject to governmental laws, decrees, regulations and/or other legislations that may affect the repatriation of capital and the remittance of profits by or to our Group.

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. However, based on the Finance Act 2024 gazetted on 31 December 2024, dividend tax at the rate of 2.0% will be imposed on annual chargeable dividend income exceeding RM100,000.00 received by individual shareholders (resident and non-residents) as well as individuals who hold shares through nominees with certain exemptions, effective from year of assessment 2025.

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 gain tax arising from the disposal of listed shares.

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 business within the period covered by the historical financial information as disclosed in this Prospectus and up to the date of this Prospectus:

14.6.1 SSPA

On 9 November 2023, KK Mart entered into the SSPA with Arus Sejahtera, K8 Resources, DSKK and DSL for the sale and purchase of 12,330,944 Shares representing 5.0% equity interest in our Company by Arus Sejahtera from K8 Resources for a consideration of RM100.0 million and for the subscription of 10,000,000 RCPS at a price of RM1.00 per RCPS by Arus Sejahtera. Both considerations were satisfied by way of cash. The parties later entered into the supplemental agreements dated 5 February 2024, 8 March 2024, 12 April 2024 and 5 July 2024 to, among others, extend the cut-off date for the parties to satisfy all the conditions as set out in the SSPA.

Pursuant to the SSPA, the following restructuring exercises must be completed prior to Arus Sejahtera's investment into KK Mart:

(i) disposal of 100,000 ordinary shares in K8 Superstore by KKSMST to DSKK and DSL;

(ii) disposal of 250,000 ordinary shares in Supergold Development Sdn Bhd by KKSMST to DSKK and DSL;

(iii) transfer of certain Carved-Out Properties to DSKK, DSL or K8 Resources;

(iv) disposal of 4,750,000 ordinary shares in KKSMST by DSKK to KK Mart; and

(v) disposal of 250,000 ordinary shares in KKSMST by DSL to KK Mart.

The SSPA was completed on 6 September 2024.

14.6.2 Deed of Assignment for the assignment of the Trademarks by KK Mega Hugo

On 6 September 2024, Mega Hugo Holdings had assigned, delivered and transferred absolutely to KK Mega Hugo all its rights, title and interest in certain trademarks and all intellectual property rights in all the labels bearing such trademarks for a nominal consideration of RM10.

14.6.3 Memorandum of Agreement dated 8 February 2024

On 8 February 2024, KKSMST and DSKK entered into a memorandum of agreement for the transfer of the Carved-Out Properties by KKSMST to DSKK pursuant to the dividend-in-specie that was declared by KKSMST to its ordinary shareholders whose names appeared on the Register of Members of KKSMST at the close of business on 8 February 2024 in accordance with their ordinary shareholding proportion in KKSMST. The consideration price of each of the Carved-Out Properties to be set out in their respective instrument of transfer and/or the sale of purchase agreement shall be in accordance with the NBV of each respective Carved-Out Property. The details of the Carved-Out Properties which were transferred are as follows:

No.	Carved-Out Properties	Type	Lot and PT No.	Purchase consideration / NBV (RM)
1.	**Address** No. 714, Jalan 3/19, Kawasan Perindustrian Nilai 3, 71800 Nilai, Negeri Sembilan **Description** Single-storey terraced factory	Freehold	Individual Title Geran 136024, Lot 16713, Mukim Setul, Daerah Seremban, Negeri Sembilan measuring approximately 279 sq. m. in area	132,019.34
2.	**Address** No. 715, Jalan 3/19, Kawasan Perindustrian Nilai 3, 71800 Nilai, Negeri Sembilan **Description** Single-storey terraced factory	Freehold	Individual Title Geran 136025, Lot 16714, Mukim Setul, Daerah Seremban, Negeri Sembilan measuring approximately 279 sq. m. in area	127,881.65

14. ADDITIONAL INFORMATION *(Cont'd)*

No.	Carved-Out Properties	Type	Lot and PT No.	Purchase consideration / NBV (RM)
3.	**Address** No. 716, Jalan 3/19, Kawasan Perindustrian Nilai 3, 71800 Nilai, Negeri Sembilan **Description** Single-storey terraced factory	Freehold	Individual Title Geran 136026, Lot 16715, Mukim Setul, Daerah Seremban, Negeri Sembilan measuring approximately 279 sq. m. in area	127,881.65
4.	**Address** No. 717, Jalan 3/19, Kawasan Perindustrian Nilai 3, 71800 Nilai, Negeri Sembilan **Description** Single-storey terraced factory	Freehold	Individual Title Geran 136027, Lot 16716, Mukim Setul, Daerah Seremban, Negeri Sembilan measuring approximately 279 sq. m. in area	128,130.05
5.	**Address** No. 1, Jalan Equine Park 9D, Taman Equine, Bandar Putra Permai, 43300 Seri Kembangan, Selangor **Description** Three-storey shop office	Leasehold	Individual Title H.S.(D) 281027, PT 1709, Mukim Petaling, Daerah Petaling, Negeri Selangor measuring approximately 5,037 sq. ft. in area	1,648,833.26
6.	**Address** No. 22-17-3, Block 22, Desa Petaling, Jalan 1/125A, 57100 Kuala Lumpur **Description** Apartment	Leasehold	Individual Title Pajakan Negeri (WP) No. 20810/M3/18/159, No. Petak 159, Tingkat No. 18, Bangunan No. M3, Lot No. 34343, Mukim Petaling, District and State of Wilayah Persekutuan Kuala Lumpur measuring approximately 68 sq. m. in area	100,500.72
7.	**Address** No. 9, Jalan 3/125D, Desa Petaling, 57100 Kuala Lumpur **Description** Three-storey shoplot	Leasehold	Individual Title Pajakan Negeri 20831, Lot 34322, Mukim Petaling, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan Kuala Lumpur measuring approximately 153 sq. m. in area	1,495,200.00

No.	Carved-Out Properties	Type	Lot and PT No.	Purchase consideration / NBV (RM)
8.	**Address** No. 11, Jalan 3/125D, Desa Petaling, 57100 Kuala Lumpur **Description** Three-storey shoplot	Leasehold	Individual Title Pajakan Negeri 20830, Lot 34321, Mukim Petaling, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan Kuala Lumpur measuring approximately 153 sq. m. in area	1,495,200.00
9.	**Address** No. 2-1, Jalan 3/116B, Kuchai Entrepreneurs' Park, Off Jalan Kuchai Lama, 58200 Kuala Lumpur **Description** Residential unit	Leasehold	Lot No. 1B/112/A, Kuchai Entrepreneurs Park. Pajakan Negeri (WP) 22484/M1/2/21, Lot 32080, No. Bangunan M1, No. Tingkat 2, No. Petak 21, Mukim Petaling, Negeri Wilayah Persekutuan Kuala Lumpur measuring approximately 136 sq. m. in area	105,411.90
Total				**5,361,058.57**

14.6.4 Central DC Land SPA and the letter of undertaking dated 20 August 2026 issued by K8 DC Management to KKSMST

On 20 August 2026, KKSMST entered into the Central DC Land SPA with K8 DC Management to acquire the Central DC Land for a purchase consideration of RM43.0 million. The purchase consideration for the Central DC Land was arrived at on a willing buyer-willing seller basis after taking into consideration the market value of the Central DC Land of RM43.0 million as appraised by Laurelcap using the comparison method.

Pursuant to the Central DC Land SPA, the Central DC Land is sold, among others, free from any encumbrances and subject to K8 DC Management procuring the approval of Majlis Perbandaran Kajang for a change in name of owner and developer in the existing planning permission in respect of the proposed development, activities and construction of the warehouse on the Central DC Land, to the name of KKSMST, on terms and conditions and in form and substance acceptable to KKSMST ("**Amended Planning Permission**"). The completion of the Central DC Land SPA shall be deemed to have occurred upon payment of full purchase consideration, which is to be made within three months from the date of the Central DC Land SPA or such extended date in accordance with the provisions of the Central DC Land SPA ("**Completion Date**").

A sum of RM2.15 million only ("**Holdback Sum**") will be deducted and retained by KKSMST's solicitors from the purchase consideration as stakeholders, pending K8 DC Management procuring from Majlis Perbandaran Kajang the Amended Planning Permission before the expiry of 12 months from the Completion Date or such other date as may be mutually agreed by the parties ("**Holdback Period**").

If K8 DC Management fails to procure the Amended Planning Permission within the Holdback Period, the purchase consideration shall be deemed to be reduced by an amount equal to the Holdback Sum, and KKSMST's solicitors shall release and pay the Holdback Sum to KKSMST, within five business days from the last day of the Holdback Period, whereupon K8 DC Management shall have no further claim against KKSMST and KKSMST's solicitors in respect of the Holdback Sum.

Additionally, K8 DC Management has also provided to KKSMST a letter of undertaking dated 20 August 2026, pursuant to which it has undertaken the following:

(i) settle all outstanding fees, charges, contributions, deposits, payments and penalties relating to the existing planning permission and the procurement of the Amended Planning Permission, prior to the completion;

(ii) settle all costs, compounds, summonses, fines and penalties relating to the Central DC Land due to any acts, omissions, works or development undertaken by K8 DC Management, prior to the completion;

(iii) authorise KKSMST to deduct any such outstanding amounts from the purchase consideration and apply the deducted sums towards settlement of such amounts as mentioned above on behalf of K8 DC Management if they remain unpaid at completion;

(iv) provide evidence of settlement, including official receipts, clearance letters or confirmations from the relevant authorities, prior to the completion; and

(v) indemnify KKSMST against any liabilities, losses, costs, expenses, claims or proceedings arising from any pre-completion matters as mentioned above which are subsequently imposed, demanded or become payable after the completion.

The acquisition of Central DC Land was completed on 28 October 2026.

14.6.5 Retail Underwriting Agreement

Retail Underwriting Agreement dated 6 November 2026 entered into between our Company and the Sole Underwriter to underwrite 105,000,000 Issue Shares under the Retail Offering, subject to the clawback and reallocation provisions as set out in Section 4.2.4 of this Prospectus and upon the terms and subject to the conditions of the Retail Underwriting Agreement. Details of the underwriting commission are set out in Section 4.7.2 of this Prospectus.

14.6.6 Lock-up agreement dated 6 November 2026 in relation to our IPO and Listing

Lock-up agreement dated 6 November 2026 entered into between our Company and the Sole Bookrunners in relation to the lock-up agreement for our IPO and Listing, details of which are set out in Section 4.8.3 of this Prospectus.

14.7 MATERIAL LITIGATION

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 effect on our financial position or profitability in the 12 months immediately preceding the date of this Prospectus.

14.8 CONSENTS

The written consents of the Principal Adviser, Sole Bookrunner, Sole Underwriter and Sole Placement Agent, 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 Baker Tilly Monteiro Heng PLT for the inclusion of its name, the Accountants' Report, 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.

The written consent of Laurelcap for the inclusion of its name, the valuation certificate 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 six 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 audited consolidated financial statements for the FYE 30 June 2024, FYE 30 June 2025 and FYE 30 June 2026;

(iv) audited financial statements of each of our subsidiaries for the Financial Years Under Review or from the date of incorporation if less than three years;

(v) Reporting Accountants' Letter on the Pro Forma Consolidated Statements of Financial Position as included in Section 12.5 of this Prospectus;

(vi) Accountants' Report as included in Section 13 of this Prospectus;

(vii) IMR Report as included in Section 8 of this Prospectus;

(viii) Bylaws as included in Annexure D of this Prospectus;

(ix) valuation certificate dated 8 September 2026 in relation to the Central DC Land as set out in Annexure E of this Prospectus and the corresponding valuation report prepared by the independent property valuer; and

(x) letters of consent referred to in Section 14.8 of this Prospectus.

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.

Maybank IB, being the Principal Adviser, Sole Bookrunner and Sole Placement Agent for the Institutional Offering, and Sole Underwriter for the Retail Offering acknowledges that, based on all available information, and to the best of its knowledge and belief, this Prospectus constitutes a full and true disclosure of all material facts concerning our IPO.

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 THIS 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 this Prospectus.

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

15.1 OPENING AND CLOSING OF APPLICATIONS

OPENING OF THE APPLICATION PERIOD : 10:00 A.M., 26 NOVEMBER 2026

CLOSING OF THE APPLICATION PERIOD : 5:00 P.M., 2 DECEMBER 2026

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 Issue Shares under the Retail Offering

Application must accord with this 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.

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

15.2.2 Application of our IPO Shares under the Institutional Offering

Malaysian institutional and selected investors as well as foreign 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 Offer 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 this 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 **ONE** Application Form for each category from each applicant will be considered and **APPLICATIONS MUST BE FOR AT LEAST 100 ISSUE SHARES OR MULTIPLES OF 100 ISSUE 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. PERSONS SUBMITTING APPLICATION BY WAY OF APPLICATION FORMS MAY NOT SUBMIT APPLICATIONS BY WAY OF ELECTRONIC SHARE APPLICATION OR INTERNET SHARE APPLICATION AND VICE VERSA.

APPLICANTS WHO WISH TO APPLY FOR ISSUE SHARES USING A JOINT BANK ACCOUNT MUST ENSURE THAT THE APPLICATION DETAILS PROVIDED BY THE FINANCIAL INSTITUTION TO THE ISSUING HOUSE EXACTLY MATCH THE INFORMATION REGISTERED UNDER THEIR CDS ACCOUNT. ANY DISCREPANCY BETWEEN THE INFORMATION PROVIDED BY YOUR FINANCIAL INSTITUTION AND THE CDS ACCOUNT RECORDS WILL RESULT IN THE REJECTION OF YOUR IPO APPLICATION. TO AVOID SUCH REJECTIONS, APPLICANTS ARE STRONGLY ADVISED TO CONTACT THEIR FINANCIAL INSTITUTION IN ADVANCE TO VERIFY AND CONFIRM THE MATCHING DETAILS. PLEASE NOTE THAT OUR COMPANY, THE PRINCIPAL ADVISER AND ISSUING HOUSE WILL NOT BE HELD RESPONSIBLE FOR ANY ISSUES OR LOSSES ARISING FROM DISCREPANCIES IN THE SUBMITTED INFORMATION.

15.3.2 Application by the Malaysian Public

You can only apply for our Issue 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) White Application Form;

(b) Electronic Share Application; or

(c) Internet Share Application.

15.3.3 Application by the Eligible Persons

The Eligible Persons (including any entities, wherever established) 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 documents and where relevant, in this Prospectus.

The Eligible Persons may request for a copy of the printed Prospectus from our Company at no cost and are given an option to have the printed Prospectus delivered to them free of charge, or to obtain the printed Prospectus from our Company, Issuing House, Maybank IB, participating organisations of Bursa Securities and members of the Association of Banks in Malaysia or Malaysian Investment Banking Association.

The Eligible Persons are not precluded from making additional application under the Malaysian Public category using either the White Application Form, Electronic Share Application or Internet Share Application.

15.4 PROCEDURES FOR APPLICATION BY WAY OF 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 this 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 RM0.55 for each Issue Share.

Payment must be made out in favour of "**ACM SHARE ISSUE ACCOUNT NO 113**" 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:

AscendServ Capital Markets Services Sdn Bhd
(Registration No: 202401031272 (1577121-P))
Unit 705 Block G
Pusat Dagangan Phileo Damansara 1
No. 9, Jalan 16/11, Off Jalan Damansara
46350 Petaling Jaya, Selangor

(ii) **DELIVER BY HAND AND DEPOSIT** in the drop-in box provided by the Issuing House at AscendServ Capital Markets Services Sdn Bhd's office at Unit 705 Block G, Pusat Dagangan Phileo Damansara 1, No. 9, Jalan 16/11, Off Jalan Damansara, 46350 Petaling Jaya, Selangor,

so as to arrive not later than 5:00 p.m. on 2 December 2026 or such other time and date as our Directors and the Sole Underwriter 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 Forms or Application monies. Please direct all enquiries in respect of the Application Form to the Issuing House.

15.5 APPLICATION BY WAY OF ELECTRONIC SHARE APPLICATION

Only Malaysian individuals may apply for our Issue 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 Alliance Bank Malaysia Berhad, Malayan Banking 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 Institutions for further enquiries.

15.6 APPLICATION BY WAY OF INTERNET SHARE APPLICATION

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

Internet Share Applications may be made through an internet financial services website of the Internet Participating Financial Institutions or Participating Securities Firms, namely Alliance Bank Malaysia Berhad, CGS International Securities Malaysia Sdn Bhd, Hong Leong Investment Bank Berhad, iFast Capital Sdn Bhd, Kenanga Investment Bank Berhad, Malacca Securities Sdn Bhd, Malayan Banking Berhad, Moomoo Securities Malaysia Sdn Bhd, Public Bank Berhad, RHB Bank Berhad and UOB Kay Hian (M) Sdn Bhd. A processing fee will be charged by the respective Internet Participating Financial Institutions or Participating Securities Firms (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 or Participating Securities Firms.

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 Internet Participating Financial Institutions or Participating Securities Firms for further enquiries.

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 this 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 Issue 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 our Issue Shares and the balloting results in connection therewith will be furnished by the Issuing House to Bursa Securities, all major English and Bahasa Malaysia newspapers as well as posted on the Issuing House's website at www.axcelacm.com within one Market Day after the balloting event.

Pursuant to the Listing Requirements, we are required to have a minimum of 25.0% of our enlarged issued Shares to be held by 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 Issue Shares by the Malaysian Public and/or Eligible Persons, subject to the clawback and reallocation provisions as set out in Section 4.2.4 of this Prospectus, any of the abovementioned Issue Shares not applied for will then be subscribed by the Sole Underwriter based on the terms of the Retail Underwriting Agreement.

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

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 purpose 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 pursuant to Bursa Depository's verification. 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 purpose of cash divided/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).

15.9.2 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 or Participating Securities Firms of the unsuccessful or partially successful Applications within two 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 Institutions or Internet Participating Financial Institutions or Participating Securities Firms (or arranged with the Authorised Financial Institutions) within two Market Days after the receipt of confirmation from the Issuing House.

(ii) You may check your account on the fifth 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 Institutions or Internet Participating Financial Institutions or Participating Securities Firms (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 Institutions or Internet Participating Financial Institutions or Participating Securities Firms will be informed of the unsuccessful or partially successful Applications within two Market Days after the final balloting date.

