www.7eleven.com.my

Level 3A, Podium Block
Plaza Berjaya
12, Jalan Imbi
55100 Kuala Lumpur
Malaysia
Tel. No. : +603 2142 1136
Fax No. : +603 2142 0318

7-ELEVEN MALAYSIA HOLDINGS BERHAD *(FORMERLY KNOWN AS SEVEN CONVENIENCE BERHAD) (Company No.: 1058531-W)*

PROSPECTUS

7-ELEVEN MALAYSIA HOLDINGS BERHAD

(FORMERLY KNOWN AS SEVEN CONVENIENCE BERHAD)
(Company No.: 1058531-W)
(Incorporated in Malaysia under the Companies Act, 1965)

INITIAL PUBLIC OFFERING OF UP TO 530,325,000 ORDINARY SHARES OF RM0.10 EACH IN 7-ELEVEN MALAYSIA HOLDINGS BERHAD *(FORMERLY KNOWN AS SEVEN CONVENIENCE BERHAD)* ("7-ELEVEN MALAYSIA HOLDINGS") ("IPO SHARES") IN CONJUNCTION WITH THE LISTING OF AND QUOTATION FOR THE ENTIRE ENLARGED ISSUED AND PAID-UP SHARE CAPITAL OF 7-ELEVEN MALAYSIA HOLDINGS, COMPRISING 1,233,385,000 ORDINARY SHARES OF RM0.10 EACH IN 7-ELEVEN MALAYSIA HOLDINGS ("SHARES"), ON THE MAIN MARKET OF BURSA MALAYSIA SECURITIES BERHAD COMPRISING AN OFFER FOR SALE OF UP TO 348,940,000 EXISTING SHARES ("OFFER SHARES") AND A PUBLIC ISSUE OF 181,385,000 NEW SHARES ("ISSUE SHARES") INVOLVING:

(I) INSTITUTIONAL OFFERING OF UP TO 490,780,000 IPO SHARES TO BE ALLOCATED IN THE FOLLOWING MANNER:

(A) UP TO 348,940,000 OFFER SHARES TO MALAYSIAN AND FOREIGN INSTITUTIONAL AND SELECTED INVESTORS; AND

(B) 141,840,000 ISSUE SHARES TO BUMIPUTERA INSTITUTIONAL AND SELECTED INVESTORS APPROVED BY THE MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY ("MITI TRANCHE"),

AT THE INSTITUTIONAL PRICE TO BE DETERMINED BY WAY OF BOOKBUILDING ("INSTITUTIONAL PRICE"); AND

(II) RETAIL OFFERING OF 39,545,000 ISSUE SHARES TO BE ALLOCATED IN THE FOLLOWING MANNER:

(A) 34,045,000 ISSUE SHARES MADE AVAILABLE FOR APPLICATION BY THE MALAYSIAN PUBLIC VIA BALLOTING; AND

(B) 5,500,000 ISSUE SHARES RESERVED FOR APPLICATION BY THE ELIGIBLE PERSONS (AS DEFINED HEREIN),

AT THE RETAIL PRICE OF RM1.38 PER SHARE ("RETAIL PRICE"), PAYABLE IN FULL UPON APPLICATION AND SUBJECT TO REFUND OF THE DIFFERENCE BETWEEN THE RETAIL PRICE AND FINAL RETAIL PRICE (AS DEFINED HEREIN), IN THE EVENT THAT THE FINAL RETAIL PRICE IS LESS THAN THE RETAIL PRICE,

SUBJECT TO CLAWBACK AND REALLOCATION PROVISIONS AND THE OVER-ALLOTMENT OPTION (AS DEFINED HEREIN). THE FINAL RETAIL PRICE WILL BE EQUIVALENT TO THE LOWER OF (I) THE RETAIL PRICE; OR (II) INSTITUTIONAL PRICE

Joint Principal Advisers, Joint Bookrunners and Joint Underwriters

Maybank Investment Bank Berhad (15938-H)
(A Participating Organisation of Bursa Malaysia Securities Berhad)

Kenanga Investment Bank Berhad (15678-H)
(A Participating Organisation of Bursa Malaysia Securities Berhad)

Joint Global Coordinator and Joint Managing Underwriter

Maybank Investment Bank Berhad (15938-H)
(A Participating Organisation of Bursa Malaysia Securities Berhad)

Joint Global Coordinator, and Joint Bookrunner in respect of the Institutional Offering outside of Malaysia

UBS AG, Singapore Branch (S98FC5560C)

Joint Bookrunner in respect of the Institutional Offering in Malaysia

UBS Securities Malaysia Sdn Bhd (253825-X)
(A Participating Organisation of Bursa Malaysia Securities Berhad)

Joint Bookrunners

CIMB Investment Bank Berhad (18417-M)
(A Participating Organisation of Bursa Malaysia Securities Berhad)

A CITIC Securities Company
CLSA Singapore Pte Ltd (200717965W)

Joint Bookrunner for the MITI Tranche, Joint Managing Underwriter and Joint Underwriter

INTER-PACIFIC SECURITIES SDN. BHD.
(12738-U)
A Participating Organisation of Bursa Malaysia Securities Berhad
A Trading Participant of Bursa Malaysia Derivatives Berhad

Joint Underwriters

AmInvestment Bank Berhad (23742-V)
(A Participating Organisation of Bursa Malaysia Securities Berhad)

RHB Investment Bank Berhad
RHB Investment Bank Berhad (19663-P)
(A Participating Organisation of Bursa Malaysia Securities Berhad)

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

FOR INFORMATION CONCERNING CERTAIN RISK FACTORS RELATING TO AN INVESTMENT IN THE SHARES WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, PLEASE REFER TO "RISK FACTORS" IN SECTION 5 OF THIS PROSPECTUS.

LISTING SOUGHT: MAIN MARKET OF BURSA MALAYSIA SECURITIES BERHAD

THIS PROSPECTUS IS NOT TO BE DISTRIBUTED OUTSIDE MALAYSIA

PROSPECTUS

THIS PROSPECTUS IS DATED 8 MAY 2014

OUR DIRECTORS, PROMOTERS AND THE SELLING SHAREHOLDER HAVE SEEN AND APPROVED THIS PROSPECTUS AND THEY COLLECTIVELY AND INDIVIDUALLY ACCEPT FULL RESPONSIBILITY FOR THE ACCURACY OF THE INFORMATION CONTAINED IN THIS PROSPECTUS. THEY CONFIRM, AFTER MAKING ALL REASONABLE ENQUIRIES THAT, TO THE BEST OF THEIR KNOWLEDGE AND BELIEF, THERE ARE NO FALSE OR MISLEADING STATEMENTS OR OTHER FACTS WHICH, IF OMITTED, WOULD MAKE ANY STATEMENT IN THIS PROSPECTUS FALSE OR MISLEADING.

MAYBANK INVESTMENT BANK BERHAD AND KENANGA INVESTMENT BANK BERHAD, AS THE JOINT PRINCIPAL ADVISERS FOR OUR INITIAL PUBLIC OFFERING ("**IPO**"), ACKNOWLEDGE THAT, BASED ON ALL AVAILABLE INFORMATION AND TO THE BEST OF THEIR KNOWLEDGE AND BELIEF, THIS PROSPECTUS CONSTITUTES A FULL AND TRUE DISCLOSURE OF ALL MATERIAL FACTS CONCERNING OUR IPO.

IT IS TO BE NOTED THAT THE ROLE OF UBS AG, SINGAPORE BRANCH ("**UBS AG**") IN OUR IPO IS LIMITED TO BEING A JOINT GLOBAL COORDINATOR FOR OUR IPO AND JOINT BOOKRUNNER FOR THE INSTITUTIONAL OFFERING OUTSIDE OF MALAYSIA ONLY, AND THE ROLE OF ITS MALAYSIAN AFFILIATE, UBS SECURITIES MALAYSIA SDN. BHD., IN OUR IPO IS LIMITED TO BEING A JOINT BOOKRUNNER FOR THE INSTITUTIONAL OFFERING IN MALAYSIA (EXCLUDING THE MITI TRANCHE) ONLY. BOTH UBS AG AND ITS MALAYSIAN AFFILIATE, UBS SECURITIES MALAYSIA SDN. BHD., DO NOT HAVE ANY ROLE IN, AND DISCLAIMS ANY RESPONSIBILITY FOR THE RETAIL OFFERING IN MALAYSIA.

IT IS TO BE NOTED THAT THE ROLE OF CIMB INVESTMENT BANK BERHAD IN OUR IPO IS LIMITED TO BEING A JOINT BOOKRUNNER FOR THE INSTITUTIONAL OFFERING IN AND OUTSIDE OF MALAYSIA (EXCLUDING THE MITI TRANCHE). CIMB INVESTMENT BANK BERHAD DOES NOT HAVE ANY ROLE IN, AND DISCLAIMS ANY RESPONSIBILITY FOR THE RETAIL OFFERING IN MALAYSIA.

IT IS TO BE NOTED THAT THE ROLE OF CLSA SINGAPORE PTE LTD AND/OR ITS AFFLIATES IN OUR IPO IS LIMITED TO BEING A JOINT BOOKRUNNER FOR THE INSTITUTIONAL OFFERING IN AND OUTSIDE OF MALAYSIA (EXCLUDING THE MITI TRANCHE). CLSA SINGAPORE PTE LTD AND/OR ITS AFFLIATES DOES NOT HAVE ANY ROLE IN, AND DISCLAIMS ANY RESPONSIBILITY FOR THE RETAIL OFFERING IN MALAYSIA.

IT IS TO BE NOTED THAT THE ROLE OF INTER-PACIFIC SECURITIES SDN. BHD. IN OUR IPO IS LIMITED TO BEING A JOINT BOOKRUNNER FOR THE MITI TRANCHE, JOINT MANAGING UNDERWRITER AND JOINT UNDERWRITER FOR THE RETAIL OFFERING IN MALAYSIA. INTER-PAC SECURITIES SDN. BHD. DOES NOT HAVE ANY ROLE IN, AND DISCLAIMS ANY RESPONSIBILITY FOR THE INSTITUTIONAL OFFERING OUTSIDE OF MALAYSIA.

THE SECURITIES COMMISSION MALAYSIA ("**SC**") HAS ON 7 FEBRUARY 2014 APPROVED OUR IPO AND LISTING AND A COPY OF THIS PROSPECTUS HAS BEEN REGISTERED WITH THE SC. THE APPROVAL 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 OR 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 IN THIS PROSPECTUS BY US. THE SC ALSO 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 AS A RESULT OF YOUR RELIANCE ON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS PROSPECTUS.

YOU SHOULD RELY ON YOUR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF OUR IPO AND AN INVESTMENT IN OUR SHARES. IF YOU ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN, YOU SHOULD IMMEDIATELY CONSULT YOUR STOCKBROKERS, BANK MANAGERS, SOLICITORS, ACCOUNTANTS OR OTHER PROFESSIONAL ADVISERS BEFORE APPLYING FOR OUR SHARES.

OUR COMPANY HAS ON 7 MARCH 2014 OBTAINED THE APPROVAL OF BURSA MALAYSIA SECURITIES BERHAD ("**BURSA SECURITIES**") FOR THE LISTING OF AND QUOTATION FOR OUR ENTIRE ENLARGED ISSUED AND PAID-UP SHARE CAPITAL, COMPRISING 1,233,385,000 SHARES, ON THE MAIN MARKET OF BURSA SECURITIES. OUR 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 CAN BE VIEWED OR DOWNLOADED FROM THE WEBSITE OF BURSA SECURITIES AT www.bursamalaysia.com.

A COPY OF THIS PROSPECTUS AND THE ACCOMPANYING APPLICATION FORMS HAVE ALSO BEEN LODGED WITH THE REGISTRAR OF COMPANIES, MALAYSIA, WHO TAKES NO RESPONSIBILITY FOR THEIR CONTENTS.

YOU ARE ADVISED TO NOTE THAT RECOURSE FOR FALSE OR MISLEADING STATEMENTS OR ACTS MADE IN CONNECTION WITH THIS PROSPECTUS IS DIRECTLY AVAILABLE THROUGH SECTIONS 248, 249 AND 357 OF THE CAPITAL MARKETS AND SERVICES ACT, 2007 ("**CMSA**").

SECURITIES LISTED ON BURSA SECURITIES ARE OFFERED TO THE PUBLIC PREMISED ON FULL AND ACCURATE DISCLOSURE OF ALL MATERIAL INFORMATION CONCERNING OUR IPO FOR WHICH ANY OF THE PERSONS SET OUT IN SECTION 236 OF THE CMSA, E.G. DIRECTORS AND ADVISERS, ARE RESPONSIBLE.

YOU SHOULD ASSUME THAT THE INFORMATION APPEARING IN THIS PROSPECTUS IS ACCURATE ONLY AS OF ITS DATE. NEITHER THE DELIVERY OF THIS PROSPECTUS NOR ANY SALE MADE HEREUNDER SHALL, UNDER ANY CIRCUMSTANCES, CONSTITUTE A REPRESENTATION OR CREATE ANY IMPLICATION THAT THERE HAVE BEEN NO CHANGES IN OUR AFFAIRS SINCE THE DATE OF THIS PROSPECTUS OR THAT THE INFORMATION CONTAINED IN THIS PROSPECTUS IS CORRECT AS OF ANY TIME SUBSEQUENT TO THAT DATE.

YOU SHOULD NOT TAKE THE AGREEMENT BY THE JOINT MANAGING UNDERWRITERS AND JOINT UNDERWRITERS NAMED IN THIS PROSPECTUS TO UNDERWRITE OUR SHARES UNDER THE RETAIL OFFERING IN MALAYSIA AS AN INDICATION OF THE MERITS OF OUR SHARES BEING OFFERED.

THIS PROSPECTUS HAS BEEN PREPARED IN THE CONTEXT OF AN IPO 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 BEING OFFERED IN OUR IPO ARE OFFERED SOLELY ON THE BASIS OF THE INFORMATION CONTAINED AND REPRESENTATIONS MADE IN THIS PROSPECTUS. OUR COMPANY, PROMOTERS, THE SELLING SHAREHOLDER, JOINT PRINCIPAL ADVISERS, JOINT GLOBAL COORDINATORS, JOINT BOOKRUNNERS, JOINT BOOKRUNNER FOR THE MITI TRANCHE, JOINT MANAGING UNDERWRITERS AND JOINT UNDERWRITERS 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, PROMOTERS, THE SELLING SHAREHOLDER, JOINT PRINCIPAL ADVISERS, JOINT GLOBAL COORDINATORS, JOINT BOOKRUNNERS, JOINT BOOKRUNNER FOR THE MITI TRANCHE, JOINT MANAGING UNDERWRITERS AND JOINT UNDERWRITERS AND 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. THIS PROSPECTUS WILL NOT BE DISTRIBUTED OUTSIDE MALAYSIA. OUR COMPANY, PROMOTERS, THE SELLING SHAREHOLDER, JOINT PRINCIPAL ADVISERS, JOINT GLOBAL COORDINATORS, JOINT BOOKRUNNERS, JOINT BOOKRUNNER FOR THE MITI TRANCHE, JOINT MANAGING UNDERWRITERS AND JOINT UNDERWRITERS NAMED IN THIS PROSPECTUS HAVE NOT AUTHORISED AND TAKE NO RESPONSIBILITY FOR THE DISTRIBUTION OF THIS PROSPECTUS OUTSIDE MALAYSIA. NO ACTION HAS BEEN TAKEN TO PERMIT ANY OFFERING OF OUR SHARES BASED ON THIS PROSPECTUS IN ANY JURISDICTION OTHER THAN MALAYSIA. ACCORDINGLY, THIS PROSPECTUS MAY NOT BE USED FOR THE PURPOSE OF AND DOES NOT CONSTITUTE AN OFFER FOR SUBSCRIPTION OR PURCHASES OF OR AN INVITATION TO SUBSCRIBE FOR OR PURCHASE OF OUR SHARES 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. THE DISTRIBUTION OF THIS PROSPECTUS AND THE SALE OF OUR SHARES OFFERED UNDER OUR IPO IN CERTAIN OTHER JURISDICTIONS MAY BE RESTRICTED BY LAW. PROSPECTIVE INVESTORS WHO MAY BE IN POSSESSION OF THIS PROSPECTUS ARE REQUIRED TO INFORM THEMSELVES OF AND TO OBSERVE SUCH RESTRICTIONS.

OUR SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933 ("**US SECURITIES ACT**") AND MAY NOT BE OFFERED, SOLD, PLEDGED OR TRANSFERRED WITHIN OR INTO THE UNITED STATES OF AMERICA ("**UNITED STATES**"), EXCEPT PURSUANT TO AN EXEMPTION UNDER THE US SECURITIES ACT. OUR SHARES ARE BEING OFFERED AND SOLD OUTSIDE THE UNITED STATES IN RELIANCE ON REGULATION S UNDER THE US SECURITIES ACT AND WITHIN THE UNITED STATES ONLY TO "QUALIFIED INSTITUTIONAL BUYERS" IN RELIANCE ON RULE 144A UNDER THE US SECURITIES ACT.

OUR SHARES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION, ANY STATE SECURITIES COMMISSION IN THE UNITED STATES OR ANY OTHER UNITED STATES REGULATORY AUTHORITY, NOR HAVE ANY OF THE FOREGOING AUTHORITIES PASSED UPON OR ENDORSED THE MERITS OF OUR IPO OR THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE IN THE UNITED STATES.

NEITHER 7-ELEVEN, INC. ("**7-ELEVEN USA**") NOR ANY OF ITS CORPORATE PARENTS, SUBSIDIARIES, AND/OR AFFILIATES, NOR ANY OF THEIR RESPECTIVE OFFICERS, DIRECTORS, AGENTS, EMPLOYEES, ACCOUNTANTS, OR ATTORNEYS, ARE IN ANY WAY PARTICIPATING IN, APPROVING, OR ENDORSING THIS PROSPECTUS OR OUR IPO, ANY OF THE UNDERWRITING OR ACCOUNTING PROCEDURES USED IN THIS PROSPECTUS OR IN RELATION TO OUR IPO, OR ANY REPRESENTATIONS MADE IN CONNECTION WITH THIS PROSPECTUS OR OUR IPO. 7-ELEVEN USA'S CONSENT TO OUR IPO AND ITS GRANT OF RIGHTS TO 7-ELEVEN MALAYSIA IS NOT INTENDED AS, AND SHOULD NOT BE INTERPRETED AS, AN EXPRESS OR IMPLIED APPROVAL, ENDORSEMENT, OR ADOPTION OF ANY STATEMENT REGARDING ACTUAL OR PROJECTED FINANCIAL OR OTHER PERFORMANCE THAT MAY BE CONTAINED IN THIS PROSPECTUS. ALL FINANCIAL AND OTHER PROJECTIONS HAVE BEEN PREPARED BY, AND ARE THE SOLE RESPONSIBILITY OF OUR COMPANY.

ELECTRONIC PROSPECTUS

THE CONTENTS OF THE ELECTRONIC PROSPECTUS AND COPY OF THIS PROSPECTUS REGISTERED WITH THE SC ARE THE SAME. YOU MAY OBTAIN A COPY OF THE ELECTRONIC PROSPECTUS FROM THE WEBSITE OF MALAYAN BANKING BERHAD AT www.maybank2u.com.my, AFFIN BANK BERHAD AT www.affinOnline.com, CIMB BANK BERHAD AT www.cimbclicks.com.my, CIMB INVESTMENT BANK BERHAD AT www.eipocimb.com, PUBLIC BANK BERHAD AT www.pbebank.com AND RHB BANK BERHAD AT www.rhb.com.my.

THE INTERNET IS NOT A FULLY SECURE MEDIUM. YOUR INTERNET SHARE APPLICATION (AS DEFINED HEREIN) MAY BE SUBJECT TO RISKS IN 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 (AS DEFINED HEREIN). THESE RISKS CANNOT BE BORNE BY THE INTERNET PARTICIPATING FINANCIAL INSTITUTIONS. IF YOU DOUBT THE VALIDITY OR INTEGRITY OF THE ELECTRONIC PROSPECTUS, YOU SHOULD IMMEDIATELY REQUEST FROM US OR THE ISSUING HOUSE, A PAPER/PRINTED COPY OF THIS PROSPECTUS. IF THERE IS ANY DISCREPANCY BETWEEN THE CONTENTS OF THE ELECTRONIC PROSPECTUS AND 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 SHALL 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, FILE OR OTHER MATERIAL PROVIDED ON THE THIRD PARTY INTERNET SITES. YOU 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 ANY 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, FILE OR OTHER MATERIAL PROVIDED BY THE THIRD PARTY INTERNET SITES; AND

(III) ANY DATA, 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, YOU ARE ADVISED THAT:

(I) THE INTERNET PARTICIPATING FINANCIAL INSTITUTION 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 WHICH MAY BE VIEWED VIA YOUR WEB BROWSER OR OTHER RELEVANT SOFTWARE. THE INTERNET PARTICIPATING FINANCIAL INSTITUTION IS NOT RESPONSIBLE FOR THE INTEGRITY OF THE CONTENTS OF AN ELECTRONIC PROSPECTUS WHICH HAS BEEN OBTAINED FROM THE WEB SERVER OF THE INTERNET PARTICIPATING FINANCIAL INSTITUTION 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 THE ELECTRONIC PROSPECTUS, THE ACCURACY AND RELIABILITY OF THE ELECTRONIC PROSPECTUS CANNOT BE GUARANTEED BECAUSE THE INTERNET IS NOT A FULLY SECURED MEDIUM; AND

(III) THE INTERNET PARTICIPATING FINANCIAL INSTITUTION IS NOT LIABLE (WHETHER IN TORT OR CONTRACT OR OTHERWISE) FOR ANY LOSS, DAMAGE OR COSTS, 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 AN 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, 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.

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INDICATIVE TIMETABLE

The following events are intended to take place on the following indicative dates:

Event	Date
Opening of the Institutional Offering[(1)]	8 May 2014
Issuance of Prospectus/Opening of the Retail Offering	10.00 a.m., 8 May 2014
Closing of the Institutional Offering	15 May 2014
Price Determination Date	16 May 2014
Closing of the Retail Offering	5.00 p.m., 16 May 2014
Balloting of applications for the Issue Shares under the Retail Offering	20 May 2014
Allotment/Transfer of the IPO Shares to successful applicants	28 May 2014
Listing	30 May 2014

Note:

(1) *Other than the Institutional Offering to the Cornerstone Investors. The master cornerstone placement agreement for the acquisition of the Offer Shares by the Cornerstone Investors was entered into on 22 April 2014.*

The Institutional Offering will close on the date stated above or such other date or dates as our Directors, the Selling Shareholder and Joint Global Coordinators may decide in their absolute discretion. The Retail Offering will close at the time and on the date stated above or such other date or dates as our Directors and the Joint Managing Underwriters may decide in their absolute discretion.

In the event that the closing date and/or time of either the Institutional Offering or Retail Offering is extended, the Price Determination Date and dates for the balloting of applications for the Issue Shares under the Retail Offering, allotment/transfer of the IPO Shares to successful applicants and our Listing may be extended accordingly. Any extension will be announced in widely circulated Bahasa Malaysia and English daily newspapers within Malaysia.

All defined terms used in this Prospectus are defined under "Presentation of Financial and Other Information" and "Definitions" commencing from pages x and xiii respectively.

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PRESENTATION OF FINANCIAL AND OTHER INFORMATION

All references to "our Company" and "7-Eleven Malaysia Holdings" in this Prospectus are to 7-Eleven Malaysia Holdings Berhad. All references to "our Group" and "7-Eleven Malaysia Holdings Group" in this Prospectus are to our Company and our subsidiaries as a whole, and all references to "we", "us", "our" and "ourselves" are to our Company and/or our subsidiaries, save where the context otherwise requires. All references to "7-Eleven Malaysia Group" in this Prospectus are to 7-Eleven Malaysia and its wholly-owned subsidiaries. 7-Eleven USA is not part of our Group and except for the parties' relationship under the ALA and related arrangements, 7-Eleven USA is not affiliated with our Group. Unless the context otherwise requires, all references to "management" are to our Directors and key management personnel as at the date of this Prospectus, and statements as to our beliefs, expectations, estimates and opinions are those of our Company.

All references to the "Selling Shareholder" are to BRetail and all references to the "Promoters" are to BRetail, TSVT and Tan U-Ming, collectively or individually.

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

All references to the "Government" are to the Government of Malaysia and all references to "RM" and "sen" are to the lawful currency of Malaysia. Any discrepancies in the tables between the amounts listed and the totals of such amounts in this Prospectus are due to rounding. Other abbreviations and acronyms used in this Prospectus are defined in the "Definitions" section appearing on pages xiii to xix of this Prospectus. Words denoting the singular only shall include the plural and vice versa and words denoting the masculine gender shall, where applicable, include the feminine gender and vice versa. References to persons shall include companies and corporations.

Any reference to the 166 "7-Eleven" convenience stores operated by our franchisees as at the LPD, shall include a store which is licensed as an on-going pilot store that is operated in a similar manner as a franchise.

Any reference to any provisions of the statutes, rules, regulations, enactments or rules of stock exchange shall (where the context admits), be construed as a reference to provisions of such statutes, rules, regulations, enactments or rules of 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 stock exchange for the time being in force.

All references to dates and times are references to dates and times in Malaysia, unless otherwise stated.

This Prospectus includes statistical data provided by us and various third parties and cites third-party projections regarding growth and performance of the industry in which we operate and our estimated market share in the industry in which we operate. This data is taken or derived from information published by industry sources and from our internal data. In each such case, the source is acknowledged 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 set out in Section 8 of this Prospectus. The IMR Report is available for inspection at the location and during the period set out in Section 15.8 of this Prospectus. In compiling their data for the review, Vital Factor had relied on industry sources, published materials, their own private databanks and direct contacts within the industries. We believe that the statistical data and projections cited in this Prospectus are useful in helping you understand the major trends in the industry in which we operate. However, we, the Promoters, Selling Shareholder, Joint Principal Advisers, Joint Global Coordinators, Joint Bookrunners, Joint Bookrunner for the MITI Tranche, Joint Managing Underwriters and Joint Underwriters and their respective advisers have not independently verified these data and projections.

Neither we nor the Promoters, Selling Shareholder, Joint Principal Advisers, Joint Global Coordinators, Joint Bookrunners, Joint Bookrunner for the MITI Tranche, Joint Managing Underwriters and Joint Underwriters and their respective advisers make any representation as to the correctness, accuracy or completeness of such data and projections and accordingly, prospective investors should not place undue reliance on the statistical data and projections cited in this Prospectus. 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. No assurances are or can be given that such projections will be achieved, and you should not place undue reliance on the third-party projections cited in this Prospectus.

The information on our website or any website directly or indirectly linked to such website is not incorporated by reference into this Prospectus and should not be relied upon for the purposes of your decision whether or not to invest in our Shares.

References to the "LPD" in this Prospectus are to 10 April 2014, which is the latest practicable date for certain information to be obtained and disclosed in this Prospectus prior to the registration of this Prospectus with the SC.

EBITDA, as well as 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 FRS or MFRS and IFRS. Furthermore, EBITDA is not a measure of our financial performance or liquidity under FRS or MFRS and IFRS and should not be considered as an alternative to net income, operating income or any other performance measures derived in accordance with FRS or MFRS and IFRS or as an alternative 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-FRS, 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 of or analysis of our financial condition or results of operations, as reported under FRS, 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.

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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, prospects, plans and objectives of our Company for future operations, are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements, or industry results, to be materially different from any future results, performance or achievements 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 views 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", "projection" or similar expressions and include all statements that are not historical facts. Such forward-looking statements include, without limitation, statements relating to:

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

(ii) potential growth opportunities;

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

(iv) our future plans and objectives for operations;

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

(vi) our future financial position, earnings, cash flows and liquidity.

Our actual results may differ materially from information contained in such forward-looking statements as a result of a number of factors, including, without limitation:

(i) expansion of our chain of convenience stores;

(ii) same-store sales growth;

(iii) product and services mix;

(iv) employee expenses;

(v) utilities expenses;

(vi) rental rates;

(vii) finance costs and interest income; and

(viii) general Malaysian economic and retail market conditions.

