



7-Eleven Malaysia Holdings Berhad
201301028701 (1058531-W)

ANNUAL REPORT 2023

SOMETHING FOR EVERYONE



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VISION

To be the best retailer of convenience

Menjadi peruncit serbaneka yang terbaik

MISSION

To consistently serve the changing needs of customers for their convenience

Memberi layanan secara konsisten mengikut perubahan keperluan semasa pelanggan demi keselesaan mereka

VALUES



UNDERSTAND

We seek to understand the needs of stakeholders & the company to make the best (balanced) decisions

Kami berusaha untuk memahami keperluan pelbagai pihak & juga pihak syarikat dalam membuat keputusan yang seimbang dan terbaik



SIMPLIFY

We work towards making things convenient for people to increase the effectiveness of our solutions

Kami berusaha memudahkan setiap perkara untuk setiap pihak bagi mendapatkan penyelesaian yang terbaik



SOLVE

We find ways to resolve issues that prevents us from delivering value to those we serve

Kami sentiasa mencari jalan penyelesaian untuk memberi manfaat kepada semua pihak



CONNECT

We communicate to manage people's expectations in the most effective manner

Kami berkomunikasi secara berkesan untuk memaklumkan kepada semua pihak mengenai perkembangan terkini



OVERVIEW





7-Eleven Malaysia Holdings Berhad (“SEM”) is an investment holding company which has been listed on the Main Market of Bursa Malaysia Securities Berhad (“Bursa Malaysia”) since 2014.

Through its major subsidiary, 7-Eleven Malaysia Sdn. Bhd. (“7-Eleven Malaysia”), SEM is the owner and operator of 7-Eleven stores in Malaysia. Incorporated on 4 June 1984, 7-Eleven Malaysia has made its mark in the retailing scene and remained a prominent icon for over 39 years. 7-Eleven Malaysia is the pioneer and largest 24-hours standalone convenience store operator in Malaysia.



COMPANY PROFILE

7-ELEVEN MALAYSIA

7-Eleven was founded by J. C. Thompson in 1927 as The Southland Ice Company in Dallas, Texas. Started as an ice vendor, the company eventually began offering milk, bread and eggs on Sundays and evenings when grocery stores were closed. This new business idea produced satisfied customers and increased sales, spawning the precursor of the

lifestyle convenience retail concept.





The company's first convenience outlets were known as Tote'm stores since customers "toted" away their purchases, and some even sported genuine Alaskan totem poles in front. In 1946, Tote'm became 7-Eleven to reflect the stores' new, extended hours - 7 a.m. until 11 p.m., seven days a week. The company's corporate name was changed from The Southland Corporation to 7-Eleven, Inc. in 1999.

We are the pioneer and the largest 24-hours convenience store operator in Malaysia. Upon achieving its 1,000 mark in stores network, 7-Eleven Malaysia opened its door to local entrepreneurs through its unique franchising program in 2009. We are the first franchisor in the local market to offer existing profit-making stores to franchisees.

7-Eleven stores can be found across bustling commercial districts to serene suburban residential compounds throughout Malaysia, from petrol stations and LRT stations to shopping malls and medical institutions.

7-Eleven is Always There For You.

Each 7-Eleven store carries over 2,500 SKUs, featuring our signature offering like Slurpee frozen beverages, our exclusive range of soft serve treats.

7-Eleven now also offers more private label brands with better prices and higher quality and has expanded to about 200 SKUs.

Since 2021, 7-Eleven has introduced its innovative 7CAFé store format, elevating the standard with enhanced fresh food selections, expanded product offerings, enriched services, and an unparalleled in-store customer experience. By 2023, this pioneering concept has flourished, with the establishment of 247 7CAFé stores and the launch of a newly established commissary, QVI, dedicated to providing improved quality and variety of Ready-To-Eat Meals.

In 2023, the My7E loyalty app boasted an impressive membership of 3 million users. As we forge ahead, our commitment remains steadfast in enriching the experience for our valued members, offering an array of rewards that enhance their journey as My7E enthusiasts.

In 2022, in pursuit of efficiency and quality, we inaugurated our very own chilled distribution center to optimize delivery timelines and preserve the freshness to the stores. Building upon this success, we operate our ambient distribution center in 2023 to further empower our ability to deliver excellence across all fronts.

The variety of products and services available at 7-Eleven include bill payment services (TM, TNB, U Mobile, Syabas and Singer etc), sales of mobile phone reload, Touch 'n Go card reload, Touch 'n Go eWallet reload, Razer Gold reload, Grab driver reload, gift cards (Google Play, SONY, Roblox and etc), online purchases payment services via Fiuu Cash (formerly known as Razer Cash).

Customers can choose to pick-up their Shopee parcels at selected 7-Eleven stores, photocopying, fax, automated teller machine (ATM) are also available at selected stores.

7-Eleven accepts tender in e-Wallets (Touch 'n Go, Shopee Pay, Alipay and Alipay+), and also payment using MyDebit, Visa or Master cards (local and foreign).

Bulletinboard for neighborhood community notices are also available.