The Participating Financial Institutions or Internet Participating Financial Institutions or Participating Securities Firms will credit the Application monies or any part thereof (without interest) within two Market Days after the receipt of confirmation from the Issuing House.

15.10 SUCCESSFUL APPLICANTS

If you are successful in your Application:

(i) Our Issue 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 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 this 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.

(v) 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 purpose 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 Participating Financial Institutions for applications made via the Electronic Share Application or by crediting into your account with the Internet Participating Financial Institutions or Participating Securities Firms for applications made via the Internet Share Application, within 10 Market Days from the date of the final ballot at your own risk.

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 03-7890 0238
Electronic Share Application	Participating Financial Institutions
Internet Share Application	Internet Participating Financial Institutions or Participating Securities Firms or Authorised Financial Institutions

The results of the IPO share allocation, based on successful balloting, will be published on the Issuing House's website at www.axcelacm.com. Applicants can also check the status of their application on the same website after 5:00 p.m. on the allotment date. Alternatively, you may contact the Authorised Depository Agents listed in the Detailed Procedures for Applications and Acceptance, which is available in the Electronic Prospectus on Bursa Securities' website.

ANNEXURE A: OUR MAJOR LICENCES, PERMITS AND APPROVALS

We have various major licences, permits and approvals for our operations. Details of the major licences, permits and approvals obtained by our Group for our operations and the status of compliance as at the LPD are as follows:

A. OPERATIONAL LICENCES IN RESPECT OF OUR HEADQUARTERS AND DC

No.	Licensee	Approving authority/ Issuer	Description of licence, permit or approval	Licence/ Permit/ Serial/ Reference no.	Validity period	Major conditions imposed	Status of compliance
1.	KKSMST	Dewan Bandaraya Kuala Lumpur	Headquarters Trade, business and industrial licence for management office activities at Menara KK, Tingkat 1-7, Tower 6, Maju Link, Jalan Lingkaran Tengah 2, Bandar Tasik Selatan, 57000 Kuala Lumpur.	DBKL.JPPP/00586/03/2021/KM01	12 May 2026 to 11 May 2027	1) The licence must be renewed every year at least 60 days before the expiry. 2) The licence holder is prohibited from using polystyrene, single-use plastic bags, and related plastic drinking straws. The licence holder must use approved biodegradable products (classified as biodegradable or compostable) that have obtained SIRIM certification under SIRIM ECO-001:2018 or SIRIM ECO-009:2016 from SIRIM Berhad.	Complied
2.	KKSMST	Majlis Perbandaran Kajang	Balakong DC Trade, business and industrial licence for warehouse at No. GM 1087, Lot 3720, Kawasan Industri, Sg. Ramal, Balakong, 43300, Seri Kembangan.	MPKJ/CL/6/195/2018	28 May 2026 to 27 May 2027	Nil	N/A

B. OPERATIONAL LICENCES AND REGISTRATION IN RESPECT OF OUR STORES

1. Business and signboard licences

As at the LPD, we have obtained the required business and signboard licences for all of our stores. All our business and signboard licences are valid and are typically issued for a period of six months or one year and are renewable upon expiry.

2. Five-foot way licences

As at the LPD, we have obtained five-foot way licences for all of our stores which display goods or place items at the five-foot way. All our five-foot way licences are valid and are usually issued for a period of six months or one year and are renewable upon expiry. We do not display any goods or place any items at the five-foot way unless a valid licence has been obtained and we implemented measures to ensure timely renewals of such licences.

C. PRODUCT LICENCES AND CERTIFICATIONS

Our Group only sells products for which the requisite licences and certifications have been obtained. In the event that any such licence or certification has expired or is in the process of being renewed, we will suspend the sale of the relevant products during the interim period until the required licence or certification is renewed. Details of the product licences and certifications obtained by our Group for our operations as at the LPD are as follows:

1. Scheduled controlled goods licence ("CSA Licence")

As at the LPD, we have obtained CSA Licences for 1,032 of our stores which sell controlled goods. All our CSA Licences are valid and are usually issued for a period of three years to five years and are renewable upon expiry.

2. Rice licence

As at the LPD, we have obtained rice licences for 1,071 of our stores which sell rice. All our rice licences are valid and are usually issued for a period of three years and are renewable upon expiry.

3. Tobacco licence

As at the LPD, we have obtained tobacco licences for 1,064 of our stores which sell tobacco products. All our tobacco licences are valid and are usually issued for a period of one year and are renewable upon expiry.

4. Liquor licence

As at the LPD, we have obtained liquor licences for 356 of our stores which sell liquor. All our liquor licences are valid and are usually issued for a period of one year and are renewable upon expiry.

5. Liquefied Petroleum Gas ("LPG") licence

As at the LPD, we have obtained LPG licences for 30 of our stores which sell LPG. All our LPG licences are valid and are usually issued for a period of one year and are renewable upon expiry.

ANNEXURE B: OUR MATERIAL PROPERTIES AND MATERIAL EQUIPMENT

B.1 MATERIAL PROPERTIES OWNED BY OUR GROUP

As at the LPD, details of the material property 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 / Floor area / Land area (approximate) (sq. m.)	Category of land use / Express condition / Restriction in interest	Encumbrances on property	NBV as at 30 June 2026 RM'000
1.	**Registered owner** KKSMST **Title** Pajakan Negeri 52527, Lot 101156, Mukim Petaling, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan Kuala Lumpur(1) **Postal address** T6-1-3, T6-1-4, T6-2-1, T6-2-2, T6-3-1, T6-3-2, T6-4-1, T6-4-2, T6-5-1, T6-5-2, T6-6-1, T6-6-2, T6-7-1 and T6-7-2, Menara 6, Lingkaran Maju, Jalan Lingkaran Tengah 2, Bandar Tasik Selatan, 57000 Wilayah Persekutuan Kuala Lumpur **Tenure** Leasehold for a period of 99 years expiring on 29 June 2087	**Description of property** 14 shop office units located at Menara 6, Lingkaran Maju, Jalan Lingkaran Tengah 2, Bandar Tasik Selatan, 57000 Wilayah Persekutuan Kuala Lumpur **Existing use** Headquarters	10 August 2016(2)	**Floor area** 4,527.1 **Land area of the land held under the master title** 16,905	**Category of land use** Building (*Bangunan*). **Express condition** This land shall be used for mixed commercial development for the purposes of business premises, shops and offices only. **Restriction in interest** This land cannot be transferred, leased or mortgaged except with the permission of Jawatankuasa Kerja Tanah Wilayah Persekutuan Kuala Lumpur.	All units were charged to Maybank and Maybank Islamic and are still subsisting.	28,978

ANNEXURE B: OUR MATERIAL PROPERTIES AND MATERIAL EQUIPMENT *(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 / Floor area / Land area (approximate) (sq. m.)	Category of land use / Express condition / Restriction in interest	Encumbrances on property	NBV as at 30 June 2026
							RM'000
2.	**Registered owner** K8 DC Management(3) **Title** H.S. (M) 29390, No. PT 88826, Pekan Kajang, Sungai Keladi, Daerah Hulu Langat, Negeri Selangor **Postal Address** PT 88826 (HSM 29390) Jalan Perindustrian Balakong, Kawasan Industri Sg. Ramal/ Balakong, 43300 Seri Kembangan, Mukim Kajang, Daerah Hulu Langat, Selangor Darul Ehsan **Tenure** For perpetuity	**Description of property** A piece of land held under H.S. (M) 29390, No. PT 88826, Pekan Kajang, Sungai Keladi, Daerah Hulu Langat, Negeri Selangor **Existing Use** To be used as the Central DC	-(4)	**Land area of the land held under the land title** 27,290.945(5)	**Category of land use** Industry (*Industri*). **Express condition** Light industry (*Industri Ringan*). **Restriction in interest** N/A	The Central DC Land was charged to Hong Leong Islamic Bank Berhad by K8 DC Management. KKSMST is currently in the process of submitting the documents for registration with the land office to discharge the existing charge and concurrently, registering a new charge over the Central DC Land in favour of Hong Leong Bank Berhad as security for the financing granted to KKSMST. Pending registration of the new charge, Hong Leong Bank Berhad has lodged a private caveat on the land.	-(6)

ANNEXURE B: OUR MATERIAL PROPERTIES AND MATERIAL EQUIPMENT *(Cont'd)*

Notes:

(1) The strata titles for these properties have not been issued and the properties are still held under a master title Pajakan Negeri 52527, Lot 101156, Mukim Petaling, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan Kuala Lumpur as the strata titles cannot be issued due to an abandoned project located at the same development which is held under the same master title.

(2) Pursuant to a partial CCC dated 10 August 2016 issued by the architect pursuant to By-Law 25 of the Undang-undang Kecil Bangunan (Wilayah Persekutuan Kuala Lumpur) 1985, the architect has certified that the buildings are safe and fit for occupation.

(3) The Acquisition of Central DC Land was completed on 28 October 2026. KKSMST is currently in the process of submitting the Memorandum of Transfer for registration with the land office to effect the change of name of the registered proprietor.

(4) Barring unforeseen circumstances, the construction of the warehouse building is expected to commence in the first quarter of 2028 and be completed in time for the commissioning of Central DC in the first quarter of 2029.

(5) Upon receipt of the amended planning permission, which is subject to a condition requiring the surrender of part of the Central DC Land for road reserve purposes, KKSMST will proceed to submit the necessary application to the land office for the subdivision of the Central DC Land to facilitate the surrender of the road reserve land measuring 1,792.34 sq. m..

(6) The purchase consideration for the Acquisition of Central DC Land was RM43.0 million. KKSMST is currently in the process of submitting the Memorandum of Transfer for registration with the land office. Accordingly, the amount of associated transaction costs to be capitalised as part of property, plant and equipment cannot be determined at this juncture.

B.2 MATERIAL PROPERTIES TENANTED BY OUR GROUP

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

No.	Name of landlord / tenant / Lot. No. / Postal address	Description of property / Existing use	Date of issuance of CCC or equivalent	Built-up area / Floor Area / Land area (approximate) (sq. m.)	Period of tenancy or lease	Annual rental RM'000
1.	**Landlord** Yew Lum Properties Sdn Bhd **Tenant** KKSMST **Lot. No. / Postal address** No. GM 1087, Lot 3720, in the Mukim of Kajang, District of Ulu Langat, State of Selangor situated at Lot 3720, Kawasan Perindustrian Sg. Ramal, Balakong, 43300 Seri Kembangan, Selangor	**Description of property** One unit of detached warehouse together with a two storey office erected on the land **Existing use** Used as our DC	26 April 2017	**Floor area** 8,681.4 **Land area** 12,265.92	From 15 September 2025 to 14 September 2028	1,844
2.	**Landlord** Salak Park Sdn Bhd **Tenant** KKSMST **Lot. No./ Postal address** Pajakan Negeri (WP) 20885, Lot 34358, in the Mukim of Petaling, District of Kuala Lumpur, State of Wilayah Persekutuan Kuala Lumpur situated at Jalan 3/125D, Taman Desa Petaling, 57100 Kuala Lumpur	**Description of property** One unit of detached warehouse **Existing use** Used as our Desa Petaling Storage House	5 June 2026	**Floor area** 474.14 **Land area** 5,796	From 1 July 2025 to 30 June 2028	70

ANNEXURE B: OUR MATERIAL PROPERTIES AND MATERIAL EQUIPMENT *(Cont'd)*

No.	Name of landlord / tenant / Lot. No. / Postal address	Description of property / Existing use	Date of issuance of CCC or equivalent	Built-up area / Floor Area / Land area (approximate) (sq. m.)	Period of tenancy or lease	Annual rental RM'000
3.	**Landlord** GC Logistics Sdn Bhd **Tenant** KKSMST **Lot. No./ Postal address** GRN231763, Lot 5646, in the Mukim of Senai, District of Kulai, State of Johor Bahru situated at Lot 5646, Jalan Seelong, Mukim Senai, Daerah Kulai, 81400 Johor Bahru, Johor.	**Description of property** One unit of detached single storey warehouse together with double storey office **Existing use** To be used as our Southern DC	11 October 2021	**Floor area** 5,075 **Land area** 32,577.19	From 1 September 2026 to 31 August 2029	1,204

None of the material properties owned and tenanted as disclosed under Sections B.1 and B.2 above 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.

B.3 MATERIAL EQUIPMENT

As at the LPD, our Group does not own any material plant, machinery or equipment.

ANNEXURE C: 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

As at the LPD, we have registered four trademarks which are used for our operations in Malaysia and as part of our rebranding initiative, we are in the process of registering another three trademarks for our revised or varied logos, which are currently pending approvals from the Intellectual Property Corporation of Malaysia ("**MyIPO**"). We have the following material trademarks in Malaysia:

No.	Trademark	Registered owner / Applicant	Registration no.	Place of registration	Expiry date / Status (if not registered)	Class/ Description of trademark
1.		KK Mega Hugo	2013061269	Malaysia	24 October 2033	Color Condition: The second trademark in the series is limited to the colours as shown in the representation on the form of application. Classes and list of goods and services: Class 16 Advertisement boards of paper or cardboard; absorbent sheets of paper or plastic for foodstuff packaging; account books; adhesive for household purposes (glue); advertising leaflets; advertising materials of paper; advertising posters; announcement cards [stationery]; bags [envelopes, pouches] of paper or plastics, for packaging; garbage bags of paper or of plastics; bibs of paper; booklets; books; ballpoint pens; boxes of cardboard or paper; plastic bubble packs for wrapping or packaging; bulk papers; calendars; cardboard articles; cards, not included in other classes; carrier bags (disposable) of paper card or plastics catalogues; copying paper [stationery]; children's painting sets; clear folders; colour pencils; colour pens; correcting fluids (office requisites); dairies; double-sided adhesive tapes for stationery use; document files [stationery]; envelopes [stationery]; files [office requisites]; flags of paper; face tissues of paper; folders [stationery]; forms, printed; graphic prints; graphic representations; graphic reproductions; greeting cards; hand labelling appliances; handbooks [manuals]; handkerchiefs of paper; hygienic paper; highlighters (writing instruments) index cards [stationery]; kitchen rolls (paper); labels, not of textile; letters [type]; magazines [periodicals]; manuals

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

No.	Trademark	Registered owner / Applicant	Registration no.	Place of registration	Expiry date / Status (if not registered)	Class/ Description of trademark
						[handbooks]; marker pens; newsletters; nibs; notebooks; office apparatus; office requisites, except furniture; office stationery; packing paper; pamphlets; paper, not included in other classes; paper sheets [stationery]; paper serviettes; pencils; pens [office requisites]; periodicals; photographs; pictures; plastic bin liners; pocket books (stationery); pouches (stationery); postcards; posters; printed papers; printed matter; printed publications; printed timetables; prospectuses; refill leads for mechanical pencils; ribbons of paper; rubber bands (stationery); sacks (bags) of plastic, for packaging; scrapbooks; seals [stamps]; sealing tape for household use; signboards of paper or cardboard; staplers (office machines); stationery; stationery holders for desks; stickers [stationery]; tab dividers (stationery); table linen of paper; table napkins of paper; tablecloths of paper; tablemats of paper; tear-off calendars; tissue papers; tickets; toilet rolls; towels of paper; wall charts; whiteboard erasers; whiteboards; wrappers (stationery); wrapping paper; writing articles; year planners (printed matter); all included in Class 16. Disclaimer/Condition: Registration of this trademark shall give no right to the exclusive use of the letters 'KK'. Mark description: -
2.		KK Mega Hugo	2013061270	Malaysia	24 October 2033	Color Condition: The second trademark in the series is limited to the colours as shown in the representation on the form of application. Classes and list of goods and services: Class 16 Advertisement boards of paper or cardboard; absorbent sheets of paper or plastic for foodstuff packaging; account books; adhesive for household purposes (glue); advertising leaflets; advertising materials of paper; advertising posters; announcement cards [stationery]; bags [envelopes, pouches] of paper or plastics, for packaging; garbage bags of paper or of plastics; bibs of

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

No.	Trademark	Registered owner / Applicant	Registration no.	Place of registration	Expiry date / Status (if not registered)	Class/ Description of trademark
						paper; booklets; books; ballpoint pens; boxes of cardboard or paper; plastic bubble packs for wrapping or packaging; bulk papers; calendars; cardboard articles; cards, not included in other classes; carrier bags (disposable) of paper card or plastics catalogues; copying paper [stationery]; children's painting sets; clear folders; colour pencils; colour pens; correcting fluids (office requisites); dairies; double-sided adhesive tapes for stationery use; document files [stationery]; envelopes [stationery]; files [office requisites]; flags of paper; face tissues of paper; folders [stationery]; forms, printed; graphic prints; graphic representations; graphic reproductions; greeting cards; hand labelling appliances; handbooks [manuals]; handkerchiefs of paper; hygienic paper; highlighters (writing instruments); index cards [stationery]; kitchen rolls (paper); labels, not of textile; letters [type]; magazines [periodicals]; manuals [handbooks]; marker pens; newsletters; nibs; notebooks; office apparatus; office requisites, except furniture; office stationery; packing paper; pamphlets; paper, not included in other classes; paper sheets [stationery]; paper serviettes; pencils; pens [office requisites]; periodicals; photographs; pictures; plastic bin liners; pocket books (stationery); pouches (stationery); postcards; posters; printed papers; printed matter; printed publications; printed timetables; prospectuses; refill leads for mechanical pencils; ribbons of paper; rubber bands (stationery); sacks (bags) of plastic, for packaging; scrapbooks; seals [stamps]; sealing tape for household use; signboards of paper or cardboard; staplers (office machines); stationery; stationery holders for desks; stickers [stationery]; tab dividers (stationery); table linen of paper; table napkins of paper; tablecloths of paper; tablemats of paper; tear-off calendars; tissue papers; tickets; toilet rolls; towels of paper; wall charts; whiteboard erasers; whiteboards; wrappers (stationery); wrapping paper; writing articles; year planners (printed matter); all included in Class 16.