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 10.2 of this Prospectus on "Management's discussion and analysis of financial condition and results of operations and prospects". 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. Save as required by Section 238(1) of the CMSA and Paragraph 1.02 of Chapter 1 of Division 6 of the Prospectus Guidelines (Supplementary and Replacement Prospectus), we expressly disclaim any obligation or undertaking to release publicly any update or revision to any forward-looking statement contained in this Prospectus to reflect any change in our expectations with regard to such statement or any change in events, conditions or circumstances on which any such statement is based.

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:

7-Eleven Malaysia Group	:	Collectively, 7-Eleven Malaysia and its wholly-owned subsidiaries
7-Eleven Malaysia Holdings or Company	:	7-Eleven Malaysia Holdings Berhad (*formerly known as Seven Convenience Berhad)*
7-Eleven Malaysia Holdings Group or Group	:	Collectively, 7-Eleven Malaysia Holdings and its subsidiaries
7-Eleven USA	:	7-Eleven, Inc.
Act	:	Companies Act, 1965
ADA	:	Authorised Depository Agent
Admission	:	Admission of our Shares to the Official List of Bursa Securities
AGM	:	Annual general meeting
ALA	:	Area License Agreement dated 1 December 2003 between 7-Eleven Malaysia and 7-Eleven USA and First Amendment to the said Area License Agreement dated 12 December 2006
AmInvestment Bank	:	AmInvestment Bank Berhad
Application Form	:	Application form for the application of the Issue Shares under the Retail Offering accompanying this Prospectus
Articles	:	Articles of Association
ATM	:	Automated teller machine
BAssets	:	Berjaya Assets Berhad
BCorporation	:	Berjaya Corporation Berhad
Berjaya Family	:	Companies under the control (either through equity or management control) of TSVT, including: (i) BCorporation and its subsidiaries; (ii) BAssets and its subsidiaries; (iii) BMedia and its subsidiaries; (iv) MOL and its subsidiaries; (v) U Mobile and its subsidiary; and (vi) 7-Eleven Malaysia Holdings Group and its holding companies
BGroup	:	Berjaya Group Berhad
BLand	:	Berjaya Land Berhad
Bloomberg	:	Bloomberg Finance L.P.
BMedia	:	Berjaya Media Berhad
Board	:	Board of Directors
BRetail	:	Berjaya Retail Berhad
BRetail ICPS	:	10-year irredeemable convertible preference shares of RM0.50 each in BRetail

BRetail Shares	:	Ordinary shares of RM0.50 each in BRetail
Bumiputera	:	In the context of individuals, Malays, aborigines and the natives of Sabah and Sarawak as specified in the Federal Constitution of Malaysia
Bursa Depository	:	Bursa Malaysia Depository Sdn. Bhd.
Bursa Securities	:	Bursa Malaysia Securities Berhad
CAGR	:	Compounded annual growth rate
CCC	:	Certificate of completion and compliance
CD	:	Compact disc
CDC	:	Combined distribution centre
CDS	:	Central Depository System
CF	:	Certificate of fitness for occupation
Chevron Malaysia	:	Chevron Malaysia Limited
CIMB	:	CIMB Investment Bank Berhad
CLSA	:	CLSA Singapore Pte Ltd and/or its affiliates
CMSA	:	Capital Markets and Services Act, 2007
Convenience Store Operators	:	Companies listed on foreign stock exchanges in Asia that have been selected based on the criteria set out in Section 6.1.4 of the Prospectus
Cornerstone Investors	:	Collectively, the following parties: (i) AIA Company Limited in respect of its Thailand branch and four of its subsidiaries, namely: (a) AIA Berhad; (b) AIA International Limited, Bermuda Head Office; (c) AIA International Limited, Hong Kong Branch; and (d) AIA Pension and Asset Management Sdn. Bhd.; (ii) Genesis Investment Management, LLP; (iii) Matthews International Capital Management, LLC; (iv) Albizia Asean Opportunities Fund; (v) York Capital Management (Asia) HK Advisors Limited on behalf of funds and/or accounts managed and/or advised by it and/or its affiliates, severally and not jointly; (vi) Macquarie Funds Management Hong Kong Limited as investment manager to and on behalf of: (a) HSBC-FS B for Macquarie Asia New Stars Fund; and (b) RBC Investor Services Bank S.A. A/C Macquarie Asia New Stars Fund (Macquarie FD S); (vii) UOB Asset Management (Malaysia) Bhd *(formerly known as UOB-OSK Asset Management Sdn Bhd)*; and

		(viii) Capital Research and Management Company on behalf of Smallcap World Fund, a United States mutual fund managed by Capital World Investors, a division of Capital Research and Management Company
EBITDA	:	Earnings before interest, taxation, depreciation and amortisation
Electronic Share Application	:	Application for the Issue Shares under the Retail Offering through a Participating Financial Institution's ATM
Eligible Persons	:	Collectively, the eligible Directors and employees of our Group
EPS	:	Earnings per share
Equity Guidelines	:	Equity Guidelines issued by the SC
Equity PE Multiple	:	PE Multiple of approximately 36.17 times
FBMKLCI	:	FTSE Bursa Malaysia Kuala Lumpur Composite Index
Final Retail Price	:	Final price per Issue Share to be paid by investors pursuant to the Retail Offering, equivalent to the Retail Price or the Institutional Price, whichever is lower, to be determined on the Price Determination Date
FRS	:	Financial Reporting Standards issued by the Malaysian Accounting Standards Board
GDP	:	Gross domestic product
Government	:	Government of Malaysia
HQZ	:	HQZ Credit Sdn. Bhd.
IFRS	:	International Financial Reporting Standards issued by the International Accounting Standards Board
IMR Report	:	Independent market research report dated 18 April 2014 prepared by Vital Factor
Institutional Offering	:	Offering of up to 490,780,000 IPO Shares at the Institutional Price, subject to clawback and reallocation provisions and the Over-allotment Option, to be allocated in the following manner: (i) up to 348,940,000 Offer Shares to the following: (a) Malaysian institutional and selected investors (other than Bumiputera institutional and selected investors approved by the MITI); (b) foreign institutional and selected investors outside the United States in reliance on Regulation S; and (c) QIB in the United States in reliance on Rule 144A or pursuant to an applicable exemption from registration under the US Securities Act; and (ii) 141,840,000 Issue Shares to Bumiputera institutional and selected investors approved by the MITI

Institutional Price	:	Price per IPO Share to be paid by investors pursuant to the Institutional Offering which will be determined on the Price Determination Date by way of bookbuilding
Internet Participating Financial Institution	:	A participating financial institution for the Internet Share Application
Internet Share Application	:	Application for the Issue Shares under the Retail Offering through an Internet Participating Financial Institution
IPO	:	Initial public offering of up to 530,325,000 IPO Shares
IPO Shares	:	Collectively, the Offer Shares and Issue Shares
IPS	:	Inter-Pacific Securities Sdn. Bhd.
IRIS	:	Integrated Retail Information System
Issue Shares	:	New Shares to be issued pursuant to the Public Issue
IT	:	Information technology
IUB	:	Intan Utilities Berhad
Joint Bookrunners	:	Collectively, Maybank IB, KIBB, UBS, CIMB and CLSA
Joint Bookrunner for the MITI Tranche	:	IPS
Joint Global Coordinators	:	Collectively, Maybank IB and UBS AG
Joint Managing Underwriters	:	Collectively, Maybank IB and IPS
Joint Principal Advisers	:	Collectively, Maybank IB and KIBB
Joint Underwriters	:	Collectively, Maybank IB, KIBB, IPS, AmInvestment Bank and RHB IB
KIBB	:	Kenanga Investment Bank Berhad
km	:	Kilometre
LF	:	LF Logistics Services (M) Sdn. Bhd.
Listing	:	Listing of and quotation for our entire enlarged issued and paid-up share capital, comprising 1,233,385,000 Shares, on the Main Market of Bursa Securities
Listing Requirements	:	Main Market Listing Requirements of Bursa Securities
LPD	:	10 April 2014, being the latest practicable date prior to the registration of this Prospectus with the SC
LTM	:	Last 12 months
Market Day	:	A day on which Bursa Securities is open for trading in securities
Maybank	:	Malayan Banking Berhad
Maybank IB	:	Maybank Investment Bank Berhad

MCCG 2012	:	Malaysian Code on Corporate Governance, 2012
MDTCC	:	Ministry of Domestic Trade, Co-Operatives and Consumerism, Malaysia
Memorandum	:	Memorandum of Association
MFRS	:	Malaysian Financial Reporting Standards issued by the Malaysian Accounting Standards Board
MIH or Issuing House	:	Malaysian Issuing House Sdn. Bhd.
MITI	:	Ministry of International Trade and Industry
MITI Tranche	:	141,840,000 Issue Shares to be allocated to Bumiputera institutional and selected investors approved by the MITI
MOL	:	MOL AccessPortal Sdn. Bhd.
MRCS	:	Malaysia Retailer-Chains Association
MTN	:	Guaranteed medium term notes of RM600.0 million issued by PMSB pursuant to the medium term notes programme of up to RM600.0 million in nominal value
NA	:	Net assets
NBV	:	Net book value
Note	:	A promissory note issued and delivered as part-payment by 7-Eleven Malaysia Holdings of the purchase consideration for the Pre-IPO Reorganisation to BRetail, under which 7-Eleven Malaysia Holdings promised to pay BRetail or to order the sum of RM136,887,521 on demand
Offer for Sale	:	Offer for sale of up to 348,940,000 Offer Shares by the Selling Shareholder at the Institutional Price
Offer Shares	:	Existing Shares to be offered by the Selling Shareholder pursuant to the Offer for Sale
Official List	:	A list specifying all securities which have been admitted for listing on Bursa Securities and not removed
Over-allotment Option	:	Over-allotment option that may be granted by the Selling Shareholder to the Stabilising Manager (on behalf of the Placement Managers) as set out in Section 4.3.4 of this Prospectus
Participating Financial Institution	:	A participating financial institution for the Electronic Share Application
PE Multiple	:	Price-to-earnings multiple
Placement Agreement	:	The placement agreement to be entered into by our Company, the Selling Shareholder, Joint Global Coordinators, Joint Bookrunners, Joint Bookrunner for the MITI Tranche and Placement Managers in respect of such number of Shares to be offered under the Institutional Offering
Placement Managers	:	Collectively, Maybank IB, KIBB, UBS, CIMB, CLSA and IPS

PMSB	:	Premier Merchandise Sdn. Bhd.
POS	:	Point of sales
Pre-IPO Reorganisation	:	Acquisition by our Company of the entire issued and paid-up share capital of 7-Eleven Malaysia which was completed on 2 April 2014, comprising 35,000,000 ordinary shares of RM1.00 each, from BRetail for a purchase consideration of RM1,378,247,497 which was satisfied by the issuance of 1,051,999,980 new Shares at the issue price of RM1.18 per Share and the Note. Immediately upon receipt of the Note, BRetail had indorsed without recourse the Note in favour of 7-Eleven Malaysia and delivered the Note duly indorsed to 7-Eleven Malaysia in full settlement of the amount owed by BRetail to 7-Eleven Malaysia, to the extent of the sum RM136,887,521. Pursuant thereto, the Note amount will be payable to 7-Eleven Malaysia and will be settled by our Company using part of the proceeds from the Public Issue
Price Determination Date	:	The date on which the Institutional Price and Final Retail Price will be determined
Promoters	:	Collectively, BRetail, TSVT and Tan U-Ming
Prospectus Guidelines	:	Prospectus Guidelines issued by the SC
Public Issue	:	Public issue of 181,385,000 Issue Shares by our Company
QIB	:	Qualified institutional buyers, as defined under Rule 144A
R&D	:	Research and development
Regulation S	:	Regulation S under the US Securities Act
Reissued Consolidated Financial Statements	:	Audited financial statements of the 7-Eleven Malaysia Group for the past four years ended 31 December 2010 to 2013, which were reissued and prepared in accordance with MFRS and IFRS and presented in columnar form solely for the purposes of the preparation of the Reporting Accountants' letter on our pro forma consolidated financial information and Accountants' Report
Retail Offering	:	Offering of 39,545,000 Issue Shares at the Retail Price, subject to clawback and reallocation provisions, to be allocated in the following manner: (i) 34,045,000 Issue Shares made available for application by the Malaysian public, via balloting; and (ii) 5,500,000 Issue Shares reserved for application by the Eligible Persons
Retail Price	:	Initial price of RM1.38 per Issue Share payable in full upon application and subject to refund of the difference between the Retail Price and Final Retail Price, in the event that the Final Retail Price is less than the Retail Price, the details of which are set out in Section 4.8.1 of this Prospectus
Retail Underwriting Agreement	:	Retail underwriting agreement dated 24 April 2014 between our Company, the Joint Managing Underwriters and Joint Underwriters in relation to the underwriting of the Issue Shares under the Retail Offering
RHB IB	:	RHB Investment Bank Berhad

ROC	:	Registrar of Companies, Malaysia
Rule 144A	:	Rule 144A under the US Securities Act
Rules of Bursa Depository	:	The rules of Bursa Depository as issued pursuant to the SICDA
SC	:	Securities Commission Malaysia
Selling Shareholder	:	BRetail
SEMRIS	:	7-Eleven Malaysia Retail Information System
Share Lending Agreement	:	Agreement to be entered into by the Selling Shareholder and Stabilising Manager under which the Selling Shareholder will lend Shares to the Stabilising Manager to cover over-allotments, if any
Shares	:	Ordinary shares of RM0.10 each in our Company
Shell Malaysia	:	Shell Malaysia Trading Sdn. Bhd.
SICDA	:	Securities Industry (Central Depositories) Act, 1991 of Malaysia
Singer	:	Singer (Malaysia) Sdn. Bhd.
SKU	:	Stock keeping unit
sq ft	:	Square feet
sq km	:	Square kilometre
SSA	:	Conditional share sale agreement dated 5 September 2013 as varied by a supplemental agreement dated 23 December 2013 ("**Supplemental Agreement**") and a letter dated 20 January 2014 to vary the definition of Agreed Debt Amount as set out in the Supplemental Agreement between our Company and BRetail for the Pre-IPO Reorganisation
Stabilising Manager	:	Maybank IB
TSVT	:	Tan Sri Dato' Seri Vincent Tan Chee Yioun
UBS AG		UBS AG, Singapore branch
UBS	:	UBS AG and/or UBS Securities Malaysia Sdn. Bhd.
US Securities Act	:	United States Securities Act of 1933
U Mobile	:	U Mobile Sdn. Bhd.
U Telemedia	:	U Telemedia Sdn. Bhd.
Vista Meranti	:	Vista Meranti Sdn. Bhd.
Vital Factor	:	Vital Factor Consulting Sdn. Bhd.

COUNTRIES

UK	:	United Kingdom
US or United States	:	United States of America

CURRENCY

RM and sen	:	Ringgit Malaysia and sen

SUBSIDIARIES OF 7-ELEVEN MALAYSIA HOLDINGS

7-Eleven Malaysia	:	7-Eleven Malaysia Sdn. Bhd.
7 Properties	:	7 Properties Sdn. Bhd.
CSSSB	:	Convenience Shopping (Sabah) Sdn. Bhd.
Teluk Juara	:	Teluk Juara Sdn. Bhd.

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1. CORPORATE DIRECTORY

BOARD OF DIRECTORS

Name	Address	Nationality	Profession
Shalet Marian *(Independent Non-Executive Chairman)*	No. 54, Taman Sri Reko Jalan Reko 43000 Kajang Selangor Darul Ehsan Malaysia	Malaysian	Company Director
Chan Kien Sing *(Non-Independent Executive Director)*	3, Jalan TR4/1 Tropicana Golf & Country Resort 47410 Petaling Jaya Selangor Darul Ehsan Malaysia	Malaysian	Company Director
Ho Meng *(Non-Independent Executive Director)*	The Forum 45-5-14 Jalan Inai 55100 Kuala Lumpur Malaysia	Malaysian	Company Director
Tan U-Ming *(Non-Independent Executive Director)*	28, Jalan Bukit Seputeh Seputeh Heights Taman Seputeh 58000 Kuala Lumpur Malaysia	Malaysian	Company Director
Tan Wai Foon *(Non-Independent Non-Executive Director)*	C-32-1, MK II Jalan Kiara 1 Mont Kiara 50480 Kuala Lumpur Malaysia	Malaysian	Company Director
Dato' Mohamed Nazim bin Abdul Razak *(Independent Non-Executive Director)*	No. 20, Linkungan U-Thant Taman U-Thant 55000 Kuala Lumpur Malaysia	Malaysian	Architect
Muhammad Lukman bin Musa @ Hussain *(Independent Non-Executive Director)*	No. 16, Jalan Putra Mahkota 7/2H Seksyen 7, Putra Heights 47650 Subang Jaya Selangor Darul Ehsan Malaysia	Malaysian	Chartered Accountant

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1. CORPORATE DIRECTORY *(Cont'd)*

AUDIT COMMITTEE

Name	Designation	Directorship
Muhammad Lukman bin Musa @ Hussain	Chairman	Independent Non-Executive Director
Shalet Marian	Member	Independent Non-Executive Chairman
Tan Wai Foon	Member	Non-Independent Non-Executive Director

REMUNERATION COMMITTEE

Name	Designation	Directorship
Tan Wai Foon	Chairman	Non-Independent Non-Executive Director
Shalet Marian	Member	Independent Non-Executive Chairman
Muhammad Lukman bin Musa @ Hussain	Member	Independent Non-Executive Director

NOMINATING COMMITTEE

Name	Designation	Directorship
Shalet Marian	Chairman	Independent Non-Executive Chairman
Dato' Mohamed Nazim bin Abdul Razak	Member	Independent Non-Executive Director
Tan Wai Foon	Member	Non-Independent Non-Executive Director

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1. CORPORATE DIRECTORY *(Cont'd)*

COMPANY SECRETARIES	: Chua Siew Chuan (MAICSA 0777689) No. 6, Jalan SS14/8E Subang Jaya 47500 Petaling Jaya Selangor Darul Ehsan Malaysia Pan Seng Wee (MAICSA 7034299) No. 11, Jalan Setia Impian U13/4N, Setia Alam, Seksyen U13 40170 Shah Alam Selangor Darul Ehsan Malaysia
REGISTERED OFFICE	: Level 7, Menara Milenium Jalan Damanlela Pusat Bandar Damansara Damansara Heights 50490 Kuala Lumpur Malaysia Tel. No.: +603 2084 9000 Fax No.: +603 2094 9940
HEAD OFFICE	: Level 3A, Podium Block Plaza Berjaya 12, Jalan Imbi 55100 Kuala Lumpur Malaysia Tel. No.: +603 2142 1136 Fax No.: +603 2142 0318 Email address: contactus@7eleven.com.my Website address: www.7eleven.com.my
SELLING SHAREHOLDER	: Berjaya Retail Berhad *(Company no. 859832-P)* Lot 13-01A, Level 13 (East Wing) Berjaya Times Square No. 1, Jalan Imbi 55100 Kuala Lumpur Malaysia Tel. No.: +603 2149 1999 Fax No.: +603 2143 1685
PRINCIPAL BANKERS	: Malayan Banking Berhad Bukit Bintang Branch No. 42-2, Ground and First Floor Jalan Sultan Ismail 50250 Kuala Lumpur Malaysia Tel. No.: +603 2142 9271 AmBank (M) Berhad Bangunan AmBank Group 24th Floor, 55 Jalan Raja Chulan 50200 Kuala Lumpur Malaysia Tel. No.: +603 2036 2633

1. CORPORATE DIRECTORY *(Cont'd)*

PRINCIPAL BANKERS *(Cont'd)*	:	CIMB Bank Berhad 17th Floor, Menara CIMB Jalan Stesen Sentral 2 Kuala Lumpur Sentral 50470 Kuala Lumpur Malaysia Tel. No.: +603 2261 8888
AUDITORS AND REPORTING ACCOUNTANTS	:	Ernst & Young Level 23A, Menara Milenium Jalan Damanlela Pusat Bandar Damansara 50490 Kuala Lumpur Malaysia Tel. No.: +603 7495 8000
JOINT PRINCIPAL ADVISERS	:	Maybank Investment Bank Berhad 32nd Floor, Menara Maybank 100, Jalan Tun Perak 50050 Kuala Lumpur Malaysia Tel. No.: +603 2059 1888 Kenanga Investment Bank Berhad 801, 8th Floor, Kenanga International Jalan Sultan Ismail 50250 Kuala Lumpur Malaysia Tel. No.: +603 2027 5555
JOINT GLOBAL COORDINATORS	:	Maybank Investment Bank Berhad 32nd Floor, Menara Maybank 100, Jalan Tun Perak 50050 Kuala Lumpur Malaysia Tel. No.: +603 2059 1888 UBS AG, Singapore Branch One Raffles Quay #50-01 North Tower Singapore 048583 Tel. No.: +65 6495 8000

1. CORPORATE DIRECTORY *(Cont'd)*

JOINT BOOKRUNNERS	:	Maybank Investment Bank Berhad 32nd Floor, Menara Maybank 100, Jalan Tun Perak 50050 Kuala Lumpur Malaysia Tel. No.: +603 2059 1888 Kenanga Investment Bank Berhad 801, 8th Floor, Kenanga International Jalan Sultan Ismail 50250 Kuala Lumpur Malaysia Tel. No.: +603 2027 5555 CIMB Investment Bank Berhad 17th Floor, Menara CIMB Jalan Stesen Sentral 2 Kuala Lumpur Sentral 50470 Kuala Lumpur Malaysia Tel. No.: +603 2261 8888 CLSA Singapore Pte Ltd 80 Raffles Place #18-01, UOB Plaza 1 Singapore 048624 Tel. No.: +65 6416 7888 *In respect of the Institutional Offering outside of Malaysia* UBS AG, Singapore Branch One Raffles Quay #50-01 North Tower Singapore 048583 Tel. No.: +65 6495 8000 *In respect of the Institutional Offering in Malaysia* UBS Securities Malaysia Sdn. Bhd. Level 7, Wisma Hong Leong 18 Jalan Perak 50450 Kuala Lumpur Malaysia Tel. No.: +603 2781 1100
JOINT BOOKRUNNER FOR THE MITI TRANCHE	:	Inter-Pacific Securities Sdn. Bhd. Level 13, West Wing, Berjaya Times Square No. 1, Jalan Imbi 55100 Kuala Lumpur Malaysia Tel. No.: +603 2117 1888

1. CORPORATE DIRECTORY *(Cont'd)*

JOINT MANAGING UNDERWRITERS	:	Maybank Investment Bank Berhad 32nd Floor, Menara Maybank 100, Jalan Tun Perak 50050 Kuala Lumpur Malaysia Tel. No.: +603 2059 1888 Inter-Pacific Securities Sdn. Bhd. Level 13, West Wing, Berjaya Times Square No. 1, Jalan Imbi 55100 Kuala Lumpur Malaysia Tel. No.: +603 2117 1888
JOINT UNDERWRITERS	:	Maybank Investment Bank Berhad 32nd Floor, Menara Maybank 100, Jalan Tun Perak 50050 Kuala Lumpur Malaysia Tel. No.: +603 2059 1888 Kenanga Investment Bank Berhad 801, 8th Floor, Kenanga International Jalan Sultan Ismail 50250 Kuala Lumpur Malaysia Tel. No.: +603 2027 5555 AmInvestment Bank Berhad Level 22, Bangunan AmBank Group No. 55, Jalan Raja Chulan 50200 Kuala Lumpur Malaysia Tel No.: +603 2036 2633 Inter-Pacific Securities Sdn. Bhd. Level 13, West Wing, Berjaya Times Square No. 1, Jalan Imbi 55100 Kuala Lumpur Malaysia Tel. No.: +603 2117 1888 RHB Investment Bank Berhad Level 10, Tower One RHB Centre Jalan Tun Razak 50400 Kuala Lumpur Malaysia Tel No.: +603 9287 3888
LEGAL ADVISERS	:	*To our Company as to Malaysian Laws* Wong Beh & Toh Level 19, Wisma Selangor Dredging 142-C Jalan Ampang 50450 Kuala Lumpur Malaysia Tel. No.: +603 2713 6050

LEGAL ADVISERS *(Cont'd)*	:	*To our Company as to United States federal securities and English laws* Clifford Chance Pte. Ltd. Marina Bay Financial Centre 25th Floor, Tower 3 12 Marina Boulevard Singapore 018982 Tel. No.: +65 6410 2200 *To the Joint Global Coordinators, Joint Bookrunners, Joint Bookrunner for the MITI Tranche, Joint Managing Underwriters and Joint Underwriters as to Malaysian laws* Zul Rafique & Partners D3-3-8 Solaris Dutamas No. 1 Jalan Dutamas 1 50480 Kuala Lumpur Malaysia Tel. No.: +603 6209 8228 *To the Joint Global Coordinators, Joint Bookrunners and Joint Bookrunner for the MITI Tranche as to United States federal securities and English laws* Latham & Watkins LLP 9 Raffles Place #42-02 Republic Plaza Singapore 048619 Tel. No.: +65 6536 1161
INDEPENDENT MARKET RESEARCHER	:	Vital Factor Consulting Sdn. Bhd. V Square @ PJ City Centre Block 6 Level 6, Jalan Utara 46200 Petaling Jaya Selangor Darul Ehsan Malaysia Tel. No.: +603 7931 3188
SHARE REGISTRAR	:	Berjaya Registration Services Sdn. Bhd. Lot 06-03 Level 6, East Wing Berjaya Times Square No. 1, Jalan Imbi 55100 Kuala Lumpur Malaysia Tel. No.: +603 2145 0533
ISSUING HOUSE	:	Malaysian Issuing House Sdn. Bhd. Level 6, Symphony House Pusat Dagangan Dana 1 Jalan PJU 1A/46 47301 Petaling Jaya Selangor Darul Ehsan Malaysia Tel. No.: +603 7841 8000
LISTING SOUGHT	:	Main Market of Bursa Securities

2. INTRODUCTION

This Prospectus is dated 8 May 2014.

We have registered a copy of this Prospectus with the SC. We have also lodged a copy of this Prospectus and the Application Form with the ROC, who takes no responsibility for their contents.

We have received the approval of the SC for our IPO and Listing on 7 February 2014. The approval 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 or 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 as a result of your reliance on the whole or any part of the contents of this Prospectus.

You should rely on your own evaluation to assess the merits and risks of our IPO and an investment in our Shares. If you are in any doubt as to the action to be taken, you should immediately consult your stockbrokers, bank managers, solicitors, accountants or other professional advisers before applying for our Shares.

We have received the approval of Bursa Securities on 7 March 2014 for the Admission and Listing. Our Shares will be admitted to the Official List and official quotation will commence upon receipt of confirmation from Bursa Depository that all the IPO Shares have been credited into the respective CDS accounts of the successful applicants and the notices of allotment have been despatched to all successful applicants. Admission to the Official List shall not be taken as an indication of the merits of our Company, our Shares or our IPO.

Pursuant to Section 14(1) of the SICDA, Bursa Securities has prescribed our Shares as a "prescribed security". Consequently, our IPO Shares will be deposited directly with Bursa Depository. Any dealings in our Shares will be carried out in accordance with the SICDA and the Rules of Bursa Depository. We will not issue any share certificates to the successful applicants.

The completion of the Institutional Offering and Retail Offering are inter-conditional. Our IPO is also subject to the public shareholding spread requirement under the Listing Requirements as set out in Section 4.3.7 of this Prospectus.

Pursuant to the Listing Requirements, at least 25% of the total number of Shares for which listing is sought must be held by at least 1,000 public shareholders holding not less than 100 Shares each at the point of our Listing. We expect to achieve this at the time of our Listing. In the event that the above requirement is not met, we may not be allowed to proceed with our Listing. Should such an event occur, we will return in full, without interest, monies paid in respect of all applications and if such monies are not returned in full within 14 days after we and the Selling Shareholder become liable to do so, in accordance with the provision of Section 243(2) of the CMSA, in addition to the liability of our Company and the Selling Shareholder, the officers of our Company and the Selling Shareholder shall be jointly and severally liable to return such monies with interest at the rate of 10% per annum or at such other rate as may be prescribed by the SC from the expiration of that period until the full refund is made.