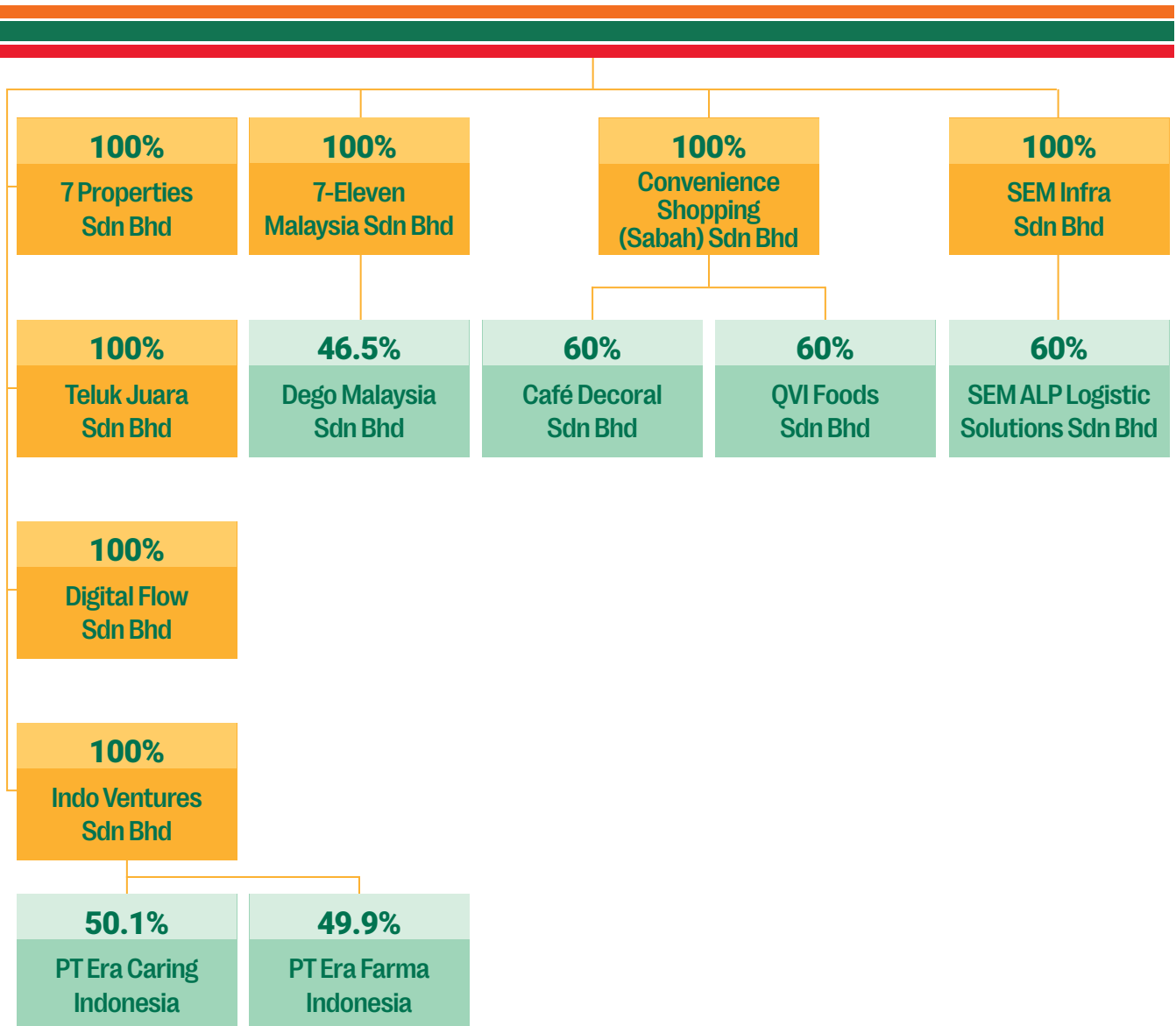


CORPORATE STRUCTURE

as at 31 March 2024



7-Eleven Malaysia Holdings Berhad



CORPORATE INFORMATION

BOARD OF DIRECTORS

Datuk Wira Farhash Wafa Salvador
Chairman, Non-Independent
Non-Executive Director

Dato' Richard Alexander John Curtis
Deputy Chairman, Senior Independent
Non-Executive Director

Tan U-Ming
Executive Director cum
Co-Chief Executive Officer

Wong Wai Keong
Executive Director cum
Co-Chief Executive Officer

**Puan Sri Datuk Seri Rohani
Parkash Binti Abdullah**
Independent Non-Executive Director

Moyra Binti Ibrahim
Independent Non-Executive Director

**Muhammad Lukman
Bin Musa @ Hussain**
Non-Independent
Non-Executive Director

Chan Kien Sing
Non-Independent
Non-Executive Director

Tsai, Tzung-Han
Non-Independent
Non-Executive Director

AUDIT COMMITTEE

Moyra Binti Ibrahim
Chairperson
Independent Non-Executive Director

**Muhammad Lukman
Bin Musa @ Hussain**
Member
Non-Independent
Non-Executive Director

**Puan Sri Datuk Seri Rohani
Parkash Binti Abdullah**
Member
Independent Non-Executive Director

REMUNERATION COMMITTEE

Chan Kien Sing
Chairman
Non-Independent
Non-Executive Director

**Puan Sri Datuk Seri Rohani
Parkash Binti Abdullah**
Member
Independent Non-Executive Director

**Muhammad Lukman
Bin Musa @ Hussain**
Member
Non-Independent
Non-Executive Director

NOMINATING COMMITTEE

**Puan Sri Datuk Seri Rohani
Parkash Binti Abdullah**
Chairperson
Independent Non-Executive Director

Chan Kien Sing
Member
Non-Independent
Non-Executive Director

Dato' Richard Alexander John Curtis
Member
Senior Independent
Non-Executive Director

RISK MANAGEMENT AND SUSTAINABILITY COMMITTEE

Dato' Richard Alexander John Curtis
Chairman
Senior Independent
Non-Executive Director

**Muhammad Lukman
Bin Musa @ Hussain**
Member
Non-Independent
Non-Executive Director

Moyra Binti Ibrahim
Member
Independent Non-Executive Director

COMPANY SECRETARIES

Tai Yit Chan (MAICSA 7009143)
(SSM PC No.202008001023)
Tia Hwei Ping (MAICSA 7057636)
(SSM PC No.202008001687)

REGISTERED OFFICE

12th Floor, Menara Symphony,
No. 5, Jalan Prof. Khoo Kay Kim,
Seksyen 13, 46200 Petaling Jaya,
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Tel. No.: +603 7890 4800
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boardroomkl@boardroomlimited.com

HEAD OFFICE

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Berjaya Times Square,
No. 1, Jalan Imbi,
55100 Kuala Lumpur,
Wilayah Persekutuan,
Malaysia
Tel. No.: +603 2119 1711
Fax No.: +603 2119 1712
Email address:
contactus@7eleven.com.my
Website address:
www.7eleven.com.my