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

No.	Trademark	Registered owner / Applicant	Registration no.	Place of registration	Expiry date / Status (if not registered)	Class/ Description of trademark
						Disclaimer/Condition: Registration of this trademark shall give no right to the exclusive use of the letters 'KK'. Mark description: -
3.		KK Mega Hugo	2013061271	Malaysia	24 October 2033	Color Condition: The second trademark in the series is limited to the colours as shown in the representation on the form of application. Classes and list of goods and services: Class 35 Administration of business affairs; administration of the business affairs of franchises; administration relating to marketing; administration of the business affairs of retail stores; administrative processing of purchase orders; advertising; advertising services provided over the internet arranging subscriptions to telecommunication services for others; advice relating to marketing management, arranging exhibition for business purposes; business information; business inquiries; business consultancy relating to franchising; business management and organisation consultancy; business management assistance; business management consultancy; business management of hotels; business organisation consultancy; business planning; commercial administration of the licensing of the goods and services of others; commercial information and advice for consumers [consumer advice shop]; compilation of business data; consultancy relating to marketing; convenience store retailing; demonstration of goods; demonstration of goods for promotional purposes; direct mail advertising; dissemination of advertising matter; discount services; distribution of advertising material; distribution of goods; distribution of samples; export promotion services; online advertising on a computer network; online promotion on a computer network; organisation of exhibitions for commercial or advertising purposes; organisation of trade fairs for commercial or advertising purposes; outdoor advertising; placing of advertisements; presentation of goods on communication

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

No.	Trademark	Registered owner / Applicant	Registration no.	Place of registration	Expiry date / Status (if not registered)	Class/ Description of trademark
						media, for retail purposes; provision of assistance [business] in the establishment of franchises; provision of assistance [business] in the operation of franchises; provision of business services relating to franchising; provision of business information relating to franchising; public relations; publicity; promotion (advertising) of business; rental of advertising space; rental of advertising space on the internet; retailing of goods (by any means); retail outlet and wholesale; sales promotion for others; supermarket retailing; sponsorship search; surveys for business purposes; television advertising; television commercials; the bringing together, for the benefit of others, of a variety of goods, enabling customers to conveniently view and purchase those goods; updating of advertising material; all included in Class 35. Disclaimer/Condition: Registration of this trademark shall give no right to the exclusive use of the letters 'KK'. Mark description: No color claim
4.		KK Mega Hugo	04016847	Malaysia	30 October 2034	Color condition: - Classes and list of goods and services: Class 35 Retail outlet and wholesale; all included in Class 35. Disclaimer/Condition: Registration of this trademark shall give no right to the exclusive use of the letters 'KK' except as shown in the representation on the form of application. Denomination: KK Mark description: -

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

No.	Trademark	Registered owner / Applicant	Registration no.	Place of registration	Expiry date / Status (if not registered)	Class/ Description of trademark
5.		KK Mega Hugo	TM2025017648	Malaysia	The status is Provisional Refusal (Objection) – Appeal(1)	Color condition: - Classes and list of goods and services: Class 16 Advertisement boards of paper or cardboard; absorbent sheets of paper or plastic for foodstuff packaging; account books; adhesives [glues] for stationery or household purposes; leaflets; advertising signs of paper or cardboard; posters; announcement cards [stationery]; bags [envelopes, pouches] of paper or plastics, for packaging; garbage bags of paper or of plastics; bibs of paper; booklets; books; ballpoint pens; boxes made of cardboard; boxes made of paper; plastic bubble packs for wrapping or packaging; paper*; calendars; cardboard articles; cards*; carrier bags of paper or plastic; copying paper [stationery]; painting sets for children; file folders; colour pencils; coloured pens; correcting fluids (office requisites); diaries [printed matter]; double-sided adhesive tapes for stationery use; document files [stationery]; envelopes [stationery]; files [office requisites]; facial tissues of paper; towels of paper; flags of paper; folders [stationery]; forms, printed; graphic prints; graphic representations; graphic reproductions; greeting cards; hand labelling appliances; handbooks [manuals]; handkerchiefs of paper; hygienic paper; index cards [stationery]; kitchen rolls [paper]; labels, not of textile, for bar codes; letters [type]; magazines [periodicals]; manuals [handbooks]; marker pens; newsletters; nibs; notebooks; stationery and office requisites, except furniture; office requisites, except furniture; office stationery; packing paper; pamphlets; paper sheets [stationery]; paper serviettes; pencils; pens [office requisites]; periodicals; photographic prints; pictures; plastic garbage bags; garbage bags of plastics for household purposes; pocket books (stationery); pouches (stationery); postcards; printing paper; printed matter; printed publications; printed timetables; prospectuses; pencil leads; gift wrapping ribbons of paper; rubber bands [office requisites]; bags of plastics for packaging; scrapbooks; seals [stamps]; sealing tape for

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

No.	Trademark	Registered owner / Applicant	Registration no.	Place of registration	Expiry date / Status (if not registered)	Class/ Description of trademark
						paper cartons; signboards of paper or cardboard; staplers for offices; stationery; holders for desk accessories; stickers [stationery]; index dividers; table linen of paper; table napkins of paper; tablecloths of paper; tablemats of paper; tear-off calendars; tissue paper; tickets; paper toilet rolls; charts; whiteboard erasers; whiteboard markers; wrappers [stationery]; wrapping paper; writing paper and envelopes [stationery]; year planners [printed matter]; packaging containers of paper or cardboard; boxes of paper or cardboard; paper bags; disposable paper napkins. Classes and list of goods and services: Class 35 Administration of business affairs; administration of the business affairs of franchises; administration services relating to commercial transactions; administrative processing of purchase orders; advertising; advertising services provided over the internet; advice relating to marketing management; arranging and conducting commercial exhibitions; business information; business inquiries; business consultancy relating to franchising; business management and organisation consultancy; business management assistance; business management consultancy; business management of hotels; business organisation consultancy; business planning; commercial administration of the licensing of the goods and services of others; commercial information and advice for consumers [consumer advice shop]; compilation and provision of business information; consultancy relating to marketing; retail services provided by convenience stores; demonstration of goods; demonstration of goods for advertising purposes; direct mail advertising; dissemination of advertising matter; retail services provided by discount stores; distribution of advertising material; distribution of goods for advertising purposes; distribution of samples; export promotion services; online advertising on computer networks; online promotion of computer networks and websites; organisation of exhibitions for commercial or advertising

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

No.	Trademark	Registered owner / Applicant	Registration no.	Place of registration	Expiry date / Status (if not registered)	Class/ Description of trademark
						purposes; organisation of trade fairs for commercial or advertising purposes; outdoor advertising; placing of advertisements for others; presentation of goods on communication media, for retail purposes; provision of business assistance in the establishment of franchises; provision of business assistance in the operation of franchises; providing assistance in the management of franchised businesses; provision of business information relating to franchising; public relations; publicity; promotion [advertising] of business; rental of advertising space; rental of advertising space on the internet; business management of wholesale and retail outlets; sales promotion for others; retail services provided by supermarkets; sponsorship search; surveys for business purposes; production of television commercials; television advertising; 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; updating of advertising material; wholesale services for toiletries; wholesale services for cleaning preparations; retail or wholesale services for paper and stationery; retail services for foodstuffs; retail and wholesale services for ice for refreshment [frozen water]; retail or wholesale services for cosmetics, toiletries, dentifrices, soaps and detergents; retail or wholesale services for bags. Disclaimer/Condition: Registration of this trademark shall give no right to the exclusive use of a letter 'K'. Denomination: KK Mark description: No color claim

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

No.	Trademark	Registered owner / Applicant	Registration no.	Place of registration	Expiry date / Status (if not registered)	Class/ Description of trademark
6.		KK Mega Hugo	TM2025017649	Malaysia	The status is Provisional Refusal (Objection) – Appeal(2)	Color condition: - Classes and list of Goods and Services: Class 16 Advertisement boards of paper or cardboard; absorbent sheets of paper or plastic for foodstuff packaging; account books; adhesives [glues] for stationery or household purposes; leaflets; advertising signs of paper or cardboard; posters; announcement cards [stationery]; bags [envelopes, pouches] of paper or plastics, for packaging; garbage bags of paper or of plastics; bibs of paper; booklets; books; ballpoint pens; boxes made of cardboard; boxes made of paper; plastic bubble packs for wrapping or packaging; paper*; calendars; cardboard articles; cards*; carrier bags of paper or plastic; copying paper [stationery]; painting sets for children; file folders; colour pencils; coloured pens; correcting fluids (office requisites); diaries [printed matter]; double-sided adhesive tapes for stationery use; document files [stationery]; envelopes [stationery]; files [office requisites]; facial tissues of paper; towels of paper; flags of paper; folders [stationery]; forms, printed; graphic prints; graphic representations; graphic reproductions; greeting cards; hand labelling appliances; handbooks [manuals]; handkerchiefs of paper; hygienic paper; index cards [stationery]; kitchen rolls [paper]; labels, not of textile, for bar codes; letters [type]; magazines [periodicals]; manuals [handbooks]; marker pens; newsletters; nibs; note books; stationery and office requisites, except furniture; office requisites, except furniture; office stationery; packing paper; pamphlets; paper sheets [stationery]; paper serviettes; pencils; pens [office requisites]; periodicals; photographic prints; pictures; plastic garbage bags; garbage bags of plastics for household purposes; pocket books (stationery); pouches (stationery); postcards; printing paper; printed matter; printed publications; printed timetables; prospectuses; pencil leads; gift wrapping ribbons of paper; rubber bands [office requisites]; bags of plastics for packaging; scrapbooks; seals [stamps]; sealing tape for

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

No.	Trademark	Registered owner / Applicant	Registration no.	Place of registration	Expiry date / Status (if not registered)	Class/ Description of trademark
						paper cartons; signboards of paper or cardboard; staplers for offices; stationery; holders for desk accessories; stickers [stationery]; index dividers; table linen of paper; table napkins of paper; tablecloths of paper; tablemats of paper; tear-off calendars; tissue paper; tickets; paper toilet rolls; charts; whiteboard erasers; whiteboard markers; wrappers [stationery]; wrapping paper; writing paper and envelopes [stationery]; year planners [printed matter]; packaging containers of paper or cardboard; boxes of paper or cardboard; paper bags; disposable paper napkins. Classes and list of Goods and Services: Class 35 Administration of business affairs; administration of the business affairs of franchises; administration services relating to commercial transactions; administrative processing of purchase orders; advertising; advertising services provided over the internet; advice relating to marketing management; arranging and conducting commercial exhibitions; business information; business inquiries; business consultancy relating to franchising; business management and organisation consultancy; business management assistance; business management consultancy; business management of hotels; business organisation consultancy; business planning; commercial administration of the licensing of the goods and services of others; commercial information and advice for consumers [consumer advice shop]; compilation and provision of business information; consultancy relating to marketing; retail services provided by convenience stores; demonstration of goods; demonstration of goods for advertising purposes; direct mail advertising; dissemination of advertising matter; retail services provided by discount stores; distribution of advertising material; distribution of goods for advertising purposes; distribution of samples; export promotion services; online advertising on computer networks; online promotion of computer networks and websites; organisation of exhibitions for commercial or advertising

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

No.	Trademark	Registered owner / Applicant	Registration no.	Place of registration	Expiry date / Status (if not registered)	Class/ Description of trademark
						purposes; organisation of trade fairs for commercial or advertising purposes; outdoor advertising; placing of advertisements for others; presentation of goods on communication media, for retail purposes; provision of business assistance in the establishment of franchises; provision of business assistance in the operation of franchises; providing assistance in the management of franchised businesses; provision of business information relating to franchising; public relations; publicity; promotion [advertising] of business; rental of advertising space; rental of advertising space on the internet; business management of wholesale and retail outlets; sales promotion for others; retail services provided by supermarkets; sponsorship search; surveys for business purposes; production of television commercials; television advertising; 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; updating of advertising material; wholesale services for toiletries; wholesale services for cleaning preparations; retail or wholesale services for paper and stationery; retail services for foodstuffs; retail and wholesale services for ice for refreshment [frozen water]; retail or wholesale services for cosmetics, toiletries, dentifrices, soaps and detergents; retail or wholesale services for bags. Disclaimer/Condition: registration of this trademark shall give no right to the exclusive use of a letter 'K', The numerals '24' and word 'JAM'. Denomination: KK BUKA 24 JAM Mark description: No color claim

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

No.	Trademark	Registered owner / Applicant	Registration no.	Place of registration	Expiry date / Status (if not registered)	Class/ Description of trademark
7.		KK Mega Hugo	TM2025031959	Malaysia	The status is Provisional Refusal (Objection) - Appeal(3)	Color condition: The first trademark in the series is limited to the colors as shown in the representation on the form of application. The second mark is a black and white version that is not limited by color. Classes and list of Goods and Services: Class 16 Advertisement boards of paper or cardboard; absorbent sheets of paper or plastic for foodstuff packaging; account books; adhesives [glues] for stationery or household purposes; leaflets; advertising signs of paper or cardboard; posters; announcement cards [stationery]; bags [envelopes, pouches] of paper or plastics, for packaging; garbage bags of paper or of plastics; bibs of paper; booklets; books; ballpoint pens; boxes made of cardboard; boxes made of paper; plastic bubble packs for wrapping or packaging; paper; calendars; cardboard articles; cards; carrier bags of paper or plastic; copying paper [stationery]; painting sets for children; file folders; colour pencils; coloured pens; correcting fluids (office requisites); diaries [printed matter]; double-sided adhesive tapes for stationery use; document files [stationery]; envelopes [stationery]; files [office requisites]; facial tissues of paper; towels of paper; flags of paper; folders [stationery]; forms, printed; graphic prints; graphic representations; graphic reproductions; greeting cards; hand labelling appliances; handbooks [manuals]; handkerchiefs of paper; hygienic paper; index cards [stationery]; kitchen rolls [paper]; labels, not of textile, for bar codes; letters [type]; magazines [periodicals]; manuals [handbooks]; marker pens; newsletters; nibs; notebooks; stationery and office requisites, except furniture; office requisites, except furniture; office stationery; packing paper; pamphlets; paper sheets [stationery]; paper serviettes; pencils; pens [office requisites]; periodicals; photographic prints; pictures; plastic garbage bags; garbage bags of plastics for household purposes; pocket books (stationery); pouches (stationery); postcards; printing paper; printed matter; printed publications; printed timetables;

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

No.	Trademark	Registered owner / Applicant	Registration no.	Place of registration	Expiry date / Status (if not registered)	Class/ Description of trademark
						prospectuses; pencil leads; gift wrapping ribbons of paper; rubber bands [office requisites]; bags of plastics for packaging; scrapbooks; seals [stamps]; sealing tape for paper cartons; signboards of paper or cardboard; staplers for offices; stationery; holders for desk accessories; stickers [stationery]; index dividers; table linen of paper; table napkins of paper; tablecloths of paper; tablemats of paper; tear-off calendars; tissue paper; tickets; paper toilet rolls; charts; whiteboard erasers; whiteboard markers; wrappers [stationery]; wrapping paper; writing paper and envelopes [stationery]; year planners [printed matter]; packaging containers of paper or cardboard; boxes of paper or cardboard; paper bags; disposable paper napkins. Classes and list of Goods and Services: Class 35 Administration of business affairs; administration of the business affairs of franchises; administration services relating to commercial transactions; administrative processing of purchase orders; advertising; advertising services provided over the internet; advice relating to marketing management; arranging and conducting of commercial exhibitions; business information; business inquiries; business consultancy relating to franchising; business management and organisation consultancy; business management assistance; business management consultancy; business management of hotels; business organisation consultancy; business planning; commercial administration of the licensing of the goods and services of others; commercial information and advice for consumers [consumer advice shop]; compilation and provision of business information; consultancy relating to marketing; retail services provided by convenience stores; demonstration of goods; demonstration of goods for advertising purposes; direct mail advertising; dissemination of advertising matter; retail services provided by discount stores; distribution of advertising material; distribution of goods for advertising purposes; distribution of samples; export promotion

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

No.	Trademark	Registered owner / Applicant	Registration no.	Place of registration	Expiry date / Status (if not registered)	Class/ Description of trademark
						services; on-line advertising on computer networks; on-line promotion of computer networks and websites; organisation of exhibitions for commercial or advertising purposes; organisation of trade fairs for commercial or advertising purposes; outdoor advertising; placing of advertisements for others; presentation of goods on communication media, for retail purposes; provision of business assistance in the establishment of franchises; provision of business assistance in the operation of franchises; providing assistance in the management of franchised businesses; provision of business information relating to franchising; public relations; publicity; promotion [advertising] of business; rental of advertising space; rental of advertising space on the internet; business management of wholesale and retail outlets; sales promotion for others; retail services provided by supermarkets; sponsorship search; surveys for business purposes; production of television commercials; television advertising; 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; updating of advertising material; wholesale services for toiletries; wholesale services for cleaning preparations; retail or wholesale services for paper and stationery; retail services for foodstuffs; retail and wholesale services for ice for refreshment [frozen water]; retail or wholesale services for cosmetics, toiletries, dentifrices, soaps and detergents; retail or wholesale services for bags. Disclaimer/Condition: Registration of this trademark shall give no right to the exclusive use of a letter 'K', The numerals '24' and the word 'JAM' separately and apart from the mark as a whole. However, the applicant claims rights to the stylised design of the letters 'KK' as an essential and distinguishing feature of the mark. Denomination: KK BUKA 24 JAM Mark description: -

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

Notes:

(1) The application for the registration of this trademark has been submitted on 30 May 2025. On 19 November 2025, the MyIPO issued a provisional refusal (raise requirement) to KK Mega Hugo, requesting KK Mega Hugo to amend its voluntary disclaimer to "Registration of this trademark shall give no right to the exclusive use of the letters 'KK' except as shown in the representation on the form of application". On 16 January 2026, KK Mega Hugo submitted an appeal in response to the provisional refusal, objecting to the proposed amendment to the voluntary disclaimer. As at the LPD, KK Mega Hugo is awaiting the MyIPO's decision on the appeal.

(2) The application for the registration of this trademark has been submitted on 30 May 2025. On 30 December 2025, the MyIPO issued a provisional refusal (raise requirement) to KK Mega Hugo, requesting KK Mega Hugo to amend its voluntary disclaimer to "Registration of this trademark shall give no right to the exclusive use of the letters 'KK' and the words 'Buka 24 Jam'". On 28 February 2026, KK Mega Hugo submitted an appeal in response to the provisional refusal, objecting to the proposed amendment to the voluntary disclaimer. As at the LPD, KK Mega Hugo is awaiting the MyIPO's decision on the appeal.