In the case of an application by way of the Application Form, you should state your CDS account number in the space provided in the Application Form. If you do not presently have a CDS account, you must open a CDS account with an ADA before making an application for the IPO Shares. For an application by way of Electronic Share Application, only an applicant who has a CDS account number can make an Electronic Share Application and you should furnish your CDS account number to a Participating Financial Institution by way of keying in your CDS account number if the instructions on the ATM screen at which you submit your Electronic Share Application requires you to do so. In the case of an application by way of the Internet Share Application, only an applicant who has a CDS account opened with an Internet Participating Financial Institution can make an Internet Share Application. Your CDS account number will automatically appear in the electronic IPO online Application Forms. A corporation or institution cannot apply for the IPO Shares by way of Electronic Share Application or Internet Share Application.

Neither 7-Eleven USA nor any of its corporate parents, subsidiaries, and/or affiliates, nor any of their respective officers, directors, agents, employees, accountants, or attorneys, are in any way participating in, approving, or endorsing this Prospectus or our IPO, any of the underwriting or accounting procedures used in this Prospectus or in relation to our IPO, or any representations made in connection with this Prospectus or our IPO. 7-Eleven USA's grant of rights to 7-Eleven Malaysia is not intended as, and should not be interpreted as, an express or implied approval, endorsement, or adoption of any statement regarding actual or projected financial or other performance which may be contained in this Prospectus. All financial and other projections have been prepared by, and are the sole responsibility of our Company.

Any review by 7-Eleven USA of this Prospectus will be conducted solely for the benefit of 7-Eleven USA to determine conformance with 7-Eleven USA's internal policies, and not to benefit or protect any other person. You should not interpret such review by 7-Eleven USA as an approval, endorsement, acceptance, or adoption of any representation, warranty, covenant, or projection contained in the materials reviewed.

The enforcement or waiver of any obligation of 7-Eleven Malaysia under any agreement between 7-Eleven Malaysia and 7-Eleven USA is a matter of 7-Eleven USA's sole discretion. You should not rely on any representation, assumption, or belief that 7-Eleven USA will enforce or waive particular obligations of 7-Eleven Malaysia under such agreements.

7-Eleven USA owns the trademarks to the "7-Eleven" brand, which it licenses to various parties (such as 7-Eleven Malaysia) for operation of "7-Eleven" businesses. 7-Eleven USA has, in fact, granted such rights to 7-Eleven Malaysia pursuant to the terms of the ALA. 7-Eleven Malaysia is an independently-owned and operated licensee of 7-Eleven USA.

All of the information in this Prospectus (including but not limited to the financial data) is the sole responsibility of our Company. 7-Eleven USA is not the issuer of the IPO Shares. 7-Eleven USA did not assist, participate in, or otherwise aid us in our preparation of this Prospectus. If you choose to purchase the IPO Shares, you acknowledge that you are not relying upon any information from 7-Eleven USA in making your decision about whether or not to buy the IPO Shares.

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3. SUMMARY

This summary highlights selected information from this Prospectus and may not contain all of the information about us and our IPO and Listing which may be important to you. You should read and understand this section together with the entire Prospectus before you decide whether or not to invest in our Shares.

You are advised to read the risk factors described in Section 5 of this Prospectus for your understanding of the risks associated with the investment in our Company.

3.1 Overview

We are the largest convenience store operator in Malaysia in terms of number of stores, with a market share of 82% of the standalone convenience store segment, as of March 2014 according to the IMR Report. We opened our first "7-Eleven" convenience store 30 years ago under the "7-Eleven" brand name, and as at the LPD, we and our franchisees operate a nationwide chain of 1,583 "7-Eleven" convenience stores throughout Peninsular and East Malaysia serving over 900,000 customers per day based on the number of transactions recorded. We are the sole operator of "7-Eleven" convenience stores in Malaysia. We believe that the "7-Eleven" brand is one of the most well-established and global brand names which has high brand awareness and generates trust among consumers. Our relationship with our licensor, 7-Eleven USA, provides us with strong benefits both in terms of brand equity, as well as operational and merchandising support.

Please refer to Section 7 of this Prospectus for further information on our business.

3.2 Competitive strengths, future plans and strategies

3.2.1 Competitive strengths

(i) The leading convenience store operator in Malaysia best positioned to capitalise on future strong growth of the convenience store segment;

(ii) Significant brand and operational benefits from being the only operator of "7-Eleven" convenience stores in Malaysia;

(iii) Broad merchandise mix anchored by a differentiated offering of fresh foods, proprietary products, private label and in-store services;

(iv) Nationwide network of 1,583 stores supported by an integrated supply chain and centralised functions allowing for highly efficient operations, strong controls and economies of scale;

(v) Relationship with the Berjaya Family provides significant advantages and opportunities for us; and

(vi) Highly experienced management team with significant expertise in each of their respective areas of operation.

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3.2.2 Future plans and strategies

(i) Further consolidate and strengthen our market position by expanding our store network;

(ii) Continue to invest in and improve our supply chain and IT infrastructure to facilitate growth and further improve our operating efficiency and productivity;

(iii) Expand our in-store services to drive store traffic and profitability;

(iv) Actively manage our merchandising and promotional strategy to improve our product offering and drive sales productivity; and

(v) Accelerate refurbishment of stores to improve in-store customer experience.

Please refer to Section 7.2 of this Prospectus for further information on our competitive strengths, future plans and strategies.

3.3 Financial information

The following selected historical financial information may not be reflective of our Group's actual financial position. Furthermore, such information does not purport to predict the future financial position of our Group.

Our Company was incorporated on 16 August 2013 as an investment holding company. Our first statutory audited financial statements are for the period ended 31 December 2013 and there are no comparative financial statements in view that we did not have any financial records prior to the date of our incorporation.

Prior to the Pre-IPO Reorganisation, our Company did not have any business operations. Pursuant to the Pre-IPO Reorganisation, our Company acquired the 7-Eleven Malaysia Group and accordingly, the business of the 7-Eleven Malaysia Group became the business of our Group. Accordingly, save for Section 3.3.2 of this Prospectus which has been derived from the Reporting Accountants' letter on our pro forma consolidated financial information as set out in Section 10.4 of this Prospectus, the selected historical financial information in Sections 3.3.1 and 3.3.3 of this Prospectus as well as "Management's discussion and analysis of financial condition and results of operations and prospects" as set out in Section 10.2 of this Prospectus has been derived from the Reissued Consolidated Financial Statements and the audited consolidated financial statements of 7-Eleven Malaysia for the year ended 31 December 2013. We are of the view that our Group's financial statements for the past four years ended 31 December 2013 would not have differed materially from our wholly-owned subsidiary, 7-Eleven Malaysia's financial statements for the years under review.

For all periods up to and including the year ended 31 December 2011, the audited consolidated financial statements of 7-Eleven Malaysia was prepared in accordance with FRS. On 1 January 2012, 7-Eleven Malaysia adopted MFRS and IFRS for the first time to its financial information as at and for the year ended 31 December 2012. However, for purposes of our IPO, the audited consolidated financial statements of 7-Eleven Malaysia for the past four years ended 31 December 2013 have been reissued and prepared in accordance with MFRS and IFRS.

The following selected historical financial information should be read in conjunction with the "Management's discussion and analysis of financial condition and results of operations and prospects" as set out in Section 10.2 of this Prospectus together with the Reporting Accountants' letter on our pro forma consolidated financial information and the Accountants' Report together with its accompanying notes as set out in Sections 10.4 and 11 of this Prospectus respectively.

3.3.1 Summary of historical consolidated statements of comprehensive income

The following table sets out the consolidated statements of comprehensive income of 7-Eleven Malaysia for the years indicated:

	Audited			
	Year ended 31 December			
	2010	2011	2012	[7]2013
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Revenue	1,313,705	1,462,396	1,579,123	1,672,465
Cost of sales	(971,225)	(1,078,168)	(1,153,881)	(1,205,364)
Gross profit	342,480	384,228	425,242	467,101
Other operating income	100,098	95,518	99,105	116,608
Selling and distribution expenses	(340,981)	(366,537)	(394,945)	(435,443)
Administrative and other operating expenses	(53,657)	(63,742)	(63,275)	(66,679)
Profit from operations	47,940	49,467	66,127	81,587
Finance costs	(7,510)	(8,993)	(9,554)	(8,646)
Profit before tax	40,430	40,474	56,573	72,941
Income tax expense	(13,142)	(10,329)	(16,091)	(21,163)
Profit after tax	**27,288**	**30,145**	**40,482**	**51,778**
Other comprehensive (expense)/income:				
Items that are or may be reclassified subsequent to profit or loss				
Net (loss)/gain on available-for-sale financial assets				
- Loss on fair value changes	-	(1,574)	(1,198)	-
- Transfer to profit or loss upon disposal	-	-	1,674	-
- Cumulative loss reclassified to profit or loss	-	1,098	-	-
Other comprehensive (expense)/income for the year, net of tax	-	(476)	476	-
Total comprehensive income for the year	**27,288**	**29,669**	**40,958**	**51,778**
EBITDA[1]	80,384	81,606	99,922	113,433
Gross profit margin (%)[2]	26.07	26.27	26.93	27.93
EBITDA margin (%)[3]	6.12	5.58	6.33	6.78
Profit before tax margin (%)[4]	3.08	2.77	3.58	4.36
Profit after tax margin (%)[5]	2.08	2.06	2.56	3.10
Basic EPS (RM)[6]	0.78	0.86	1.16	1.48

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Notes:

(1) *The table below sets out a reconciliation of the 7-Eleven Malaysia Group's profit after tax to EBITDA:*

	Audited			
	Year ended 31 December			
	2010	**2011**	**2012**	**2013**
	(RM'000)	**(RM'000)**	**(RM'000)**	**(RM'000)**
Profit after tax	27,288	30,145	40,482	51,778
Income tax expense	13,142	10,329	16,091	21,163
Profit before tax	40,430	40,474	56,573	72,941
Finance costs	7,510	8,993	9,554	8,646
Depreciation and amortisation	32,444	32,139	33,795	31,847
EBITDA	**80,384**	**81,606**	**99,922**	**113,433**

EBITDA, as well as the related ratios presented in this Prospectus are supplemental measures of the 7-Eleven Malaysia Group's performance and liquidity that are not required by or presented in accordance with MFRS and IFRS. Furthermore, EBITDA is not a measure of the 7-Eleven Malaysia Group's financial performance or liquidity under MFRS and IFRS, and should not be considered as an alternative to net income, operating profit or any other performance measures derived in accordance with MFRS and IFRS or as an alternative to cash flows from operating activities or as a measure of liquidity. In addition, EBITDA is not a standardised term, hence a direct comparison of EBITDA between companies may not be possible. Other companies may calculate EBITDA differently from the 7-Eleven Malaysia Group, limiting its usefulness as a comparative measure.

(2) *Computed based on gross profit over revenue.*

(3) *Computed based on EBITDA over revenue.*

(4) *Computed based on profit before tax over revenue.*

(5) *Computed based on profit after tax over revenue.*

(6) *Computed based on profit after tax over 35,000,000 ordinary shares of RM1.00 each in 7-Eleven Malaysia.*

(7) *Excludes expenses of RM7.7 million which was incurred by 7-Eleven Malaysia Holdings (which includes expenses incurred in conjunction with our IPO and Listing of RM7.6 million) as the expenses were recognised in the Statement of Comprehensive Income of 7-Eleven Malaysia Holdings.*

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3.3.2 Summary of pro forma consolidated statement of financial position

Our pro forma consolidated statement of financial position as at 31 December 2013 has been derived from the audited consolidated statement of financial position of 7-Eleven Malaysia Holdings as at 31 December 2013, after adjustments to reflect the following transactions and on the assumption that the following transactions were completed on 31 December 2013:

(i) the Pre-IPO Reorganisation; and

(ii) our IPO, Listing and the receipt and utilisation by our Group of the estimated proceeds from our IPO as set out in Section 4.10 of this Prospectus.

The following pro forma consolidated statement of financial position of 7-Eleven Malaysia Holdings as at 31 December 2013 includes the results of 7-Eleven Malaysia Holdings from our incorporation on 16 August 2013 to 31 December 2013, which comprise of expenses amounting to RM7.7 million incurred by 7-Eleven Malaysia Holdings (which includes expenses incurred in conjunction with our IPO and Listing, amounting to RM7.6 million).

		Pro forma I	**Pro forma II**
	As at 31 December 2013	**After the Pre-IPO Reorganisation**	**After Pro forma I, our IPO, Listing and utilisation of proceeds**
	(RM'000)	**(RM'000)**	**(RM'000)**
Non-current assets			
Property, plant and equipment	-	194,787	194,787
Investment property	-	229	229
Other investments	-	1	1
Goodwill on consolidation	-	596	596
	-	195,613	195,613
Current assets			
Inventories	-	133,025	133,025
Sundry receivables	606	109,312	109,312
Deferred expenditure	1,195	1,195	-
Tax recoverable	-	1,364	1,364
Cash and bank balances	*	47,840	279,955
	1,801	292,736	523,656
Total assets	**1,801**	**488,349**	**719,269**
Equity and liabilities			
Equity attributable to equity holder of the Company			
Share capital	*	105,200	123,338
Share premium	-	1,136,160	1,359,551
(Accumulated loss)/Retained profits	(7,677)	31,245	24,762
Reorganisation deficit	-	(1)(1,343,248)	(1,343,248)
Total (deficit)/equity	**(7,677)**	**(70,643)**	**164,403**
Non-current liabilities			
Provisions	-	4,936	4,936
Borrowings	-	6,005	6,005
Deferred tax liability	-	8,423	8,423
	-	19,364	19,364

3. SUMMARY *(Cont'd)*

		Pro forma I	Pro forma II
	As at 31 December 2013	After the Pre-IPO Reorganisation	After Pro forma I, our IPO, Listing and utilisation of proceeds
	(RM'000)	(RM'000)	(RM'000)
Current liabilities			
Provisions	-	311	311
Borrowings	-	119,592	119,592
Trade payables	-	321,949	321,949
Other payables	4,134	97,757	93,631
Amount due to a related corporation	5,344	-	-
Taxation	-	19	19
	9,478	539,628	535,502
Total liabilities	**9,478**	**558,992**	**554,866**
Total equity and liabilities	**1,801**	**488,349**	**719,269**
No. of Shares in issue ('000)	^	1,052,000	1,233,385
Net (liabilities)/assets	(7,677)	(70,643)	164,403
Net (liabilities)/assets per Share (sen)	(38,385,000.00)	(6.72)	13.33

Notes:

* *Represents RM2.00.*

^ *Represents 20 Shares.*

(1) *Represents the difference between the carrying value of the investment, being the consideration paid of RM1,378.2 million, pursuant to the Pre-IPO Reorganisation, and the nominal value of the ordinary shares of RM1.00 each in 7-Eleven Malaysia acquired of RM35.0 million.*

Our pro forma consolidated statement of financial position as at 31 December 2013 should be read in conjunction with the Reporting Accountants' letter on our pro forma consolidated financial information as set out in Section 10.4 of this Prospectus.

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3.3.3 Summary of historical consolidated statements of cash flows

The following table sets out the consolidated statements of cash flows of 7-Eleven Malaysia for the years indicated:

	Audited			
	Year ended 31 December			
	2010	2011	2012	2013
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Cash flows from operating activities				
Cash receipts from customers and other receivables	1,338,201	1,568,858	1,649,122	1,775,043
Cash paid to suppliers and employees	(1,256,729)	(1,447,529)	(1,555,858)	(1,554,993)
Cash generated from operations	81,472	121,329	93,264	220,050
Interest paid	(7,510)	(5,318)	(9,554)	(8,646)
Tax paid	(10,420)	(8,683)	(17,030)	(24,517)
Net cash generated from operating activities	63,542	107,328	66,680	186,887
Cash flows from investing activities				
Purchase of property, plant and equipment	(19,132)	(20,445)	(15,317)	(41,722)
Purchase of quoted shares	-	(6,618)	(2,000)	-
Purchase of short term investment	-	-	(400)	-
Proceeds from disposal of property, plant and equipment	10	29	94	282
Proceeds from disposal of quoted shares	-	-	5,846	-
Movement in intercompany balances	(8,652)	9,856	(86,309)	[(1)](24,664)
Dividend income received	-	-	-	36
Interest received	821	719	513	569
Net cash used in investing activities	(26,953)	(16,459)	(97,573)	(65,499)
Cash flow from financing activities				
Dividend paid on ordinary shares	(15,000)	(12,000)	-	(117,500)
Proceeds from term loan	8,000	-	-	-
Proceeds from banker's acceptance	263,633	430,966	427,672	576,725
Proceeds from revolving credit	185,800	27,900	-	-
Repayment of banker's acceptance	(244,628)	(431,597)	(401,438)	(554,725)
Repayment of revolving credit	(205,800)	(82,900)	-	-
Repayment of term loans	(1,871)	(3,116)	(3,143)	(2,708)
Repayment of hire purchase and finance lease liabilities	(7,844)	(9,081)	(7,926)	(7,583)
Net cash (used in)/generated from financing activities	(17,710)	(79,828)	15,165	(105,791)
Net increase/(decrease) in cash and cash equivalents	**18,879**	**11,041**	**(15,728)**	**15,597**
Cash and cash equivalents at beginning of year	18,051	36,930	47,971	32,243
Cash and cash equivalents at end of year	**36,930**	**47,971**	**32,243**	**47,840**

Note:

[(1)] *Includes an advance of RM5.3 million from 7-Eleven Malaysia to 7-Eleven Malaysia Holdings to settle part of the expenses that 7-Eleven Malaysia Holdings had incurred pursuant to our IPO and Listing.*

Please refer to Sections 10 and 11 of this Prospectus for further information on our financial information.

3.3.4 Capitalisation and indebtedness

The information in this table should be read in conjunction with the Reporting Accountants' letter on our pro forma consolidated financial information and the Accountants' Report together with its accompanying notes as set out in Sections 10.4 and 11 of this Prospectus respectively.

The pro forma capitalisation and indebtedness information below does not represent our Group's actual capitalisation and indebtedness as at 31 December 2013 and is provided for illustrative purposes only. Save as disclosed in Section 10.2.5(iii)(a) of this Prospectus, the total indebtedness of our Group is not guaranteed by any third party.

		(1)Pro forma I	(1)Pro forma II
	As at 31 December 2013	After the Pre-IPO Reorganisation	After Pro forma I, our IPO, Listing and utilisation of proceeds
	(RM'000)	(RM'000)	(RM'000)
Cash and bank balances(2)	#	47,840	279,955
Indebtedness			
Short term borrowings			
Secured			
- Term loans	-	2,180	2,180
- Hire purchase and finance lease liabilities	-	5,912	5,912
	-	8,092	8,092
Unsecured			
- Bankers' acceptances	-	111,500	111,500
	-	119,592	119,592
Long term borrowings			
Secured			
- Term Loans	-	819	819
- Hire purchase and finance lease liabilities	-	5,186	5,186
	-	6,005	6,005
Total indebtedness(3)	**-**	**125,597**	**125,597**
Net (debt) / cash(4)	-	**(77,757)**	**154,358**
Total (deficit)/equity	(7,677)	(7)(70,643)	164,403
Total capitalisation and indebtedness	**(7,677)**	**54,954**	**290,000**
Gearing ratio (times)(5)	Not applicable(8)	Not applicable(8)	0.76
Net debt-to-equity ratio (times)(6)	Not applicable(8)	Not applicable(8)	Not applicable(9)

Notes:

\# *Represents RM2.00.*

(1) *Presented on pro forma basis as at 31 December 2013 as our first statutory audited financial statements is for the period ended 31 December 2013 and we did not have any financial records prior to the date of our incorporation on 16 August 2013.*

(2) *Cash and bank balances include cash on hand and at banks and short term deposits with licensed banks.*

(3) *Total indebtedness includes short-term borrowings and long-term borrowings.*

(4) *Computed based on cash and bank balances less total indebtedness.*

(5) *Computed based on total indebtedness over total equity.*

(6) *Computed based on total indebtedness less cash and bank balances over total equity.*

(7) *Attributable to the reorganisation deficit which arose as a result of the Pre-IPO Reorganisation of RM1,343.2 million.*

(8) *Not applicable due to total deficit position.*

(9) *Not applicable as the proforma cash and bank balances is more than total indebtedness.*

Except as disclosed in this Prospectus, there have been no material variances in our total indebtedness and total equity as at the LPD as compared to the amounts as at 31 December 2013.

3.4 Dividend policy

No inference should be made from any of the following statements as to our actual future profitability or our ability to pay dividends in the future.

As our Company is an investment holding company, our income and therefore our ability to pay dividends, is dependent upon the dividends that we receive from our subsidiaries. The payment of dividends by our subsidiaries will depend upon their operating results, distributable profits, capital requirements, financial condition and other relevant factors. Please refer to Sections 5.3.3 and 5.3.4 of this Prospectus for further information on the factors which may affect or restrict our ability to pay dividends.

We propose to pay dividends out of cash generated from our operations after setting aside the necessary funding for capital expenditure and working capital needs. As part of this policy, we target a payout ratio of between 30.0% to 50.0% of our Company's profit attributable to our equity holders for the year, subject to the approval of our Board and to any applicable law and contractual obligations and provided that such distribution will not be detrimental to our Group's cash requirements or to any plans approved by our Board.

Please refer to Section 10.5 of this Prospectus for further information on our dividend policy.

3.5 Particulars of our IPO

Our IPO is subject to the terms and conditions of this Prospectus and upon acceptance, the IPO Shares are expected to be allotted/transferred in the manner described below, subject to clawback and reallocation provisions and the Over-allotment Option as set out in Sections 4.3.3 and 4.3.4 of this Prospectus respectively.

Our IPO of up to 530,325,000 IPO Shares, representing up to approximately 43.0% of the enlarged issued and paid-up share capital, comprising the Offer for Sale of up to 348,940,000 Offer Shares and the Public Issue of 181,385,000 Issue Shares, are offered by the Selling Shareholder and our Company respectively, in the manner set out below. For the avoidance of doubt, the IPO Shares offered under the Institutional Offering and Retail Offering do not include the Shares under the Over-allotment Option.

3.5.1 Institutional Offering

Offering of up to 490,780,000 IPO Shares at the Institutional Price, representing up to approximately 39.8% of our enlarged issued and paid-up share capital, to be allocated in the following manner:

(i) up to 348,940,000 Offer Shares to the following:

(a) Malaysian institutional and selected investors (other than Bumiputera institutional and selected investors approved by the MITI);

(b) foreign institutional and selected investors outside the United States in reliance on Regulation S; and

(c) QIB in the United States in reliance on Rule 144A or pursuant to an applicable exemption from registration under the US Securities Act; and

(ii) 141,840,000 Issue Shares to Bumiputera institutional and selected investors approved by the MITI.

3.5.2 Retail Offering

Offering of 39,545,000 Issue Shares at the Retail Price, representing approximately 3.2% of our enlarged issued and paid-up share capital of our Company, to be allocated in the following manner:

(i) 34,045,000 Issue Shares made available for application by the Malaysian public, via balloting, of which 17,022,500 Issue Shares have been set aside for application by Bumiputera citizens, companies, co-operatives, societies and institutions; and

(ii) 5,500,000 Issue Shares reserved for application by the Eligible Persons.

Please refer to Section 4.3 of this Prospectus for further information on the particulars of our IPO.

3.6 Utilisation of proceeds

We expect to utilise the gross proceeds from the Public Issue of approximately RM250.3 million in the following manner:

Details of utilisation of proceeds	Estimated timeframe for utilisation from the date of our Listing	RM'000	%
Capital expenditure	Within 36 months	184,790	73.8
Working capital	Within 36 months	42,664	17.1
Payment of the estimated fees and expenses for our IPO and Listing	Within 1 month	22,857	9.1
Total gross proceeds		**250,311**	**100.0**

Our Company will not receive any proceeds from the Offer for Sale. The gross proceeds from the Offer for Sale of up to approximately RM481.5 million will accrue entirely to the Selling Shareholder.

Please refer to Section 4.10 of this Prospectus for further information on the utilisation of proceeds from the Public Issue.

3.7 Risk factors

Before investing in our Shares, you should carefully consider, along with the other matters in this Prospectus, the risks and investment considerations as summarised below. You should note that the following list is not an exhaustive list of all the risks that we face or risks that may develop in the future.

3.7.1 Risks relating to our business

(i) Our growth prospects may be limited if we encounter difficulties executing our future plans and strategies;

(ii) Our success depends substantially on the value of our brand;

(iii) We face risks in relation to our license agreement with 7-Eleven USA;

(iv) A deterioration in our relationship with 7-Eleven USA could have an adverse effect on our operational efficiency and results of operations;

(v) Our future plans and strategies may expose us to business and operational risks;

(vi) Our business has low margins and is particularly susceptible to increases in operating costs and expenses;

(vii) We depend on our ability to secure attractive locations at commercially acceptable prices;

(viii) Any disruption in the supply of products from our key suppliers or increase in the prices of products from these suppliers may have a material adverse effect on our business, results of operations and financial condition;

(ix) We rely on a single CDC that manages supplies for a substantial portion of the products we sell;

(x) Shortages or unavailability of products demanded by customers due to disruptions to our supply chain may materially and adversely affect our business and competitiveness;

(xi) Our business depends on our ability to determine the appropriate mix of products to suit customers' preferences;

(xii) The sale of consumer products exposes us to the risk of adverse publicity;

(xiii) The termination of our partnership with MOL may have an impact on our commission revenue and profitability;

(xiv) Our business relies on the satisfactory performance of our IT systems and any malfunction for an extended period or loss of data could materially and adversely affect our ability to operate;

(xv) We are exposed to certain risks in connection with the substantial use of cash in our business operations;

(xvi) Our stores face security risks;

(xvii) Our success depends significantly on our senior management and other key personnel and our ability to attract and retain talented personnel;

(xviii) Our ability to fulfil our debt obligations is not assured;

(xix) Refurbishments of our existing stores may affect our business, financial condition and results of operations;

(xx) We may require additional financing or capital, which may not be available on terms acceptable to us or at all;

(xxi) Our insurance coverage may not adequately protect us against all material hazards;

(xxii) We may be involved in legal and other disputes arising out of our operations from time to time and may face significant liabilities as a result;

(xxiii) We are controlled by our substantial shareholders whose interests may not always align with our interests;

(xxiv) If we fail to obtain or renew the regulatory licenses, approvals and permits we need in order to operate our stores, our existing operations may be materially and adversely affected;

(xxv) Our substantial shareholder's debt facilities may expose us to risks relating to corporate actions taken by our substantial shareholder and/or its other subsidiaries; and

(xxvi) Any breach of or use of properties in breach of the category of land use and/or express condition in the issue documents of title of our owned or tenanted properties, or any failure to obtain the CF or CCC for such properties, may adversely affect our business, financial condition and results of operations.

3.7.2 Risks relating to the industry in which we operate

(i) Our performance depends on the performance of the Malaysian economy and consumer spending patterns;

(ii) The retail sector in Malaysia is highly competitive; and

(iii) Political, economic, social, regulatory and other developments in Malaysia may adversely affect us.

3.7.3 Risks relating to our Shares

(i) There has been no prior market for our Shares and it is uncertain whether a sustainable market will ever develop;

(ii) Our Share price and trading volume may be volatile;

(iii) We may not be able to pay dividends;

(iv) We are an investment holding company and as a result, we depend on dividends from our subsidiaries to meet our obligations and to provide funds for payment of dividends on our Shares;

(v) We may use the proceeds from the Public Issue in ways in which you may not agree;

(vi) The sale or the possible sale of a substantial number of our Shares in the public market following our IPO could adversely affect the price of our Shares;

(vii) There may be a delay in or termination of our Listing;

(viii) As the Institutional Price and Retail Price are higher than our NA value per Share, purchasers of our Shares in our IPO will experience immediate and substantial dilution and purchasers of our Shares may experience further dilution if we issue additional Shares in the future; and

(ix) Forward-looking statements in this Prospectus may not be accurate.

Please refer to Section 5 of this Prospectus for further information on the risk factors.