AUDITORS

Ernst & Young PLT (AF0039)
Level 23A, Menara Milenium,
Jalan Damanlela,
Pusat Bandar Damansara,
50490 Kuala Lumpur,
Wilayah Persekutuan,
Malaysia
Tel. No.: +603 7495 8000
Fax No.: +603-2095 5332

SHARE REGISTRAR

Berjaya Registration Services Sdn. Bhd.
[Registration No.: 199401008064
(293743-X)]
09-27 Level 9, Berjaya Times Square,
No.1 Jalan Imbi,
55100 Kuala Lumpur,
Wilayah Persekutuan,
Malaysia
Tel. No.: +603-2145 0533
Fax No.: +603-2145 9702
Email address:
shareg@berjayareg.com.my

PRINCIPAL BANKERS

Malayan Banking Berhad
AmBank (M) Berhad
CIMB Bank Berhad
RHB Bank Berhad

STOCK EXCHANGE LISTING

Main Market of
Bursa Malaysia Securities Berhad
Stock Name : SEM
Stock Code : 5250

PLACE OF INCORPORATION AND DOMICILE

Malaysia

BOARD OF DIRECTORS



1. **DATUK WIRA FARHASH Wafa SALVADOR**
Chairman, Non-Independent Non-Executive Director
2. **DATO' RICHARD ALEXANDER JOHN CURTIS**
*Deputy Chairman,
Senior Independent Non-Executive Director*
3. **TAN U-MING**
*Executive Director cum Co-Chief Executive Officer
("Co-CEO")*
4. **WONG WAI KEONG**
*Executive Director cum Co-Chief Executive Officer
("Co-CEO")*

BOARD OF DIRECTORS



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6



7



8



9

5. **MOYRA BINTI IBRAHIM**
Independent Non-Executive Director
6. **CHAN KIEN SING**
Non-Independent Non-Executive Director
7. **MUHAMMAD LUKMAN BIN MUSA @ HUSSAIN**
Non-Independent Non-Executive Director
8. **PUAN SRI DATUK SERI ROHANI
PARKASH BINTI ABDULLAH**
Independent Non-Executive Director
9. **TSAI, TZUNG-HAN**
Non-Independent Non-Executive Director



PROFILE OF DIRECTORS

DATUK WIRA FARHASH WAFASALVADOR

**Male, Aged 41,
Malaysian
Chairman,
Non-Independent Non-Executive Director**

Datuk Wira Farhash Wafa Salvador was appointed to our Board as Chairman, Non-Independent Non-Executive Director on 3 January 2023.

Datuk Wira Farhash Wafa Salvador possesses a Master of Science in Finance (Merit) from the University of Portsmouth, United Kingdom, which was earned in 2007. He had also graduated with Honours Degree of Bachelor of Arts in Business Administration from the same university in 2005. On 26 May 2021, another milestone was achieved when he was awarded an Executive Certificate in Public Leadership by the prestigious Harvard Kennedy School at Harvard University.

Datuk Wira Farhash Wafa Salvador is a distinguished figure in the world of business and leadership, renowned for his exceptional achievements and contributions to various industries. He has left an indelible mark as an entrepreneur, an inventor, and a board member in esteemed organizations. His impressive academic qualifications, entrepreneurial spirit, and dedication have set him apart as an influential and impactful leader.

Datuk Wira Farhash Wafa Salvador presently sits in the Board of Advisory of Yayasan Usahawan Malaysia, a non-government organization that thrives on the frontier of gathering, creating and developing sustainable companies with strong entrepreneurship traits. In addition to his significant leadership role as Chairman in Apex Equity Holdings Berhad and Excel Force MSC Berhad, he also holds directorship positions in several other companies.

DATO' RICHARD ALEXANDER JOHN CURTIS

**Male, Aged 72,
British
Deputy Chairman,
Senior Independent Non-Executive Director**

Dato' Richard Alexander John Curtis was appointed to our Board as Deputy Chairman, Independent Non-Executive Director on 25 November 2021 and redesignated as a Senior Independent Non-Executive Director on 20 April 2022. He was appointed as the Chairman of Risk Management and Sustainability Committee on 20 April 2022 and appointed as the member of Nominating Committee on 26 June 2023.

Dato' Richard Alexander John Curtis commenced his career in legal practice as a solicitor in Norton Rose (1976-1979) in London and progressively advanced his career by joining Jardine Matheson & Co. (1979-1983) in Hong Kong after which he joined the Jardine Offshore Group (1983-1986) with postings to Singapore and Indonesia. He subsequently pursued his own businesses (1988-1997) in retail, consultancy and construction before helming The Melium Group (1997-2004), a leading Malaysian retail company and F&B chain operator, as its Chief Executive Officer.

Dato' Richard Alexander John Curtis was formerly the Group Managing Director of Cahya Mata Sarawak Berhad ("CMS"), a conglomerate listed on the Main Market of Bursa Malaysia Securities Berhad with cement, construction materials, road maintenance, infrastructure and property development as its core businesses until his retirement on 31 December 2017. He was then appointed as a Non-Independent Non-Executive Director of CMS and of some of its subsidiary companies until his resignation on 31 December 2018. He was then appointed as an Adviser to CMS, whilst remaining as a Non-Independent Non-Executive Director of some of its subsidiary companies, until he retired effective 1 January 2021.

Dato' Richard Alexander John Curtis was also appointed as a Non-Independent Non-Executive Director on 11 September 2006 and a member of Executive Committee of UBG Berhad (Formerly Known as Utama Banking Group Berhad) on 22 September 2006. He then resigned on 19 September 2008 as a member of the Executive Committee and a Non-Independent Non-Executive Director.

Dato' Richard Alexander John Curtis was also a Non-Independent Non-Executive Director, member of Group Board Risk Committee and member of Group Board Digital Innovation & Technology Committee of Kenanga Investment Bank Berhad. He ceased to be a member of these two Committees and a Non-Independent Non-Executive Director on 11 June 2021.

PROFILE OF DIRECTORS

TAN U-MING

**Male, Aged 37,
Malaysian
Executive Director cum
Co-Chief Executive Officer
Key Senior Management**

Mr. Tan U-Ming was appointed to our Board as Executive Director on 21 August 2013, and subsequently he was appointed as Co-Chief Executive Officer ("Co-CEO") of the Company with effect from 1 December 2020.