(3) The application for the registration of these trademarks have been submitted on 16 September 2025. On 30 March 2026, the MyIPO issued a provisional refusal (raised requirement) to KK Mega Hugo, requesting KK Mega Hugo to amend its voluntary disclaimer to "Registration of this trademark shall give no right to the exclusive use of the letters 'KK' and the words 'Buka 24 Jam'". On 29 May 2026, KK Mega Hugo submitted an appeal in response to the provisional refusal, objecting to the proposed amendment to the voluntary disclaimer. As at the LPD, KK Mega Hugo is awaiting the MyIPO's decision on the appeal.

ANNEXURE D: BYLAWS GOVERNING THE ESOS

KK MART RETAIL BERHAD ("Company")

BYLAWS OF THE EMPLOYEES' SHARE OPTION SCHEME ("ESOS")

1. NAME OF SCHEME

This ESOS will be called the "KK Mart Employees' Share Option Scheme".

2. RATIONALE FOR THE SCHEME

The implementation of the ESOS primarily serves to align the interests of the Eligible Persons (as defined herein) to the performance of the KK Mart Group (as defined herein). As such, the ESOS is established to achieve the objectives as set out below:

(a) to provide an incentive to the Eligible Persons to participate more actively in the operations of the KK Mart Group and encourage them to contribute positively to the future growth of the KK Mart Group;

(b) to recognise the contributions and/or services of the Eligible Persons which are valuable and essential to the operations and growth of the KK Mart Group;

(c) to motivate, reward and retain the Eligible Persons who, upon exercising their Options (as defined herein), would have the opportunity to participate in the equity of the Company (as defined herein) and thereby relate with their contribution directly to the performance of the KK Mart Group while at the same time, giving the Eligible Persons a greater sense of ownership; and

(d) to make the employees' remuneration scheme of the KK Mart Group more competitive to attract more skilled and experienced individuals to join the KK Mart Group and contribute to its continued growth and profitability.

3. DEFINITIONS AND INTERPRETATIONS

3.1 In these Bylaws, except where the context otherwise requires, the following words and expressions shall have the following meanings:

Act	:	Companies Act 2016, as amended from time to time and any re-enactment thereof.
Adviser	:	Any person who is eligible to act as a principal adviser that fulfils the requirements set out in the Guidelines on Submission of Corporate and Capital Market Product Proposals, and Chapter 7A of the Licensing Handbook issued by the Securities Commission Malaysia.
Authorised Nominee	:	A person who is authorised to act as a nominee as specified in accordance with the schedule prescribed under Part VII of the Rules of Bursa Depository.

Available Balance	:	Unissued Shares which are available for Offer of Options subject to the Maximum Limit and after deducting all Shares under any Options which have been granted.
Board	:	Board of Directors of the Company from time to time.
Bursa Depository	:	Bursa Malaysia Depository Sdn Bhd (Registration No. 198701006854 (165570-W)).
Bursa Securities	:	Bursa Malaysia Securities Berhad (Registration No. 200301033577 (635998-W)).
Bylaws	:	The rules, terms and conditions governing the ESOS as set out herein, and shall include any amendments, variations or supplements made thereto from time to time.
CDS Account	:	An account established by Bursa Depository for a Depositor for the recording of deposits and withdrawals of securities and for dealing in such securities by the Depositor.
Central Depositories Act	:	Securities Industry (Central Depositories) Act 1991, as amended from time to time and any re-enactment thereof.
Company	:	KK Mart Retail Berhad (Registration No. 202301037992 (1531914-U)).
Constitution	:	The Constitution of the Company, as amended from time to time.
Date of Expiry	:	The last day of the Duration of the ESOS.
Date of Offer	:	The date on which an Offer is made by the ESOS Committee in writing to any Eligible Person to participate in the ESOS.
Depositor	:	A holder of a CDS Account.
Director	:	A natural person who holds a directorship in the Company and shall have the meaning ascribed to it in the Listing Requirements.
Duration of the ESOS	:	Period of five (5) years from the Effective Date, subject to early termination in accordance with Bylaw 5.5.

Effective Date	:	The date the last of the approvals and/or conditions referred to in Bylaw 5.1 have been obtained and/or complied with.
Eligible Person	:	An Executive Director and/or Employee who fulfils the conditions as set out in Bylaw 7, for eligibility to participate in the ESOS.
Employee	:	A natural person who is employed by and is on the payroll of any company within the KK Mart Group.
Entitlement Date	:	The date as at the close of business at 5.00 p.m. on which the names of the shareholders of the Company must appear in the Company's Record of Depositors maintained with Bursa Depository in order to be entitled to participate in any rights, dividends, allotments and/or other forms of distribution.
ESOS or Scheme	:	The employees' share option scheme for the grant of Options to the Eligible Persons to subscribe for new Shares upon the terms and conditions as set out in these Bylaws.
ESOS Committee	:	The committee appointed from time to time by the Board and duly authorised to administer the ESOS, pursuant to Bylaw 18.
Executive Director	:	Any executive director of the Company or any company within the KK Mart Group.
Exercise Period	:	The specific period within an Option Period during which Options may be exercised by any Grantee as determined by the ESOS Committee subject always to Bylaw 5.
Exercise Price	:	The price at which a Grantee shall be entitled to subscribe for each new Share by exercising his Option as set out in Bylaw 10.
Grantee	:	Any Eligible Person who has accepted the Offer by the Company in accordance with Bylaw 9.
KK Mart Group	:	Collectively, the Company and its Subsidiaries.
Listing Requirements	:	Main Market Listing Requirements of Bursa Securities, as amended from time to time.

Market Day	:	Any day between Monday to Friday (both days inclusive) which is not a public holiday, and on which Bursa Securities is open for trading in securities.
Maximum Allowable Allocation	:	The maximum number of new Shares that can be offered and allotted to an Eligible Person to be determined by the ESOS Committee in its sole and absolute discretion, in accordance with Bylaw 8.
Maximum Limit	:	The maximum number of new Shares which may be issued and allotted pursuant to the ESOS, which shall not exceed in aggregate one per centum (1%) of the total number issued Shares (excluding treasury shares, if any) at any one time during the Duration of the ESOS.
Offer	:	An offer made in writing by the ESOS Committee to an Eligible Person in the manner indicated in Bylaw 6.
Offer Period	:	The period during which an Offer shall be valid as specified in Bylaw 9.1.
Option	:	The right of a Grantee to subscribe for new Shares at the Exercise Price pursuant to the contract constituted by the Eligible Person's acceptance of an Offer in the manner indicated in Bylaw 9, and shall where the context so requires, mean any part of such Option as shall remain unexercised.
Option Period	:	A period commencing from the date an Offer is accepted in accordance with Bylaw 9 and expiring on the last day of the Option Period as specified in the letter of Offer or such other date which the ESOS Committee may in its sole and absolute discretion decide, subject always to early termination in accordance with Bylaw 5.5, provided that no Option Period shall extend beyond the period referred to in Bylaw 5.
Person Connected	:	Has the meaning as ascribed to it in Paragraph 1.01 of the Listing Requirements.
RM and sen	:	Ringgit Malaysia and sen respectively, the lawful currency of Malaysia.

Rules of Bursa Depository	:	The Rules of Bursa Depository, as issued pursuant to the Central Depositories Act, as amended from time to time.
Rules on Take-overs, Mergers and Compulsory Acquisitions	:	The Rules on Take-overs, Mergers and Compulsory Acquisitions, as issued pursuant to the Capital Markets and Services Act 2007, as amended from time to time.
Senior Management	:	Any Employee who falls within such grading as determined by the ESOS Committee at its sole and absolute discretion from time to time.
Share	:	Ordinary share in the Company.
Subsidiaries	:	Subsidiaries of the Company falling within the meaning of Section 4 of the Act, including such subsidiaries which are existing as at the Effective Date and those which are incorporated or acquired at any time during the Duration of the ESOS, but shall exclude (i) subsidiaries which are dormant or shall be divested in the manner provided for in Bylaw 26; and (ii) all associate companies.
Vesting Conditions	:	The conditions which are required to be fulfilled by an Eligible Person before any Option is capable of being vested onto such Eligible Person, and to be communicated in an Offer pursuant to Bylaw 6.3(h).

In these Bylaws:

(a) headings are for ease of reference only and do not affect the meaning of these Bylaws;

(b) any reference to any statutory provision or any applicable law shall include (i) any subordinate legislation made from time to time under such statutory provision or such applicable law; (ii) any Listing Requirements, policies and/or guidelines of Bursa Securities (whether or not having the force of law but, if not having the force of law, the compliance with which is in accordance with the reasonable commercial practice of persons to whom such requirements, policies and/or guidelines are addressed to by Bursa Securities); and (iii) any policies and/or guidelines of any other relevant regulatory authority (whether or not having the force of law but, if not having the force of law, the compliance with which is in accordance with the reasonable commercial practice of persons to whom such requirements, policies and/or guidelines are addressed to by such other relevant regulatory authority);

(c) any reference to any statutory provision or any applicable law shall include that statutory provision or applicable law as from time to time modified or re-enacted whether before or after the date of these Bylaws so far as such modification or re-enactment applies or is capable of applying to any Options offered and accepted prior to the expiry of the ESOS and shall include also any past statutory provision or any past applicable law (as from time to time modified or re-enacted) which such statutory provision or such applicable law has directly or indirectly been replaced;

(d) words denoting the singular shall include the plural and references to any gender shall include all genders whether male, female or neuter;

(e) any liberty or power which may be exercised or any determination which may be made under these Bylaws by the ESOS Committee or the Board may be exercised at the ESOS Committee's sole and absolute discretion or the Board's sole and absolute discretion respectively; and

(f) if an event occurs on a stipulated day which is not a Market Day, then the stipulated day will be taken to be the first Market Day after that day provided always that if such date shall fall beyond the Duration of the ESOS, then the stipulated day shall be taken to be the preceding Market Day.

4. MAXIMUM NUMBER OF SHARES AVAILABLE UNDER THE SCHEME

4.1 Each Option shall be exercisable into one (1) new Share, in accordance with the provisions of these Bylaws.

4.2 The maximum number of new Shares which may be made available under the ESOS shall not exceed in aggregate one per centum (1%) of the total number of issued Shares (excluding treasury shares, if any) at any one time during the Duration of the ESOS.

4.3 Notwithstanding Bylaw 4.2 or any other provisions contained in these Bylaws, in the event the maximum number of new Shares comprised in the Options granted under the ESOS exceeds the aggregate of one per centum (1%) of the total number of issued Shares (excluding treasury shares, if any) as a result of the Company purchasing its own Shares pursuant to Section 127 of the Act or the Company undertaking any other corporate proposal and thereby reducing the total number of issued Shares, no further Options shall be offered until the total number of new Shares to be issued under the ESOS falls below one per centum (1%) of the total number of issued Shares (excluding treasury shares, if any). Any Options granted prior to the adjustment of the total number of issued Shares shall remain valid and exercisable in accordance with the provisions of these Bylaws.

5. DURATION AND TERMINATION OF THE SCHEME

5.1 The ESOS shall come into force on the Effective Date, and shall continue to be in force for a period of five (5) years provided that the following approvals and/or conditions have been obtained and/or fulfilled:

(a) submission of the final copy of these Bylaws to Bursa Securities together with a letter of compliance pursuant to Paragraph 2.12 of the Listing Requirements and a checklist showing compliance with Appendix 6E of the Listing Requirements;

(b) approval or approval-in-principle, as the case may be, from Bursa Securities for the listing of and quotation for the new Shares to be issued under the ESOS;

(c) shareholders' approval for the ESOS at a general meeting;

(d) approval of any other relevant authorities for the ESOS, if applicable; and

(e) fulfilment of all conditions attached to the above approvals, if any.

5.2 The Adviser of the Company shall submit a confirmation letter to Bursa Securities of the full compliance of Bylaw 5.1 stating the Effective Date of the ESOS together with a certified true copy of the relevant resolution passed by the shareholders of the Company in the general meeting approving the ESOS. The confirmation letter must be submitted to Bursa Securities no later than five (5) Market Days after the Effective Date of the ESOS.

5.3 An Offer can only be made during the Duration of the ESOS before 5.00 p.m. on the Date of Expiry, which date shall be at the end of the five (5) years from the Effective Date of the ESOS.

5.4 Notwithstanding anything to the contrary, all unexercised Options shall lapse after 5.00 p.m. on the Date of Expiry.

5.5 Subject to compliance with the requirements of Bursa Securities and any other relevant regulatory authorities, the Company may at any time before the Date of Expiry, at its sole and absolute discretion without obtaining the approvals or consents from the Grantees and/or the shareholders, terminate the continuation of the Scheme by way of passing a Board resolution upon the recommendation of the ESOS Committee, and upon such termination:

(a) no further Offer shall be made by the ESOS Committee;

(b) all outstanding Offers made but not yet accepted by the Eligible Persons at the date of the said Board resolution shall automatically lapse or cease to have effect as at the date of the Board resolution and be deemed cancelled and be null and void; and

(c) all outstanding Options which have yet to be exercised by any Grantees and/or not vested (if applicable) shall be automatically lapse or cease to have effect as at the date of the Board resolution and be null and void.

6. OFFER

6.1 The ESOS Committee may, at any time during the Duration of the ESOS, make Offers in writing to any Eligible Person (based on the criteria of allocation as set out in Bylaw 8), selected at the sole and absolute discretion of the ESOS Committee, subject to such Eligible Person's Maximum Allowable Allocation and in accordance with the terms of these Bylaws.

6.2 The actual number of new Shares which may be offered to an Eligible Person shall be at the sole and absolute discretion of the ESOS Committee and, subject to the Maximum Allowable Allocation as set out in Bylaw 8 and any adjustments that may be made under Bylaw 15, shall not be less than one hundred (100) Shares and shall always be in integral multiples of one hundred (100) Shares.

6.3 The ESOS Committee shall state the following particulars in the letter of Offer, whichever is applicable:

(a) the number of Options that are being offered to the Eligible Person;

(b) the number of new Shares which the Eligible Person shall be entitled to subscribe for upon the exercise of the Options being offered;

(c) the Option Period;

(d) the Exercise Period;

(e) the Exercise Price;

(f) the Offer Period;

(g) closing date for acceptance of the Offer;

(h) the vesting period and the Vesting Conditions including but not limited to service and/or performance criteria and number of Options exercisable for each year of continued service (if any); and

(i) any other information deemed necessary by the ESOS Committee.

6.4 No Offer shall be made to the following persons who is an Eligible Person unless the shareholders of the Company have approved such Offer and the related allotment of new Shares in a general meeting:

(a) a director, major shareholder or chief executive of the Company or its holding company ("**interested director**", "**interested major shareholder**" and "**interested chief executive**"); or

(b) a Person Connected with an interested director, interested major shareholder or interested chief executive.

6.5 Without prejudice to Bylaw 18, in the event of an error or omission on the part of the Company or the ESOS Committee in stating any of the particulars referred to in Bylaw 6.3, the Company or the ESOS Committee shall, within one (1) month after discovery of the error or omission, do all such things and acts to rectify such error or omission and if necessary, issue a supplemental letter of Offer, stating the correct particulars referred to in Bylaw 6.3.

6.6 Subject to Bylaws 4 and 8, nothing herein shall prevent the ESOS Committee from making more than one (1) Offer to any Eligible Person provided always that the total aggregate Options offered to each Eligible Person (including Options already offered under previous Offers, if any) shall not exceed the Maximum Allowable Allocation of such Eligible Person at the time the subsequent Offer (if any) is made.

6.7 The ESOS Committee has the sole and absolute discretion not to make further additional Offers regardless of the amount of Available Balance.

6.8 An Offer shall automatically lapse and be rendered null and void in the event of the death of an Eligible Person or in the event of an Eligible Person ceasing to be employed by any company within the KK Mart Group for any reason whatsoever prior to the acceptance of the Offer by such Eligible Person in the manner set out in Bylaw 9.

6.9 An Offer may be made upon such terms and conditions as the ESOS Committee may decide from time to time. Each Offer shall be made in writing and is personal to the Eligible Person and is non-assignable, non-transferable, non-chargeable and non-disposable in any manner whatsoever.

6.10 After each adjustment following an alteration of the Company's share capital as stipulated in Bylaw 15 and the Company informing the Grantee of such adjustment pursuant to Bylaw 15.7, upon the return by such Grantee of the original letter of Offer to the Company, that letter of Offer shall be amended or a new letter of Offer shall be issued within one (1) month from the date of return of the original letter, to reflect the adjustment made to the number of Options granted to the Grantee and/or the Exercise Price.

6.11 The Company shall keep and maintain at its expense, a register of Grantees and shall enter in that register, the names and addresses of the Grantees, the Maximum Allowable Allocation, the number of Options offered, the number of Options exercised, the Date of Offer, the date of acceptance of the Offer and the Exercise Price and any other information deemed necessary by the ESOS Committee.

6.12 The Company shall, on the Date of Offer, announce the following to Bursa Securities upon any Options offered under the ESOS:

(a) Date of Offer;

(b) Exercise Price;

(c) number of Options offered;

(d) market price of the Shares on the Date of Offer;

(e) number of Options offered to each Executive Director, if any; and

(f) vesting period of the Options offered.

7. ELIGIBILITY

7.1 An Employee who as at the Date of Offer, fulfils the following conditions shall be eligible to participate in the ESOS:

(a) has attained eighteen (18) years of age;

(b) is not an undischarged bankrupt nor subject to any bankruptcy proceedings;

(c) must have been confirmed in employment on a full-time basis and has served at least one (1) year of employment in a company within the KK Mart Group;

(d) where the Employee has attained the mandatory retirement age of sixty (60) years old, such Employee shall have served for a continuous period of at least one (1) year in a company within the KK Mart Group prior to attaining the said mandatory retirement age, and shall subsequently have been offered continued employment with a company within the KK Mart Group for a minimum period of one (1) year and at the time of consideration for the Offer, he continues to be employed;

(e) in the event an employee is employed by a corporation which is acquired by any company within the KK Mart Group during the Duration of the ESOS and such corporation becomes a Subsidiary of any company within the KK Mart Group upon completion of such acquisition, the employee must have completed a continuous period of employment of at least one (1) year in any company within the KK Mart Group from the date of confirmation of employment (which for the avoidance of doubt, shall exclude any probation period) following the date that such corporation becomes or is deemed to be a Subsidiary; and

(f) has fulfilled any other criteria as may be imposed by the ESOS Committee from time to time,

provided always that the selection of any Eligible Person for participation in the ESOS shall be at the sole and absolute discretion of the ESOS Committee and the decision of the ESOS Committee shall be final and binding. Notwithstanding the above, the ESOS Committee may, at its sole and absolute discretion, waive any of the eligibility conditions set out in this Bylaw 7.1.