4. DETAILS OF OUR IPO

4.1 Opening and closing of applications

Application for the Issue Shares under the Retail Offering will open at 10.00 a.m. on 8 May 2014 and will remain open until 5.00 p.m. on 16 May 2014 or such other date or dates as our Directors and Joint Managing Underwriters may decide in their absolute discretion.

4.2 Indicative timetable

The following events are intended to take place on the following indicative dates:

Event	Date
Opening of the Institutional Offering[1]	8 May 2014
Issuance of Prospectus/Opening of the Retail Offering	10.00 a.m., 8 May 2014
Closing of the Institutional Offering	15 May 2014
Price Determination Date	16 May 2014
Closing of the Retail Offering	5.00 p.m., 16 May 2014
Balloting of applications for the Issue Shares under the Retail Offering	20 May 2014
Allotment/Transfer of the IPO Shares to successful applicants	28 May 2014
Listing	30 May 2014

Note:

(1) *Other than the Institutional Offering to the Cornerstone Investors. The master cornerstone placement agreement for the acquisition of the Offer Shares by the Cornerstone Investors was entered into on 22 April 2014.*

The Institutional Offering will close on the date stated above or such other date or dates as our Directors, the Selling Shareholder and Joint Global Coordinators may decide in their absolute discretion. The Retail Offering will close at the time and on the date stated above or such other date or dates as our Directors and the Joint Managing Underwriters may decide in their absolute discretion.

In the event that the closing date and/or time of either the Institutional Offering or Retail Offering is extended, the Price Determination Date and dates for the balloting of applications for the Issue Shares under the Retail Offering, allotment/transfer of the IPO Shares to successful applicants and our Listing may be extended accordingly. Any extension will be announced in widely circulated Bahasa Malaysia and English daily newspapers within Malaysia.

4.3 Particulars of our IPO

Our IPO is subject to the terms and conditions of this Prospectus and upon acceptance, the IPO Shares are expected to be allotted/transferred in the manner described below, subject to clawback and reallocation provisions and the Over-allotment Option as set out in Sections 4.3.3 and 4.3.4 of this Prospectus respectively.

Our IPO of up to 530,325,000 IPO Shares, representing up to approximately 43.0% of the enlarged issued and paid-up share capital of our Company, comprising the Offer for Sale of up to 348,940,000 Offer Shares and the Public Issue of 181,385,000 Issue Shares are offered by the Selling Shareholder and our Company, respectively, in the manner set out below. For the avoidance of doubt, the IPO Shares that are offered under the Institutional Offering and Retail Offering do not include the Shares under the Over-allotment Option.

4.3.1 Institutional Offering

Offering of up to 490,780,000 IPO Shares at the Institutional Price, representing up to approximately 39.8% of our enlarged issued and paid-up share capital, to be allocated in the following manner:

(i) up to 348,940,000 Offer Shares to the following:

(a) Malaysian institutional and selected investors (other than Bumiputera institutional and selected investors approved by the MITI);

(b) foreign institutional and selected investors outside the United States in reliance on Regulation S; and

(c) QIB in the United States in reliance on Rule 144A or pursuant to an applicable exemption from registration under the US Securities Act; and

(ii) 141,840,000 Issue Shares to Bumiputera institutional and selected investors approved by the MITI.

As part of the Institutional Offering, our Company and the Selling Shareholder had on 22 April 2014 entered into a master cornerstone placement agreement with the Cornerstone Investors, pursuant to which the Cornerstone Investors have agreed to acquire from the Selling Shareholder, subject to the terms of the individual cornerstone placement agreements, an aggregate of 305,265,000 Shares, representing approximately 24.8% of the enlarged issued and paid-up share capital of our Company at the price as stipulated under the individual cornerstone placement agreements. In addition, a Cornerstone Investor may acquire additional IPO Shares such that its aggregate holding of IPO Shares under the Institutional Offering as at the date of Listing may equal or exceed 5.0% of the enlarged issued and paid up share capital of our Company.

The cornerstone placement agreements are conditional upon, among others, the Retail Underwriting Agreement and the Placement Agreement being entered into and not having been terminated pursuant to their respective terms.

The Cornerstone Investors are not subject to any lock-up arrangements pursuant to the cornerstone placement agreements.

4.3.2 Retail Offering

Offering of 39,545,000 Issue Shares at the Retail Price, representing approximately 3.2% of our enlarged issued and paid-up share capital, to be allocated in the following manner:

(i) 34,045,000 Issue Shares made available for application by the Malaysian public, via balloting, of which 17,022,500 Issue Shares have been set aside for application by Bumiputera citizens, companies, co-operatives, societies and institutions; and

(ii) 5,500,000 Issue Shares reserved for application by the Eligible Persons.

A summary of the allocation of the 5,500,000 Issue Shares to the Eligible Persons is as follows:

Category of persons	**No. of Eligible Persons**	**Aggregate no. of Issue Shares allocated**
Eligible Directors of our Group[1]	10	1,000,000
Eligible employees of our Group[2]	1,902	4,500,000
Total	**1,912**	**5,500,000**

Notes:

(1) *Each of the eligible Directors of our Group shall be allocated 100,000 Issue Shares.*

(2) *The criteria for allocation in respect of the eligible employees of our Group are based on their length of service and job grade.*

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

In summary, the IPO Shares will be allocated and allotted, subject to the clawback and reallocation provisions and the Over-allotment Option as set out in Sections 4.3.3 and 4.3.4 of this Prospectus respectively, in the following manner:

	Offer for Sale		Public Issue		Total	
Categories	**No. of Shares**	**% of our enlarged share capital**	**No. of Shares**	**% of our enlarged share capital**	**No. of Shares**	**% of our enlarged share capital**
Retail Offering:						
Malaysian public (via balloting)						
- Bumiputera	-	-	17,022,500	1.4	17,022,500	1.4
- Non-Bumiputera	-	-	17,022,500	1.4	17,022,500	1.4
Eligible Persons			5,500,000	0.4	5,500,000	0.4
Sub-total	**-**	**-**	**39,545,000**	**3.2**	**39,545,000**	**3.2**
Institutional Offering:						
MITI approved Bumiputera institutional and selected investors	-	-	141,840,000	11.5	141,840,000	11.5
Other Malaysian and foreign institutional and selected investors	348,940,000	28.3	-	-	348,940,000	28.3
Sub-total	**348,940,000**	**28.3**	**141,840,000**	**11.5**	**490,780,000**	**39.8**
Total	**348,940,000**	**28.3**	**181,385,000**	**14.7**	**530,325,000**	**43.0**

The completion of the Institutional Offering and Retail Offering are inter-conditional. Our IPO is also subject to the public shareholding spread requirement under the Listing Requirements as set out in Section 4.3.7 of this Prospectus.

4.3.3 Clawback and reallocation

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

(i) if the Issue Shares allocated to Bumiputera institutional and selected investors approved by the MITI are not fully taken up, the Issue Shares which are not taken up may be allocated to other Malaysian and foreign institutional and selected investors under the Institutional Offering;

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

(iii) if there is an over-subscription in the Institutional Offering and an under-subscription in the Retail Offering, the 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 in both the Institutional Offering and Retail Offering.

Any Issue Shares not taken up by the Eligible Persons ("**Excess Issue Shares**") under Section 4.3.2 of this Prospectus shall be made available for application by the Eligible Persons who have applied for excess on top of their pre-determined allocation and allocated on a fair and equitable basis and in the following priority:

(i) firstly, allocation on a pro-rata basis to the Eligible Persons who have applied for the Excess Issue Shares based on the number of Excess Issue Shares applied for; and

(ii) secondly, to minimise odd lots.

Our Board also reserves the right to accept any Excess Issue Shares application, in full or in part, without assigning any reason.

Thereafter, any unsubscribed Issue Shares unallocated to the Eligible Persons will be made available for application by the Malaysian public under the Retail Offering, with any remaining Issue Shares thereafter underwritten by the Joint Underwriters, subject to clawback and reallocation provisions.

4.3.4 Over-allotment Option

The Selling Shareholder may grant an Over-allotment Option to the Stabilising Manager (on behalf of the Placement Managers) and may appoint the Stabilising Manager to undertake price stabilisation actions. The Stabilising Manager (or persons acting on behalf of the Stabilising Manager) may, subject to compliance with the relevant laws and regulations, in consultation with and with the agreement of the Joint Global Coordinators, over-allot our Shares (on behalf of the Placement Managers) and subsequently, effect transactions which may 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 Selling Shareholder at any time, within 30 days from the date of our Listing to purchase from the Selling Shareholder up to an aggregate of 74,034,000 Shares at the Institutional Price for each Share, representing up to approximately 14.0% of the total number of 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 Placement Managers) enter into the Share Lending Agreement with the Selling Shareholder to borrow up to 74,034,000 Shares to cover the over-allotments. Any of our Shares that may be borrowed by the Stabilising Manager under the Share Lending Agreement will be returned by the Stabilising Manager to the Selling Shareholder either through the purchase of our Shares in the open market by the Stabilising Manager in the conduct of stabilisation activities or 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 our Shares issued.

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 and in other jurisdictions where it is permissible to do so, in each case, in compliance with all applicable laws and regulations, including the CMSA and any regulations thereunder. The number of Shares that the Stabilising Manager (or persons acting on behalf of the Stabilising Manager) may buy to undertake stabilising action, shall not exceed an aggregate of 74,034,000 Shares, representing approximately 14.0% of the total number of IPO Shares offered. However, there is no obligation for the Stabilising Manager (or persons acting on behalf of the Stabilising Manager) to undertake any 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 74,034,000 Shares, representing approximately 14.0% of the total number of IPO Shares offered to undertake the stabilising action.

Neither we, the Selling Shareholder nor the Stabilising Manager make 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 Selling Shareholder 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).

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4.3.5 Share capital

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

	No. of Shares	RM
Authorised	3,000,000,000	300,000,000
Issued and fully paid-up		
Issued and fully paid-up as at the LPD	1,052,000,000	105,200,000
To be issued and fully paid-up pursuant to the Public Issue	181,385,000	18,138,500
Enlarged issued and paid-up share capital upon Listing	**1,233,385,000**	**123,338,500**

The Offer for Sale would not have any effect on our issued and paid-up share capital as the Offer Shares are already in existence prior to our IPO.

4.3.6 Classes of shares and ranking

As at the date of this Prospectus, we only have one class of shares, being ordinary shares of RM0.10 each.

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

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

Upon allotment and issuance and subject to any special rights attaching to any Shares which we may issue in the future, our shareholders shall, in proportion to the amount paid-up on the 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 shall be entitled to the surplus, if any, in accordance with our Articles 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 shall be entitled to vote in person, by proxy or by attorney or by duly authorised representative. On a show of hands, each shareholder presents either in person, by proxy, by attorney or by other duly authorised representatives shall have one vote. On a poll, each shareholder present either in person, by proxy, by attorney or by other duly authorised representative shall have one vote for each Share held or represented. A proxy may but need not be a member of our Company.

4.3.7 Minimum subscription level

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

In the event that the public shareholding spread requirement is not met pursuant to our IPO and/or if we and the Selling Shareholder decide in our absolute discretion not to proceed with our Listing, monies paid in respect of any application for the IPO Shares will be returned in full without interest and if such monies are not returned in full within 14 days after our Company and the Selling Shareholder become liable to do so, then our Company and the Selling Shareholder and the officers of our Company and the Selling Shareholder shall be jointly and severally liable to return such monies with interest at the rate of 10% per annum or at such other rate as may be prescribed by the SC from the expiration of that period until the full refund is made.

4.4 Selling Shareholder

BRetail is the Selling Shareholder.

As at the LPD, the Selling Shareholder is the registered owner of 1,052,000,000 Shares, representing the entire issued and paid-up share capital of our Company. The Selling Shareholder is also the Promoter of our IPO.

As part of our IPO, the Selling Shareholder will offer up to 348,940,000 Offer Shares. Following our IPO, the Selling Shareholder is expected to hold 703,060,000 Shares, representing 57.0% of our enlarged issued and paid-up share capital, assuming the Over-allotment Option is not exercised. Assuming full exercise of the Over-allotment Option, the Selling Shareholder is expected to hold 629,026,000 Shares, representing 51.0% of our enlarged issued and paid-up share capital following our IPO.

4.5 Brokerage, underwriting commission and placement fee

4.5.1 Brokerage

We will pay brokerage in respect of the Issue Shares under the Retail Offering, at the rate of 1.0% 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 Joint Global Coordinators, Joint Bookrunners and Joint Bookrunner for the MITI Tranche are 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 Shareholder.

4.5.2 Underwriting commission

As stipulated in the Retail Underwriting Agreement, the Joint Managing Underwriters and Joint Underwriters have agreed to underwrite the Issue Shares under the Retail Offering for a total managing underwriting and an underwriting commission calculated at the rate of 0.5% and 1.25% respectively of the Retail Price multiplied by the number of Issue Shares underwritten pursuant to the Retail Offering in accordance with the terms of the Retail Underwriting Agreement.

4.5.3 Placement fee

We and the Selling Shareholder, with respect to the Issue Shares and Offer Shares, respectively, will pay the relevant Placement Managers: (a) a placement fee of 2.0% of the amount equal to the Institutional Price multiplied by the IPO Shares sold pursuant to the Institutional Offering (including the Over-allotment Option, if exercised) to Malaysian and foreign institutional and selected investors, to be paid in proportion to their respective placement obligations, and (b) a discretionary fee of up to 0.5% of the amount equal to the Institutional Price multiplied by the Offer Shares sold pursuant to the Institutional Offering (including the Over-allotment Option, if exercised) to Malaysian and foreign institutional and selected investors, excluding the MITI Tranche, to be paid in such proportion and allocation as determined at the sole discretion of us and the Selling Shareholder.

In lieu of the placement fee described in (a) above, the Selling Shareholder will pay one of the Placement Managers a flat fee of RM1 million for its role and participation in the Institutional Offering to foreign institutional and selected investors.

The placement fee and any discretionary fee to be paid by us and the Selling Shareholder to the relevant Placement Managers will be funded using proceeds raised from the Institutional Offering (including the Over-allotment Option, if exercised).

4.6 Underwriting, placement and lock-up arrangements

4.6.1 Underwriting

Pursuant to the Retail Underwriting Agreement, the Joint Managing Underwriters and Joint Underwriters have agreed to severally but not jointly underwrite 39,545,000 Issue Shares under the Retail Offering, subject to clawback and reallocation provisions as set out in Section 4.3.3 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 4.5.2 of this Prospectus whilst the salient terms of the Retail Underwriting Agreement are as follows:

For the purpose of this section:

(i) "**Force Majeure**" means causes which are unpredictable and beyond the reasonable control of the party claiming Force Majeure which could not have been avoided or prevented by reasonable foresight, planning and implementation including but not limited to:

   (a) war, acts of warfare, sabotages, hostilities, invasion, incursion by armed force, act of hostile army, nation or enemy, civil war or commotion, hijacking, terrorism;

   (b) riot, uprising against constituted authority, civil commotion, disorder, rebellion, organised armed resistance to the government, insurrection, revolt, military or usurped power; or

   (c) natural catastrophe including but not limited to earthquakes, floods, fire, storm, lightning, tempest, explosions, accident, epidemics or other acts of God;

(ii) "**Majority Underwriters**" means such Joint Underwriters (which shall include the Joint Managing Underwriters) whose underwriting commitment collectively represent not less than 65 percentum (65%) of the aggregate underwriting commitment of all the Joint Underwriters;

(iii) "**Material Adverse Effect**" means any material adverse effect, whether individually or in the aggregate, and whether or not arising in the ordinary course of business, on any of the following:

(a) the condition (financial or otherwise), business, assets, prospects or results of operations of our Group, taken as a whole;

(b) the ability of our Company to perform in any respect our obligations under or with respect to, or to consummate the transactions contemplated by, this Prospectus, the Placement Agreement or the Retail Underwriting Agreement;

(c) the ability of our Company or any of our subsidiaries to conduct our or its business and to own or lease our or its assets and properties as described in this Prospectus; or

(d) our IPO.

Subject to certain conditions precedent set out in the Retail Underwriting Agreement, Maybank IB has agreed to underwrite 9,773,000 Issue Shares, IPS has agreed to underwrite 9,772,000 Issue Shares, KIBB has agreed to underwrite 5,000,000 Issue Shares, AmInvestment Bank has agreed to underwrite 10,000,000 Issue Shares and RHB IB has agreed to underwrite 5,000,000 Issue Shares.

The underwriting obligations of the Joint Managing Underwriters and Joint Underwriters are subject to certain conditions precedent which must be satisfied on or before the closing date of the Retail Offering or such later date as consented to in writing by the Joint Managing Underwriters, or, where relevant, on or before the relevant dates and times specified therein (or, in each case, such later date or time as may be agreed in writing between the Joint Managing Underwriters and our Company). The conditions precedent include the following:

(i) all approvals required in relation to our IPO, Admission and Listing, including but not limited to approvals from the SC, Bursa Securities and the MDTCC having been obtained and are in full force and effect as at the closing date of the Retail Offering and that all conditions of the approvals (except for any which can only be complied with after our IPO has been completed) have been complied with;

(ii) the execution of the Placement Agreement and such agreement not having been terminated or rescinded pursuant to the provisions thereof (whereby for the avoidance of doubt, the execution of the Placement Agreement by our Company, the Selling Shareholder, the Joint Global Coordinators and the Placement Managers shall be at the sole discretion of the respective parties);

(iii) the execution of the lock-up agreements by our Company, the Selling Shareholder, the Promoters, PMSB, IUB, Vista Meranti and HQZ and none having been terminated or rescinded pursuant to the provisions thereof and each remaining in full force and effect and no breach in respect of any of such lock-up agreements has occurred;

(iv) our IPO and the offering, sale, issue, subscription and purchase of the IPO Shares, our Listing and the transactions contemplated under the Retail Underwriting Agreement being in accordance with the provisions thereof not being prohibited or impeded by any law in Malaysia or any jurisdiction within which such IPO Shares are offered;

(v) there not being, in the opinion of the Joint Managing Underwriters, on or prior to the closing date of the Retail Offering, any material adverse change or any development involving a prospective material adverse change in the financial condition, business or operations of our Group from that set out in this Prospectus;

(vi) the Joint Managing Underwriters having been satisfied that there are no material breach of, or failure on the part of our Company to comply with, any of its obligations under the Retail Underwriting Agreement; and

(vii) there not having occurred on or prior to the closing date of the Retail Offering any breach of and/or failure by our Company to perform any of our warranties or undertakings or any event or discovery of fact or circumstances rendering any of our warranties or undertakings to be untrue, inaccurate, misleading, incorrect or breached in any respect.

Further, the Joint Managing Underwriters acting under the instruction in writing of the Majority Underwriters may by notice to us given at any time before the date of our Listing, terminate, cancel and withdraw the underwriting commitment of the Joint Underwriters if:

(i) we fail to comply with any of our obligations in any material respect, or there has been a breach by our Company of any of our warranties or undertakings set out in the Retail Underwriting Agreement in any respect;

(ii) we withhold any information from the Joint Managing Underwriters and the Joint Underwriters, which, in the opinion of the Joint Managing Underwriters and Joint Underwriters, would have or is reasonably likely to have a Material Adverse Effect;

(iii) there shall have occurred, happened or come into effect any event or series of events beyond the reasonable control of the Joint Managing Underwriters and the Joint Underwriters by reason of Force Majeure which would have or can reasonably be expected to have, a Material Adverse Effect on the business, operations, financial condition or prospects of our Group or the success of our IPO or which would have or is reasonably likely to have the effect of making any material obligation under the Retail Underwriting Agreement incapable of performance in accordance with its terms;

(iv) there shall have occurred any government requisition or other events whatsoever which would have or is reasonably likely to have a Material Adverse Effect on the business, operations, financial condition or prospects of our Group or the success of our IPO;

(v) 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 in the opinion of the Joint Managing Underwriters would have or is reasonably likely to have a Material Adverse Effect or a material adverse effect (whether in the primary market or in respect of dealings in the secondary market). For the avoidance of doubt, if the FBMKLCI is, at the close of normal trading on Bursa Securities, on any Market Day:

   (a) on or after the date of the Retail Underwriting Agreement; and

   (b) prior to the closing date for the Retail Offering, lower than 80%, of the level of FBMKLCI 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;

(vi) trading of all securities on Bursa Securities has been suspended or other material form of general restriction in trading in securities is imposed for three consecutive Market Days or more;

(vii) there shall have announced or carried into force any new law or change in law in any jurisdiction which in the opinion of the Joint Managing Underwriters and the Joint Underwriters may prejudice the success of our IPO or Listing or which would have or is reasonably likely to have the effect of making it impracticable to enforce contracts to allot and/or transfer the Shares or making any obligation under the Retail Underwriting Agreement incapable of performance in accordance with its terms;

(viii) the Institutional Offering and/or the Retail Offering is stopped or delayed by us or any regulatory authorities for any reason whatsoever (unless such delay has been approved by the Joint Managing Underwriters and the Joint Underwriters);

(ix) the closing date for the Retail Offering does not occur within 10 days from the date of this Prospectus or such other extended date as may be agreed in writing by the Joint Managing Underwriters;

(x) our Listing does not take place by 6 June 2014 or such other extended date as may be agreed in writing by the Joint Managing Underwriters;

(xi) any legal proceedings, formal investigations, or enquiries or any other proceedings or action are commenced against any member of our Group or any of our directors, which in the sole opinion of the Joint Managing Underwriters and the Joint Underwriters, is reasonably likely to have a Material Adverse Effect or make it impracticable to enforce contracts to allot or deliver the Shares;

(xii) the Placement Agreement shall have been terminated or rescinded in accordance with its terms;

(xiii) any of the resolutions or any of the approvals referred to in the Retail Underwriting Agreement is revoked, suspended or ceases to have any effect whatsoever, or is varied or supplemented upon terms that would have or is reasonably likely to have a Material Adverse Effect; or

(xiv) any statement in this Prospectus become or is discovered to be untrue, misleading or inaccurate in any material respect or any event occurs as a result of which this Prospectus, as then amended or supplemented, would include any untrue, incorrect or incomplete statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, or if it should be necessary to amend or supplement this Prospectus to comply with any applicable law.

4.6.2 Placement

We and the Selling Shareholder expect to enter into the Placement Agreement with the Joint Global Coordinators, Joint Bookrunners, Joint Bookrunner for the MITI Tranche and Placement Managers in relation to the placement of 490,780,000 IPO Shares under the Institutional Offering, subject to the clawback and reallocation provisions and the Over-allotment Option as set out in Sections 4.3.3 and 4.3.4 of this Prospectus, respectively. We and the Selling Shareholder will be requested, on a several basis, to give various representations, warranties and undertakings, and to indemnify the Joint Global Coordinators, Joint Bookrunners, Joint Bookrunner for the MITI Tranche and Placement Managers against certain liabilities in connection with our IPO.

4.6.3 Lock-up arrangement

(i) In connection with the Placement Agreement, we have entered into a lock-up agreement with the Joint Global Coordinators, Joint Bookrunners and Joint Bookrunner for MITI Tranche that, for a period beginning on the date of the lock-up agreement and ending on, and including, the date that is six months after the date of the Admission, we will not, without the prior written consent of the Joint Bookrunners and Joint Bookrunner for MITI Tranche directly or indirectly:

(a) issue, allot, sell, offer to sell, contract or agree to sell, grant any option or right to purchase or security over, or otherwise dispose of or agree to dispose of, directly or indirectly, conditionally or unconditionally any Shares or any of our other securities of that are substantially similar to the Shares (or any interest therein or in respect thereof), or any securities convertible into or exchangeable or exercisable for the Shares, or any warrants or other rights to purchase or subscribe, the foregoing whether any such transaction is to be settled by delivery of Shares or such other securities, in cash or otherwise;

(b) enter into any swap, hedge, derivative or other transaction or arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the Shares or any of our other securities that are substantially similar to the Shares, or any securities convertible into or exchangeable or exercisable for the Shares, or any warrants or other rights to purchase, the foregoing, whether any such transaction is to be settled by delivery of Shares or such other securities, in cash or otherwise;

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

(d) publicly announce an intention to effect any transaction specified in (a), (b) or (c) above,

except, in all cases, pursuant to our IPO; or for any Over-allotment Option or stabilising actions undertaken by the Stabilising Manager pursuant to the Share Lending Agreement.

(ii) In connection with the Placement Agreement, the Selling Shareholder has entered into a lock-up agreement with the Joint Global Coordinators, Joint Bookrunners and Joint Bookrunner for MITI Tranche that, for a period beginning on the date of the lock-up agreement and ending on, and including, the date that is six months after the date of the Admission, the Selling Shareholder will not, without the prior written consent of the Joint Bookrunners and Joint Bookrunner for MITI Tranche directly or indirectly:

(a) issue, allot, sell, offer to sell, contract or agree to sell, hypothecate, pledge, mortgage, charge, assign, grant any option or right to purchase or security over, or otherwise dispose of or agree to dispose of, directly or indirectly, conditionally or unconditionally any Shares or any of our other securities that are substantially similar to the Shares (or any interest therein or in respect thereof), or any securities convertible into or exchangeable or exercisable for the Shares, or any warrants or other rights to purchase or subscribe, the foregoing whether any such transaction is to be settled by delivery of Shares or such other securities, in cash or otherwise;

(b) enter into any swap, hedge, derivative or other transaction or arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the Shares or any of our other securities that are substantially similar to the Shares, or any securities convertible into or exchangeable or exercisable for the Shares, or any warrants or other rights to purchase, the foregoing, whether any such transaction is to be settled by delivery of Shares or such other securities, in cash or otherwise;

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

(d) publicly announce an intention to effect any transaction specified in (a), (b) or (c) above,

except, in all cases, pursuant to our IPO or for any Over-allotment Option or stabilising actions undertaken by the Stabilising Manager pursuant to the Share Lending Agreement.

(iii) TSVT, Tan U-Ming, Vista Meranti, IUB, PMSB, and HQZ being indirect shareholders of our Company are also similarly subject to lock-up agreements with the Joint Global Coordinators, Joint Bookrunners and Joint Bookrunner for MITI Tranche which they have agreed from the date of the lock-up agreement until the date that is six months after the date of the Admission, they have agreed they will not, without the prior written consent of the Joint Bookrunners and Joint Bookrunner for MITI Tranche directly or indirectly:

(a) issue, allot, sell, offer to sell, contract or agree to sell, hypothecate, pledge, mortgage, charge, assign, grant any option or right to purchase or security over, or otherwise dispose of or agree to dispose of, directly or indirectly, conditionally or unconditionally any shares or any other securities of the companies named in respective lock-up agreements that are substantially similar to shares of a company (or any interest therein or in respect thereof), or any securities convertible into or exchangeable or exercisable for the shares, or any warrants or other rights to purchase or subscribe, the foregoing whether any such transaction is to be settled by delivery of shares or such other securities, in cash or otherwise;

(b) enter into any swap, hedge, derivative or other transaction or arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of shares or any other securities of the companies named in respective lock-up agreements that are substantially similar to shares of a company, or any securities convertible into or exchangeable or exercisable for shares, or any warrants or other rights to purchase, the foregoing, whether any such transaction is to be settled by delivery of shares or such other securities, in cash or otherwise;

(c) deposit any shares (or any securities convertible into or exchangeable for or which carry rights to subscribe or purchase or that represent the right to receive or are substantially similar to, shares of the companies named in respective lock-up agreements) in any depository receipt facilities; or

(d) publicly announce an intention to effect any transaction specified in (a), (b) or (c) above.

4.7 Objectives of our IPO

The objectives of our IPO are as follows:

(i) to facilitate our Listing and enhance our profile and visibility;

(ii) to raise funds for the purposes as set out in Section 4.10 of this Prospectus;

(iii) to give us access to the equity capital market for cost effective capital raising to facilitate the expansion of our market share; and

(iv) to provide an opportunity for the general public and the investing community, including the Eligible Persons to participate in the continuing growth of our Group.