Mr. Tan U-Ming attended college in Irvine Valley College, California, USA. Before embarking on his studies in the US, he spent a year as a Management Trainee with Convenience Shopping Sdn. Bhd. (now known as 7-Eleven Malaysia Sdn. Bhd.), the earlier half of which as a Store Associate and the latter as an Intern with the Merchandising Department. Before returning to Malaysia, he spent six (6) months completing the Franchisee, In-store Training and Field Consultant Certification Training (Phase 1) courses with 7-Eleven Inc. in North America.

In 2008, he was appointed as a Director of 7-Eleven Malaysia Sdn. Bhd., where he was responsible for overseeing its Merchandising, Supply Chain, Procurement and Marketing functions. He was promoted to the position of Executive Director in 2011.

He currently holds multiple directorships in other private companies of various industries. He is also the son of Tan Sri Dato' Seri Vincent Tan Chee Yioun, a major shareholder of the 7-Eleven Malaysia Holdings Berhad.

WONG WAI KEONG

**Male, Aged 50,
Malaysian
Executive Director cum
Co-Chief Executive Officer
Key Senior Management**

Mr. Wong Wai Keong joined our Board as Executive Director on 1 November 2020 and later assumed the role of Co-Chief Executive Officer ("Co-CEO") on 1 December 2020.

Before his appointments, Mr. Wong served as the Chief Financial Officer of the company starting from 12 March 2018. He possesses expertise in finance, accounting, information technology/enterprise resource planning (ERP), and business management. His extensive career spans across various industries, including healthcare, multi-level marketing, enterprise application services, manufacturing, agriculture, and the fast-moving consumer goods industry (FMCG).

Mr. Wong is a fellow member of the Chartered Institute of Management Accountants (CIMA), as well as a member of the Malaysian Institute of Accountants (MIA) and the Chartered Global Management Accountants (CGMA).

Before joining 7-Eleven Malaysia Holdings Berhad, he served as the Group Finance Director of SyAqua Group Inc., where he oversaw Asian markets and Florida, USA. His contributions were instrumental in expanding the organization and transitioning it into a fully integrated functional business.

Mr. Wong has held management positions in esteemed companies such as Avon Cosmetics, KFCH Marketing, Ayamas Food Corp, Abbott Laboratories, and Wyeth. Additionally, he has served as a Lead Application Consultant with JD Edwards.

PROFILE OF DIRECTORS

CHAN KIEN SING

**Male, Aged 67,
Malaysian
Non-Independent
Non-Executive Director**

Mr. Chan Kien Sing was appointed to the Board initially as Executive Director on 21 August 2013 and subsequently redesignated as Non-Independent Non-Executive Director on 22 April 2015.

He is a chartered accountant by qualification and a member of The Malaysian Institute of Certified Accountants (MICPA) and Malaysian Institute of Accountants (MIA). He has over 40 years of experience in strategic corporate planning and structuring, M&As, IPOs, audit/accountancy and managing business operations.

From 1975 to 1981, he pursued his professional MICPA articleship with Messrs Peat Marwick Mitchell (now KPMG). Involved principally in statutory compliance audits for companies in various industries. He subsequently joined Ambank Bhd, an investment bank, for eight years specialising in corporate advisory and banking.

In 1989, Mr. Chan joined Berjaya Corporation to head their Group Investment function. Shortly thereafter, he was promoted to Group Executive Director and spent some 30 years in the group overseeing various operations and functions. He retired as Executive Director in Jan 2017 and remained as Non-Executive Director until December 2019.

Whilst in Berjaya Group, he held multiple roles and was seconded to oversee various operations. Following are some notable appointments:

- DiGi Telecommunications Sdn Bhd
 - CEO/ Executive Director of DiGi from 1995 till 2005.
 - Member of pioneer team to launch Malaysia's first fully digital cellular network operations in May 1995 and in a record period of ten months.

- 7 Eleven Malaysia Sdn Bhd ("7E")
 - Managing Director / Executive Director.
 - Instrumental in negotiating and acquiring 7E franchise in 2001.
 - Immediate focus was on modernising 7E operations via automating the entire store network operating systems and launching a new combined distribution centre for timely logistical support, so critical for this fast-moving business.
- CEO of Berjaya Capital Bhd which operates the stockbroking company, Inter-Pacific Securities Sdn Bhd.
- Managing Director of the Sun Media group. Publishes theSun newspaper. Largest free daily paper distributed in Malaysia.

Mr. Chan was appointed as the Chairman of the Remuneration Committee and a member of Nominating Committee on 12 March 2021.

Currently, he is also a Non-Independent Non-Executive Director of Berjaya Assets Berhad.

PROFILE OF DIRECTORS

TSAI, TZUNG-HAN

**Male, Aged 48,
Taiwanese
Non-Independent
Non-Executive Director**

Mr. Tsai, Tzung-Han was appointed to the Board as Non-Independent Non-Executive Director on 16 January 2019.

He obtained his Juris Doctor Degree in law from Georgetown University Law Center, USA and his Bachelor's Degree in Economics from Harvard University, USA.

Currently, he is the Vice Chairman of Cathay United Bank, a subsidiary of Cathay Financial Holdings, a publicly listed company in Taiwan. He also serves as a director on the Board of Directors of Cathay Life Insurance, the largest life insurer in Taiwan and also a subsidiary of Cathay Financial Holdings. After returning from the USA in 2005, he served in various capacities at Cathay Life Insurance, including senior vice president in charge of alternative investments and executive vice president in charge of real estate acquisitions and development, human resources and strategic planning. He also ran the strategic planning department for Cathay Financial Holdings from 2010 until 2016. During his tenure, Mr. Tsai oversaw a number of overseas strategic investments on behalf of the group. He joined Cathay United Bank in 2015 and served as the Head of Strategic Planning until he became the Vice Chairman in 2016, where he continues to oversee the strategic planning, wealth management, digital banking, data analytics and overseas banking departments.