7.2 An Executive Director who as at the Date of Offer, fulfils the following conditions shall be eligible to participate in the ESOS:

(a) has attained eighteen (18) years of age;

(b) is not an undischarged bankrupt nor subject to any bankruptcy proceedings;

(c) is a director involved in the daily management and operations of the Company or any company within the KK Mart Group;

(d) must have been confirmed in employment or service and has served at least one (1) year of employment or service in a company within the KK Mart Group;

(e) where the Executive Director is under a fixed-term employment or service contract, the contract is for a duration of at least two (2) years and shall not be expiring within six (6) months from the Date of Offer;

(f) in the event an Executive Director is employed or engaged by a corporation which is acquired by any company within the KK Mart Group during the Duration of the ESOS and such corporation becomes a Subsidiary of any company within the KK Mart Group upon completion of such acquisition, the Executive Director must have completed a continuous period of employment or service of at least one (1) year in any company within the KK Mart Group from the date of confirmation of employment or service (which for the avoidance of doubt, shall exclude any probation period (if any)) following the date that such corporation becomes or is deemed to be a Subsidiary;

(g) is not an independent Director as prescribed under the Listing Requirements; and

(h) has fulfilled any other criteria as may be imposed by the ESOS Committee from time to time,

provided always that the selection of any Executive Director for participation in the ESOS shall be at the sole and absolute discretion of the ESOS Committee and the decision of the ESOS Committee shall be final and binding. Notwithstanding the above, the ESOS Committee may, at its sole and absolute discretion, waive any of the eligibility conditions set out in this Bylaw 7.2.

7.3 The eligibility, however, does not confer on an Eligible Person, a claim or right to participate or a right to claim or any rights whatsoever under the ESOS unless the ESOS Committee has made an Offer to the Eligible Person, the Eligible Person has accepted the Offer, and the Eligible Person has fulfilled the Vesting Conditions, in accordance with the terms of the Offer and these Bylaws.

7.4 Subject to Bylaw 4.2, in the event that the ESOS Committee has determined that certain Eligible Persons are entitled to be offered additional Options and the Available Balance is insufficient to grant their full additional entitlements, the Available Balance may be distributed on such basis as the ESOS Committee may determine in its sole and absolute discretion.

8. BASIS OF ALLOCATION AND MAXIMUM ALLOWABLE ALLOCATION

8.1 Subject to any adjustments as may be made under these Bylaws, the aggregate number of new Shares that may be offered and allotted under the ESOS to any Eligible Person shall be determined by the ESOS Committee at its sole and absolute discretion, after taking into consideration, among others and where relevant, the Eligible Person's position, ranking, performance, contribution, seniority, length of service and the fulfilment of the eligibility criteria as referred to in Bylaw 7 and/or such other matters which the ESOS Committee may in its sole and absolute discretion deem fit, subject to, among others, the following:

(a) the aggregate number of new Shares to be issued pursuant to the exercise of any Options granted under the ESOS shall not exceed the Maximum Limit and the ESOS Committee shall not be obliged in any way to offer an Eligible Person any Options for all the specified maximum number of Shares the Eligible Person is entitled to under the ESOS;

(b) any Offer, allocation of Options under the ESOS and the related allotment of Shares to (1) any interested director, interested major shareholder, interested chief executive, who is an Eligible Person; or (2) any interested person connected with them, who is an Eligible Person, shall require prior approval of the shareholders of the Company in a general meeting. The interested director, interested major shareholder, interested chief executive and interested person connected with them, shall not vote on the resolution approving the said Offer, allocation and allotment. The interested director, interested major shareholder or interested chief executive must ensure that persons connected with him abstain from voting on the resolution approving the said Offer, allocation and allotment;

(c) the Executive Directors and Senior Management shall not be allowed to participate in the deliberation or discussion of their respective allocation of any Options and/or allocations of any Options to Person Connected with them under the ESOS;

(d) not more than ten per centum (10%) of the Shares available under the ESOS shall be allocated to any Eligible Person, who, either singly or collectively through Person Connected with such Eligible Person, holds twenty per centum (20%) or more of the total number of issued Shares (excluding treasury shares, if any);

(e) not more than fifty per centum (50%) of the total Shares to be made available under the ESOS shall be allocated, in aggregate, to the Executive Directors and Senior Management; and

(f) any performance target to be achieved before any Options can be granted and/or exercised by an Eligible Person shall be determined by the ESOS Committee at its sole and absolute discretion.

For the avoidance of doubt, the ESOS Committee shall have the sole and absolute discretion in determining whether the granting of any Options to any Eligible Persons will be based on staggered granting over the Duration of the ESOS or in one (1) single grant. The ESOS Committee shall also have the sole and absolute discretion in determining whether any Options granted are subject to any vesting period and any Vesting Conditions and whether such Vesting Conditions are subject to any performance targets.

8.2 The allocation of any Options pursuant to the ESOS shall be verified by the Audit Committee of the Company, as being in compliance with the criteria set out in these Bylaws (where relevant) at the end of each financial year of the Company.

8.3 A Grantee who is promoted within the Duration of the ESOS may be eligible for consideration for new additional Shares under the ESOS at the sole and absolute discretion of the ESOS Committee up to the Maximum Allowable Allocation to be determined by the ESOS Committee for the category to which he has been promoted. A Grantee who is demoted to a lower employment category for whatever reason shall only be entitled to the allocation of that lower category unless an Offer has been made and accepted by him in accordance with Bylaw 9 before such demotion.

8.4 An Employee or an Executive Director who during the Duration of the ESOS becomes an Eligible Person may be eligible to participate in the ESOS, the number of new Shares of which is to be decided by the ESOS Committee at its sole and absolute discretion subject to any Maximum Allowable Allocation for the category to be determined by the ESOS Committee. Any Eligible Person holding more than one (1) position within the KK Mart Group and thereby falling within more than one (1) category of Employee or Executive Director in the KK Mart Group shall only be entitled to the Maximum Allowable Allocation of the higher category. For the avoidance of doubt, if a person holds more than one (1) position within the KK Mart Group, for example he is both an Employee and an Executive Director, he shall only be entitled to the Maximum Allowable Allocation that is applicable to the higher category and not the aggregate of both categories. If he resigns from or ceases to hold any one of the positions, he shall thereafter only be entitled to the Maximum Allowable Allocation for the remaining position.

9. ACCEPTANCE OF THE OFFER

9.1 An Offer shall be valid for a period of thirty (30) calendar days from the Date of Offer or such longer period as the ESOS Committee at its sole and absolute discretion, determines on a case-to-case basis. Acceptance of the Offer by an Eligible Person shall be made by way of a written notice from the Eligible Person to the ESOS Committee in the form prescribed by the ESOS Committee and accompanied by the payment of Ringgit Malaysia One (RM1.00) only as non-refundable consideration for the acceptance of each Offer (regardless of the number of Shares comprised therein).

9.2 In the event that the Eligible Person fails to accept the Offer or pay the acceptance consideration as set out in Bylaw 9.1 within the Offer Period and in the manner aforesaid, the Offer shall be deemed to have lapsed and shall be null and void and of no effect. The Options comprised in such Offer may, at the sole and absolute discretion of the ESOS Committee, be re-offered to other Eligible Persons.

9.3 Within thirty (30) calendar days after the due acceptance of an Offer in accordance with these Bylaws or such longer period as may be determined by the ESOS Committee, the ESOS Committee shall issue to the Grantee a certificate of Option in such form as may be determined by the ESOS Committee.

10. EXERCISE PRICE

10.1 Subject to any adjustments made under these Bylaws and pursuant to the Listing Requirements, the Exercise Price of any Offer which is made subsequent to the listing of the Company shall be as determined by the ESOS Committee and shall be based on the five (5)-day volume weighted average market price of the Shares immediately preceding the Date of Offer, with a discount, if any, provided always that such discount is not more than ten per centum (10%), if deemed appropriate, or such other percentage of discount as may be permitted by any prevailing guidelines issued by Bursa Securities or any other relevant authorities as amended from time to time during the Option Period.

10.2 The Exercise Price as determined in this Bylaw 10 shall be conclusive and binding on the Grantee and shall be subject to any adjustments in accordance with Bylaw 15.

11. EXERCISE OF OPTIONS

11.1 Subject to the terms and conditions of an Offer as mentioned in Bylaw 6.9 and these Bylaws, the Options under an Offer may be exercised by the Grantee by written notice in the prescribed form, from the Grantee or its authorised agent (subject that such authorised agent must be recognised by the Company), to the Company during the Exercise Period in respect of all or any part of the Shares comprised in such Options under such Offer. Any partial exercise of an Option shall not preclude the Grantee from exercising such Option in respect of the balance of the Shares comprised in such Option.

11.2 An Option shall be vested to the Grantee and may be subject to the fulfilment of Vesting Conditions as may be determined by the ESOS Committee in accordance with the terms of the ESOS from time to time.

11.3 The ESOS Committee may with its power under Bylaw 18, at any time and from time to time, before an Option is granted, limit the exercise of such Option to a maximum number of new Shares and/or such percentage of the total of new Shares comprised in such Option during such periods within the Option Period and impose any other terms and/or conditions deemed appropriate by the ESOS Committee in its sole and absolute discretion.

11.4 Except where it is decided otherwise and announced by the ESOS Committee, an Option is exercisable by the Grantee only on a Market Day during the Option Period and while the Grantee remains an Eligible Person.

11.5 Options which are exercisable in a particular year but are not exercised may be carried forward to subsequent years subject to the Option Period and any other impositions which are or may be determined by the ESOS Committee at its sole and absolute discretion. Any Option which remains unexercised at the expiry of the Option Period shall be automatically terminated and lapse without any claim against the Company, the Board and the ESOS Committee.

11.6 Every such written notice referred to in Bylaw 11.1 must be accompanied by a remittance (calculated in accordance with Bylaw 10) for the full amount of the subscription monies for the Shares in respect of which notice is given. Within eight (8) Market Days from the receipt by the Company of the aforesaid notice, together with the remittance from the Grantee or such other period as may be permitted by Bursa Securities, the Company shall:

(a) allot and/or issue such Shares to the Grantee accordingly, subject to and in accordance with the provisions of the Constitution and the Rules of Bursa Depository;

(b) despatch a notice of allotment in accordance with Bylaw 11.7; and

(c) apply to Bursa Securities for the listing and quotation of such Shares in accordance with Bylaw 16.

11.7 A Grantee who exercises an Option shall provide the ESOS Committee with his CDS Account number or the CDS Account number of his Authorised Nominee (as the case may be) in the notice referred to in Bylaw 11.1. The new Shares to be issued pursuant to the exercise of an Option will be credited into the CDS Account of the Grantee or his Authorised Nominee (as the case may be) and a notice of allotment stating the number of Shares credited into such CDS Account will be issued and despatched to the Grantee or the Grantee's Authorised Nominee with a copy to the Grantee (as the case may be). No physical share certificate will be issued and delivered to the Grantee. For Grantees who do not have CDS Account, such Grantees are required to open a CDS Account at their own costs and expenses before they can exercise their Options.

11.8 In the event that a Grantee is subject to disciplinary proceedings (whether or not such disciplinary proceedings will give rise to a dismissal or termination of service or are found to have had no basis or justification), the ESOS Committee shall have the right to suspend such Grantee's Options pending the outcome of such disciplinary proceedings. In addition to this right of suspension, the ESOS Committee may impose such terms and conditions as the ESOS Committee shall deem appropriate at its sole and absolute discretion having regard to the nature of the charges made or brought against such Grantee provided always that:

(a) in the event that such Grantee shall subsequently be found not guilty of the charges which gave rise to such disciplinary proceedings, the ESOS Committee shall reinstate the rights of such Grantee to exercise his Options;

(b) in the event that the disciplinary proceedings result in a recommendation for the dismissal or termination of service of such Grantee, all unexercised and partially exercised Options of such Grantee shall immediately lapse and be null and void and of no further force and effect, without notice to such Grantee, upon pronouncement of the dismissal or termination of service of such Grantee notwithstanding that such recommendation, dismissal and/or termination of service may be subsequently challenged or disputed by such Grantee in any other forum;

(c) in the event that such Grantee is found guilty, but no dismissal or termination of service is recommended, the ESOS Committee shall have the right to determine at its sole and absolute discretion whether or not such Grantee may continue to exercise his Options or any part thereof and if so, to impose such terms and conditions as it deems appropriate, on such exercise rights; and

(d) in the event that no decision is made in respect of the disciplinary proceedings, and/or disciplinary proceedings are not concluded prior to the expiry of the Exercise Period, the Options of such Grantee shall immediately lapse on the expiry of the Exercise Period without notice,

and nothing herein shall impose any obligation of the ESOS Committee to enquire into or investigate the substantiveness and/or validity of such disciplinary proceeding and the ESOS Committee shall not under any circumstances be held liable for any costs, losses, expenses, damages or liabilities, gains or profits foregone, arising from the ESOS Committee's exercise of or failure to exercise any of its rights under these Bylaws.

11.9 All Options to the extent unexercised on the expiry of the Exercise Period applicable thereto shall lapse.

11.10 The ESOS Committee shall have the sole and absolute discretion to reject any notice of exercise if the Grantee fails to comply with any procedures specified by the ESOS Committee or if the Grantee fails to provide any information as required by the Company and/or the ESOS Committee in the notice of exercise. The ESOS Committee shall inform a Grantee of the rejection of the notice of exercise within ten (10) Market Days from the date of rejection and such Grantee shall not have deemed to have exercised his Options.

11.11 The Company, the Board and the ESOS Committee shall not under any circumstances be held liable to any person for any costs, losses, expenses, damages or liabilities whatsoever and howsoever arising in the event of any delay on the part of the Company in allotting and issuing the Shares or in procuring the relevant authorities to list and quote the Shares subscribed for by a Grantee or any delay in receipt or non-receipt by the Company of the notice to exercise the Options or for any errors in any Offers.

11.12 Every Option shall be subject to the condition that no new Shares shall be issued pursuant to the exercise of an Option if such issue would be contrary to any law, enactment, rule and/or regulation of any legislative or non-legislative body which may be in force during the Option Period.

12. RIGHTS ATTACHING TO THE NEW SHARES

12.1 The new Shares to be issued and allotted pursuant to the exercise of any Options in accordance with Bylaw 11 shall, upon issuance and allotment, rank pari passu in all respects with the then existing Shares, and be entitled to all rights (including voting, dividend, allotment, distribution, transfer, and other rights, including those arising on a liquidation of the Company), attaching to the then existing Shares, save and except that the new Shares so issued and allotted will not be entitled to any dividends, rights, allotments or other forms of distribution which may be declared, made or paid, for which the Entitlement Date is prior to the date of issuance and allotment of such new Shares.

12.2 Fractional entitlements (if any) will be disregarded and shall be dealt with in such manner as the Board shall in its sole and absolute discretion thinks expedient in the best interest of the Company.

12.3 The new Shares shall be subject to all provisions of the Constitution as may thereafter be amended from time to time and to the provisions of the Listing Requirements, if any.

13. NON-TRANSFERABILITY

13.1 An Option is personal to the Grantee of such Option and subject to these Bylaws (including but not limited to Bylaws 11.8, 14 and 26), it is exercisable only by such Grantee personally during his lifetime while he is in the employment in any company in the KK Mart Group or while he is serving as an Executive Director in any company in the KK Mart Group (as the case may be).

13.2 An Option so granted shall not be transferred, assigned, disposed or subject to any encumbrances by the Grantee of such Option save and except in the event of his death as provided under Bylaw 14.6. Any such transfer, assignment, disposal or encumbrance shall result in the automatic cancellation of the Option.

14. TERMINATION OF THE OPTION

14.1 In the event a Grantee, (1) in respect of an Employee, ceases to be in the employment of any company within the KK Mart Group for whatever reason prior to the full exercise of his Options, or (2) in respect of an Executive Director, ceases to be in the employment or in service in any company within the KK Mart Group for whatever reason prior to the full exercise of his Options (as the case may be), then such Options or the balance thereof, as the case may be, shall immediately cease to be valid without any claim against the Company, the Board and the ESOS Committee provided always that the ESOS Committee may, at its sole and absolute discretion, by notice in writing, permit such Options to remain exercisable during the Exercise Period if such cessation occurs by reason of any of the following:

(a) in the case of an Employee, retirement on or after attaining the mandatory retirement age;

(b) in the case of an Employee, retirement before attaining the mandatory retirement age but with the consent of the relevant employer company within the KK Mart Group;

(c) in the case of an Employee, transfer to any company outside the KK Mart Group at the direction of the Company subject to the approval and/or ratification by the Board of such transfer;

(d) retrenchment;

(e) ill-health, injury, physical or mental disability;

(f) any separation scheme implemented by the Company, provided that the affected Eligible Person shall exercise his Options within three (3) months of the effective date of the separation scheme;

(g) in the case of an Executive Director, such Executive Director not being re-appointed as an Executive Director during a general meeting of the Company or any company within the KK Mart Group (as the case may be), provided that such Executive Director shall exercise his Options given to him by virtue of his directorship, within three (3) months from the date he ceased to be an Executive Director; or

(h) any other circumstances which are acceptable to the ESOS Committee subject to the approval and/or ratification by the Board of such circumstances.

14.2 Upon the termination of any Options pursuant to Bylaw 14.1, the Grantee shall have no right to compensation or damages or any claim against the Company, the Board and/or the ESOS Committee for any loss of any right or benefit under the ESOS which he might otherwise have enjoyed, whether for wrongful dismissal or breach of contract or loss of office or employment or otherwise howsoever arising from his ceasing to hold office or employment or from the suspension of his right to exercise his Options or his Options ceasing to be valid.