4.8 Basis of arriving at the Retail Price, Final Retail Price, Institutional Price and refund mechanism

4.8.1 Retail Price

The Retail Price of RM1.38 per Issue Share was determined and agreed upon between our Directors, the Selling Shareholder, Joint Principal Advisers and Joint Global Coordinators after taking into consideration the following factors:

(i) The PE Multiple of approximately 51.11 times based on our EPS of 2.7 sen, taking into account the adjusted pro forma consolidated profit after tax attributable to the shareholders of our Company for the year ended 31 December 2013 of approximately RM33.3 million after adjusting for interest income (net of taxation) earned on the amount owing by BRetail to 7-Eleven Malaysia of approximately RM10.8 million from the pro forma consolidated profit after tax attributable to the shareholders of our Company for the year ended 31 December 2013 of approximately RM44.1 million ("**Pro forma Profit After Tax**") as set out in Section 10.4 of this Prospectus since our Group will no longer earn interest income on advances to BRetail after the Listing as well as our enlarged issued and paid-up share capital upon Listing of 1,233,385,000 Shares.

The Pro forma Profit After Tax was arrived at by adjusting for the expenses incurred by our Company of RM7.7 million (which includes expenses incurred in conjunction with our IPO and Listing of RM7.6 million) from the profit after tax of 7-Eleven Malaysia Group for the year ended 31 December 2013 of RM51.8 million.

(ii) Our financial performance and operating history

Our financial performance is primarily dependent on the number of our stores, the performance of our stores and our profit margin. Since 1 January 2014 up to the LPD, we have opened a total of 26 net new stores, bringing our total number of stores to 1,583 stores as at the LPD. With the expansion of our store network, we enjoy higher economies of scale as we leverage on our current CDC and capitalise on our integrated supply chain as well as our centralised functions. In September 2013, we also expanded our areas of collaboration with MOL in our efforts to increase our in-store services which we expect will increase our commission revenue further and in turn, our profit margin, alongside the increase in merchandise sales as a result of the increase in customer traffic to our stores. Please refer to Section 10.2 of this Prospectus for further details on our financial performance and operating history as well as the key indicators of our performance for the years ended 31 December 2010 to 2013.

(iii) Our competitive strengths

We are the leading convenience store operator in Malaysia with 82% market share of the standalone convenience store segment as of March 2014 on the back of our extensive nationwide store network of 1,583 stores as at the LPD throughout Peninsular and East Malaysia which is supported by an integrated supply chain and centralised functions. We are also the sole operator of "7-Eleven" convenience stores in Malaysia, an iconic and highly trusted brand name that customers associate with convenience, choice, quality and value, resulting in strong customer recognition and loyalty both in Malaysia and globally. Our strategic relationship with the Berjaya Family also provides us with significant advantages and opportunities for us to either leverage on other consumer-related businesses within the Berjaya Family or securing more attractive store locations in high traffic areas. We have a highly experienced management team with significant expertise in each of their respective areas of operations to execute our strategies as well as further improve the operating efficiency and productivity of our business. Please refer to Section 7.2.1 of this Prospectus for further details on our competitive strengths.

(iv) Our future plans and strategies

RM184.8 million or approximately 73.8% from the total proceeds that we plan to raise from the Public Issue will be utilised for our future plans and strategies which involves our store expansion plan, our store refurbishment programme, the construction of our new CDC and the upgrade of our IT systems.

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We plan to accelerate our store opening programme going forward and are targeting a total of 600 net new store openings from 2014 to 2016. Our strategic collaboration with Chevron Malaysia, that operates a network of approximately 423 "Caltex" petrol stations in Malaysia as at the LPD, also targets the opening of an additional 23 convenience stores at "Caltex" petrol stations by June 2015. In addition to the roll-out of our new stores, our other planned capital expenditures entails, among others, our store refurbishment programme which involves both major refurbishment such as facelifts and minor refurbishment such as repairs and fixing of defects as well as the installation of equipment and facilities for our fresh food initiatives and increased service offering which is expected to further improve our future financial results. With the construction of our new CDC which will have 38% greater capacity and will significantly improve our distribution capacity and capabilities and allow us to supply a large network of stores with a broader assortment of products, as well as the upgrade of our IT systems from SEMRIS to IRIS which enhances the integration and scalability throughout our organisation and provides our management team with better control over our retail and merchandising operations, we expect further improvements to our revenue, our cost of sales, our selling and distribution expenses, and consequently, our profit margin which in turn will contribute positively to our future financial performance. Please refer to Section 7.2.2 of this Prospectus for further details on our future plans and strategies.

(v) Outlook of the industry in which we operate which supports the prospects of our Group. Please refer to Section 8 of this Prospectus for further details on the future trends and drivers of growth of the industry.

(vi) Prevailing market conditions which include the market performance of key global indices and Bursa Securities, current market trends as well as investors' sentiments.

As at 31 December 2013, our pro forma consolidated NA per Share is RM0.13 per Share based on our enlarged issued and paid-up share capital comprising 1,233,385,000 Shares.

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

(i) the Retail Price of RM1.38 per Issue Share; or

(ii) the Institutional Price,

subject to rounding to the nearest sen.

In the event that the Final Retail Price is lower than the Retail Price, the difference between the Retail Price and Final Retail Price will be refunded to successful applicants, without any interest thereon. Further details on the refund mechanism are set out in Section 4.8.3 of this Prospectus.

Prospective retail investors should be aware that the Final Retail Price will not, in any event, be higher than the Retail Price of RM1.38 per Issue Share nor lower than the par value of our Shares.

The Institutional Price and Final Retail Price are expected to be announced within 2 Market Days from the Price Determination Date via Bursa Listing Information Network ("**Bursa LINK**"). In addition, all successful applicants will be given written notice of the Institutional Price and Final Retail Price, together with the notices of allotment for the IPO Shares.

Applicants should also note that the vagaries of market forces and other uncertainties may affect the market price of our Shares after our Listing.

4.8.2 Institutional Price

The Institutional Price will be determined by a bookbuilding process wherein prospective Malaysian and foreign institutional and selected investors will be invited to bid for portions of the Institutional Offering by specifying the number of IPO Shares they would be prepared to acquire and the price they would be prepared to pay for such IPO Shares in respect of the Institutional Offering. This bookbuilding process commenced on 8 May 2014 and will end on 15 May 2014 or such date or dates as our Directors, the Selling Shareholder and Joint Global Coordinators may decide in their absolute discretion. Upon the completion of the bookbuilding process, the Institutional Price will be fixed by our Directors and the Selling Shareholder in consultation with the Joint Global Coordinators on the Price Determination Date.

4.8.3 Refund mechanism

In the event that 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. The refund will be made in the form of cheques which will be despatched by ordinary mail to the address of the successful applicants maintained with Bursa Depository for applications made via the Application Form or by crediting into the accounts of successful applicants with the Participating Financial Institution for applications made via the Electronic Share Application or by crediting into the accounts of the successful applicants with the Internet Participating Financial Institution for applications made via Internet Share Application, within 10 Market Days from the date of the final ballot of applications, at the successful applicants' own risk.

Please refer to Section 16.10 of this Prospectus for further information on the refund mechanism.

4.8.4 Expected market capitalisation

Based on the Retail Price of RM1.38 per Share, the total market capitalisation of our Company upon Listing shall be approximately RM1.70 billion.

4.9 Dilution

Dilution is the amount by which the price paid by institutional, retail and selected investors for our Shares exceeds our pro forma consolidated NA per Share after our IPO. Our pro forma consolidated net liabilities as at 31 December 2013 after the Pre-IPO Reorganisation was approximately RM70.6 million or RM0.07 per Share, based on our issued and paid-up share capital of 1,052,000,000 Shares.

The pro forma consolidated NA per Share represents the equity attributable to the shareholders of our Company over the number of Shares outstanding immediately prior to our IPO. The difference between our pro forma consolidated net liabilities as at 31 December 2013 before and after the Pre-IPO Reorganisation is primarily due to the reorganisation deficit of RM1,343.2 million, which represents the difference between the carrying value of the investment, being the consideration paid, and the nominal value of the 7-Eleven Malaysia Shares acquired, pursuant to the Pre-IPO Reorganisation.

After giving effect to the issuance of 181,385,000 Issue Shares, and after adjusting for the estimated fees and expenses for our IPO and Listing, our pro forma consolidated NA per Share as at 31 December 2013 (based on our enlarged issued and paid-up share capital comprising 1,233,385,000 Shares) would be approximately RM0.13 per Share. This represents an immediate increase in NA per Share of RM0.20 to our existing shareholders and an immediate dilution in NA per Share of approximately RM1.25, representing 90.6% of the Institutional Price (assuming the Institutional Price and Final Retail Price are equal to the Retail Price) and Retail Price, to our institutional, retail and selected investors. Please refer to Section 10.4 of this Prospectus for further information on our NA per Share.

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

	RM
Assumed Institutional Price and Final Retail Price	1.38
Pro forma consolidated net liabilities per Share as at 31 December 2013, after adjusting for the Pre-IPO Reorganisation but before adjusting for our IPO and Listing	(0.07)
Pro forma consolidated NA per Share as at 31 December 2013, after adjusting for our IPO and Listing	0.13
Increase in NA per Share	0.20
Dilution in pro forma consolidated NA per Share to institutional, retail and selected investors	1.25
Dilution in proforma consolidated NA per Share to institutional, retail and selected investors as a percentage of the Institutional Price and Retail Price	90.6%

Save as disclosed below and our Shares issued pursuant to the Pre-IPO Reorganisation, none of our Directors, key management or substantial shareholders, or persons connected to them have acquired and/or subscribed for our Shares from the date of incorporation of our Company up to and including LPD:

Substantial shareholder	**No. of Shares**	**Total Consideration (RM)**	**Price per Share (RM)**
BRetail	20	2.00	0.10

4.10 Utilisation of proceeds

We expect to utilise the gross proceeds from the Public Issue of approximately RM250.3 million[(1)] in the following manner:

Details of utilisation of proceeds	**Estimated timeframe for utilisation from the date of our Listing**	**RM'000**	**%**
Capital expenditure[(2)(3)]	Within 36 months	184,790	73.8
Working capital[(2)(4)]	Within 36 months	42,664	17.1
Payment of estimated fees and expenses for our IPO and Listing[(2)(5)]	Within 1 month	22,857	9.1
Total gross proceeds		**250,311**	**100.0**

Notes:

(1) *We have assumed that the Institutional Price and the Final Retail Price of RM1.38 per Issue Share in arriving at this figure.*

(2) *If we utilise less than the amount that we had allocated for capital expenditure and/or estimated fees and expenses for our IPO and Listing, the difference between the sums allocated and the actual amount utilised will be utilised for working capital. On the other hand, if we utilise more than the amount that we had allocated for capital expenditure and/or estimated fees and expenses for our IPO and Listing, the difference between the sums allocated and the actual amount utilised will be funded from the sum allocated for working capital.*

(3) *Our capital expenditure is expected to comprise the following:*

	(RM'000)
Investment for the expansion of our convenience stores[a]	*50,400*
Investment for the refurbishment of our convenience stores[b]	*27,300*
Construction of our new CDC[c]	*40,790*
Upgrade of IT systems[d]	*66,300*
Total capital expenditure	***184,790***

Notes:

(a) *Opening of 200 net new stores in 2014 with costs ranging from RM200,000 to RM300,000 per store. Please refer to Section 7.2.2(i) of this Prospectus for further details on our store rollout plan.*

(b) *Refurbishment of 200 stores in 2014 with costs ranging from RM100,000 to RM150,000 per store. Please refer to Section 7.2.2(v) of this Prospectus for further details on our store refurbishments.*

(c) *Please refer to Section 7.9.1 of this Prospectus for further details on the construction of our new CDC.*

(d) *Please refer to Sections 7.2.2(ii) and 7.11 of this Prospectus for further details on the upgrading of our IT systems.*

(4) *We expect to utilise such sums to pay our suppliers, employee expenses and other day-to-day expenses.*

(5) *The estimated fees and expenses for our IPO and Listing to be borne by our Company are estimated to be RM22.86 million and are expected to comprise the following:*

	(RM'000)
Estimated professional fees (including Joint Principal Advisers' fees)	*11,335*
Brokerage, underwriting and placement fees	*6,804*
Fees to authorities	*1,218*
Expenses in connection with our IPO and Listing such as printing, advertising, travel and roadshow expenses	*3,000*
Miscellaneous expenses and contingencies	*500*
Total estimated fees and expenses for our IPO and Listing	***22,857***

In the event that the actual fees and expenses are higher than budgeted, the excess will be funded out of working capital. On the other hand, if the actual fees and expenses are lower than budgeted, the difference between the sums allocated and the actual fees and expenses will be utilised for working capital.

Our Company will not receive any proceeds from the Offer for Sale. The total proceeds from the Offer for Sale of up to approximately RM481.5 million will accrue entirely to the Selling Shareholder. The Selling Shareholder will bear its own professional fees and placement fee, as well as other miscellaneous expenses in respect of our IPO, which is estimated to be approximately RM12.0 million.

Pending full utilisation, we intend to place the proceeds raised from the Public Issue (including accrued interest, if any) or the balance thereof in interest/profit-bearing accounts with licensed financial institutions or in short-term money-market and/or Islamic deposit instruments.

The exact amount of the gross proceeds to be raised from the Public Issue will depend upon the Institutional Price and Final Retail Price.

The financial impact of the utilisation of proceeds from the Public Issue on our pro forma consolidated statement of financial position as at 31 December 2013 is set out in Section 10.4 of this Prospectus.

4.11 Trading and settlement in secondary market

Upon Listing, our Shares will be traded through Bursa Securities and settled by book-entry settlement through CDS, which is operated by Bursa Depository. This will be effected in accordance with the Rules of Bursa Depository for the operation of CDS accounts, as amended from time to time and the provisions of the SICDA. Accordingly, we will not deliver share certificates to subscribers or purchasers of the 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 name 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 the respective securities 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 certain instances which include the following:

(i) to facilitate a share buy-back;

(ii) to facilitate conversion of debt securities;

(iii) to facilitate a corporate 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 market. Settlement of trades done on a "ready" basis on Bursa Securities generally takes place on the third Market Day following the transaction date, and payment for the securities is generally settled on the third Market Day following the transaction date.

It is expected that our Shares will not commence trading on Bursa Securities until approximately 11 Market Days after the close of the Institutional Offering. Holders of our Shares will not be able to sell or otherwise deal in our Shares (except by way of book-entry transfers to other CDS accounts in circumstances which do not involve a change in beneficial ownership) prior to the commencement of trading on Bursa Securities.

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5. RISK FACTORS

Before investing in our Shares, you should pay particular attention to the fact that we, and, to a large extent, our business and operations, are governed by, or dependent on, the legal, regulatory and business environment in Malaysia, whether presently or in the future, many of which are outside our control. Prior to making an investment decision, you should carefully consider, along with the other matters in this Prospectus, the risks and investment considerations as set out below. You should note that the following list is not an exhaustive list of all the risks that we face or risks that may develop in the future. These and other risks, whether known or unknown, may have a material adverse effect on us or our Shares.

5.1 Risks relating to our business

5.1.1 Our growth prospects may be limited if we encounter difficulties executing our future plans and strategies

Our future plans and strategies depend on, among others:

(i) our ability to maintain and grow the operations and financial performance of our existing stores;

(ii) our ability to identify suitable sites for new stores and successfully negotiate tenancy agreements for these sites on terms acceptable to us;

(iii) our ability to attract, train and retain talented personnel in sufficient numbers for our expanded operations;

(iv) our ability to adapt and grow our operational and management systems, including our IT systems, to support an expanded network; and

(v) our ability to effectively control and manage our costs in our expanded network, in particular, purchase costs, and expenses related to rent, logistics, human resources and marketing.

If we fail to achieve any of the above, we may not be able to achieve our future plans and strategies objectives. Our ability to manage our future growth will also depend on our ability to continue to successfully implement and improve our operational, financial and management systems in the evolving competitive markets. Failure to effectively execute our future plans and strategies 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.

5.1.2 Our success depends substantially on the value of our brand

We regard the "7-Eleven" brand name and related logos, trademarks and other intellectual property, which we license from 7-Eleven USA as having significant value and as being an important factor in our marketing and success. Our success depends largely on our ability to maintain and enhance the value of our brand and our customers' connection to our brand. Isolated incidents may severely damage brand value, particularly if the incidents draw considerable negative publicity. Such incidents may relate to the way we manage our relationship with our franchisees, our growth strategies or the ordinary course of our or our franchisees', business. Other incidents may also arise from events that are, or may be, beyond our control and may damage our brand, such as actions taken (or not taken) by 7-Eleven USA or other "7-Eleven" franchisees outside of Malaysia, or by one or more of our franchisees or their employees. Consumer's demand for our products and our brands' value could diminish significantly if any such incidents or other matters erode consumer confidence in our products, which could have a material adverse effect on our business, prospects, financial condition and results of operations.

If we are no longer able to license the "7-Eleven" name and related logos, trademarks and other intellectual property from 7-Eleven USA, we would lose our right to use the "7-Eleven" brand, which could reduce customer demand for our products and services and have a material adverse effect on our business, prospects, financial condition and results of operations. Please refer to Section 5.1.3 of this Prospectus for further information.

Moreover, there is no assurance that third parties or competitors will not infringe the brand name licensed to us. To establish and protect this intellectual property, we rely on a combination of our contract with 7-Eleven USA and 7-Eleven USA's registered trademarks and licenses. The measures we take to protect our intellectual property rights may prove inadequate to prevent misappropriation of our intellectual property. Litigation may be necessary to enforce our intellectual property rights or to determine the validity and scope of the proprietary rights of others, which could incur substantial costs, and there is no guarantee that we would prevail in any such litigation. Litigation of this type may result in substantial costs and diversion of resources and may result in counterclaims or other claims against us, and could have a material adverse effect on our business, prospects, financial condition and results of operations.

5.1.3 We face risks in relation to our license agreement with 7-Eleven USA

Our business of operating convenience stores under the "7-Eleven" brand in Malaysia is subject to the terms and conditions of the ALA. Pursuant to the ALA, 7-Eleven USA grants us the right to establish and operate "7-Eleven" convenience stores and to grant sub-franchises to franchisees who will establish and operate "7-Eleven" convenience stores solely in Malaysia and Brunei Darussalam. The ALA is valid until 30 November 2033 and is renewable at our option for additional terms of 10 years each subject to, among others, material compliance with the terms of the ALA and, except in limited circumstances, the signing of 7-Eleven USA's then-current form of renewal area license agreement, which shall supersede the ALA in all respects. For certain particularly egregious breaches of the ALA, including, without limitation, breach of the covenants regarding protection of trade secrets and business information, maintenance of false books or records, certain fraudulent and criminal acts, material impairment of the goodwill associated with the "7-Eleven" brand, commencement of voluntary bankruptcy or other insolvency proceedings, breach of the covenant not to compete, repeated defaults of the ALA (even if cured), and any attempted transfer by us or our equity holders of our rights and obligations under the ALA, all or a substantial portion of our assets or direct or indirect ownership in us or our controlling principals without 7-Eleven USA's prior written consent (unless such transfer does not result in a change of control). 7-Eleven USA has the right to terminate the ALA without any applicable cure period. Moreover, 7-Eleven USA, in some of the instances above, has the right to terminate the ALA for breaches by our controlling principals, whom are our direct and indirect controlling shareholders and over whom we have no control. There can be no assurance that we will be able to renew the ALA and there can be no assurance that the ALA will not be revoked or terminated prior to its expiry (during the original term or any renewal period), which would prohibit us from carrying out our business operations using the "7-Eleven" brand. If we were unable to operate under the "7-Eleven" brand, our business, prospects, financial condition and results of operations would be adversely affected. In addition, under the ALA we are required to seek the consent of 7-Eleven USA to carry out various corporate activities, including the use of the "7-Eleven" name. We cannot guarantee that this consent will be granted, which may restrict our business activities and adversely affect our business, prospects, financial condition and results of operations.

Moreover, upon non-renewal or termination of the ALA, we may be required to pay a non-renewal fee of up to six times the average royalty that we have paid to 7-Eleven USA over the three financial years prior to non-renewal, and 7-Eleven USA may have the right to purchase substantially all or all of our assets. Similarly, upon any prospective sale of a substantial portion of our assets or change of control in our Company, such as a potential takeover of our Company, whether in a hostile or a friendly bid, or a disposal by one of our controlling principals in their direct or indirect shareholding in us (unless such disposal does not result in a change of control), 7-Eleven USA may have a right of first refusal to acquire our assets or such shareholding interests, which may deter a potential sale of assets or takeover of our Company even if it were favourable to our shareholders.

In addition, the validity and enforceability of the ALA is governed by the laws of the State of Texas, US, which may differ from the laws of Malaysia. Please refer to Section 7.26 of this Prospectus for further information on the salient terms of the ALA.

7-Eleven USA entered into a restructuring and IPO consent agreement with our Company, 7-Eleven Malaysia, BRetail, PMSB, IUB, Vista Meranti, HQZ and TSVT on 11 September 2013, as varied by the first amendment to the said restructuring and IPO consent agreement on 23 December 2013, in relation to, among others, the consent granted by 7-Eleven USA to our Company to undertake the Pre-IPO Reorganisation, our IPO and Listing as well as waiving its right of first refusal to acquire our IPO Shares and consenting to our granting of an area sub-licence to our wholly-owned indirect subsidiary, CSSSB, to operate "7-Eleven" convenience stores in Sabah ("**Second Restructure and IPO Consent Agreement**").

Conditions under the Second Restructure and IPO Consent Agreement include the following:

(i) so long as our Shares are registered and traded on any public stock exchange, TSVT must either:

   (a) maintain, directly or indirectly, at least 35% plus one Share shareholding in our Company and to appoint or elect the majority of the Board of 7-Eleven Malaysia and to otherwise retain full, complete and independent control over a majority of the Board of 7-Eleven Malaysia ("**7-Eleven Malaysia Board Control**"); or

   (b) maintain, directly or indirectly, more than 50% shareholding in our Company (in order to ensure that TSVT meets the requirement of the 7-Eleven Malaysia Board Control);

(ii) we must utilise the proceeds from our Public Issue to retire the Note in full and to repay our indebtedness to 7-Eleven Malaysia and 7-Eleven Malaysia must utilise the proceeds that it receives in the manner as set out in Section 4.10 of this Prospectus; and

(iii) BRetail must utilise part of the proceeds received from the Offer for Sale towards part repayment of certain indebtedness of our controlling principal.

Furthermore, under the Second Restructure and IPO Consent Agreement, 7-Eleven USA waives its right of first refusal in the ALA to any Shares placed in the public float as a result of our IPO, though not with respect to any Shares owned, directly or indirectly, by any of our controlling principals (whether or not they were a controlling principal at the time of our IPO) unless subsequent to such sale, TSVT continues to have, directly or indirectly, more than 35% shareholding in our Company. Any breach by our Company, 7-Eleven Malaysia or our controlling principals of the terms of the Second Restructure and IPO Consent Agreement gives 7-Eleven USA the right, after applicable cure periods, to terminate the ALA and if it does terminate the ALA, then 7-Eleven USA may increase royalty rates under the ALA to the then-current royalty rate for new "7-Eleven" area licensees and/or require us to execute 7-Eleven USA's then-current form of area license agreement, which agreement shall supersede the ALA in all respects, and the terms of which may materially differ from the terms of the ALA. We do not control our controlling shareholders, and therefore cannot guarantee that they will not breach the terms of the Second Restructure and IPO Consent Agreement, which could materially and adversely affect our business, prospects, financial condition and results of operations.

5.1.4 A deterioration in our relationship with 7-Eleven USA could have an adverse effect on our operational efficiency and results of operations

We have a strong working relationship with 7-Eleven USA, through which we receive training, merchandising, design and other operational support from them, giving us the benefit of their global knowledge on the operation of convenience stores, logistics, merchandising and the "7-Eleven" brand. 7-Eleven USA is not contractually obligated to provide us with a continuing level of support, and if operational support from 7-Eleven USA were to cease for any reason, we would lose access to a range of assistance and the benefit of the knowledge and expertise that 7-Eleven USA provides us, which may have a material adverse affect on our ability to run our operations efficiently, and to meet the needs of our customers.

5.1.5 Our future plans and strategies may expose us to business and operational risks

As part of our future plans and strategies, we plan to expand our network of stores, refurbish many of our stores and build a new CDC. Our future plans and strategies may result in us facing various business and operational risks, which may include insufficient cash flow, insufficient funding capability and an inability to hire suitable workforce. Additionally, new "7-Eleven" stores may not be immediately profitable, or profitable at all, as it typically takes up to three years for our stores to reach maturity. As a result, our establishment of new stores may lower our profit margins until the stores reach maturity, and there is no guarantee that they will do so. Moreover, by simultaneously undertaking these future plans and strategies, we may put additional strain on our operational and financial resources, as well as on our management, potentially reducing the focus that they can give to overseeing our day-to-day business. We cannot be certain that we will successfully develop and implement our future plans and strategies or that we will successfully address the risks to which our plans will expose us. In the event that we do not successfully address these risks, our business, prospects, financial condition and results of operations could be materially and adversely affected.

5.1.6 Our business has low margins and is particularly susceptible to increases in operating costs and expenses

As a convenience store operator, we typically experience low margins as we have a low mark-up on products.

The following table sets forth our profit before tax margin and profit after tax margin for the periods indicated:

	Year ended 31 December			
	2010	2011	2012	2013
Profit before tax margin (%)[1]	3.1	2.8	3.6	4.4
Profit after tax margin (%)[2]	2.1	2.1	2.6	3.1

Notes:

(1) *Computed based on profit before tax over revenue.*

(2) *Computed based on profit after tax over revenue.*

Due to our low margins, our results of operations are particularly susceptible to increase in our operating costs and expenses, such as increase in labour costs, rental fees, real estate purchase costs, administrative overheads and merchandise costs. If we are not able to pass on the increased costs to our customers, this may adversely affect our business, prospects, financial condition and results of operations.

5.1.7 We depend on our ability to secure attractive locations at commercially acceptable prices

As at the LPD, we operate 1,562 of our stores on tenanted properties and we own the remaining 21 properties. The performance of our stores depends largely on our ability to secure attractive locations, which are typically those with high foot traffic. Such locations are in high demand in Malaysia generally, and in urban centres such as Kuala Lumpur and Selangor in particular. A continued increase in property prices in Malaysia will increase the costs that we incur in securing locations for our stores and may increase our costs associated with locations that we already operate. Moreover, as demand for retail locations in Malaysia increases, we cannot assure you that we will succeed in securing attractive locations (for those stores that we tenant, we typically have tenancies that carry three-year terms and are renewable at our option for up to four additional three-year terms, subject to rental price increases depending on prevailing market conditions and agreed maximum increases). There is no guarantee that we will be able to secure long-term tenancies for our new stores, nor that we will be able to negotiate tenancies and renewal terms that are commercially acceptable to us. If we are unable to renew a tenancy at the end of its term, we may be forced to relocate to a different, potentially less attractive, location, or the rent we pay may increase substantially. Any increase in property prices in Malaysia generally or prices of retail locations, and any difficulty in securing new locations or renewing tenancies on our existing locations on commercially acceptable terms, could have a material adverse effect on our business, financial condition or results of operations.

5.1.8 Any disruption in the supply of products from our key suppliers or increase in the prices of products from these suppliers may have a material adverse effect on our business, results of operations and financial condition

A few key suppliers provide us a substantial portion of the products that we sell at our stores. Our three largest suppliers account for more than 40% of our total purchases by value and hence our product strategy depends on our ability to maintain good relationships with these and our other key suppliers. If there is any delay or interruption in our suppliers' ability to provide us with necessary products, or if our supplier ceases to operate, we may be required to seek alternative supply sources. Similarly, should we terminate a contract with any of these key suppliers, we may face difficulties sourcing a similar quality and quantity of products from other suppliers at costs acceptable to us. Any delay or interruption in receiving products could impair our ability to supply products to our stores. 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 key suppliers increase the prices of their products. Any disruption in the supply of products from these suppliers or increase in the prices of products from these suppliers for any reason may have a material adverse effect on our business, results of operations and financial condition.

In addition, certain of our key suppliers for cigarettes, soft drinks and pastries contribute significantly to our other income through display incentives. If these suppliers cease to offer us such display incentives, it may reduce the amount of other income we receive, and thus have a material adverse effect on our results of operations.