Prior to returning to Taiwan, he worked briefly in private equity at Goldman Sachs in New York and in venture capital at Pacific Venture Partners in San Francisco. From 2001 until 2003, he was a practicing attorney in the real estate department at Hale and Dorr LLP, currently known as Wilmer Hale, in Boston.

Mr. Tsai, Tzung-Han has over fifteen (15) years' experience in investment and business development in the finance industry. He is the son of Mr. Tsai, Hong-Tu, who is the major shareholder of 7-Eleven Malaysia Holdings Berhad by virtue of his indirect interest shareholding in Classic Union Group Ltd.

MUHAMMAD LUKMAN BIN MUSA @ HUSSAIN

**Male, Aged 48,
Malaysian
Non-Independent
Non-Executive Director**

Encik Muhammad Lukman Bin Musa @ Hussain, was appointed to the Company Board on 21 August 2013 as an Independent Non-Executive Director and was redesignated as Non-Independent Non-Executive Director on 22 March 2022.

He currently serves as the member of Audit Committee, member of Risk Management and Sustainability Committee and member of Remuneration Committee.

He began his career in 1998 as an Auditor with Andersen & Co (Malaysia). In 2001, he has pursued his career in United Kingdom and his last position in United Kingdom was as the Manager in Banking & Capital Market Division at the London office of Ernst & Young LLP, United Kingdom. Subsequently in 2008, he joined Ernst & Young (Malaysia) as the Audit and Assurance Director, and was responsible in managing various Government Linked and Multinational Companies portfolio. In 2011, he left Ernst & Young (Malaysia) to hold the position as Chief Operating and Chief Financial Officer of Unitar Capital Sdn. Bhd. (UNITAR), the operator of UNITAR International University, and a subsidiary of Ekuiti Nasional Berhad. In June 2016, he joined MARA Corporation Sdn. Bhd., a strategic investment holding company of Majlis Amanah Rakyat (MARA) as the Acting Chief Executive Officer and Chief Financial Officer and instrumental in the formation and establishment of the Company. In July 2019, he left MARA Corporation Sdn. Bhd. and currently serves as a Chief Executive Officer of Berjaya Capital Berhad.

He graduated with a Bachelor in Accountancy Studies (1st Class Honours) from University of Portsmouth, United Kingdom. He is a fellow member of the Institute of Chartered Accountant in England and Wales and a member of Malaysian Institute of Accountants (MIA).

PROFILE OF DIRECTORS

PUAN SRI DATUK SERI ROHANI PARKASH BINTI ABDULLAH

**Female, Aged 68,
Malaysian
Independent
Non-Executive Director**

Puan Sri Datuk Seri Rohani Parkash Binti Abdullah was appointed to the Board as Independent Non-Executive Director on 10 February 2017. She was appointed Chairperson of Nominating Committee and member of Remuneration Committee on 11 April 2022 and as a member of the Audit Committee on 26 June 2023.

She obtained her Master of Business Administration from Oklahoma State University, USA in 1995.

Her career was primarily in the civil service and spanned the land and regional development, communication and multimedia, human resources and higher education sectors. She was extensively involved in international and policy aspects of these sectors and left the government service in 2012 as the Deputy Secretary General of Ministry of Higher Education. She concluded her career in the public sector as a Senior Fellow at University Teknologi Malaysia.

Since mid-2015, Puan Sri has been involved solely with the corporate sector, as well as her role (mid-2012 to late-2018), as the President of PUSPANITA Kebangsaan (Association of Women Civil Servants and Wives of Civil Servants), a charity and volunteer organisation.

In the higher education sector, she is a past Board member of the Universiti Putra Malaysia, Universiti Malaysia Pahang, Berjaya University and INCEIF University. She was appointed Chairperson of the Sultan Idris Education University (UPSI) in 2020. Currently, she is an Independent Non-Executive Director of Samaiden Group Berhad and a Board member of Media City Sdn Bhd.

MOYRA BINTI IBRAHIM

**Female, Aged 47,
Malaysian
Independent
Non-Executive Director**

Puan Moyra Binti Ibrahim was appointed to the Board as Independent Non-Executive Director on 28 November 2022. She was also appointed as the members of the Audit Committee and Risk Management and Sustainability Committee on 28 November 2022. On 26 June 2023, she was redesignated as the Chairperson of Audit Committee.

She is a qualified Chartered Accountant with the Malaysian Institute of Accountants (MIA). She holds a Bachelor of Commerce from The University of Newcastle, Australia and the Association of Chartered Certified Accountants (ACCA) from the University Technology MARA (UITM). She is also a Licensed Financial Planner from Securities Commission of Malaysia.

She has more than 20 years of experience in financial and business advisory services, with focus in the field of accounting, audit and finance. In addition, she has developed an expertise in investment planning and management, covering both Islamic and conventional.

She is the founder and Managing Director of ECS Solution Group of companies which provides enterprise convenience services covering corporate services, corporate advisory, financial planning and tailored training programs.

Notes:-

1. The details of Board Committees held by the Directors and the number of board meetings attended by them are disclosed in the Corporate Governance Overview Statement.
2. Save as disclosed, none of the Directors have:-
 - Any other directorship in public companies and listed issuers;
 - Any family relationship with any Director and/or major shareholder;
 - Any conflict of interest with the Company;
 - Any convictions for offences within the past five (5) years other than traffic offences, if any; and
 - Any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

PROFILE OF KEY SENIOR MANAGEMENT

TAN U-MING
Executive Director cum
Co-Chief Executive Officer

The profile of Mr. Tan U-Ming is set out on page 11 of this Annual Report.

WONG WAI KEONG
Executive Director cum
Co-Chief Executive Officer

The profile of Mr. Wong Wai Keong is set out on page 11 of this Annual Report.

AARON NG WEI EE
Male, Aged 42,
Malaysian
Finance Director

Mr. Aaron Ng Wei Ee is an experienced financial professional and has over 18 years of working experience in multinational corporations, overseeing finance, accounting and business management and professional services of investment banking and corporate finance, audit and assurance.

He has extensive experience in the Retail FMCG space, ranging from B2B, B2C, omni-channel and including multilevel marketing.