14.3 Unless otherwise agreed in writing by the ESOS Committee at its sole and absolute discretion, upon the resignation, cessation or termination of a Grantee from his employment with a company within the KK Mart Group or directorship with the Company or any other company within the KK Mart Group (as the case may be), his Option shall lapse immediately on the date such Grantee tenders his resignation, or ceases to be an Employee or an Executive Director, or is terminated as an Employee or an Executive Director (as the case may be). Any Option which lapses upon the resignation, cessation or termination of a Grantee from his employment with a company within the KK Mart Group or directorship with the Company or any other company within the KK Mart Group (as the case may be), shall become available to be offered to other Eligible Persons, at the sole and absolute discretion of the ESOS Committee.

14.4 An Option shall immediately become void and be of no further force and effect upon the Grantee being adjudicated a bankrupt.

14.5 In the event of the liquidation of the Company, all unexercised Options shall lapse.

14.6 Where a Grantee dies before the expiry of the Exercise Period, the whole or any part of the Options held by such Grantee that are unexercised may be exercised by the legal representatives of such Grantee in accordance with the terms and/or conditions as set out by the ESOS Committee provided always that no Option shall be exercised after the expiry of the Exercise Period.

15. ALTERATION OF SHARE CAPITAL DURING THE OPTION PERIOD

15.1 Subject to Bylaw 15.3, in the event of any alteration in the capital structure of the Company during the Option Period, whether by way of a rights issue, bonus issue or other capitalisation issue, consolidation or subdivision of the Shares, reduction of capital or any other variation of capital, the Company shall cause such adjustments to be made to:

(a) the number of Options granted to a Grantee (excluding Options already exercised);

(b) the Exercise Price; and/or

(c) the number of Options and/or Exercise Price comprised in an Offer which is open for acceptance (but has yet to be accepted in accordance with the terms and conditions of the Offer and the ESOS),

for purposes of ensuring that the capital outlay to be incurred by a Grantee in subscribing for the same proportion of the issued share capital of the Company as that to which he was entitled prior to the event giving rise to such adjustment (but not taking into account Options already exercised), shall remain unaffected.

15.2 The following provisions shall apply in relation to an adjustment which is made pursuant to Bylaw 15.1:

(a) any adjustment to the Exercise Price shall be rounded up to the nearest one (1) sen; and

(b) in determining a Grantee's entitlement to subscribe for new Shares, any fractional entitlements will be disregarded.

15.3 Bylaw 15.1 shall not be applicable where an alteration in the capital structure of the Company arises from any of the following:

(a) an issue of Shares pursuant to the exercise of Options under the ESOS or any further issue of Shares or other securities of the Company or rights to acquire or subscribe for Shares to officers, Executive Directors or Employees of any company within the KK Mart Group pursuant to purchase schemes, option schemes or share grant schemes (as the case may be) approved by the shareholders of the Company in a general meeting;

(b) an issue of new Shares or other securities convertible into Shares or rights to acquire or subscribe for the Shares or other securities convertible into Shares, in any such case in consideration or part consideration for or in connection with the acquisition of any other securities, assets or business;

(c) an issue of new Shares or other securities convertible into new Shares or rights to acquire or subscribe for new Shares or other securities convertible into new Shares pursuant to a special issue of new Shares approved by the relevant governmental authorities;

(d) an issue of new Shares or other securities convertible into new Shares or other securities with rights to acquire or subscribe for new Shares, pursuant to a private placement or restricted issue or special issue;

(e) an issue of new Shares arising from the exercise of any conversion rights attached to securities convertible into new Shares or upon exercise of any other rights including warrants and/or convertible loan stocks (if any) issued by the Company;

(f) a purchase by the Company of its own Shares and cancellation or sale of all or a portion of such Shares purchased, pursuant to Section 127 of the Act;

(g) an issue of further Options to Eligible Persons under these Bylaws; or

(h) an issue of new Shares pursuant to a dividend reinvestment scheme undertaken in accordance with the Listing Requirements.

15.4 In the event that the Company enters into any scheme of arrangement or reconstruction pursuant to Subdivision 2 of Division 7 of Part III of the Act, Bylaw 15.1 shall be applicable in respect of such part of the scheme which involves any alteration in the capital structure of the Company, but Bylaw 15.1 shall not be applicable in respect of such part of the scheme which involves any alteration in the capital structure of the Company to which Bylaw 15.1 is not applicable as described in Bylaw 15.3.

15.5 In the event a court of law in Malaysia sanctions a compromise or arrangement between the Company and its members proposed for the purposes of, or in connection with, a scheme for reconstruction of the Company under Section 366 of the Act or its amalgamation with any other company or companies under Section 366 of the Act, any Options should remain exercisable by the Grantee at any time and from time to time in the period commencing with the date upon which the compromise or arrangement is sanctioned by such court of law and ending with the date upon which it becomes effective or within the Exercise Period, whichever expires first. Upon the compromise or arrangement becoming effective, all Options, to the extent unexercised shall automatically lapse and shall become null and void.

15.6 An adjustment pursuant to Bylaw 15.1 shall be made according to the following terms:

(a) in the case of a rights issue, bonus issue or other capitalisation issue, on the Market Day immediately following the Entitlement Date in respect of such issue; or

(b) in the case of a consolidation or subdivision of the Shares or reduction of capital, on the Market Day immediately following the date such consolidation, subdivision or reduction shall become effective.

15.7 Upon any adjustment being made, the ESOS Committee shall within thirty (30) days from the adjustment date give notice in writing to the Grantee, or his legal or personal representative where the Grantee is deceased, to inform him of the adjustment and the event giving rise thereto. All adjustments other than a bonus issue, subdivision or consolidation of shares must be confirmed in writing by an external auditor of the Company or the Adviser (who shall act as an expert and not as an arbitrator), to be in his opinion fair and reasonable. All adjustments made pursuant to Bylaw 15 shall be final and binding.

15.8 The Company shall ensure that any adjustments made must be in compliance with the provisions for adjustment as provided in Bylaw 15.9.

15.9 In addition to Bylaw 15.1 and not in derogation thereof, the Exercise Price and the number of Options so far unexercised shall from time to time be adjusted, calculated or determined by the ESOS Committee and certified by an external auditor of the Company or such other persons as allowed by Bursa Securities in accordance with the following relevant provisions in consultation with the Adviser and/or the external auditor:

(a) If and whenever a consolidation or subdivision or conversion of the Shares occurs, the Exercise Price and/or the additional number of Options to be issued shall be adjusted, calculated or determined in accordance with the following manner:

$$\text{New Exercise Price} = S \times \left(\frac{A}{B} \right)$$

$$\text{Number of additional Options} = T \times \left(\frac{B}{A} \right) - T$$

Where:

S = existing Exercise Price.

A = the aggregate number of issued Shares immediately before such consolidation, subdivision or conversion.

B = the aggregate number of new Shares after such consolidation, subdivision or conversion.

T = existing number of Options held.

Each such adjustment will be effective from the close of business on the Market Day immediately following the date on which the consolidation or subdivision or conversion becomes effective (being the date when the Shares are traded on Bursa Securities), or such period as may be prescribed by Bursa Securities.

(b) If and whenever the Company shall make any issue of Shares to ordinary shareholders by way of bonus issue or capitalisation of profits or reserves (whether of a capital or income nature), the Exercise Price shall be adjusted in the following manner:

$$\text{New Exercise Price} = S \times \left(\frac{A}{A + B} \right)$$

and the number of additional Options to be issued shall be calculated as follows:

$$\text{Number of additional Options} = T \times \left(\frac{A + B}{A} \right) - T$$

Where:

A = the aggregate number of issued Shares immediately before such bonus issue or capitalisation issue.

B = the aggregate number of new Shares to be issued pursuant to any allotment to ordinary shareholders of the Company by way of bonus issue or capitalisation of profits or reserves of the Company (whether of a capital or income nature).

S = S as in Bylaw 15.9(a).

T = T as in Bylaw 15.9(a).

Each such adjustment will be effective (if appropriate, retroactively) from the commencement of the next Market Day immediately following the Entitlement Date for such issue.

(c) If and whenever the Company shall make:

(i) a Capital Distribution (as defined below) to ordinary shareholders whether on a reduction of capital or otherwise (but excluding any cancellation of capital which is lost or unrepresented by available assets);

(ii) any offer or invitation to its ordinary shareholders whereunder they may acquire or subscribe for new Shares by way of rights; or

(iii) any offer or invitation to its ordinary shareholders by way of rights whereunder they may acquire or subscribe for securities convertible into new Shares or securities with rights to acquire or subscribe for new Shares,

then and in respect of each such case, the Exercise Price shall be adjusted in the following manner:

$$\text{New Exercise Price} = S \times \left(\frac{C - D}{C} \right)$$

and in respect of the case referred to in Bylaw 15.9(c)(ii) and Bylaw 15.9(c)(iii), the number of additional Options to be issued shall be calculated as follows:

$$\text{Number of additional Options} = T \times \left(\frac{C}{C - D^*} \right) - T$$

Where:

S = S as in Bylaw 15.9(a).

T = T as in Bylaw 15.9(a).

C = the prevailing market price of each Share at the close of business on the Market Day immediately preceding the date on which the Capital Distribution or, as the case may be, the offer or invitation is publicly announced to Bursa Securities or (failing any such announcement) immediately preceding the date of the Capital Distribution or, as the case may be, of the offeror invitation.

D = (A) in the case of an offer or invitation to acquire or subscribe for Shares by way of rights under Bylaw 15.9(c)(ii) or for securities convertible into new Shares or securities with rights to acquire or subscribe for new Shares under Bylaw 15.9(c)(iii), the value of rights attributable to one (1) Share (as defined below); or

(B) in the case of any other transaction falling within Bylaw 15.9(c), the fair market value, as determined by an external auditor of the Company, of that portion of the Capital Distribution attributable to one (1) Share.

For the purpose of definition (A) of D above, the "value of the rights attributable to one (1) Share" shall be calculated in accordance with the formula:

$$\frac{C - E}{F + 1}$$

Where:

C = C as in Bylaw 15.9(c).

E = the subscription price for one (1) additional Share under the terms of such offer or invitation or subscription price for one (1) additional Share upon conversion of the convertible securities or exercise of such rights to acquire or subscribe for one (1) Share under the offer or invitation.

F = the number of Shares which it is necessary to hold in order to be offered or invited to acquire or subscribe for one (1) additional Share or security convertible into rights to acquire or subscribe for one (1) additional Share.

D* = the value of rights attributable to one (1) Share (as defined below).

For the purpose of definition D* above, the "value of rights attributable to one (1) Share" shall be calculated in accordance with the formula:

$$\frac{C - E^*}{F^* + 1}$$

Where:

C = C as in Bylaw 15.9(c).

E* = the subscription price for one (1) additional Share under the terms of such offer or invitation to acquire or subscribe for new Shares.

F* = the number of Shares which it is necessary to hold in order to be offered or invited to acquire or subscribe for one (1) additional Share.

For the purpose of Bylaw 15.9(c), "Capital Distribution" shall (without prejudice to the generality of that expression) include distributions in cash or specie or by way of issue of Shares (not falling under Bylaw 15.9(b)) or other securities issued by way of capitalisation of profits or reserves (whether of a capital or income nature).

Any dividend charged or provided for in the accounts of any period shall (whenever paid and howsoever described) be deemed to be a Capital Distribution unless it is paid out of the aggregate of the net profits attributable to the ordinary shareholders of the Company as shown in the audited consolidated profit and loss accounts of the Company.

Such adjustments will be effective (if appropriate, retroactively) from the commencement of the next Market Day immediately following the Entitlement Date for the above transactions.

(d) If and whenever the Company makes an allotment to its ordinary shareholders as provided in Bylaw 15.9(b) and also makes an offer or invitation to its ordinary shareholders as provided in Bylaw 15.9(c)(ii) or (iii) and the Entitlement Date for the purpose of the allotment is also the Entitlement Date for the purpose of the offer or invitation, the Exercise Price shall be adjusted in the following manner:

$$\text{New Exercise Price} = S \times \left(\frac{(G \times C) + (H \times I)}{(G + H + B) \times C} \right)$$

and where the Company makes an allotment to its ordinary shareholders as provided in Bylaw 15.9(b) and also makes an offer or invitation to its ordinary shareholders as provided in Bylaw 15.9(c)(ii) and the Entitlement Date for the purpose of the allotment is also the Entitlement Date for the purpose of the offer or invitation, the number of additional Options to be issued shall be calculated in the following manner:

$$\text{Number of additional Options} = T \times \left(\frac{(G + H^* + B) \times C}{(G \times C) + (H^* \times I^*)} \right) - T$$

Where:

B = B as in Bylaw 15.9(b).

C = C as in Bylaw 15.9(c).

G = the aggregate number of issued Shares on the Entitlement Date.

H = the aggregate number of new Shares under an offer or invitation to acquire or subscribe for new Shares by way of rights or under an offer or invitation by way of rights to acquire or subscribe for securities convertible into new Shares or rights to acquire or subscribe for new Shares, as the case may be.

H* = the aggregate number of new Shares under an offer or invitation to acquire or subscribe for new Shares by way of rights.

I = the subscription price of one (1) additional Share under an offer or invitation to acquire or subscribe for new Shares or the exercise price on conversion of such securities or exercise of such rights to acquire or subscribe for one (1) additional Share, as the case may be.

I* = the subscription price of one (1) additional Share under the offer or invitation to acquire or subscribe for new Shares.

S = S as in Bylaw 15.9(a).

T = T as in Bylaw 15.9(a).

Such adjustment will be effective (if appropriate, retroactively) from the commencement of the next Market Day immediately following the Entitlement Date for such issue.

(e) If and whenever the Company makes any offer or invitation to its ordinary shareholders to acquire or subscribe for Shares as provided in Bylaw 15.9(c)(ii) together with an offer or invitation to acquire or subscribe for securities convertible into new Shares or rights to acquire or subscribe for new Shares as provided in Bylaw 15.9(c)(iii), the Exercise Price shall be adjusted in the following manner:

$$\text{New Exercise Price} = S \times \left(\frac{(G \times C) + (H \times I) + (J \times K)}{(G + H + J) \times C} \right)$$

and the number of additional Options to be issued shall be calculated in the following manner:

$$\text{Number of additional Options} = T \times \left(\frac{(G + H^*) \times C}{(G \times C) + (H^* \times I^*)} \right) - T$$

Where:

C = C as in Bylaw 15.9(c).

G = G as in Bylaw 15.9(d).

H = H as in Bylaw 15.9(d).

H* = H* as in Bylaw 15.9(d).

I = I as in Bylaw 15.9(d).

I* = I* as in Bylaw 15.9(d).

J = the aggregate number of new Shares to be issued to its ordinary shareholders upon conversion of such securities or exercise of such rights to subscribe for new Shares by the ordinary shareholders.

K = the exercise price on conversion of such securities or exercise of such rights to acquire or subscribe for one (1) additional Share.

S = S as in Bylaw 15.9(a).

T = T as in Bylaw 15.9(a).

Such adjustment will be effective (if appropriate, retroactively) from the commencement of the next Market Day immediately following the Entitlement Date for such issue.

(f) If and whenever the Company makes an allotment to its ordinary shareholders as provided in Bylaw 15.9(b) and also makes an offer or invitation to acquire or subscribe for new Shares to its ordinary shareholders as provided in Bylaw 15.9(c)(ii), together with rights to acquire or subscribe for securities convertible into new Shares or with rights to acquire or subscribe for new Shares as provided in Bylaw 15.9(c)(iii), and the Entitlement Date for the purpose of allotment is also the Entitlement Date for the purpose of the offer or invitation, the Exercise Price shall be adjusted in the following manner:

$$\text{New Exercise Price} = S \times \left(\frac{(G \times C) + (H \times I) + (J \times K)}{(G + H + J + B) \times C} \right)$$

and the number of additional Options to be issued shall be calculated in the following manner:

$$\text{Number of additional Options} = T \times \left(\frac{(G + H^* + B) \times C}{(G \times C) + (H^* \times I^*)} \right) - T$$

Where:

B	=	B as in Bylaw 15.9(b).
C	=	C as in Bylaw 15.9(c).
G	=	G as in Bylaw 15.9(d).
H	=	H as in Bylaw 15.9(d).
H*	=	H* as in Bylaw 15.9(d).
I	=	I as in Bylaw 15.9(d).
I*	=	I* as in Bylaw 15.9(d).
J	=	J as in Bylaw 15.9(e).
K	=	K as in Bylaw 15.9(e).
S	=	S as in Bylaw 15.9(a).
T	=	T as in Bylaw 15.9(a).

Such adjustment will be effective (if appropriate, retroactively) from the commencement of the next Market Day immediately following the Entitlement Date for such issue.

(g) If and whenever (otherwise than pursuant to a rights issue available to all ordinary shareholders of the Company and requiring an adjustment under Bylaws 15.9(c)(ii), (c)(iii), (d), (e) or (f), the Company shall issue either any new Shares or any securities convertible into new Shares or any rights to acquire or subscribe for Shares, and in any such case, the Total Effective Consideration per Share (as defined below) is less than ninety per cent (90%) of the Average Price for one (1) Share (as defined below) or, as the case may be, the price at which the Shares will be issued upon conversion of such securities or exercise of such rights is determined, the Exercise Price shall be adjusted in the following manner:

$$\text{New Exercise Price} = S \times \left(\frac{L + M}{L + N} \right)$$

Where:

L = the number of Shares in issue at the close of business on the Market Day immediately preceding the date on which the relevant adjustment becomes effective.

M = the number of Shares which the Total Effective Consideration (as defined below) would have purchased at the Average Price (as defined below) (exclusive of expenses).

N = the aggregate number of new Shares so issued or, in the case of securities convertible into new Shares or rights to acquire or subscribe for new Shares, the maximum number (assuming no adjustment of such rights) of Shares issuable upon full conversion of such securities or the exercise in full of such rights.

S = S as in Bylaw 15.9(a).

For the purpose of Bylaw 15.9(g), the "Total Effective Consideration" shall be determined by the Board with the concurrence of an external auditor of the Company and shall be:

(i) in the case of the issue of Shares, the aggregate consideration receivable by the Company on payment in full for such Shares;

(ii) in the case of the issue by the Company of securities wholly or partly convertible into Shares, the aggregate consideration receivable by the Company on payment in full for such securities or such part of the securities as is convertible together with the total amount receivable by the Company upon full conversion of such securities (if any); or

(iii) in the case of the issue by the Company of securities with rights to acquire or subscribe for new Shares, the aggregate consideration attributable to the issue of such rights together with the total amount receivable by the Company upon full exercise of such rights,

in each case without any deduction of any commissions, discounts or expenses paid, allowed or incurred in connection with the issue thereof, and "Total Effective Consideration per Share" shall be the Total Effective Consideration divided by the number of Shares issued as aforesaid or, in the case of securities convertible into Shares or securities with rights to acquire or subscribe for Shares, by the maximum number of Shares issuable on full conversion of such securities or on exercise in full of such rights.