5.1.9 We rely on a single CDC that manages supplies for a substantial portion of the products we sell

Our distribution network is substantially concentrated around a single CDC, in Shah Alam, Selangor, through which approximately 53% of our products by volume are distributed to our stores in Peninsular Malaysia and we intend to construct a new CDC which we expect to distribute up to approximately 75% of our products by volume in Peninsular Malaysia. Any significant disruption in the operation of the facility 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, which could adversely affect our product distribution and sales until such time as we can secure an alternative facility. In such event, we cannot guarantee that our suppliers could deliver straight to our stores all of the products that currently flow through our CDC or that they could do so in a timely manner and at their current cost, which may threaten our ability to restock our stores. Direct delivery to our stores may also not allow us to take advantage of certain supplier rebates for shipping to a centralised location. If we encounter difficulties with our CDC or other problems or disasters arise, we cannot ensure that critical systems and operations will be restored in a timely manner or at all, which could result in an inability for us to restock our stores in a timely manner. Any disruptions or disasters at our CDC could have a material adverse effect on our business, prospects, financial condition and results of operations.

5.1.10 Shortages or unavailability of products demanded by customers due to disruptions to our supply chain may materially and adversely affect our business and competitiveness

We seek to maintain an optimal level of inventory of our products at our stores to control inventory carrying costs and more efficiently deploy working capital. Any failure to do so could materially and adversely affect our business and profitability, as well as damage our reputation. Natural disasters such as earthquakes, extreme climatic or weather conditions such as floods or droughts, or natural conditions such as crop disease, pests or soil erosion, may adversely affect the supply of fresh products and local transportation.

Should our supply of products be disrupted, we may not be able to procure an alternate source of supply of products in time to meet the demands of our customers, or we may not be able to procure products of equal quality and quantity on equally competitive terms, if at all. Such disruption to supply may materially and adversely affect our business, profitability and competitiveness.

In addition, disruptions to the delivery of products to our CDC and stores may occur for reasons such as poor handling, transportation bottlenecks or labour strikes. Further, we rely on third-party logistics providers whom we do not directly control to deliver our products from our CDC to our stores. Any such disruptions could lead to delayed or lost deliveries or damaged products and disrupt the supply of these products to us, materially and adversely affecting our business, profitability and competitiveness.

We cannot assure you that we will not incur losses nor that there will not be material write-offs due to disruptions to our supply chain, which may result in increased costs or reduced sales and may materially and adversely affect our competitiveness, financial condition and results of operations.

5.1.11 Our business depends on our ability to determine the appropriate mix of products to suit customers' preferences

Our success depends in part on our ability to determine the appropriate mix of products that both meet our standards for quality and appeal to our customers' preferences.

Failure to source and market such products, or to accurately forecast changing customer preferences, could lead to a decrease in the number of customer transactions at our stores and a decrease in the amount customers spend when they visit these stores.

If our management is unable to identify and adapt to such changes in customers' preferences quickly, customers' demand for our products may decline, which could have a material adverse effect on our business, prospects, financial condition and results of operations.

5.1.12 The sale of consumer products exposes us to the risk of adverse publicity

Our sales include perishable food products and food services. Preparation, packaging, transportation, storage and sale of perishable food products and non-food products entail the inherent risk of product contamination, deterioration or defect, which could potentially lead to product recalls, liability claims and adverse publicity. Food and non-food products may contain contaminants that could, in certain cases, cause illness, injury or death. Any delivery or sale of contaminated, deteriorated or defective products may be grounds for product liability claims or product recalls. The risks of negative press, product liability claims or product recall obligations are particularly relevant in the context of our sales of freshly prepared food products, a business we intend to grow. We could incur adverse publicity through any such claims, or associations with such claims, which could have an adverse effect on our business, prospects, financial condition and results of operations.

5.1.13 The termination of our partnership with MOL may have an impact on our commission revenue and profitability

We earn commission revenue from our in-store services, on which we effectively earn 100% gross margin as there are negligible cost of sales associated with reloads, which form the majority of our in-store services. Increased commission revenue has been largely responsible for driving the increase in our gross profit margins since the start of 2010 and is also expected to continue to be an important part of our growth strategy going forward.

We derive a substantial portion of our commission revenue through our strategic partnership with MOL, a payment service provider that facilitates electronic distribution of prepaid mobile phone and online gaming reloads through web-based and terminal-based infrastructure provided by MOL who owns, manages and maintains it. MOL is part of the Berjaya Family and is also a related party of our Group.

Our strategic partnership with MOL, which is further detailed in Section 7.2.2(iii) of this Prospectus, allows us to earn commissions from the sale of mobile phone reloads from our telecommunications partners, which MOL facilitates via the MOL terminals, and commissions for the sale of online gaming reloads directly from MOL. For the years ended 31 December 2010, 2011, 2012 and 2013, our commission revenue earned through our strategic partnership with MOL was RM36.5 million, RM42.5 million, RM49.6 million and RM56.6 million respectively, of which 44.6%, 42.3%, 38.8% and 35.8% of the total commission revenue respectively are commission revenue which we earned directly from MOL relating to MOL gaming reloads and mobile phone reloads of one telephone network operator in Malaysia.

We have, since 3 September 2013, enhanced our strategic relationship with MOL to further expand our areas of collaboration which is expected to increase our commission revenue, details of which are set out in Section 7.2.2(iii) of this Prospectus.

However, there is no guarantee that our enhanced strategic partnership with MOL to increase our commission revenue will be successful, nor can we guarantee that our strategic partnership with MOL will not be terminated. In the event that our strategic partnership with MOL is terminated, we may experience disruptions and/or increased costs while we transition to a new payment service provider, which may have an impact on our commission revenue, and our gross profit and gross profit margin.

5.1.14 Our business relies on the satisfactory performance of our IT systems and any malfunction for an extended period or loss of data could materially and adversely affect our ability to operate

We use advanced IT systems for customer checkout processes, ordering of supplies, and the timely exchange of business information between our headquarters, regional offices and individual stores. These systems are critical to our day-to-day business operations as we use them to manage procurement, sales and inventory, to collect and analyse information to understand the needs of our customers and respond quickly to changing customer preferences and to oversee our cash management and internal controls processes. We cannot assure you that our IT systems will always operate without interruption or malfunction in the future and that we will not lose data. Moreover, we outsource the development and maintenance of our IT system to a third party, and although we have historically had a good relationship with our IT developer, we cannot assure that this will always be the case. Any disruption in our IT systems may hinder our ability to manage ordering and procurement, ensure adequate inventory levels, oversee our cash management and expose us to other operational inefficiencies and risks that could materially and adversely affect our business, prospects, financial condition and results of operations.

5.1.15 We are exposed to certain risks in connection with the substantial use of cash in our business operations

Due to the nature of the retail business, we process a large volume of cash transactions in the course of our business operations. Nearly all of our customer purchases are settled in cash, exposing us to the risk of cash change shortages, as well as security issues such as theft. Please refer to Section 5.1.16 of this Prospectus for further information. Although we have a cash management policy (please refer to Section 7.18 of this Prospectus for further information), there is no guarantee that our cash management policy is sufficient to protect us from such risks which, if substantial in the aggregate, could have an adverse effect on our business, financial condition and results of operations.

5.1.16 Our stores face security risks

As our stores operate on a 24-hour basis, we are regularly affected by pilferage, shoplifting, theft and robbery. Whilst we have taken insurance coverage for theft and robbery to protect against these risks, our insurance policies may be insufficient to cover actual losses. We also incur significant additional costs in securing our stores (for example, by installing closed circuit televisions and time delayed safes in all of our stores). Furthermore, incidences involving a breach of the security of our stores, such as armed robberies, could adversely affect our brand perception, and may discourage customers from visiting our stores.

5.1.17 Our success depends significantly on our senior management and other key personnel and our ability to attract and retain talented personnel

We have been, and will continue to be, dependent on the expertise and experience of our senior management and other key employees for the success of our business. The loss of our senior management or other key employees could impair our ability to operate and impede the execution of our strategies. We may not be able to replace such persons within a reasonable period of time with individuals that possess equivalent expertise and experience, which may disrupt our business and impair our financial condition and results of operations.

In addition, our continued success will also depend on our ability to attract and retain talented and qualified personnel at all levels to perform administrative, accounting and customer service functions and to manage our day-to-day operations and future expansion.

5.1.18 Our ability to fulfil our debt obligations is not assured

Based on our pro forma consolidated statement of financial position as at 31 December 2013 assuming the Pre-IPO Reorganisation, our Listing and IPO were completed on 31 December 2013, our total contracted financial liabilities, including future finance costs, was approximately RM548.6 million, of which RM541.4 million were current liabilities. If we are unable to make payments in connection with our debt and other fixed payment obligations as they become due, we may need to renegotiate the terms and conditions of such obligations or to obtain additional equity or debt financing. We cannot assure you that our renegotiation efforts would be successful or timely or that we would be able to refinance our obligations on acceptable terms or at all. If financial institutions or our trade and other creditors decline to lend additional funds to us or to refinance or extend our existing liabilities when they mature on acceptable terms, whether as a result of our perceived credit risk or otherwise, and we fail to raise financing through other means, our business, prospects, financial condition and results of operations may be materially and adversely affected. Please refer to Section 10.2.6(ii) of this Prospectus for further information. Moreover, a substantial portion of our financial liabilities are trade and other payables, particularly those due to our suppliers. If we are unable to make timely payment on any of our payables, we may damage, perhaps irreparably, our relationships with our suppliers and may not be able to find suitable alternative suppliers, which could have a material adverse effect on our ability to restock our stores and on our business, prospects, financial condition and results of operations.

5.1.19 Refurbishments of our existing stores may affect our business, financial condition and results of operations

We refurbish our stores from time to time in order to improve the appearance of our stores and enhance our customers' shopping experience. We also have an ongoing refurbishment programme and intend to undertake refurbishments of 600 stores from 2014 to 2016 of which approximately 60% will be major refurbishments and 40% will be minor refurbishments. Any refurbishment to the retail space of our existing stores may disrupt their business and cause loss of turnover during such refurbishment period. In addition, it may require significant time to recreate the optimal product mix and generate the same level of customer traffic at the said store after the refurbishment process. If we are unable to complete such refurbishment in a timely manner or if we fail to enhance our customer traffic following such refurbishment, our business, financial condition and results of operations may be materially and adversely affected.

5.1.20 We may require additional financing or capital, which may not be available on terms acceptable to us or at all

We may need to obtain external debt and equity financing, through public or private financing, to finance the opening of new stores in accordance with our expansion plans. Our ability to finance our capital expenditure plans is subject to a number of risks, contingencies and other factors, some of which are beyond our control. Furthermore, any adverse developments in the Asian and international equity capital or credit markets or any decline in consumer disposable income in Malaysia may be a significant barrier to raising financing and may significantly increase the overall cost of our funds. Our debt facilities generally prohibit us from incurring further indebtedness without the consent of our lenders. There is no guarantee that we would be able to secure consent to incur any further indebtedness.

If adequate funding is not available to us on terms acceptable, or at all, this will materially and adversely affect our ability to fund the development and expansion of our business. Our inability to obtain sufficient funding for operations or development plans could have a material adverse effect on our business, prospects, financial condition and results of operations.

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

Our significant insurance policies consist of coverage for risks relating to fire, electronic equipment, glass, money, fidelity, burglary and public liability. There can be no assurance that any insurance proceeds we receive would be sufficient to cover expenses relating to insured losses or liabilities. 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.

If we suffer any uninsured losses, damages or liabilities in the course of our operations, we may not have sufficient funds to cover any 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.

5.1.22 We may be involved in legal and other disputes arising out of our operations from time to time and may face significant liabilities as a result

We may be subject to various litigation and other disputes from time to time. Legal proceedings and disputes in which we may be involved are subject to many uncertainties, and their outcomes are difficult to predict.

Our customers, employees or others may bring claims against us for faulty or defective products that we sell. These litigation actions and claims may be costly and time consuming, and could result in liabilities and reputational harm. We cannot accurately determine the full extent of any claims and liabilities (financial or otherwise) of our on-going 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 or defective products sold in our stores, our reputation may be materially adversely affected. This could lead to the erosion of customers' confidence in our brand and stores and a subsequent reduction in sales. In addition, we may need to incur significant legal, settlement and other costs in defending actions against us. Due to the inherent uncertainty of the litigation and dispute resolution process, there is no assurance that the resolution of any particular legal proceeding or dispute will be in our favour, and any result that is not in our favour may have a material adverse effect on our business, prospects, financial condition and results of operations.

On 5 March 2012, 7-Eleven Malaysia commenced a suit against Shell Malaysia in relation to a dispute concerning whether there was a valid and binding agreement between the parties for a new master tenancy agreement for 34 "7-Eleven" convenience stores at various Shell petrol stations in Malaysia.

While we believe that we have a good chance of prevailing in the case, we had since 6 March 2012, begin providing for potential damages for double-rental, being twice our normal contracted rental rates, for 35 stores (34 sites plus another site which is not part of the new master tenancy agreement) of RM260,464 per month. Based on our audited consolidated financial statements for the years ended 31 December 2012 and 31 December 2013, cumulative provisions for double-rental stood at RM2.6 million and RM5.7 million respectively. We have not made any provisions for potential mesne profits or other potential damages that we may be required to pay. There is no guarantee that we will prevail in this case, and, if we do not, there is no guarantee that our actual losses will not exceed, perhaps substantially, the amounts that we provided in our financial statements. In addition to financial damages, if we do not prevail in the suit it is possible that we may be forced to close or relocate those stores, and there is no guarantee that we would be able to find suitable alternative locations for all or any of the stores.

Even if we do prevail in this suit, we might incur substantial legal costs in defending the action. Any finding against us in the claim could have a material adverse effect our business, prospects, financial condition and results of operations. Please refer to Section 15.5 of this Prospectus for further information on 7-Eleven Malaysia's litigation with Shell Malaysia.

5.1.23 We are controlled by our substantial shareholders whose interests may not always align with our interests

Immediately after the completion of our IPO, our substantial shareholders will own 57.0% of our enlarged issued and paid-up share capital, assuming the Over-allotment Option is not exercised (51.0% assuming full exercise of the Over-allotment Option). As a result, our substantial shareholders will be able to exercise significant influence over the composition of our Board and the vote of our Shares. The interests of our substantial shareholders may differ from our interest or the interests of our other shareholders. Our substantial shareholders could have significant influence in determining the outcome of any corporate transaction or other matters submitted to our shareholders for approval, including mergers, consolidations and the sale of all or substantially all of our assets, the election of directors 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. Our substantial shareholders also have the power to prevent or cause a change in control.

In addition, our substantial shareholders also hold interest in companies other than us, and we have entered into various transactions with companies, directly or indirectly, controlled by or connected to our substantial shareholders. Please refer to Section 13 of this Prospectus for further information on these transactions. In addition, we expect in the future to enter into other transactions with our related parties.

5.1.24 If we fail to obtain or renew the regulatory licenses, approvals and permits we need in order to operate our stores, our existing operations may be materially and adversely affected

Our stores require a number of licences to operate and sell their products, including licences to sell specific products and certain controlled goods, trading licenses and advertising/signage licenses. Moreover, we must regularly renew a significant number of our licences. We may not obtain all the requisite licenses, approvals and permits that we are required to obtain from the various authorities, or renew existing licences, approvals and permits as they lapse, in a timely manner to operate and continue with our business, or at all. As a result, the authorities may prohibit us from selling those particular products, require us to cease operations at a store until the local business licences are obtained, charge us compounds or penalties for non-compliances, or, in some instances, seize those products that we stock without the appropriate license. As at the LPD, 22 of our stores do not have the requisite trading licences and 49 of our stores do not have the requisite advertising licences, and as such we may be subject to the relevant compounds, as set out in Sections 7.27.2(i) and (ii) of this Prospectus, if convicted. Any failure by us to obtain or renew the licenses that we require may have a material adverse effect on our business, contractual arrangements, prospects, financial condition and results of operations. Please refer to Section 7.27 of this Prospectus for further information on the licences that we require to operate our business.

5.1.25 Our substantial shareholder's debt facilities may expose us to risks relating to corporate actions taken by our substantial shareholder and/or its other subsidiaries

PMSB, which is our substantial shareholder and a company indirectly owned by TSVT, had on 11 January 2013 and 18 January 2013 issued the MTN in tranches primarily to refinance PMSB's loan facility which was obtained for the Delisting of BRetail (as defined in Section 6.1.1 of this Prospectus). The proceeds from the issuance of the MTN were also utilised for, among others, the expansion of 7-Eleven Malaysia's stores.

The facility agreements relating to the MTN ("**Facility Agreements**") contain restrictive covenants that expose us to risks arising from corporate actions taken by our substantial shareholder and its other subsidiaries. Under the terms of the Facility Agreements, PMSB and its other subsidiaries are generally prohibited from, among others, incurring further indebtedness without the prior written consent of the guarantors to the MTN ("**Guarantors**"), save for only certain kind of indebtedness. The Facility Agreements also contain covenants that limit, among others, PMSB and its other subsidiaries from paying more than 50.0% of their profit after tax as dividends and disposing all or a substantial portion of their assets.

Accordingly, any incurrence of indebtedness, save for the abovementioned certain kind of indebtedness without the prior written consent of the Guarantors or other breach of the terms of the Facility Agreements, by PMSB or one of PMSB's other subsidiaries could give rise to a default of PMSB's obligations under the Facility Agreements.

The restrictive covenants contained in the Facility Agreements had previously applied to us. However, PMSB had on 16 December 2013, obtained the approval from one of the Guarantors to exclude us from being subject to these covenants, effective on the Listing date. Similarly, PMSB had on 21 January 2014, agreed to the terms imposed by the other Guarantor to exclude us, effective on the Listing date, from being subject to the restrictive covenants under the Facility Agreements, subject to, among others, PMSB's or BRetail's undertaking that it will pledge our Shares as security for one of the Facility Agreements after the expiry of the moratorium period.

In addition, because PMSB has pledged all the BRetail Shares and BRetail ICPS (collectively "**BRetail Securities**") held with the Guarantors, the Guarantors can enforce their charge over the pledged BRetail Securities in the event of a default of certain of PMSB's obligations under the Facility Agreements. Notwithstanding, PMSB had on 16 December 2013 and 24 January 2014, obtained undertakings from the Guarantors not to deal with any of the pledged BRetail Securities for a period of six months from the date of Listing, which coincides with the moratorium period. However, there can be no assurance that the Guarantors will not deal with any of the pledged BRetail Securities after the expiry of the moratorium period. Similarly, because of PMSB's or BRetail's undertaking to pledge our Shares as security for one of the Facility Agreements upon the lifting of the moratorium, there can be no assurance that the Guarantors under the said Facility Agreement will not enforce the charges over the pledged Shares after the expiry of the moratorium period.

Our financing agreements also generally require that our substantial shareholders maintain at least 51% direct or indirect shareholding in us. On the other hand, the Second Restructure and IPO Consent Agreement requires TSVT to maintain at least 35% plus one Share, direct or indirect shareholding, in us so long as our Shares are registered and traded on any public stock exchange and provided TSVT has the 7-Eleven Malaysia Board Control or otherwise more than 50% direct or indirect shareholding so as to ensure that TSVT meets the requirement to have the 7-Eleven Malaysia Board Control. However, upon any foreclosure of PMSB's shareholding in BRetail or any foreclosure of PMSB's or BRetail's shareholding in us, TVST may no longer maintain such level of ownership, which could constitute a change of control event in our financing agreements and a default under the Second Restructure and IPO Consent Agreement and ALA.

Upon the occurrence of a change of control event, 7-Eleven USA has the right to, among others, raise the royalty rate we pay under the ALA or terminate the ALA, and upon such termination, it can exercise, among others, its right to acquire the assets of 7-Eleven Malaysia and CSSSB at fair market value. In addition, under our financing agreements, the lending banks may be permitted to declare all amounts outstanding immediately due and payable upon the occurrence of a change of control event. Some of our financing agreements also contain cross-default provisions, such that if any of our other borrowings be declared due and payable prior to their stated maturity, it would also trigger an event of default in these agreements.

We have no control over the actions of PMSB or its other subsidiaries, and we cannot assure you that PMSB and its other subsidiaries will always comply with the terms of the Facility Agreements. Any breach by PMSB or its other subsidiaries of the terms of the Facility Agreements may have a material adverse effect on our business, prospects, financial condition and results of operations.

5.1.26 Any breach of or use of properties in breach of the category of land use and/or express condition in the issue documents of title ("IDT") of our owned or tenanted properties, or any failure to obtain the CF or CCC for such properties, may adversely affect our business, financial condition and results of operations

Most of our stores located at shop lots, shopping malls, commercial buildings and complexes are tenanted and as a result, we are not in a position to ascertain whether the property owners and/or the landlords have complied with all land laws, rules and regulations in respect of such properties, in the event the property owners and/or landlords do not co-operate in providing us or are unable to provide us, with sufficient information pertaining to the properties.

In Peninsular Malaysia, any occupation or granting of permission to occupy any building or part thereof without a CF/CCC, will render the registered proprietor/occupier liable to a fine and/or imprisonment of persons such as our Directors, secretary or similar officers in the company of our Group for a term not exceeding 10 years. In addition, any usage of land that we occupy or tenant that is inconsistent with the category of land use and/or express condition as set out in the IDT or any use of a building or part thereof for a purpose other than that for which it was originally constructed, could subject the affected land to forfeiture by the Land Administrator, pursuant to the National Land Code, 1965 and expose us to various fines not exceeding RM500,000 for each affected property (and in the case of continuing offences, further fines not individually exceeding RM5,000 for each day during which the offence continues after the first conviction of the offence) and/or imprisonment of persons such as our Directors, secretary or similar officers in the company of our Group for a term not exceeding two years. If the land on which we occupy or tenant is forfeited and we are forced to shut down the relevant store, we will suffer a loss in revenue and may suffer other losses or damages in respect of the relevant store.

In East Malaysia, any usage of land which is inconsistent with the condition set out in the IDT or occupation of any building or any part thereof without a valid CF/CCC will render the registered proprietor/occupier liable to a fine and/or imprisonment and a further fine for any continuing offence.

While we endeavour to fully comply with and abide by the aforesaid restrictions where we are the owner of the relevant land and we can negotiate with our landlords to apply to the relevant authorities to convert the land use of the tenanted properties that we occupy and/or procure the necessary CF/CCC in respect of such properties, we may not always be successful in doing so. Even if we are able to make the necessary application and procure the conversion of land use or the necessary CF/CCC, or procure the registered proprietor to do so, such procedures will take time and there can be no assurance that we will not be subject to any penalties or fines in the meantime as an occupier of such land or the lands will not be subject to forfeiture in the meantime.

If such applications are unsuccessful, or in the event that we are certain that we would not receive any response from the landlord, or that we are unable to arrive at a mutual agreement with the landlord to convert the land use and/or procure the CF/CCC, we may be required to shut down the relevant store and relocate it to another location. There can be no assurance that we would be able to secure a suitable property for the relocation whether or not within the same vicinity or in a timely manner, or at all, and we may lose the opportunity to operate and remain competitive in the area concerned.

In addition, the approval from the SC for our IPO which was obtained on 7 February 2014 is subject to, among others, the rectification of the non-compliances relating to CF/CCC within 12 months from the date of the SC's approval letter. Failure to comply with the said condition may subject, amongst others, our Company, our directors, officers and the Promoters to any one or more of the actions as set out in Section 354 of the CMSA including penalties, reprimands and moratoriums or prohibitions on any trading of or any dealing in our Shares if the SC is satisfied that it is appropriate in all the circumstances to take action. Further, under the Listing Requirements, Bursa Securities may suspend the trading of our Shares upon notice by the SC and/or de-list our Company pursuant to a directive, requirement or condition imposed by the SC, if it is the SC's opinion that the Company has breached or failed to comply with the said condition.

As at the LPD, the usage of one of our owned properties and 44 of our tenanted properties are inconsistent with the category of land use and/or express conditions as set out in the IDT, while three of our owned properties and 10 of our tenanted properties have not been issued with the requisite CF/CCC. In addition, in respect of 413 and 137 of our tenanted properties, there is an absence of records of CF/CCC or information relating to land use, respectively, attributable to, among other things, lack of information or records. Please refer to Section 7.15 of this Prospectus for further information on the non-compliances of the material properties owned by us and our tenanted stores.

5.2 Risks relating to the industry in which we operate

5.2.1 Our performance depends on the performance of the Malaysian economy and consumer spending patterns

Our performance depends on consumer demand for our products, some of which are discretionary products, and, consequently, is sensitive to various factors that may affect consumer spending, including general economic conditions, consumer confidence in future economic and political conditions, disposable consumer income, consumer demographics and consumer perceptions of personal well-being. According to the IMR Report, Malaysia's real GDP grew at a CAGR of 5.7% between 2009 and 2013. In addition, household consumption expenditure in Malaysia increased by 19.0% in 2010, 16.2% in 2011 and 8.9% in 2012. The growth in the Malaysian economy, household consumption and retail sector was an important factor in our past performance growth. There is no guarantee that Malaysian economic conditions will continue to be as favourable as they have been in the recent past.

If a general economic downturn does occur, then as a convenience store, we may not be able to compete directly on price with some other retailers, such as grocery stores, hypermarkets or supermarkets, which experience economies of scale due to their larger product base and store size. In an economic downturn, as consumer discretionary spending decreases, it is possible that consumers will increasingly purchase products from our indirect, lower-cost competitors.

Moreover, consumer preferences and expectations, while ever changing, may change particularly quickly during periods of economic turmoil and we may fail to promptly identify our customers' needs. Consequently, we may not be able to introduce such new products that are in demand, which may lead to a loss of sales opportunities to competitors in the market.

Any adverse development in the Malaysian economy generally, or that impacts consumer discretionary spending, in particular, could have a material adverse effect on our business, prospects, financial condition and results of operations.

5.2.2 The retail sector in Malaysia is highly competitive

The products that we and our franchisees sell compete directly against products sold at other retail choices, such as convenience stores, supermarkets and hypermarkets, petro marts and others. The entry of foreign retail players into the market has intensified all areas of competition including price, quality, variety and convenience. We compete with other convenience store operators primarily on the basis of convenience, presentation, price, as well as customer loyalty, product mix and high quality customer services. Our direct convenience store competitors include retailers such as "KK Super Mart" and "Circle K". In addition, we compete with other larger format supermarket and hypermarket operators including "Tesco", "AEON Big" and "Giant", as well as petrol stations such as "Shell", "Petronas" and "Petron" that also operate convenience stores at their petrol stations such as "Select", "Mesra" and "Treats". Many of these competitors bear recognised brand names and have significant customer loyalty. Key competitive factors include the number and location of stores, quality and speed of service, attractiveness of facilities, effectiveness of advertising, marketing and operational programmes, price, demographic patterns and trends, customers' preferences and spending patterns, and perceptions of new product development. As a convenience store operator, we may not be able to compete directly on price with some of our competitors, such as grocery stores, hypermarkets and supermarkets, who may face lower costs than we do due to their wider product range, shorter operating hours and the economies of scale inherent in operating larger stores.

We also face the inherent risk of entry of new players to the convenience chain industry in Malaysia, especially established foreign convenience store chains, some of which are direct competitors of "7-Eleven" worldwide. Established foreign convenience store chains like "ampm", "Lawson" and "FamilyMart" are direct competitors of "7-Eleven" worldwide. Although many foreign convenience store chains do not have a presence in Malaysia, their existence in other East and Southeast Asian countries including Japan, Taiwan, Hong Kong, Singapore and Thailand are evidence of their interests in the East and Southeast Asian region.

We are the largest convenience store operator in Malaysia in terms of number of stores, with a market share of 82% of the standalone convenience store segment, as of March 2014, according to the IMR Report. There can be no guarantee that we will be able to increase or maintain our market share or competitive position. 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.

5.2.3 Political, economic, social, regulatory and other developments in Malaysia may adversely affect us

Our business, prospects, financial position and results of operations may be adversely affected by political, economic, social, regulatory and other developments in Malaysia and, to a lesser extent, Southeast Asia and the rest of Asia. These developments, which may be uncertain, include, but are not limited to, the risks of war, terrorism, riots, expropriation, nationalisation, renegotiations or nullification of existing contracts, deterioration of international bilateral relationships, changes in laws and regulations (including increases in the minimum wage and changes in tobacco policies or taxes), changes in interest rates, inflation, economic recession, foreign exchange control regulations and methods of taxation (including customs, excise, duties and tariffs). Some types of losses, such as from terrorism and acts of war, may be either uninsurable or too expensive to justify insuring against. Should an uninsured loss or a loss in excess of insured limits occur, our business, prospects, financial condition and results of operations may be materially and adversely affected.