Prior to his appointment as Finance Director of 7-Eleven Malaysia Holdings Berhad, he served as Finance Director of Tupperware Brands Malaysia, overseeing finance for both Malaysia and Singapore markets. He has previously held key management roles in Hong Kong SaSa Malaysia and L'Oreal Malaysia and Hong Kong.

Notes:-

1. Save as disclosed, none of the Key Senior Management have:-

- Any other directorship in public companies and listed issuers;
- Any family relationship with any Director and/or major shareholder;
- Any conflict of interest with the Company;
- Any convictions for offences within the past five (5) years other than traffic offences, if any; and
- Any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

The year 2023, despite the pandemic being largely behind us, has been one defined by a confluence of global challenges; from the continuing threat of inflationary pressures and high-profile global bank failures underscoring the fragility of the financial markets, to the on-going geopolitical tensions disrupting trade stability, were among factors that continued to test our collective resilience. In Malaysia, the newly-formed government embarked on a crucial journey towards post-pandemic recovery, to drive long-term economic inclusivity and sustainable growth. This includes laying the groundwork for structural reforms aimed at enhancing the country's labour productivity and inclusive growth, specifically by raising the standard of living for low-income households.

Notwithstanding the myriad of challenges both on the global and local front, 7-Eleven Malaysia Holdings Berhad ("SEM" or "the Group") was tenacious in the execution of our strategic plans and displayed a commitment to over-coming obstacles and seizing opportunities for growth. In this regard, for the financial year ending 31 December 2023 ("FYE2023"), the Group achieved a remarkable milestone in delivering a record-breaking Revenue surpassing RM4.1 billion, a significant increase of RM400.9 million or +10.6% as

compared to the previous year. This revenue was primarily generated from our extensive store network of 2,566 convenience stores and 267 pharmaceutical outlets (Note: 250 in Malaysia and 17 in Indonesia).

During the year, we had also successfully divested our Pharmaceutical segment; at a valuation of RM900.0 million, we had recorded a corresponding gain on disposal of RM262.8 million. This strategic divestment, which excludes the pharmaceutical business joint venture with PT. Erajaya Swasembada Tbk Group in Indonesia ("Indonesian Business") to maintain a tactical footprint abroad, enabled us to unlock the value of our investment in Caring and focus our resources to grow our Convenience Stores segment which is expected to contribute positively to our Group's future income.

Throughout this period, we remained committed to supporting our people, customers, and communities, prioritizing their safety and well-being. We are honoured to have been recognized for our efforts, receiving several awards, including our 7th consecutive win in the Sustainability & CSR Malaysia Awards 2023 for "Company of the Year Award (Retail Category)" and "Long-Standing Excellence in Sustainability," as well as accolades at the Putra Brand Awards 2023: *Retail Category, Silver Winner*. In addition, we were also rewarded

with 3 prestigious awards from the Asia-Pacific Enterprise Award (APEA) 2023 and the icing to top it off, our CO-CEOs were honoured with the Master Entrepreneur Award, further validating our commitment to excellence and sustainability.

CONVENIENCE STORES SEGMENT

On the back of improved trading conditions and acceleration of our 7CAFé format, the Convenience Stores segment recorded an all-time high Revenue of RM2,783.6 million, an increase of RM298.9 million or +12.0% as compared to the previous year. Essentially, we achieved overall higher productivity in terms of Customer count and Average per store day ("APSD") sales, as compared to the previous year.

As the leading convenience store operator in Malaysia, we take pride in our commitment to delivering a personalized shopping experience to our customers across our extensive store network.

Strategically, we expanded our footprint by opening 130 new stores, comprising 74 Classic stores and 56 7CAFé stores, strategically located in high-potential regions. Concurrently, we made the difficult decision to close 36 under-performing stores, where declining trading levels rendered them economically unviable to operate.



MANAGEMENT DISCUSSION AND ANALYSIS

As part of our strategy, we have refurbished 104 existing Classic stores into the 7CAFé format. This transformation initiative has been instrumental in enhancing the customer experience and driving footfall. As a result, our network now boasts a total of 247 7CAFé stores, re-affirming our commitment to innovation and meeting evolving consumer preferences.

Our business strategy

- Improve assortment
- Supply chain
- Drive operational excellence
- Grow and improve store base
- Digitally enable the organization
- Engaging and developing our colleagues

Improve Assortment

In response to the dynamic retail landscape in Malaysia, we remain committed to modernizing, innovating, and offering unique products and services at our stores. Recognizing the phenomenon of "brand agnosticism" among today's consumers, who face a plethora of choices and have limited attention spans, our objective is clear: to captivate customers with fresh, personalized experiences and value-added offerings.

In pursuit of this goal, FYE2023 saw significant advancements in expanding our range of private label products, thereby providing consumers with a diverse array of value-added options. We actively introduced new and exclusive products, including premium imported goods and limited-edition merchandise, through strategic collaborations with brand partners. Our aim is to continually excite and engage customers through innovative offerings that resonate with their evolving preferences.

Moreover, within the Fresh Food segment, we acknowledge the diversity of our customer base and strive to meet their varied needs. Collaborating with 7-Eleven Japan, our food commissary has integrated their expertise and best practices to craft fresh and innovative dishes. By incorporating seasonal local ingredients, we ensure that our offerings not only meet but exceed

expectations, delivering exceptional freshness and flavour to our customers.

Supply Chain

Supply chain is the heart of our business and we continue to work on improving efficiencies and optimizing our logistical infrastructures. Throughout the year, we made significant strides in this regard, notably with the successful launch of our self-operated ambient distribution centre. Covering an area of 300,000 square feet, this facility operates on a comprehensive inventory put-away model, complemented by automated handling activities. With increased efficiency in delivery lead times, on-shelf availability, and picking accuracy, we anticipate better in-store service levels and customer experience. We are equally pleased to share that our new fresh food commissary is already fully operational. Designed to accommodate up to 1,000 stores in the Klang Valley, this facility incorporates advanced equipment and automation to streamline key processes such as prepping, cooking, and packing, thereby enhancing the quality and consistency of our fresh food offerings.