For the purpose of Bylaw 15.9(g), the Average Price of a Share shall be the average price of one (1) Share as derived from the last dealt prices for one (1) or more board lots of Shares as quoted on Bursa Securities on the Market Days comprised in the period used as a basis upon which the issue price of such Shares is determined.

Each such adjustment will be calculated (if appropriate, retroactively) from the close of business on Bursa Securities on the next Market Day immediately following the date on which the issue is announced, or (failing any such announcement) on the next Market Day immediately following the date on which the Company determines the offering price of such Shares. Each such adjustment will be effective (if appropriate, retroactively) from the commencement of the Market Day immediately following the date of the completion of the above transaction.

For the purposes of Bylaw 15.9(c), (d), (e) and (f) the current market price in relation to one (1) existing Share for any relevant day shall be the volume weighted average market price for the five (5) consecutive Market Days before such date or during such other period as may be determined in accordance with any guidelines issued, from time to time, by the relevant authorities.

(h) The foregoing provisions on adjustment of the Exercise Price and/or the number of Options shall be subject to the following:

(i) On any such adjustment the resultant Exercise Price shall be rounded up to the nearest one (1) sen and in no event shall any adjustment involve an increase in the Exercise Price or reduce the number of Options so far as unexercised to which the Grantee is already entitled to;

(ii) No adjustment shall be made to the Exercise Price in any case in which the amount by which the same would be reduced in accordance with the foregoing provisions of "would be less than one (1) sen" or the number of Options so far as unexercised is less than one (1) Option and any adjustment that would otherwise be required then to be made will not be carried forward;

(iii) If an event giving rise to any such adjustment shall be capable of falling within any two (2) or more of paragraphs (a) to (b) of Bylaw 15.1 (both inclusive) or if such event is capable of giving rise to more than one (1) adjustment, the adjustment shall be made in such manner as the Directors of the Company and the external auditor of the Company may agree;

(iv) If for any reason an event giving rise to an adjustment to the Exercise Price and/or the number of Options so far as unexercised to which a Grantee may be entitled to is cancelled, revoked or not completed, the adjustment shall not be required to be made or shall be reversed with effect from such date and in such manner as the Board and the external auditor of the Company may agree; and

(v) In any circumstances where the Board considers that adjustments to the Exercise Price and/or the number of Options so far as unexercised as provided for hereunder should be made or should not be made or should be calculated on a different basis or different date, the Company may appoint the external auditor of the Company or the Adviser to consider whether for any reasons whatsoever (to the extent permissible by the Listing Requirements or any other relevant regulations) the adjustment calculation or determination to be made (or the absence of an adjustment calculation or determination) is appropriate or inappropriate as the case may be. If such external auditor or Adviser shall consider the adjustment calculation or determination to be inappropriate, the adjustment shall be modified or nullified (or an adjustment calculation or determination made even though not required to be made) in such manner as may be considered by such external auditor or Adviser to be appropriate.

16. LISTING AND QUOTATION OF NEW SHARES

If at the time of allotment of the new Shares pursuant to the exercise of any Options, the then existing issued Shares are quoted on Bursa Securities, the Company shall make an application to Bursa Securities within eight (8) Market Days after the receipt of the notice of exercise and remittance from the Grantee of such Option or such other period as may be prescribed by Bursa Securities, for the listing and quotation of such new Shares and use its best endeavours to obtain such approval.

17. RETENTION PERIOD

The new Shares to be allotted and issued to the Grantees pursuant to the exercise of any Options under the ESOS may be dealt with or disposed of by such Grantees who will not be subject to any retention period.

18. ADMINISTRATION

18.1 The ESOS shall subject to these Bylaws be administered by the ESOS Committee comprising such number of Executive Directors and/or Senior Management as shall be appointed by the Board from time to time. The ESOS Committee shall, subject to these Bylaws, administer the ESOS and regulate the ESOS Committee's own proceedings in such manner as it shall think fit.

18.2 Without limiting the generality of Bylaw 18.1, the ESOS Committee may, for the purpose of administering the ESOS, do all acts and things, rectify any errors in the Offers, recommend to the Board to establish, amend and revoke rules and regulations relating to the ESOS and its administration, execute all documents and delegate any of its powers and duties relating to the ESOS as it may in its sole and absolute discretion consider to be necessary or desirable for giving effect to the ESOS.

18.3 The Board shall have power at any time and from time to time to rescind the appointment of any person in the ESOS Committee as it shall deem fit and may appoint replacement members to the ESOS Committee.

18.4 The Board shall have the power to determine all matters pertaining to the ESOS Committee, including without limitation setting the terms of reference of the ESOS Committee, composition, duties, powers and limitations. The Board is entitled at any time and from time to time to change the terms of reference of the ESOS Committee.

19. AMENDMENT AND/OR MODIFICATION TO THE SCHEME

19.1 Subject to the compliance with the Listing Requirements and any laws and/or regulations of other relevant authorities, the ESOS Committee may at any time and from time to time recommend to the Board any additions or amendments to or deletions of these Bylaws as it shall in its sole and absolute discretion think fit and the Board shall have the power by resolution to add, amend or delete all or any of these Bylaws upon such recommendation provided always that no additions or amendments to or deletions of these Bylaws shall be made which will:

(a) prejudice any rights then accrued to any Grantee without the prior consent or sanction of that Grantee;

(b) increase the number of the Shares available under the ESOS beyond the maximum imposed by Bylaw 4.2; or

(c) alter any matters which are required to be contained in these Bylaws by virtue of the Listing Requirements to the advantage of any Eligible Person and/or any Grantee without the prior approval of the Company's shareholders in a general meeting, unless allowed otherwise by the provisions of the Listing Requirements.

19.2 Any amendments and/or modifications to these Bylaws shall not contravene any of the provisions of the guidelines on employees' share option schemes as stipulated under the Listing Requirements and/or by any other relevant regulatory authority in relation to ESOS.

19.3 Upon amending and/or modifying all or any of the provisions of the ESOS, the Company shall within five (5) Market Days, submit the amended Bylaws and a confirmation letter to Bursa Securities for the amendments made, stating that the said amendment and/or modification is in compliance with the provisions of the Listing Requirements pertaining to ESOS. In such event, the ESOS Committee shall furnish a written notification to all Grantees and the Company shall make all necessary announcements to Bursa Securities in respect of such amendments and/or modifications.

20. DISPUTES

20.1 In the event of any dispute or difference arising between the ESOS Committee and any Eligible Person or any Grantee, as to any matter or thing of any nature arising hereunder, the ESOS Committee shall determine such dispute or difference by a written decision (without the obligation to give any reason thereof) to such Eligible Person or such Grantee, as the case may be, provided always that where the dispute or difference is raised by a member of the ESOS Committee, the said member shall abstain from voting in respect of the decision of the ESOS Committee in that instance. The said decision shall be final and binding on the parties unless the Eligible Person or the Grantee, as the case may be, shall dispute the same by written notice to the ESOS Committee within fourteen (14) calendar days of the receipt of the written decision, in which case such dispute or difference shall be referred to the decision of the Board, whose decision shall be final and binding in all respects, provided that any Executive Directors of the Company who is also in the ESOS Committee shall abstain from voting and no person shall be entitled to dispute any decision or certification which is stated to be final and binding under these Bylaws. Notwithstanding anything herein to the contrary (including but not limited to Bylaw 22), any costs and expenses incurred in relation to any dispute or difference or appeal brought by any party to the ESOS Committee shall be borne by such party.

20.2 Notwithstanding the foregoing provisions of Bylaw 20.1 above, matters concerning adjustments made pursuant to Bylaw 15 shall be referred to the external auditor of the Company or the Adviser who shall act as experts and not as arbitrators and whose decision shall be final and binding in all respects.

21. SCHEME NOT A TERM OF EMPLOYMENT OR SERVICE

21.1 In the case of an Employee, the ESOS shall not form part of or constitute or in any way be construed as a term or condition of employment of such Employee. The ESOS shall not confer or be construed to confer on any Eligible Person who is an Employee any special rights or privileges over such Eligible Person's terms and conditions of employment in any company within the KK Mart Group under which such Eligible Person is employed or any rights additional to any compensation or damages that such Eligible Person may be normally entitled to arising from the resignation, cessation or termination of such employment.

21.2 In the case of an Executive Director, the ESOS shall not form part of or constitute or in any way be construed as a term or condition of service of any Executive Director. The ESOS shall not confer or be construed to confer on any Eligible Person who is an Executive Director any special rights or privileges over such Eligible Person's terms and conditions of service in any company within the KK Mart Group under which such Eligible Person is providing service to or any rights additional to any compensation or damages that such Eligible Person may be normally entitled to arising from the resignation, cessation or termination of such service.

22. COSTS AND EXPENSES

Unless otherwise stipulated by the Company in the Offer, all fees, costs and expenses incurred in relation to the administration and management of the ESOS including but not limited to the fees, costs and expenses relating to the allotment and issuance of new Shares pursuant to the exercise of any Options shall be borne by the Company. Notwithstanding this, a Grantee shall bear any fees, costs (including any taxes and stamp duty) and expenses incurred in relation to his acceptance and exercise of his Options (including all brokerage fees, commission and such other incidental costs arising from the sale of the shares).

23. CONSTITUTION

In the event of a conflict between any of the provisions of these Bylaws and the Constitution, the Constitution shall at all times prevail save and except where such provisions of the Bylaws are included pursuant to the Listing Requirements in which event such provisions of the Bylaws shall prevail.

24. INSPECTION OF AUDITED FINANCIAL STATEMENTS

All Grantees are entitled to inspect the latest audited financial statements of the Company during the normal business hours on any working day at the registered office of the Company.

25. TRANSFER FROM OTHER COMPANIES TO A COMPANY WITHIN THE KK MART GROUP

25.1 In the event that:

(a) an employee or a director who was employed or engaged in a company related to but not within the KK Mart Group and is subsequently transferred from such company to any company within the KK Mart Group; or

(b) an employee or a director who was in the employment of or in service with a company which subsequently becomes a company within the KK Mart Group as a result of a restructuring or acquisition exercise or otherwise involving the Company and/or any company within the KK Mart Group,

(the first mentioned company in (a) and (b) above are hereinafter referred to as the "**Previous Company**"), such employee or director of the Previous Company will be eligible to participate in the ESOS prior to the Date of Expiry, subject to the terms of these Bylaws, if the affected employee or director becomes an Eligible Person within the meaning under these Bylaws.

26. DIVESTMENT FROM THE KK MART GROUP

26.1 If a Grantee who was in the employment of a company in the KK Mart Group, which was subsequently divested wholly, or in part, from the KK Mart Group, resulting in such company no longer be a Subsidiary, then such Grantee:

(a) notwithstanding such divestment and subject to Bylaws 11 and 14.3 will be entitled to continue to exercise all such unexercised Options which were granted to him under the ESOS within a period of three (3) months from the date of completion of such divestment or within the Exercise Period, whichever ends earlier, failing which the right of such Grantee to subscribe for that number of the new Shares or any part thereof granted under such unexercised Options shall automatically lapse and be null and void and of no further force and effect; and

(b) shall not be eligible to participate for further Options under the ESOS.

26.2 For the avoidance of doubt, where a Grantee was in the employment of a company in the KK Mart Group and that company was subsequently partially divested but remained as a Subsidiary, then such Grantee shall continue to be entitled to all his rights in relation to his unexercised Options and he shall be eligible for further participation of any Options under the ESOS.

27. TAKE-OVER AND MERGERS

Notwithstanding Bylaw 11 and subject to the provisions of any applicable statutes, rules, regulations and/or conditions issued by the relevant regulatory authorities, in the event of:

(a) a take-over offer being made for the Company, under the Rules on Take-overs, Mergers and Compulsory Acquisitions, to acquire the whole of the issued ordinary share capital of the Company (or such part thereof not at the time held by the person making the take-over offer ("**Offeror**") or any persons acting in concert with the Offeror), any unexercised Options shall remain in force and be exercisable until the expiry of the Option Period applicable thereto; or

(b) the Offeror becoming entitled or bound to exercise the right of compulsory acquisition of new Shares under the Capital Markets and Services Act 2007 (or other legislation applicable at the point of time), and gives notice to the Company and Grantee that it intends to exercise such right on a specific date ("**Specific Date**"), the Option shall remain exercisable by the Grantee until the expiry of the Specific Date. In the foregoing circumstance, if the Grantee fails to exercise his Option or elects to exercise only in respect of a portion of such Shares by the Specific Date, then the Option, or as the case may be, the Option in relation to such balance Shares, shall automatically lapse after the Specific Date and be null and void.

28. SUBSEQUENT EMPLOYEES' SHARE OPTION SCHEMES

28.1 Subject to the approval of the relevant authorities and compliance with the requirements of the relevant authorities, the Company may establish a new employees' share option scheme after the Date of Expiry or after termination of the ESOS pursuant to Bylaw 5.5.

28.2 The Company may establish more than one (1) employees' share option scheme during the Duration of the ESOS provided always that the aggregate number of Shares available under all the employees' share option schemes does not exceed one per centum (1%) or any other percentage as may be allowed by Bursa Securities, of the total number of issued Shares (excluding treasury shares) at any point in time.

29. NO COMPENSATION

29.1 A Grantee who ceases to hold office or employment shall not be entitled to any compensation for the loss of any right or benefit or prospective right or benefit under the ESOS which he might otherwise have enjoyed whether such compensation is claimed by way of damages for wrongful dismissal or other breach of contract or by way of compensation for loss of office or employment.

29.2 No Eligible Person or Grantee or legal personal representatives shall bring any claim, action or proceeding against the Company, the Board, the ESOS Committee or any other party for compensation, loss or damages whatsoever and howsoever arising from the suspension of his rights to exercise his Options or his Options ceasing to be valid pursuant to these Bylaws, as may be amended from time to time in accordance with Bylaw 19 or termination of the ESOS in accordance with Bylaw 5.

30. TAXES

All taxes (including income tax), if any, arising from the exercise of any Options, including the transfer, issuance and allotment of Shares under the ESOS shall be borne by the Grantee of such Option.

31. WINDING UP

31.1 In the event of a members' voluntary winding-up and a resolution is passed for the winding-up or liquidation of the Company, all unexercised Options shall automatically lapse and be null and void and of no further force and effect from the date of the members' resolution for such winding-up or liquidation of the Company.

31.2 In the event a petition is presented in a court of law in Malaysia for the winding-up or liquidation of the Company, all rights to exercise any Options shall automatically be suspended from the date of the presentation of the petition. If a court order for winding-up the Company pursuant to the petition for winding-up is made, all unexercised Options shall automatically lapse and be null and void and of no further force and effect from the date of the court order. If the petition for winding-up is dismissed by a court of law in Malaysia, the right to exercise such Options shall accordingly be reinstated.

32. RIGHTS OF A GRANTEE

The Options shall not carry any rights to vote at any general meeting of the Company. A Grantee shall not in any event be entitled to any dividends, rights or other entitlements on his unexercised Options.

33. SEVERABILITY

Any term, condition, stipulation or provision in these Bylaws which is illegal, void, prohibited or unenforceable shall be ineffective to the extent of such illegality, voidness, prohibition or unenforceability without invalidating the remaining provisions hereof, and any such illegality, voidness, prohibition or unenforceability shall not invalidate or render illegal, void or unenforceable any other term, condition, stipulation and provision herein contained.

34. GOVERNING LAW AND JURISDICTION

34.1 The ESOS shall be governed by and construed in accordance with the laws of Malaysia. A Grantee, by accepting his Options in accordance with these Bylaws and terms of the ESOS, irrevocably submits to the exclusive jurisdiction of the courts of law of Malaysia.

34.2 In order to facilitate the making of any Offer under the ESOS, the Board may provide for such special terms to the Eligible Person who are employed by any corporation in the KK Mart Group in a particular jurisdiction as the Board may consider necessary or appropriate for the purposes of complying with differences in local law, tax, policy or custom of that jurisdiction. The Board may further approve such supplements, amendments, restatements or alternative versions of the ESOS as it may consider necessary or appropriate for such purposes without thereby affecting the terms of the ESOS as in effect for any other purpose, and the appropriate officer of the Company may certify any such document as having been approved and adopted in the same manner as the ESOS. No such special terms, supplements, amendments or restatements, however, shall include any provisions that are inconsistent with the terms of the ESOS, as then in effect, unless the ESOS has been amended to eliminate such inconsistency. Notwithstanding the above, any Offer made to such Eligible Person pursuant to the ESOS shall be valid strictly in Malaysia only unless specifically mentioned otherwise by the ESOS Committee in the Offer.

35. NOTICE

35.1 Any notice or request which the Company is required to give, or may desire to give, to any Eligible Person or the Grantee pursuant to the ESOS shall be in writing and shall be deemed to be sufficiently given:

(a) if it is sent by ordinary post by the Company to the Eligible Person or the Grantee at the last address known to the Company as being his address, such notice shall be deemed to have been received three (3) Market Days after posting;

(b) if it is given by hand to the Eligible Person or the Grantee, such notice or request shall be deemed to have been received on the date of delivery; or

(c) if it is sent by electronic media, including but not limited to electronic mail, to the Eligible Person or the Grantee, such notice or request shall be deemed to have been received at the time transmission, unless the sender receives an electronic message indicating non-delivery or transmission failure.

Any change of address of the Eligible Person or the Grantee shall be communicated in writing to the Company and the ESOS Committee.

35.2 Any notification or other notice required to be given to the Company or the ESOS Committee shall be properly given if sent by registered post or delivered by hand to the Company at its business address or any other address which may be notified in writing by the ESOS Committee from time to time.

35.3 Where any notice which the Company or the ESOS Committee is required to give, or may desire to give, in relation to matters which may affect all the Eligible Persons or the Grantees (as the case may be) pursuant to the ESOS, the Company or the ESOS Committee may give such notice through an announcement to all employees of the KK Mart Group to be made in such manner deemed appropriate by the ESOS Committee (including via electronic media). Upon the making of such an announcement, the notice to be made under Bylaw 35.1 shall be deemed to be sufficiently given, served or made to all affected Eligible Persons or Grantees, as the case may be.