Stress experienced by global markets began in the second half of 2007 and continued during 2008 to 2013, and this pressure may continue in the future. Concerns over inflation, geopolitical disputes, the availability and cost of credit, the credit crisis in Europe, the economic slowdown of China, the volatile political climate in North Africa and the Middle East and unstable markets in some countries have led to a general decline in lending activity between financial institutions and in commercial lending markets while increasing volatility of the global economy in the near term. This global turmoil has had a negative impact on the economy in Malaysia. Any further slowdown in economic growth or challenges in the financial markets may adversely impact our business, prospects, financial condition and results of operations.

New policies and regulations implemented by the Malaysian Government, including legislations and regulations enacted by the MDTCC, state governments and municipal councils, particularly those relating to a minimum wage increase, may have an impact, adverse or otherwise, on our business, prospects, financial condition and results of operations. For example, as a result of a December 2012 increase in the Malaysian statutory minimum wage from RM750 per month to RM900 per month in Peninsular Malaysia and from RM700 per month to RM800 per month in East Malaysia, our store staff costs increased by RM24.1 million, or 17.4%, from RM137.9 million in 2012 to RM162.0 million in 2013, Any future minimum wage increases may also adversely impact our business, prospects, financial condition and results of operations.

Moreover, the Malaysian Government's stated intention is to reform subsidies across a number of products and services, including electricity. Pursuant to an announcement by the Malaysian Government on 2 December 2013, the average electricity tariff in Peninsular Malaysia increased on 1 January 2014. The tariff increase for commercial usage ranges from 10.6% to 18.4%, depending on the voltage, timing and amount of electricity used. For our usage, the tariff increase was approximately 17%. As this tariff increase was effective 1 January 2014, the effects of the tariff increase are not reflected in the audited consolidated financial information included in this Prospectus. Assuming our consumption of electricity remains the same, our total electricity cost should increase accordingly (in addition to increases due to other factors, such as the opening of new stores). We attempt to mitigate the effects of cost increases either through increased efficiency to offset the increases or, when that is not possible, by passing costs onto customers and/or suppliers. However, there is no guarantee that we will be able to successfully pass through electricity or other cost increases, either as a result of the 1 January 2014 increase or future increases, to our customers. In the event that we increase prices in order to combat cost increases, it is possible that our customers will not be willing to pay these increased prices, and we may therefore lose customers. For the years ended 31 December 2010, 2011, 2012 and 2013 electricity costs accounted for 3.9%, 3.9%, 4.1% and 4.1% of our total operating costs (including cost of sales), respectively.

5.3 Risks relating to our Shares

5.3.1 There has been no prior market for our Shares and it is uncertain whether a sustainable market will ever develop

There has been no prior market for our Shares and it is uncertain whether a sustainable and active market for our Shares will ever develop. There can be no assurance as to the liquidity of any market that may develop for our Shares, the ability of holders to sell their Shares or the prices at which holders would be able to sell their Shares. None of us, our Promoters, the Selling Shareholder and the Placement Managers have an obligation to make a market in our Shares. It is expected that there will be an approximate nine Market Days gap between closing of the Retail Offering and trading of our Shares. We cannot assure you that there will be no event or occurrence that will have an adverse impact on the securities markets, the industries in which we operate or us during this period that would adversely affect the market price of our Shares when they begin trading.

Our Shares could trade at prices that may be lower than the Institutional Price or Final Retail Price depending on many factors, including prevailing economic and financial condition in Malaysia, our operating results and the markets for similar securities. In addition, markets for securities in emerging markets have been subjected to disruptions that have caused intense volatility in the prices of securities similar to our Shares. There can be no assurance that the market for our Shares, if any, will not be subject to similar disruptions. Any disruption in such markets may have a material and adverse effect on the price of our Shares.

5.3.2 Our Share price and trading volume may be volatile

The market price of our Shares may fluctuate as a result of, among other things, general market, political and economic conditions, trading liquidity of our Shares, the difference between our actual financial operating results and those expected by investors and analysts, changes in earnings estimates and recommendations by financial analysts, changes in market valuations of listed shares in general or shares of companies comparable to ours, changes in government policy, legislation or regulation, and general operational and business risks. In addition, many of the risks described in Section 5 of this Prospectus could materially and adversely affect the market price of our Shares. Furthermore, if the trading volume of our Shares is low, price fluctuation may be exacerbated. Accordingly, there can be no assurance that our Shares will not trade at prices lower than the original issue price of our Shares.

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

5.3.3 We may not be able to pay dividends

As part of our dividend policy described in Section 10.5 of this Prospectus, we target a payout ratio of 30.0% to 50.0% of our profit attributable to our equity holders for the year, subject to the approval of our Board and to any applicable law and contractual obligations and provided that such distribution will not be detrimental to our Group's cash requirements or to any plans approved by our Board. We propose to pay dividends out of cash generated from our operations after setting aside necessary funding for our capital expenditure and working capital needs such that any declaration of dividends shall not exceed our profit after tax for the relevant period and that we may not declare dividends should there be events of default occurring or would occur with such dividend payment. Dividend payments are not guaranteed, and our Board may decide, in its sole absolute discretion, at any time and for any reason, not to pay dividends or to pay smaller dividends than we currently propose. If we do not pay dividends, or pay dividends at levels lower than that 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.

During the years ended 31 December 2010, 2011, 2012 and 2013, dividends paid by 7-Eleven Malaysia amounted to RM15.0 million, RM12.0 million, nil and RM117.5 million, respectively, representing a dividend payout ratio of 55.0%, 39.8%, nil and 226.9%, respectively, of our profit attributable to our equity holders for the respective year. These dividends paid by 7-Eleven Malaysia were all interim dividends declared and paid out of the retained profits. 7-Eleven Malaysia has not declared or paid any dividends since 31 December 2013 and does not intend to declare or pay any dividends up to our Listing. Our payment of dividends may adversely affect our ability to fund unexpected capital expenditures, as well as our ability to make future interest and principal repayments on any borrowings we may have outstanding at the time. As a result, we may be required to borrow additional money or raise capital by issuing equity securities, which may not be possible or on favourable terms or at all. Further, in the event we incur new borrowings subsequent to the Listing, we may be subject to covenants restricting our ability to pay dividends.

5.3.4 We are an investment holding company and as a result, we depend on dividends from our subsidiaries to meet our obligations and to provide funds for payment of dividends on our Shares

We are a holding company and conduct substantially all of our operations through our subsidiaries. Accordingly, dividends and other distributions that we receive from our subsidiaries are our principal source of income. Consequently, the amount of these dividends and distributions are an important factor in our ability to pay dividends on our Shares (to the extent declared by our Board). Our subsidiaries' ability to pay dividends or make other distributions to us is subject to the availability of distributable reserves and to these companies' having sufficient funds that are not needed to fund their operations, other obligations or business plans or to maintain compliance with their debt covenants.

As we are a shareholder of our subsidiaries, our claims as a shareholder will generally rank junior to all claims of our subsidiaries' creditors and claimants. In the event of a liquidation of a subsidiary, there may not be sufficient assets for us to recoup our investment in that subsidiary.

5.3.5 We may use the proceeds from the Public Issue in ways in which you may not agree

We expect to receive approximately RM250.3 million in gross proceeds from the Public Issue and we may utilise these proceeds in ways you may not agree with.

We intend to use the gross proceeds from the Public Issue for capital expenditures (including the opening of new stores, refurbishment of existing stores, construction of the new CDC and upgrading of IT systems), working capital and the payment of expenses relating to our IPO and Listing. We do not currently have definite and specific commitments for a substantial portion of the gross proceeds from the Public Issue, and our current intentions may not materialise and may be prohibited. Where we decide to utilise the proceeds of the Public Issue for any purpose other than those disclosed in this Prospectus, we will immediately announce such changes to Bursa Securities if the change to the utilisation of proceeds deviates by 5.0% or more from the original utilisation of proceeds. Due to the number and variability of factors that determine our use of the proceeds of the Public Issue, the actual uses may vary substantially from our current intentions. In such event, as we have discretion in the way we invest or spend the proceeds of the Public Issue, there can be no assurance that we will invest or spend the proceeds in ways which will be agreeable to you or which you believe will have the most beneficial effect on our profitability.

5.3.6 The sale or the possible sale of a substantial number of our Shares in the public market following our IPO could adversely affect the price of our Shares

Immediately after the completion of our IPO, 57.0% of our enlarged issued and paid-up share capital will be held by our Promoters and 39.8% of our enlarged issued and paid-up share capital will be held by our institutional investors who had participated in our IPO, assuming the Over-allotment Option is not exercised. Please refer to Section 9.3 of this Prospectus for further information. Following our Listing, our Shares will be tradable on the Bursa Securities without restriction.

While we and BRetail are currently subject to a lock-up arrangement that prohibits us from issuing and selling Shares until the end of the lock-up period of six months, it is possible that we may issue additional Shares after the end of the lock-up period in connection with some other activities in the future and BRetail selling their Shares as part of their divestment or investment objectives. Please refer to Sections 4.6.3 and 12.2 of this Prospectus for further information on lock-up arrangements and moratorium relating to our Shares.

Additionally, after completion of our IPO, whether the period immediately after the IPO or after the expiry of the lock-up period, if BRetail or any other investors sell or is perceived as intending to sell a substantial amount of our Shares or otherwise substantially reduces their shareholding in us, the market price for our Shares could be materially and adversely affected.

5.3.7 There may be a delay in or termination of our Listing

Our Listing may be delayed or aborted upon the occurrence of certain events, including the event that we are unable to meet the minimum public shareholding spread requirement under the Listing Requirements of having at least 25.0% of our issued and paid-up Shares being held by at least 1,000 public shareholders holding not less than 100 Shares each at the point of our Listing.

In such events, investors will not receive any IPO Shares, and we and the Selling Shareholder will return in full, without interest, all monies paid in respect of any application for our Shares. If any such monies are not repaid in full within 14 days after the Selling Shareholder and our Company become liable to repay such monies, the provisions of Subsections 243(2) and 243(6) of the CMSA shall apply accordingly and we will become liable to repay the monies with interest at the rate of 10% per annum or such other rate as may be prescribed by the SC upon expiration of that period until full refund is made.

In the event that our Listing is aborted and our Shares have been allotted to the shareholders, a return of monies to holders of our Shares could only be achieved by way of a cancelation of share capital as provided under the Act and its related rules. Such cancelation requires the sanction of our shareholders by special resolution in a general meeting, consent of 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. There can be no assurance that such monies can be recovered within a short period of time or at all in such circumstances.

5.3.8 As the Institutional Price and Retail Price are higher than our NA value per Share, purchasers of our Shares in our IPO will experience immediate and substantial dilution, and purchasers of our Shares may experience further dilution if we issue additional Shares in the future

The Retail Price and the Institutional Price are higher than the NA value per Share. Therefore, purchasers of our Shares in our IPO will experience an immediate dilution in NA value of approximately RM1.25 per Share, and our existing shareholders will experience an increase in the NA value per Share.

In order to meet our funding requirements, we may consider offering and issuing additional Shares or equity-linked securities in the future. Purchasers of our Shares may experience further dilution in the NA value per Share if we issue additional Shares or equity-linked securities in the future.

5.3.9 Forward-looking statements in this Prospectus 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, those regarding our financial position, business strategies, plans and prospects of our management for future operations are forward-looking statements. Such forward-looking statements are made based on assumptions that we believe to be reasonable as at the date hereof. Forward-looking statements can be identified by the use of forward-looking terminology such as 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 involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of our Group, or industry results, to be materially different from any results or performance 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 initiatives of the Government.

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 16 August 2013 as a private limited company under the name of Seven Convenience Sdn. Bhd. On 3 September 2013, our Company was converted into a public limited company under the name of Seven Convenience Berhad. Subsequently, on 3 October 2013, our Company's name was changed to 7-Eleven Malaysia Holdings Berhad.

Our Company was incorporated to facilitate our Listing. Our principal activity is investment holding whilst our subsidiaries, comprising the 7-Eleven Malaysia Group, are principally involved in operating and franchising of convenience stores under the "7-Eleven" brand name in Malaysia.

Pursuant to a Sub-Licence Agreement entered into with Jardin Matheson Holdings (Malaysia) Sdn. Bhd. (the former franchisee of "7-Eleven" brand name) on 20 December 1986, 7-Eleven Malaysia was granted the rights to develop and operate "7-Eleven" convenience stores and grant sub-franchises to franchisees to operate "7-Eleven" convenience stores solely in Malaysia and Brunei Darussalam. However on 1 December 2003, 7-Eleven Malaysia entered into an Area License Agreement with 7-Eleven USA which supercedes the Sub-Licence Agreement. The said Area Licence Agreement grants 7-Eleven Malaysia the right to establish and operate, and to grant sub franchises to franchisees to establish and operate, "7-Eleven" convenience stores solely in Malaysia and Brunei Darussalam. Pursuant to the ALA, 7-Eleven Malaysia is an independently-owned and operated licensee of 7-Eleven USA.

7-Eleven USA is the world's largest convenience retailer from Texas, United States. It operates, franchises and licences more than 10,300 stores in the United States and Canada and more than 52,100 "7-Eleven" and other convenience stores operated under other brands worldwide. 7-Eleven USA does not have any interest in 7-Eleven Malaysia.

The history and evolution of our Group since 7-Eleven Malaysia became part of the Berjaya Family is as follows:

Date	Event
2 January 2001	7-Eleven Malaysia became part of the Berjaya Family when Global Empires Sdn. Bhd. ("**GESB**"), a wholly-owned subsidiary of BGroup, completed the acquisition of 5,000,000 ordinary shares of RM1.00 each in 7-Eleven Malaysia, representing its entire issued and paid-up share capital, from Antah Holdings Berhad for a purchase consideration of RM80.0 million. There were only 176 "7-Eleven" convenience stores in Malaysia.
12 March 2003	PMSB completed the acquisition of the entire issued and paid-up share capital of 7-Eleven Malaysia from its holding company, GESB, for a purchase consideration of RM90.0 million, which had resulted in 7-Eleven Malaysia becoming a wholly-owned subsidiary of PMSB instead.

Date	Event
1 October 2004	IUB completed a restructuring exercise which had involved, among others, the subscription of 99,998 new ordinary shares of RM1.00 each in PMSB and 90,000,000 redeemable preference shares of RM0.01 each in PMSB, representing the enlarged issued and paid up share capital of PMSB for a cash consideration of RM99,998 and RM90.0 million respectively ("**IUB Restructuring Exercise**"), which resulted in 7-Eleven Malaysia becoming an indirect wholly-owned subsidiary of IUB. The restructuring exercise resulted in a change in IUB's core business from manufacturing, packaging, warehousing and trading of semiconductors components and potable water treatment and supply, to operations of convenience stores under the "7-Eleven" brand name in Malaysia. There were approximately 407 "7-Eleven" convenience stores in Malaysia.
Between September 2004 and January 2006	Various extensions of time were granted by the authorities to IUB for purposes of complying with the public shareholding spread requirement, with the final extension of time granted until 29 April 2006.
12 July 2006	IUB received a directive from Bursa Securities to comply with the public shareholding spread requirement by 12 October 2006.
12 September 2006	The Board of IUB received a proposal from Vista Meranti to undertake a voluntary withdrawal of listing of IUB due to non-compliance with the public shareholding spread requirement, lack of investors' interests and trading liquidity. The voluntary withdrawal of listing of IUB had entailed an exit offer by Vista Meranti to acquire all the remaining ordinary shares of RM1.00 each in IUB ("**IUB Shares**") not already owned by Vista Meranti ("**IUB Offer Shares**") at an offer price of RM2.10 per IUB Share ("**IUB Offer**") which represented an illustrative market capitalisation of approximately RM202.4 million based on the total number of IUB Shares in issue of 96,377,404 at the time of the IUB Offer. The IUB Offer price of RM2.10 per IUB Share represented a PE Multiple of 15.8 times based on the annualised audited net EPS of IUB for the 17 months ended 31 December 2005 of 13.31 sen.
From 17 January 2007	Following the IUB Offer, Vista Meranti undertook a compulsory acquisition to acquire all the IUB Offer Shares held by the IUB shareholders who did not accept the IUB Offer, resulting in Vista Meranti owning the entire issued and paid-up share capital of IUB.

Date	Event
25 January 2007	IUB was delisted from the Main Board *(now known as Main Market)* of Bursa Securities. There were 841 "7-Eleven" convenience stores in Malaysia.
14 June 2010	In conjunction with BRetail's initial public offering and listing on the Main Market of Bursa Securities, BRetail had completed the following acquisition: (i) the entire issued and paid-up share capital of 7-Eleven Malaysia for a purchase consideration of RM600.0 million which was satisfied via the assumption by BRetail of a sum of RM165,379,000 due from PMSB, and its holding companies to the 7-Eleven Malaysia Group and the issuance of 60,000,000 new BRetail Shares and 809,242,000 BRetail ICPS both at an issue price of RM0.50 each; and (ii) the entire issued and paid-up share capital of Singer for a purchase consideration of RM360.0 million which was satisfied via the assumption by BRetail of a sum of RM45,905,000 due from the BCorporation group of companies to the Singer group of companies ("**Singer Group**") and issuance of 475,000,000 new BRetail Shares and 153,190,000 BRetail ICPS both at an issue price of RM0.50 each.
16 August 2010	BRetail was listed on the Main Market of Bursa Securities ("**Listing of BRetail**"). There were 1,157 "7-Eleven" convenience stores in Malaysia.
11 March 2011	PMSB served a notice of take-over offer on the Board of BRetail to acquire all the remaining BRetail Shares and BRetail ICPS not already owned by PMSB (collectively referred to as "**BRetail Offer Securities**") for a cash offer price of RM0.65 for each BRetail Share and BRetail ICPS ("**BRetail Offer**").
From 25 April 2011	Following the BRetail Offer, PMSB undertook a compulsory acquisition to acquire all the BRetail Offer Securities held by the BRetail shareholders and holders of the BRetail ICPS who did not accept the BRetail Offer, resulting in PMSB owning the entire issued and paid-up share capital of BRetail.
3 May 2011	BRetail was delisted from the Main Market of Bursa Securities ("**Delisting of BRetail**"). There were 1,251 "7-Eleven" convenience stores in Malaysia.

6.1.2 Rationale for the indirect listings and privatisation of 7-Eleven Malaysia

7-Eleven Malaysia first became part of a listed group when it was acquired by GESB, a wholly-owned subsidiary of BGroup in 2001 and subsequently in 2004, it became part of the IUB group of companies pursuant to the IUB Restructuring Exercise.

On 12 September 2006, Vista Meranti, a wholly-owned subsidiary of HQZ which in turn is 99.99%-owned by one of our Promoters, TSVT, submitted a proposal to the Board of IUB for the voluntary withdrawal of listing of IUB after taking into consideration the following:

(i) non-compliance of IUB with the public shareholding spread requirement after having sought various extensions from the authorities between the period of September 2004 and January 2006 to comply with the public shareholding spread requirement and the rejection of IUB's request by Bursa Securities for a waiver from having to comply with the minimum public shareholding spread. On 12 July 2006, IUB had received a directive from Bursa Securities to comply with the public shareholding spread requirement by 12 October 2006;

(ii) lack of investors' interests although the management of IUB had taken various measures including organising analyst briefing for coverage, participation in the CMDF-Bursa Research Scheme for research coverage and fund managers' briefing; and

(iii) low trading liquidity of the ordinary shares of RM1.00 each in IUB ("**IUB Shares**"). The daily average trading volume of IUB Shares for the past 12 months prior to the proposal for the voluntary withdrawal of listing of IUB was approximately 12,131 IUB Shares, representing approximately 0.013% of the issued and paid-up share capital of IUB.

The voluntary withdrawal of listing of IUB had entailed an exit offer by Vista Meranti to acquire all the remaining IUB Shares not already owned by Vista Meranti ("**IUB Offer Shares**") at an offer price of RM2.10 per IUB Share ("**IUB Offer**"). Based on the total number of IUB Shares in issue of 96,377,404, the value of the IUB Offer represented an illustrative market capitalisation of approximately RM202.4 million. This represented a PE Multiple of 15.8 times based on the annualised audited net profit of IUB for the 17 months ended 31 December 2005 of RM18.2 million after taking into consideration, among others, the losses incurred by IUB's non 7-Eleven businesses, namely manufacturing, packaging, warehousing and trading of semiconductors components and potable water treatment.

Post the delisting of IUB from the Main Market of Bursa Securities, the 7-Eleven Malaysia Group had continued to grow and had in fact, changed its business model involving the implementation of the "7-Eleven" Store Franchise Programme which is a strategy to substantially increase the number of stores operated on franchise basis, expansion of its distribution channel by leveraging on the "7-Eleven" Store Franchise Programme and the expansion of its products and services offerings such as new premium fresh food and beverages.

Having grown the business and strengthened the presence of "7-Eleven" convenience stores locally which saw an increase of 259 net new stores from the time of the delisting of IUB on 25 January 2007 to 1,100 "7-Eleven" convenience stores at the time of the Listing of BRetail on 16 August 2010, representing a CAGR of 18.6%, the Promoters decided to re-introduce 7-Eleven Malaysia together with Singer to the Malaysian equity market under BRetail since both 7-Eleven Malaysia and Singer are in the retailing industry. The Promoters believed that consolidating both 7-Eleven Malaysia and Singer under BRetail would enable BRetail to achieve optimum diversification of business and risk because BRetail would be able to derive stable and consistent income from Singer and at the same time, benefit from the growth of 7-Eleven Malaysia, apart from being able to reach out to different market segments given the different product offerings.

Based on the total number of BRetail Shares in issue of 1,497,432,004 (assuming full conversion of 962,432,000 BRetail ICPS into new BRetail Shares) at the time of the Listing of BRetail, the market capitalisation of BRetail was RM748.7 million. The initial public offering price of RM0.50 per BRetail Share represents a PE Multiple of 21.7 times based on BRetail's pro forma consolidated profit after tax for the year ended 31 December 2009 of RM34.5 million.

However, in March 2011, one of our Promoters, PMSB undertook the BRetail Offer which arose as a result of a statutory obligation under the Malaysian Code on Take-Overs & Mergers, 2010 to extend a take-over offer following the increase in PMSB's shareholding in BRetail from 26.62% to 58.71% from the conversion of PMSB's BRetail ICPS. PMSB had also undertaken the BRetail Offer after taking into consideration that the BRetail Shares and BRetail ICPS had not performed well on Bursa Securities since the Listing of BRetail. In fact, the BRetail Shares and BRetail ICPS had traded below the initial public offering price of RM0.50 most of the time. The highest traded price for the BRetail Shares and BRetail ICPS between 16 August 2010, being the date of the Listing of BRetail, and 4 March 2011, being the last full trading day prior to the service of the notice for the BRetail Offer by PMSB, was RM0.565 and RM0.510 respectively.

The value attributed to the 7-Eleven Malaysia Group at the time of the Delisting of BRetail as ascribed by KIBB, being the Independent Adviser for the BRetail Offer, was RM468.99 million, representing 56.2% of the value of the BRetail group of companies of approximately RM834.28 million. Based on the total number of BRetail Shares in issue of 1,497,432,004 (assuming full conversion of 1,551,640 BRetail ICPS into new BRetail Shares), the value of the BRetail Offer represented an illustrative market capitalisation of approximately RM973.33 million, representing a PE Multiple of 18.56 times based on the unaudited consolidated profit after tax of BRetail of RM52.43 million for the year ended 31 December 2010. Based on the value of the BRetail Offer, the implied privatisation value of the 7-Eleven Malaysia Group is RM547.16 million ("**7-Eleven Malaysia Privatisation Value**"), representing a PE Multiple of approximately 19.30 times based on the unaudited profit after tax of the 7-Eleven Malaysia Group for the year ended 31 December 2010 of RM28.4 million.

6.1.3 Significant events since the Delisting of BRetail

Since the Delisting of BRetail, we have continued to focus on the following areas which we view as critical success factors to further improve our performance and solidify our market position:

(i) Expansion of our store nationwide network

From the time one of our Promoters, TSVT, assumed indirect control of 7-Eleven Malaysia in January 2001 up to the Listing of BRetail, our chain of convenience stores in Malaysia has grown significantly from 176 "7-Eleven" convenience stores in January 2001 to 1,157 "7-Eleven" convenience stores on 16 August 2010, at the time of the Listing of BRetail. In fact, our chain of convenience stores in Malaysia has further increased from 1,251 stores at the time of the Delisting of BRetail to 1,583 stores as at the LPD, representing a CAGR of 18.4% for the period from January 2001 up to the LPD.

Since the Delisting of BRetail up to the LPD, we have invested approximately RM82.2 million for our store roll-out programme and we plan to accelerate our store network expansion with a total of 600 net new stores to be opened from 2014 to 2016. We opened 150 net new stores in 2013 and a total of 332 net new stores since the Delisting of BRetail up to the LPD.

In addition, given the importance of our store roll-out programme to our future performance, since the Delisting of BRetail, we have created one new senior position within our Group, dedicated on strategising and supervising our store development. As at the LPD, we have a team of 21 personnel who are responsible for the execution of our store expansion plans and strategies.

In expanding our network, we have also entered into a strategic collaboration with Chevron Malaysia, who operates a network of approximately 423 "Caltex" petrol stations in Malaysia as at the LPD, which provides us with an opportunity to further expand our presence in the "petro marts" segment. Through the said collaboration, we are able to identify potential as well as existing "Caltex" petrol stations which we can lease retail space to operate our stores. We believe that the chosen "Caltex" petrol stations would offer us prime retail space given the customer traffic which in turn would help improve our revenue and consequently, our gross margin. As at the LPD, we have already opened two stores at "Caltex" petrol stations and we target to open an additional 23 stores at "Caltex" petrol stations by June 2015. Please refer to Section 7.4.3 of this Prospectus for further information on the said collaboration.

(ii) Increase economies of scale with our store nationwide network

Our network of stores is supported by our CDC in Shah Alam, Selangor. At the time of the Delisting of BRetail, our CDC handled and distributed approximately 36% of our products by volume to all our stores in Peninsular Malaysia. With the increase in our number of stores, our CDC now handles and distributes approximately 53% of our products by volume to all our stores in Peninsular Malaysia paving the way for increased efficiency and economies of scale.

As we aim to handle and distribute up to approximately 75% of our inventories in terms of volume, we have since the Delisting of BRetail up to the LPD, invested RM1.2 million for the pre-construction works of the new CDC with a gross built-up area of 166,000 sq ft in Shah Alam, Selangor. The new CDC which will have 38% greater capacity is expected to improve our distribution capabilities and allows us to supply to a larger network of stores with a broader assortment of products such as ready-to-eat frozen foods. Upon completion of the construction, the new CDC will replace our existing CDC. Please refer to Section 7.9.1 of this Prospectus for further details on our new CDC.

At the time of the Listing of BRetail, 7-Eleven Malaysia had intended to complete the construction of the new CDC within two years from the date of the Listing of BRetail. However, the construction of the new CDC was delayed because the satisfaction of all the requirements imposed by the relevant authorities in terms of, among others, building layout and specifications, prior to obtaining the approval from the local council to commence construction took longer than expected.

In order to support our strategy to further expand our distribution and logistics capabilities, since the Delisting of BRetail, we have created two new senior positions within our Group, covering the area of information systems and logistics. As at the LPD, we have a team of 211 personnel comprising 45 permanent staff and 166 outsourced workers who are responsible for the execution of our store logistics.

As the majority of our stores operate 24 hours a day, 7 days a week, the expansion of our store network allows us to spread our operating costs across an increasing number of stores, which in turn has contributed to the improvement in our selling and distribution expenses and merchandise margins. Please refer to Sections 10.2.4(i)(c) and (e) of this Prospectus for further details on the improvement in our selling and distribution expenses and merchandise margins.