We will continue to ensure consistent fulfilment to stores and to drive down cost alongside generating a fairer income. That said, we further recognise that additional infrastructure and facilities are required to fully support the expansion of our 7CAFé store format outside of Klang Valley; especially with time-sensitive Perishables and Fresh Food products being a key offering. We remain focused on this and will work towards our goal in the near future.

Drive Operational Excellence

Every day, we welcome over a million valued customers across all of our stores. Our customers are at the heart of everything we do, driving our relentless commitment to delivering exceptional service and ensuring a positive shopping experience for each individual.

To uphold our dedication to customer satisfaction, we have heavily invested in comprehensive customer service training programs. These initiatives

equip our team members with the skills and knowledge needed to provide prompt and effective assistance, tailored to meet the diverse needs of our customers. Additionally, we actively monitor and assess our service standards through rigorous mystery shopper audits, allowing us to continuously refine and elevate the customer experience.

Cost efficiency is a key focus area for us, as we strive to eliminate unnecessary expenses such as bad costs and shrinkages, while optimizing resource utilization. We closely manage overtime expenditures, ensuring prudent allocation of labour resources without compromising on service quality.

Above all, our commitment to being "Always There For You" is reflected in our meticulous approach to staffing. We conduct thorough reviews to ensure that our stores are adequately staffed to cater to the needs of our customers at all times. By maintaining the right balance of personnel, we aim to provide attentive and personalized service that exceeds expectations, reinforcing our reputation as a trusted partner in our customers' shopping journeys.

Grow and Improve Store Base

We understand the significance of continuously expanding our store network to ensure accessibility for all customers, particularly in underrepresented areas. This year, we celebrated the significant milestone with the opening of our 100th 7CAFé format store, marking a testament to our commitment to innovation and customer satisfaction.

Furthermore, our expansion efforts have extended beyond the confines of the Klang Valley, reaching new territories in Terengganu, Johor, and Penang. By venturing into these regions, we aim to bridge gaps in accessibility and provide communities with convenient access to essential goods and services. This strategic expansion aligns with our mission to make 7-Eleven accessible to all, ensuring that customers across the nation can enjoy the convenience and quality they expect from our brand.

MANAGEMENT DISCUSSION AND ANALYSIS

Digitally Enable the Organization

In today's rapidly evolving digital economy, success hinges not only on efficiency but also on business agility. It's imperative to swiftly seize opportunities while meeting the ever-changing demands and expectations of our customers.

Throughout the year, we completed the installation of a store network upgrade, a pivotal step in streamlining our business processes. This upgrade has bolstered our real-time monitoring capabilities and seamlessly integrated with third-party quick commerce platforms, enhancing inventory management, cash collection processes, and cyber security measures.

Additionally, as part of our infrastructure enhancement initiatives, we invested in a cutting-edge warehouse management system ("WMS") to seamlessly integrated end-to-end supply chain processes and operations. This integration empowers us to harness the power of data analysis to monitor inventory levels, coordinate distribution and logistics, and make real-time stock adjustments. This dynamic system not only streamlines inventory management but also enhances stock replenishment processes, safeguarding against stock depletion and minimizing risks associated with damage and loss.

Engaging and Developing our Colleagues

To deliver exceptional experiences for our customers, we understand the fundamental importance of cultivating an exceptional work environment for our employees. Central to this approach is the implementation of robust learning and development initiatives tailored for our front-line workers. These programs are meticulously designed to equip our employees with the necessary knowledge and skills to unlock their full potential and provide compassionate, outstanding service.

One such initiative is our comprehensive Store Training-New Modules program, which encompasses various essential components. From Objective Setting to Dedicated Store Trainer support and Post-Action Planning, each element is geared towards fostering customer satisfaction. Through this structured training regimen, our employees are empowered to understand and meet the diverse needs of our clientele effectively.

Moreover, we prioritize ongoing training across various domains critical to customer service excellence. From product and food handling protocols to customer engagement strategies, upselling techniques, and promotion tracking, our employees receive continuous education to hone their skills. By investing in their development, we ensure that our team members are well-equipped to deliver

consistently positive experiences for our customers, thus reinforcing our commitment to excellence and customer-centricity.

FINANCIAL PERFORMANCE

Revenue

Revenue of the convenience store segment expanded by RM298.9 million or +12.0% to RM2,783.6 million, as compared to prior year of RM2,484.7 million. We achieved overall higher productivity in terms of Customer count and APSD sales, and we recorded a positive same-store-sales growth ("SSSG") of +9.1% as compared to the previous year.

As at 31 December 2023, the total combined store count was 2,566 stores, comprising 2,319 Classic Stores and 247 7CAFé. During the year, we opened 74 new classic stores, 56 new 7CAFé and closed 36 non-performing stores, for a net increase of 94 stores. On the other hand, we have also converted 104 classic stores to 7CAFé format during the year.

Gross Profit

Gross Profit of the convenience store segment increased by RM66.8 million or 8.4% compared to the previous year, driven by the increase in Revenue and also improved margin as a result from lower contribution of tobacco offset by higher write off from perishables and fresh foods items.



MANAGEMENT DISCUSSION AND ANALYSIS

Other Operating Income

Other Operating Income increased by RM18.9 million or 13.2% as compared to the previous year. The growth was primarily contributed by the increase in our marketing income.

Selling and Distribution Expenses

Selling and Distribution Expenses increased by RM90.3 million or 14.0% year-on-year. This growth was primarily attributed to the escalated store operating expenses incurred as increased in store count, extended operating hours and impacted by annualisation of minimum wages increase effective 1st May 2022.

Administration and Other Operating Expenses

Administrative and Other Operating Expenses increased by RM38.7 million or 24.5% year-on-year. This was driven by mainly higher staff cost related expenses and advertising & promotional expenses.

Finance Cost

Finance Cost increased by RM5.4 million or 9.0% year-on-year. This was driven mainly by the annualisation impact of interest expense from the issuance of Medium-Term Note ("MTN") of RM100.0 million taken by the Group primarily for working capital purposes on June 2022 and higher finance cost from leased liabilities.