ANNEXURE E: VALUATION CERTIFICATE

Laurel Cap
Trust | Integrity | Expertise

Laurelcap Sdn. Bhd.
200801005326 (806610-U)
CT-11-00, Corporate Tower,
Subang Square, Jalan SS15/4G,
47500 Subang Jaya,
Selangor Darul Ehsan, MALAYSIA.
+603-5637 0233
+603-5638 0233
www.laurelcap.com.my
laurelcap@laurelcap.com.my

VALUATION CERTIFICATE

Date : 08 September 2026
Our Ref No. : LC/VAL/26/022592/BRW

PRIVATE AND CONFIDENTIAL

Board of Directors
KK MART RETAIL BERHAD
Menara KK, T6-01-03, Tower 6, Maju Link
Jalan Lingkaran Tengah 2
Bandar Tasik Selatan
57000 Kuala Lumpur

Dear Sir,

VALUATION CERTIFICATE FOR A PARCEL OF INDUSTRIAL LAND HELD UNDER TITLE NO. HSM 29390, PT NO. 88826, LOCALITY OF SUNGAI KELADI, PEKAN KAJANG, DISTRICT OF HULU LANGAT, STATE OF SELANGOR (HEREINAFTER REFERRED TO AS THE "SUBJECT PROPERTY")

We refer to the instructions by **KK Mart Retail Berhad ("KK Mart")** to provide an opinion on the Market Value of the Subject Property for the purpose of submission to the **Securities Commission Malaysia** (the **"SC"**) in respect of the acquisition of the Subject Property by KK Supermart & Superstore Sdn Bhd, a wholly-owned subsidiary of KK Mart, and for inclusion in the prospectus of KK Mart in connection with its initial public offering and listing on the Main Market of Bursa Malaysia Securities Berhad.

The Subject Property was inspected on 12 August 2026. The relevant date of valuation for this valuation exercise coincides with the date of inspection, i.e. 12 August 2026.

The valuation had been carried out in accordance with the Asset Valuation Guidelines (the "**AVA**") issued by the SC and the Malaysian Valuation Standards 7th Edition 2025 (the "**MVS**") issued by the Board of Valuers, Appraisers, Estate Agents and Property Managers Malaysia (the "**BOVAEP**") and with the necessary professional responsibility and due diligence.

The basis of valuation adopted is the Market Value which is defined in the MVS to be "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion".

This Valuation Certificate should be read in conjunction with the full valuation report (Ref No: LC/VAL/26/022592/BRW), prepared by Laurelcap Sdn. Bhd., which detailed the basis under which the valuations have been prepared.

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TERMS OF REFERENCE

WE WISH TO DRAW YOUR ATTENTION TO THE FACT THAT:-

1. **BASED ON THE SALE AND PURCHASE AGREEMENT EXECUTED BETWEEN K8 DC MANAGEMENT SDN BHD (FORMERLY KNOWN AS KK2 DC MANAGEMENT SDN BHD) ("VENDOR") AND KK SUPERMART & SUPERSTORE SDN BHD ("PURCHASER") ("SPA"), DATED 20 AUGUST 2026, THE VENDOR SHALL SELL THE SUBJECT PROPERTY FREE FROM ENCUMBRANCES ON "AS IS WHERE IS" BASIS, WITH VACANT POSSESSION TO THE PURCHASER;**

2. **PURSUANT TO THE SPA AND AT THE REQUEST OF THE PURCHASER, BOTH PARTIES AGREE THAT THE VENDOR SHALL PROCURE FROM MAJLIS PERBANDARAN KAJANG ("MPKj") THE APPROVAL FOR THE CHANGE OF OWNER AND DEVELOPER AS THE NAMED PARTY FOR PLANNING PERMISSION ("KM") IN RESPECT OF THE PROPOSED DEVELOPMENT ACTIVITIES AND CONSTRUCTION OF A WAREHOUSE AND DISTRIBUTION CENTRE, AND THE VENDOR SHALL BEAR, AT ITS OWN COST AND EXPENSE, ALL FEES, CHARGES AND DEVELOPMENT CONTRIBUTIONS REQUIRED TO PROCURE AND COMPLETE SUCH TRANSFER OF KM IN FAVOUR OF THE PURCHASER;**

3. **PURSUANT TO THE SPA, BOTH PARTIES ACKNOWLEDGE AND ANTICIPATE THAT PART OF THE LAND MEASURING APPROXIMATELY 1,792.34 SQUARE METRES (19,292.75 SQUARE FEET) WILL BE IDENTIFIED AS ROAD RESERVES BY MPKj AND WILL BE REQUIRED TO BE SURRENDERED TO MPKj AS PART OF THE CONDITIONS FOR THE APPROVAL OF THE KM FOR THE DEVELOPMENT;**

4. **WE NOTED THAT A PORTION OF THE LAND, WHICH WAS ORIGINALLY RESERVED AS A WAYLEAVE FOR A TRANSMISSION LINE RENTICE, WAS LOCATED ADJOINING TO THE SOUTHERN BOUNDARY OF THE SUBJECT PROPERTY. PURSUANT TO TENAGA NASIONAL BERHAD'S ("TNB") LETTER BEARING REF. NO. TNB(B)/WPKL/PA(AP)6/9/OSC 22-011 DATED 21 DECEMBER 2022, THE SAID WAYLEAVE WAS CONFIRMED TO BE NO LONGER FUNCTIONAL AND TNB HAD NO OBJECTION TO THE RELEASE OF THE SAID LAND, TO BE USED AS A RESERVE ROAD;**

5. **BASED ON THE CERTIFICATE OF PRACTICAL COMPLETION ISSUED BY THE CIVIL & STRUCTURAL ENGINEERING CONSULTANT AND PROJECT MANAGEMENT, YNY CONSULTING ENGINEER SDN BHD BEARING REF. NO. YNY/2202//FUSAN/EW/05 DATED 27 JANUARY 2023 AND YNY/2202//DEF/PL/002 DATED 23 JULY 2024, THE EARTHWORK (AMOUNTING TO RM1,348,670.35), PILING WORKS AND PILE CAPS (AMOUNTING TO RM4,420,513.10) FOR THE PROPOSED CONSTRUCTION OF ONE (1) UNIT OF FACTORY AND WAREHOUSE WITH 3-STOREY OFFICE ON THE SUBJECT LAND, WERE CERTIFIED COMPLETED. A COMPOUND OF RM25,000.00 WAS IMPOSED BY MPKJ FOR WORKS CARRIED OUT ON THE SUBJECT PROPERTY PRIOR TO OBTAINING THE REQUISITE APPROVAL. THIS OBLIGATION FALLS WITHIN THE SCOPE OF THE VENDOR'S LETTER OF UNDERTAKING DATED 20 AUGUST 2026 TO PROCURE THE FULL PLANNING APPROVAL, AND ACCORDINGLY, NO ADJUSTMENT CONSIDERATION IS REQUIRED FOR THIS VALUATION*NOTE (2); AND**

6. **THE KM APPLICATION HAS BEEN GRANTED APPROVAL BY ONE STOP CENTRE (OSC) ON 21 APRIL 2026 VIDE ITS LETTER BEARING REF. NO. MPKj.OSC.600- 1/1/20 JLD 7( ). AS AT TO DATE, THE KM PLAN IS YET TO BE ENDORSED.**

FOR THE PURPOSE OF THIS VALUATION, WE HAVE VALUED THE SUBJECT PROPERTY AS A PARCEL OF INDUSTRIAL LAND WITH A NET LAND AREA OF APPROXIMATELY 25,498.61 SQUARE METRES (ABOUT 274,466.98 SQUARE FEET) IN ARRIVING AT THE MARKET VALUE OF THE SUBJECT PROPERTY. WE HAVE ALSO TAKEN INTO CONSIDERATION THAT THE CURRENT PLANNING AND DEVELOPMENT STATUS OF THE SUBJECT PROPERTY, INCLUDING THE APPROVAL OF THE KM, THE REJECTION OF THE INFRASTRUCTURE PLAN AND THE SUBSEQUENT SUBMISSION TO THE RELEVANT AUTHORITY AND THAT THE PILING AND EARTHWORK HAD BEEN COMPLETED.

Note 1:
We note from our title search that the Subject Property is located within the District of Ulu Langat. However, we further note that the official government correspondence refers to the District of Hulu Langat. For the purpose of this valuation, we have therefore adopted Hulu Langat as the District reference.

Note 2:
It is noted that a compound of RM25,000.00 was imposed by MPKj for works carried out on the Subject Property prior to obtaining the requisite approval. This compound has been paid to MPKj on 3 September 2026 via payment transaction no. 2609031716440819 by the vendor.

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IDENTIFICATION OF THE SUBJECT PROPERTY

Address	PT 88826 (HSM 29390) Jalan Perindustrian Balakong, Kawasan Industri Sg. Ramal/ Balakong, 43300 Seri Kembangan, Mukim Kajang, Daerah Hulu Langat, Selangor Darul Ehsan	
Type of Property	A parcel of industrial land	
Date of Inspection	12 August 2026	
Date of Valuation	12 August 2026	
Title Particulars	Title No.	HSM 29390, PT No. 88826, Locality of Sungai Keladi, Pekan Kajang, District of Hulu Langat, State of Selangor
	Titled Land Area	27,290.945 square metres (about 293,759.73 square feet)
	Tenure	Grant in perpetuity
	Category of Land Use	"Industri"
	Express Conditions	"Industri Ringan"
	Registered Owners	KK DC Management Sdn. Bhd. (1/1 share)
	Encumbrances	Charged twice to Hong Leong Islamic Bank Berhad vide Presentation Nos. 061SC1629/2021 and 061SC6075/2021, dated 30 March 2021 and 23 November 2021, respectively

As per requirement by MPKj, a portion of land measuring around 1,792.34 square metres (about 19,292.75 square feet) located at the south-eastern boundary of the Subject Property is required to be surrendered for reserved road purposes.

As a result, the net land area after the deduction of the land surrendered is approximately 25,498.61 square metres (about 274,466.98 square feet).

The land area of the Subject Property can be summarized as follow:-

	Land Area	
	(square metres)	**(square feet)**
Titled Land Area	27,290.95	293,759.73
Land Surrendered	1,792.34	19,292.75
Net Land Area	**25,498.61**	**274,466.98**

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Location	The Subject Property is located along Jalan Perindustrian Balakong in the Hulu Langat District of Selangor Darul Ehsan. It lies about 21.50 kilometres ("km") due south of Kuala Lumpur City Centre and approximately 6.00 km due south-east of Seri Kembangan town. Access from Kuala Lumpur City Centre is possible via Jalan Hang Kasturi, Leboh Pasar Besar, Jalan Yap Ah Loy and Jalan Tun Tan Siew Sin, there onto Jalan Pudu, and Bulatan Pudu, continue on to Jalan Yew and Jalan Sungai Besi, turning off onto Sungai Besi Expressway, slight left onto Jalan Desa Serdang, continuing onto Jalan Perindustrian Balakong to reach the Subject Property.
Description of the Subject Property	The subject site is regular in shape, encompassing a net land area of approximately 25,498.61 square metres (about 274,466.98 square feet). Based on Survey Plan bearing reference No. G22042T-D5 prepared by Datuk LSr Ang Tune Hoe, of Jurukur Generasi Sdn Bhd, dated 5 August 2026, the physical terrain of the Subject Property is slightly sloppy in nature ascending from south boundary to the north boundary. However, earthworks to level the land which cost about RM1,348,670.35 was completed, resulting in generally flat terrain. However, the northern portion of the Subject Property still lies below the adjoining lots and the land is protected by retaining walls and its boundary is demarcated by metal-deck fencing. The elevation of the Subject Property ranges from approximately 50.97 metres to 67.52 metres above sea level, whereas the frontage roads are at elevations ranging between approximately 49.12 metres and 51.26 metres above sea level. The land is generally covered with some low-lying vegetation and bushes.
Planning Details	The Subject Property is located within an area zoned for industrial use.
Additional Information	The planning permission (KM) application went through several rounds of amendment and resubmission before approval ("Lulus") was granted by MPKj on 21 April 2026. Following this, the Hulu Langat District and Land Office issued a letter of support in-principle on 30 July 2026, and a final review application for the KM written directive was submitted to MPKj on 11 August 2026 pending response and endorsement as at the date of valuation. The latest KM drawing submitted to MPKj for its endorsement provides for a single storey warehouse, without the office component.

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METHOD OF VALUATION

We have adopted only the Comparison Approach to determine the Market Value of the Subject Property. We are of the opinion that the Comparison Approach is the best and only approach in this instance, as a result of the following factors: -

1. There are ample transaction data of industrial lands with similar characteristics available for comparison within the vicinity, in order to establish a consistent pattern of values.

2. There is a dearth of concluded rental of industrial lands within the vicinity, which demonstrates that most of the purchasers' intention is mainly for their own use. In the absence of actual published rental transactions, the only reliable source is via limited property advertisements. The rental rates as published in these advertisements are only asking prices and therefore not the true representation of the actual tenancy rates in the area.

3. The proposed buildings are intended for the owner's occupation and use, rather than for sale to the general public. Accordingly, no ascertainable gross development value arises from the proposed development, and the assessment of gross development cost for residual valuation purposes is therefore not warranted. Hence, the Residual Method has not been adopted in this valuation.

COMPARISON APPROACH

We have adopted the Comparison Approach in valuing the Subject Property. This approach involves comparing the Subject Property with recently transacted properties of a similar nature or offers for sale/rental of similar properties in the area. Adjustments are then made for differences in location, size and shape of the lot, size, condition and design of the building, site facilities available, market conditions and other factors in order to arrive at a common basis for comparison.

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Recent transactions of similar properties situated within the neighbourhood which are pertinent to substantiate a value indication for the Subject Property are reviewed and these sales are listed below:

	Comparable 1	**Comparable 2**	**Comparable 3**
Source	Jabatan Penilaian dan Perkhidmatan Harta Malaysia ("JPPH")	Jabatan Penilaian dan Perkhidmatan Harta Malaysia ("JPPH")	Jabatan Penilaian dan Perkhidmatan Harta Malaysia ("JPPH")
Property	Lot 43455, Jalan Balakong, Taman Industri Balakong Jaya, Cheras, Selangor Darul Ehsan	Lot 3394, Jalan 7/1, Taman Industri Balakong Jaya, Cheras, Selangor Darul Ehsan	Lot 3391, Jalan Perindustrian Balakong Jaya 2/1, Taman Industri Balakong Jaya, Cheras, Selangor Darul Ehsan
Type of Property	A parcel of industrial land	A parcel of industrial land	A parcel of industrial potential land
Title No.	Geran 118848, Lot 43455, Pekan Kajang, District of Hulu Langat, State of Selangor	GM 837, Lot 3394, Mukim of Kajang, District of Hulu Langat, State of Selangor	GM 1152, Lot 3391, Mukim of Kajang, Distict of Hulu Langat, State of Selangor
Land Area	108,824.04 square feet (2.50 acres)	122,515.85 square feet (2.81 acres)	95,282.93 square feet (2.19 acres)
Tenure	Grant in perpetuity	Grant in perpetuity	Grant in perpetuity
Date of Transaction	22 December 2025	6 November 2024	25 March 2024
Consideration	RM14,691,105.00	RM17,000,000.00	RM10,500,000.00
Land Value (per square foot ("psf"))	RM135.00 psf	RM138.76 psf	RM110.20 psf
Remarks on Adjusted Value	General adjustments are made for time and various factors including location, infrastructure, size, accessibility, tenure, KM and category of land use.		
Adjusted Land Value (psf)	RM141.75 psf	RM145.70 psf	RM144.64 psf

Taking into consideration the dissimilarities between the Subject Property and the comparables, greater emphasis has been placed on Comparable 1, which, after adjustments, reflects an analysed value of RM141.75 psf, and is considered the most appropriate comparable for the following reasons: -

a) Comparable 1 represents the most recent transaction, having been transacted in December 2025, while Comparable 2 and Comparable 3 were transacted in 2024.
b) In terms of land use category, Comparable 3 is less comparable as the land has yet to be converted to industrial use.

In arriving at our opinion of market value, we have also taken into consideration the certified completed piling works on the Subject Property amounting to RM4,420,513.10. Accordingly, while the piling work has been confirmed completed, it represents only one of the construction processes for the whole development. We have therefore applied a discount of 10% to reflect the inherent uncertainties associated with the incomplete overall construction works, consistent with the general discount applicable to part-completed works, which do not carry the same certainty of utility as a completed structure.

We noted that earthworks costs amounting to RM1,348,670.35 have been incurred in respect of the Subject Property. The Subject Property was originally characterised by gently sloping terrain, and earthworks were subsequently undertaken to level the site, resulting in generally flat terrain. As the comparable properties are also generally characterised by flat terrain, no adjustment has therefore been made to the valuation in respect of the earthworks undertaken, as the resulting site condition is considered broadly comparable to that of the comparable properties.

Based on the above analysis, we have adopted a market value of **RM43,000,000.00** after taking into consideration the comparison analysis, and the improvements to the Subject Property including the completed piling and earthworks.

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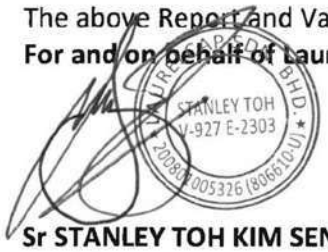
VALUATION CONCLUSION

Having taken into consideration all the relevant and pertinent factors, we are of the opinion that the **Market Value** of the grant in perpetuity interest in a parcel of industrial land held under Title No. HSM 29390, PT No. 88826, Locality of Sungai Keladi, Pekan Kajang, District of Hulu Langat, State of Selangor with vacant possession and subject to its title being free from encumbrances, good, marketable and registrable as of **12 August 2026 based on the TERMS OF REFERENCE as stated herein** is:

Market Value : RM43,000,000.00 (Ringgit Malaysia: Forty Three Million Only)

The above Report and Valuation has been carried out by Sr Stanley Toh Kim Seng,
For and on behalf of Laurelcap Sdn. Bhd.



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MRISM, MRICS, MPEPS, MMIPFM, ICVS, MBVAM
Registered Valuer (V-927)