Profit after Tax

The Profit after Tax for FYE2023 surged by RM185.8 million or 220.4% to RM270.1 million as compared to prior year of RM84.3 million driven by improved performance from Convenience Stores segment and realised gain from the disposal of Caring Group.

Liquidity and Financial Resources

As at 31 December 2023, the Group retained a cash balance and short-term investment of RM799.5 million after cash dividend payment for financial year 2022 of RM59.9 million.

The Group has total borrowings of RM737.4 million as at 31 December

2023. The borrowings comprise of bankers' acceptance, revolving credit, term loan and medium term note which were utilized for corporate exercises, working capital and capital expenditures funding for new stores opening and including store refurbishments. The debt-to-equity ratio (excluding the reorganisation deficit) of the Group as at 31 December 2023 was 0.43 times, which is in compliance with all existing loan covenant obligations. Operating cash flows generated at the end of financial year 2023 was RM257.0 million.

PROSPECTS

Outlook for 2024

Looking ahead, despite headwinds on the external front, Malaysia is poised for sustained economic growth in 2024; supported by resilient domestic demand, which constitutes a significant portion of the economy, and a recovery in exports. Private consumption will remain a primary growth driver, anchored by favourable labour market conditions and increasing employment opportunities. The expected revival in the tourism sector, particularly with the introduction of visa-free entry for tourists from China and India, is anticipated to provide a substantial boost locally.

The government's budget for 2024, outlined key measures such as an increase in the Sales and Services Tax to 8% and rationalisation of subsidies, which may dampen consumer sentiment in the near term. That said, from a macro-economic perspective, the government had forecasted a Gross Domestic Product growth of between 4% to 5% for 2024, underpinned by the strategic initiatives under the Madani Economy Framework, including value accretive developments and flagship projects outlined in the (a) 12th Malaysia Plan Mid-Term Review; (b) New Energy Transition Roadmap; and (c) New Industrial Master Plan 2030; all of which are expected to catalyse Malaysia's economic agenda.

In the coming year, we will continue to focus on expanding our new 7CAFé store format in the peninsular Malaysia;

also, to constantly innovate and refresh our fresh food menu of ready to go ("RTG") and made to go ("MTG") meals, incorporating clean and healthy ingredients with greater nutritional value. Equally vital, is the mission to grow our private label offerings as we seek to continuously deliver value to the emerging group of modern, brand agnostic consumer, where the focus solely on brand per-se is gradually vanishing in favour of a focus on the product itself and its attributes.

Additionally, we will continue our advisory mission with our Japanese partner, to focus on expanding our fresh food commissary offerings and improving production yield by optimising high quality raw materials, adopting best operational practices and discipline. We also have plans in the current year to introduce our My7E Online Store, offering on-demand delivery to our customers through our My7E Mobile App platform. And to enhance our supply chain planning and efficiency, we plan to implement a Transport Management System, coupled with Digital E-Proof-of-Delivery, both of which are anticipated to simplify logistical operations across the value chain. Last but not least, in line with our customer-centric strategy, we will be conducting more regular consumer research and insights, leveraging the voice of the consumer through social listening and brand health studies to continuously improve our services and product offerings

With regards to the Indonesian Business, we will collaborate closely with our joint venture partner with an immediate focus on the overall strategic roadmap, including store expansion plans, product range and pricing review, marketing activation and driving a consumer centric operation.

Finally, the Board of Directors extends its sincere gratitude to our shareholders for their unwavering support throughout the years. In particular, to the Management and employees of 7-Eleven for their resilience, dedication and loyalty; and in serving our customers with the utmost care and professionalism, our sincere thanks to you all.

2023 COMMUNITY ENGAGEMENTS

Consumer Donation Drives

We empower customers to join us in giving back to the community by enabling them to contribute, however small the amount, which we then distribute.

Semurni Kasih



Lend A Helping Hand



Buat Baik Together



2023 COMMUNITY ENGAGEMENTS



PPR Visit



Contribution to Gagah Setia Troops

2023 COMMUNITY ENGAGEMENTS

7-Eleven CSR Campaign



Furry Friend Squad



Global Shepherds (IWD)



PERTIWI Soup Kitchen



Trash Troopers



2023 MILESTONES & AWARDS



100th Store Opening



7-Eleven Malaysia Triumphs at Malaysia Franchise Award 2023, Winning Best Franchise CSR in ESG Category



Corporate Excellence Award 2023



Malaysia's Best in Sustainability Leadership



Company of The Year Award for Exemplary Community Care Initiatives at CSR Malaysia Awards 2023



Human Resources Minister Award 2023

2023 ACTIVITIES

JANUARY



Happy Snacks Yummy Gulp with Meerqeen



Sweet Rendezvous

FEBRUARY



Serving up surprises:
Super WOW Pau campaign



7-Eleven Gummy



Slurp Game Repeat

MARCH



Breakfast Set Promotion



Teatime Set Promotion



Serving up Surprises PAUwer



Manis-manis Ramadhan Bersama 7-Eleven

APRIL

2023 ACTIVITIES



Raya Must Have



Hari-Hari Raya



MAY



MostLaku Deals



MostLaku Ice Cream Promotion

JUNE



MostLaku Snack Promotion

JULY



Ice Cream event



Keep Cool Chillout @ 7E



Sauce It Your Way

2023 ACTIVITIES



AUGUST

REALDEALS Campaign



Mooncake Festival



Always A Good Popping Time Campaign



Haba - Godan Gosik Workshop



Hottest, Spiciest, Cheesiest!



SEPTEMBER



Collect eStamps Campaign

2023 ACTIVITIES

OCTOBER



Smiley Deals



Quby 3 in 1 Snack Box



Seventastic Deals



Coconut Soft Serve



Snack Now!

NOVEMBER



7CAFé collectible enamel pins

DECEMBER



7-Eleven Gaming Promotion



Wonder Deals

2023 ENGAGING SOCIAL MEDIA ACTIVATION

We have the biggest social community number within C-Stores with a total of **2.1 million fans/followers** across major social media platforms.



2023 ENGAGING SOCIAL MEDIA ACTIVATION

Generated **226 million** video views and **30 million** social interactions.