(iii) Introduction of new products and services

In order to further increase traffic to our stores which can lead to higher average sales per store (for both merchandise sales and commission revenue) as well as our profitability margin, since the Delisting of BRetail, we have embarked upon several initiatives involving the introduction of new products and services at our stores as follows:

(a) we introduced a new range of food products such as donuts, croissants, pies and ready-to-eat frozen food in May 2013. Also, since May 2013, we have collaborated with PK Agro-Industrial Products (M) Sdn. Bhd. which is part of the Charoen Pokphand Group, an established food operator, for the supply of ready-to-eat frozen food to our stores. As at the LPD, 299 of our stores are already supplied with donuts, croissants and pies while 165 of our stores are already supplied with ready-to-eat frozen food. We have also introduced multiple daily delivery programme where the distribution is undertaken based on store orders, instead of delivery by our vendors to our stores. As at the LPD, 102 of our stores are being supplied through our multiple daily delivery programme.

Our fresh and frozen food initiatives have helped to increase customer traffic during breakfast, lunch and dinner periods as well as after-hours which in turn, helps to improve the average sales of these stores. The said initiative complements our "hot beverage" programme which was first launched in 2009 to provide customers with high-quality and freshly brewed specialty coffee at affordable prices which are available to customers 24 hours a day and 7 days a week. At the time of the Listing of BRetail, we had intended to roll out the "hot beverage" programme to 100 "7-Eleven" stores by 2010. However, subsequent to the Listing of BRetail, we decided to slow down the roll-out of the "hot beverage" programme because we believed that the programme should be rolled out together with complementary products such as pastries and other ready-to-eat frozen foods in order to maximise the results that we expect from the rolling-out of this programme, be it in terms of higher customer traffic, higher merchandise sales and/or higher average sales per store. As at the LPD, we have rolled out the "hot beverage" programme to 66 stores from 45 stores at the time of the Delisting of BRetail. Beginning 2014, we plan to roll-out the "hot beverage" programme with other food service items based on selected store clusters, details of which are set out in Section 7.2.2(iv) of this Prospectus; and

(b) we have continued to leverage on our strategic relationship with MOL for the provision of in-store services such as mobile phone and online gaming reloads since the Delisting of BRetail. Please refer to Section 7.2.2(iii) of this Prospectus for further details on our enhanced strategic relationship with MOL.

In focusing our efforts towards improving our merchandising margins, since the Delisting of BRetail, we have created one new senior position within our Group, covering the area of merchandising. As at the LPD, we have a team of 30 personnel who are responsible for our store merchandising.

(iv) Improve our in-store customers' shopping experience

In order to improve our customers' experience at our stores which in turn promotes customer loyalty, we have since the Delisting of BRetail up to the LPD undertaken refurbishment/facelifts at at our stores.

Since 1 January 2013 up to the LPD, we have invested approximately RM14.7 million for the refurbishment of 93 stores comprising the following:

(a) 71 stores were refurbished in 2013 where:

   (i) 57 stores were refurbished under our store refurbishment programme which commenced in September 2013; and

   (ii) 14 stores were refurbished in the first eight months of 2013 which were not part of our store refurbishment programme; and

(b) the remaining 22 stores were refurbished from 1 January 2014 up to the LPD, all of which were refurbished under our store refurbishment programme.

We plan to accelerate our store refurbishment programme where we target to refurbish 600 stores from 2014 to 2016 of which approximately 60% will be major refurbishment and 40% will be minor refurbishment.

6.1.4 The listing of our Group

We as well as our Promoters believe that it is timely to re-introduce 7-Eleven Malaysia to the Malaysian equity market via our IPO so as to allow us to seize the opportunities of long-term growth and to raise the necessary funds to accelerate the implementation of our strategies to further grow our business. According to the IMR Report, the prospects of the 7-Eleven Malaysia Group is supported by the following growth drivers set out in Section 10.2 of the IMR Report:

(i) the population growth in Malaysia which is expected to reach 31.3 million by 2017, creating a larger consumer base for its stores;

(ii) Malaysia's relatively young population as 54.9% of Malaysia's population is 29 years of age and younger as at mid-year 2013 which bodes well for the convenience stores segment as households headed by younger person have a higher average monthly expenditure on food and beverage products away from home compared to households with older heads;

(iii) the increase in consumer affluence and consumer spending in Malaysia where Malaysia's per capita income is expected to grow at an estimated CAGR of 10.7% from 2013 to 2015. Generally, an increase in consumer affluence as reflected by the growth in per capita income is likely to increase overall consumer spending;

(iv) the increase in private final consumption expenditure on food and non-alcoholic beverages which increased at a CAGR of 7.5%, while alcoholic beverages and tobacco increased at a CAGR of 6.9% for the period from 2008 to 2012 respectively, which augur well for operators in the retail industry, including convenience store operators;

(v) the increase in urbanisation rate in Malaysia which is expected to reach 77.9% by 2020 which will continue to provide opportunities in the convenience store segment; and

(vi) the Malaysian Government is actively promoting the tourism industry as a National Key Economic Area under the Economic Transformation Plan ("**ETP**") and some of the 12 Entry Point Projects that have been identified as part of the ETP are to position Malaysia as a duty-free shopping destination for tourist goods. The Malaysian Government's initiative to drive the growth of the tourism industry would indirectly benefit the overall retail industry including the convenience store segment in Malaysia.

We view these factors as indicators of substantial long term growth opportunities and potential for our Group. These factors would bode well for the future plans and strategies of the 7-Eleven Malaysia Group which include, among others:

(i) further store network expansion as well as store refurbishment; and

(ii) expansion of in-store services.

In fact, we have already commenced implementing our strategies to accelerate our growth, among which is the expansion of our network of self-operated stores. We opened 150 net new stores in 2013 and target to open a total of 600 net new stores between 2014 and 2016. In addition, as part of our business plans and strategies, we intend to spend approximately RM352.0 million from 2014 to 2016 to fund the expansion of our store network, on minor and major stores refurbishments, the construction of our new CDC and upgrade of IT systems, of which RM184.8 million will be funded from the proceeds from the Public Issue whilst the remaining RM167.2 million will be funded from internally generated funds. We also believe that the re-listing of the 7-Eleven Malaysia Group without Singer as a pure-play convenience store operator would allow us to wholly focus on our operations and growth strategies.

Prior to the Listing of BRetail, BRetail had assumed a debt due from PMSB and its holding companies to the 7-Eleven Malaysia Group of RM165.4 million as part of the purchase consideration for the acquisition of 7-Eleven Malaysia which was completed on 14 June 2010. Subsequently from 14 June 2010 and up to 14 April 2014, 7-Eleven Malaysia had advanced a total of RM285.2 million to BRetail which gave rise to an interest income of RM48.6 million earned for the said period. The net amount owing by BRetail to 7-Eleven Malaysia (including interest) of RM180.0 million has been fully settled by BRetail via the Note pursuant to the Pre-IPO Reorganisation which was completed on 2 April 2014, as explained below and also in cash amounting to RM43.2 million on 14 April 2014.

As part of the Pre-IPO Reorganisation, our Company and BRetail had entered into the SSA for the acquisition of the entire issued and paid-up share capital of 7-Eleven Malaysia, free from all encumbrances, for a purchase consideration of RM1,378.25 million to be satisfied via the issuance of 1,051,999,980 new Shares at an issue price of RM1.18 per Share and the Note. Pursuant to the indorsement of the Note from BRetail to 7-Eleven Malaysia, there is a net amount owing by us to 7-Eleven Malaysia amounting to RM136,887,521 which will be settled by our Company after the IPO using the proceeds from the Public Issue and in turn, 7-Eleven Malaysia will utilise the cash received pursuant to the settlement of the Note in accordance with the utilisation of proceeds as set out in Section 4.10 of this Prospectus.

The purchase consideration for the Pre-IPO Reorganisation of RM1,378.25 million was arrived at on a "willing-buyer willing-seller" basis after taking into consideration, *inter alia*, the following:

(i) the equity value of 7-Eleven Malaysia of RM1,241.36 million ("**Equity Value**") which represents a PE Multiple of approximately 36.17 times ("**Equity PE Multiple**") based on the adjusted unaudited profit after tax of the 7-Eleven Malaysia Group for the LTM ended 30 September 2013 of approximately RM34.32 million after adjusting for interest income (net of tax) earned on the amount owing by BRetail to 7-Eleven Malaysia of approximately RM11.90 million; and

(ii) the amount owing by BRetail to 7-Eleven Malaysia which will be settled pursuant to the issuance of the Note.

The key drivers which contributed to the increase in the value of the 7-Eleven Malaysia Group, as represented by the Equity Value, as compared to the 7-Eleven Malaysia Privatisation Value are as follows:

(i) Capital expenditure investments

The 7-Eleven Malaysia Group has invested approximately RM85.6 million from the time of the Delisting of BRetail up to 30 September 2013 for the following capital expenditure initiatives:

(a) RM61.5 million, which has been invested for its store roll-out programme;

(b) RM5.5 million, which has been invested for its refurbishment/facelifts at 31 stores (14 stores in the first eight months of 2013 which were not part of the store refurbishment programme and 17 stores commencing from September 2013 which were part of the store refurbishment programme); and

(c) RM18.6 million, which has been invested on head office equipment and spare equipment for ad-hoc repairs

The 7-Eleven Malaysia Group has further invested approximately RM56.7 million from 1 October 2013 up to the LPD for the following capital expenditure initiatives:

(a) RM20.7 million, which has been invested for its store roll-out programme;

(b) RM9.2 million, which has been invested for its refurbishment/facelifts at 62 stores (40 stores and 22 stores which were refurbished under its store refurbishment programme in the fourth quarter of 2013 and from 1 January 2014 up to the LPD, respectively); and

(c) RM26.8 million, which has been invested on head office equipment and spare equipment for ad-hoc repairs.

Please refer to Section 10.2.2(iii) for further details of the refurbishments undertaken by the 7-Eleven Malaysia Group.

For the past four years ended 31 December 2010, 2011, 2012 and 2013, 7-Eleven Malaysia Group invested approximately RM38.9 million, RM36.3 million, RM24.5 million and RM63.8 million respectively for its capital expenditure initiatives.

(ii) Expansion of the network of "7-Eleven" convenience stores throughout Malaysia

7-Eleven Malaysia Group's chain of convenience stores in Malaysia has increased by 268 stores or 21.4% from 1,251 stores at the time of the Delisting of BRetail to 1,519 stores as at 30 September 2013. 7-Eleven Malaysia has also entered into a strategic collaboration with Chevron Malaysia, who operates a network of approximately 420 "Caltex" petrol stations in Malaysia as at 30 September 2013, which provides the 7-Eleven Malaysia Group with an opportunity to further expand its presence in the "petro marts" segment. As at the LPD, two stores were already opened at "Caltex" petrol stations and the 7-Eleven Malaysia Group targets to open an additional 23 stores at "Caltex" petrol stations by June 2015.

As a result of the increase in the number of stores from 1,212 stores as at 31 December 2010 to 1,407 stores as at 31 December 2012, revenue of the 7-Eleven Malaysia Group increased from RM1.314 billion for the year ended 31 December 2010 to RM1.579 billion for the year ended 31 December 2012, representing an increase of RM265.4 million or 20.2%, of which revenue from stores that had opened during or after the year ended 31 December 2010 increased by RM238.3 million whilst revenue from stores that had existed prior to 2010 increased by RM27.0 million. The number of stores increased from 1,383 stores as at 30 September 2012 to 1,519 stores as at 30 September 2013 where revenue of the 7-Eleven Malaysia Group increased from RM1.183 billion for the nine months ended 30 September 2012 to RM1.250 billion for the nine months ended 30 September 2013, representing an increase of RM67.3 million or 5.7%.

The number of stores had further increased from 1,519 stores as at 30 September 2013 to 1,557 stores as at 31 December 2013 and to 1,583 stores as at the LPD.

(iii) Improved product mix and operational efficiency

The improvement in product mix and operational efficiency of the 7-Eleven Malaysia Group has also resulted in an increase in the gross margin and profitability of the 7-Eleven Malaysia Group since the Delisting of BRetail as follows:

(a) Product mix

- Historically, tobacco products have been the 7-Eleven Malaysia Group's highest-revenue products but also the lowest-margin products. The 7-Eleven Malaysia Group has since increased its offerings of non-tobacco products. Revenue from non-tobacco merchandise sales as a percentage of revenue (net of rental income) increased from 63.9% for the year ended 31 December 2010 to 64.1% for the year ended 31 December 2012. With the increase, merchandise gross margin had improved from 23.9% for the year ended 31 December 2010 to 24.5% for the year ended 31 December 2012.

For the year ended 31 December 2013, revenue from non-tobacco merchandise sales as a percentage of revenue (net of rental income) increased slightly from 64.1% for the year ended 31 December 2012 to 64.2% for the year ended 31 December 2013. Merchandise gross margin had improved further from 24.5% for the year ended 31 December 2012 to 25.4% for the year ended 31 December 2013; and

- The 7-Eleven Malaysia Group has also increased its provision of in-store services, particularly mobile phone and online gaming reloads, which helped drive the increase in the 7-Eleven Malaysia Group's overall gross margin. The 7-Eleven Malaysia Group enjoys 100% gross profit on commission revenue from mobile phone and online gaming reloads due to negligible associated cost of sales. Gross profit from commissions as a percentage of overall gross profit had increased in each period, at 10.7%, 11.2% and 11.9% for the years ended 31 December 2010, 2011 and 2012 respectively and 12.3% for the nine months ended 30 September 2013.

  In fact, gross profit from commissions as a percentage of overall gross profit had increased from 11.9% for the year ended 31 December 2012 to 12.3% for the year ended 31 December 2013.

(b) Operational efficiency

- The 7-Eleven Malaysia Group's network of stores is supported by its CDC in Shah Alam, Selangor. At the time of the Delisting of BRetail, the CDC handled and distributed approximately 36% of its products by volume to all its stores in Peninsular Malaysia. With the increase in the 7-Eleven Malaysia Group's number of stores, the CDC now handles and distributes approximately 53% of its products by volume to all its stores in Peninsular Malaysia paving the way for increased efficiency and economies of scale.

  As the majority of its stores operate 24 hours a day, 7 days a week, the expansion of its store network allows it to spread its operating costs across a higher number of stores, which in turn has contributed to the improvement in selling and distribution expenses and merchandise margins. Selling and distribution expenses as a percentage of revenue declined from 26.0% for the year ended 31 December 2010 to 25.0% for the year ended 31 December 2012. However, for the nine months ended 30 September 2013, selling and distribution expenses as a percentage of revenue was 25.7%, and in fact, for the year ended 31 December 2013, selling and distribution expenses as a percentage of revenue was 26.0%, largely due to the increase in the Malaysian statutory minimum wage in 2012.

Although selling and distribution expenses as a percentage of revenue improved from 2010 to 2012 due to increased economies of scale as the 7-Eleven Malaysia Group had expanded its network of stores, the increase in the Malaysian statutory minimum wage in December 2012 had largely offset the benefits of increased economies of scale, resulting in selling and distribution expenses as a percentage of revenue remaining relatively stable from 2010 to 2013.

As a result of these improvements, profit after tax of the 7-Eleven Malaysia Group increased from RM27.3 million for the year ended 31 December 2010 to RM40.5 million for the year ended 31 December 2012, representing an increase of RM13.2 million or 48.4% whilst profit after tax increased from RM30.9 million for the nine months ended 30 September 2012 to RM36.6 million for the nine months ended 30 September 2013, representing an increase of RM5.7 million or 18.4%.

For the year ended 31 December 2013, profit after tax of the 7-Eleven Malaysia Group was RM51.8 million.

(iv) Re-rating of the retail sector

The PE Multiple of the FTSE Asian Sector Retail Index had increased by 54.1% from 17.65 times at the time of the Delisting of BRetail to 27.19 times as at 18 December 2013 (*Source: Bloomberg*). The overall re-rating of the retail sector has resulted in a significant enhancement in the PE Multiple of a majority of the Convenience Store Operators, ranging from 26.1% to 219.7%, since the Delisting of BRetail up to 18 December 2013 as tabulated below:

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

Name of company	Country of listing / Market Index	Principal activities[1]	Market capitalisation as at 18 December 2013[2] (RM million)	(A) PE Multiple as at 4 April 2011 prior to the Delisting of BRetail (times)	(B) PE Multiple as at 18 December 2013 (times)	(B) – (A) / (A) Increase / (Decrease) in PE Multiple
Emerging markets						
CP ALL PCL	Thailand / Stock Exchange of Thailand Index	• Operation of convenience store chains in Thailand and China • Ownership and operation of the department store chain located primarily in Shanghai city and Chonqing city of China	39,617.4	26.67	34.72	**30.2%**
Midi Utama Indonesia Tbk PT	Indonesia / Jakarta Stock Exchange	Operates a chain of retail stores and convenience stores in Indonesia	417.1	-[3]	36.02	-[3]
Modern Internasional Tbk PT	Indonesia / Jakarta Stock Exchange	• Development and operation of "7-Eleven" convenience stores in Indonesia[4] • Distribution of imaging industrial products and equipment for medical, graphic art, and document solutions with various brands	880.5	-[5]	47.76	-[5]
Philippine Seven Corporation	Philippines / Philippines Stock Exchange Composite Index	• Operates "7-Eleven" convenience stores in Philippines • Leases commercial properties and constructs retail store building	3,354.9	21.17	67.69	**219.7%**

Name of company	Country of listing / Market Index	Principal activities[1]	Market capitalisation as at 18 December 2013[2] (RM million)	(A) PE Multiple as at 4 April 2011 prior to the Delisting of BRetail (times)	(B) PE Multiple as at 18 December 2013 (times)	$\frac{(B)-(A)}{(A)}$ Increase / (Decrease) in PE Multiple
Developed markets[6]						
Convenience Retail Asia Ltd.	Hong Kong / Hang Seng Index	Operation of convenience store chains in Hong Kong under the "Circle K" trade name	1,778.8	14.88	26.94	**81.0%**
President Chain Store Corporation	Taiwan / Taiwan Stock Exchange Index	Operation of "7-Eleven" convenience stores in Taiwan	23,147.4	21.39	27.18	**27.1%**
Taiwan FamilyMart Co., Ltd.	Taiwan / Taiwan Stock Exchange Index	Operates, franchises and licenses convenience stores throughout Taiwan and China	4,529.4	19.63	39.03	**49.7%**
Ministop Co., Ltd.	Japan / Tokyo Stock Price Index	• Operates convenience stores primarily in the Kanto and the Chubu areas of Japan • Sells fast foods, daily dishes, processed foods, home necessities and magazines. It is also affiliated with Aeon Co. Ltd.	1,499.6	23.00	36.78	**59.9%**
Lawson, Inc.	Japan / Tokyo Stock Price Index	• Operates a chain of convenience stores in Japan • Sells a variety of products including fast food, beverages, snacks, magazines, newspapers and sundry goods	24,049.7	30.08	22.03	**(26.8)%**

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

Name of company	Country of listing / Market Index	Principal activities[1]	Market capitalisation as at 18 December 2013[2] (RM million)	(A) PE Multiple as at 4 April 2011 prior to the Delisting of BRetail (times)	(B) PE Multiple as at 18 December 2013 (times)	(B) – (A) / (A) Increase / (Decrease) in PE Multiple
Developed markets[6] *(Cont'd)*						
FamilyMart Co., Ltd.	Japan / Tokyo Stock Price Index	• Operates a chain of convenience stores primarily in the Tokyo metropolitan area • Oversees area franchising stores in Taiwan, South Korea and Thailand	14,430.3	18.59	16.80	**(9.6)%**
Seven & I Holdings Co., Ltd.	Japan / Tokyo Stock Price Index	A holding company which plans, manages and operates mainly convenience stores, supermarkets and restaurants	109,219.0	16.46	22.27	**26.1%**
Poplar Co., Ltd.	Japan / Tokyo Stock Price Index	• Operates a convenience store chain in metropolitan area • Sells a variety of items such as foodstuffs, pre-packed lunch boxes, beverages, magazines and basic household necessities	169.3	34.89	-[7]	-[7]
CVS Bay Area Inc.	Japan / Tokyo Stock Price Index	• Operates and manages a chain of convenience stores in Tokyo and Chiba area. Also has a franchise contract with Sunkus & Associates Inc. • Sells fresh foods including rice, cooked food and breads and non-perishable goods including magazines, cigarettes, games and software	395.7	10.42	-[7]	-[7]

*Source: Bloomberg as at 18 December 2013, company filings and the independent advice circular issued by KIBB on 11 April 2011 in relation to the Delisting of BRetail ("**IAC**").*

Notes:

(1) *The Convenience Store Operators fulfill all the following criteria:*

(i) *companies which are involved in the operation of convenience stores which operate on a 24-hour basis;*

(ii) *contribution in terms of revenue and/or operating income, whichever is applicable, from the operation of convenience stores of at least 50%*; and*

(iii) *target market is convenience shopping.*

* *Save for the following companies, the revenue contribution from the operation of convenience stores is at least 75% based on the financial results of the Convenience Store Operators for the latest financial year:*

(a) *Seven & I where the revenue contribution from the operation of convenience stores is only 38.1% but operating income contribution from the operation of convenience stores is 74.6%; and*

(b) *Modern Internasional where the revenue contribution from the operation of convenience stores is 50.3%. However, based on Modern Internasional's latest available unaudited quarterly reports for the first three quarters of 2013, the revenue contribution from the operation of convenience stores is approximately 64.0% on average. In addition, as stated in its 2011 and 2012 Annual Report, the management of Modern Internasional acknowledged that Modern Internasional will focus on the growth of its convenience store business going forward whilst maintaining its other existing business so long as it remains profitable.*

(2) *The respective reported currencies of the Convenience Store Operators are translated to RM based on the exchange rates as at 18 December 2013.*

(3) *Not applicable as the financial data of Midi Utama was insufficient prior to the Delisting of BRetail as Midi Utama was only listed in November 2010.*

(4) *Revenue contribution from the operation of "7-Eleven" convenience stores has grown since the opening of its first convenience store in 2009. Based on the Annual Report of Modern Internasional for the years ended 31 December 2010 and 31 December 2011, contribution from the operation of "7-Eleven" convenience stores to total revenue were approximately 9.8% and 35.6% respectively. However, based on the Annual Report of Modern Internasional for the year ended 31 December 2012, contribution from the operation of "7-Eleven" convenience stores to total revenue was approximately 50.3%.*

(5) *Not applicable as revenue contribution from the operation of "7-Eleven" convenience stores was insignificant at the time of the Delisting of BRetail.*

(6) *Three F Co., Ltd. which was previously stated in the IAC, has been excluded as it was loss-making at the time of the Delisting of BRetail and also as at 18 December 2013.*

(7) *Not applicable as the company is loss-making.*

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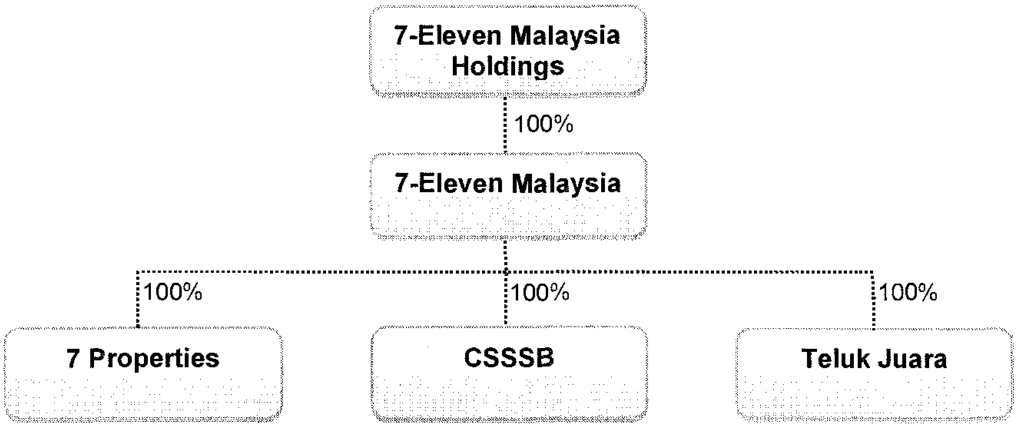
6.1.5 Our Group structure

As at the LPD, our Group structure is as follows:



6.1.6 Share capital

As at the LPD, our authorised share capital is RM300,000,000 comprising 3,000,000,000 Shares whilst our issued and paid-up share capital is RM105,200,000 comprising 1,052,000,000 Shares. The changes in our issued and fully paid-up share capital since the date of our incorporation up to the LPD are as follows:

Date of allotment	No. of Shares allotted	Par value	Consideration	Cumulative issued and paid-up share capital
		(RM)		(RM)
16 August 2013	20	0.10	Cash	2
2 April 2014	1,051,999,980	0.10	Issued pursuant to the Pre-IPO Reorganisation	105,200,000

Our issued and paid-up share capital will increase to RM123,338,500 comprising 1,233,385,000 Shares following the completion of the Public Issue.

As at the LPD, our Company do not have any outstanding warrants, options, convertible securities or uncalled capital.

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6.2 Our subsidiaries

As at the LPD, our subsidiaries are as follows:

Name/ Registration number	Date/Place of incorporation	Issued and paid-up share capital	Our effective equity interest	Principal activities
			(%)	
Subsidiary of 7-Eleven Malaysia Holdings				
7-Eleven Malaysia/ 120962-P	4 June 1984/ Malaysia	RM35,000,000	100	Operating and franchising of convenience stores under the "7-Eleven" brand name and investment holdings
Subsidiaries of 7-Eleven Malaysia				
7 Properties/ 299688-K	12 May 1994/ Malaysia	RM3,000,000	100	Real property investments
CSSSB/ 381437-U	27 March 1996/ Malaysia	RM2,000,000	100	Operation of convenience stores under the "7-Eleven" brand name in Sabah
Teluk Juara/ 246986-X	17 August 1992/ Malaysia	RM3,000,000	100	Property investment, warehousing and distribution of merchandise

We do not have any associated companies as at the LPD.

As at the LPD, our subsidiaries do not have any outstanding warrants, options, convertible securities or uncalled capital.

6.2.1 7-Eleven Malaysia

(i) History and business

7-Eleven Malaysia was incorporated in Malaysia under the Act on 4 June 1984 as a private limited company under the name Convenience Shopping Sdn. Bhd. and commenced operations on the same date. On 17 October 2007, Convenience Shopping Sdn. Bhd. changed its name to 7-Eleven Malaysia.

7-Eleven Malaysia is principally involved in operating and franchising of convenience stores under the "7-Eleven" brand name and investment holding of shares in its wholly-owned subsidiaries. Pursuant to the ALA, 7-Eleven Malaysia was granted the right to establish and operate "7-Eleven" convenience stores and to grant sub-franchises to franchisees who will operate "7-Eleven" convenience stores solely in Malaysia and Brunei Darussalam.

(ii) **Share capital**

As at the LPD, the authorised share capital of 7-Eleven Malaysia is RM50,000,000 comprising 50,000,000 ordinary shares of RM1.00 each. The issued and paid-up share capital of 7-Eleven Malaysia is RM35,000,000 comprising 35,000,000 ordinary shares of RM1.00 each.

There has been no change in the issued and paid-up share capital of 7-Eleven Malaysia for the past three years preceding the LPD.

(iii) **Shareholder**

7-Eleven Malaysia is our wholly-owned subsidiary.

(iv) **Subsidiary and associated company**

As at the LPD, the direct subsidiaries of 7-Eleven Malaysia are 7 Properties, CSSSB and Teluk Juara. Please refer to Section 6.2.2 of this Prospectus for further information. As at the LPD, 7-Eleven Malaysia does not have any indirect subsidiary or associated company.

6.2.2 Subsidiaries of 7-Eleven Malaysia

6.2.2.1 7 Properties

(i) **History and business**

7 Properties was incorporated in Malaysia under the Act on 12 May 1994 as a private limited company under the name Infortech Holdings Sdn. Bhd. On 15 June 2004, it changed its name to Hitac Holdings Sdn. Bhd. and later assumed the name of 7-Connect Sdn. Bhd. on 22 November 2006. On 1 April 2010, 7-Connect Sdn. Bhd. changed its name to 7 Properties.

7 Properties is principally involved in property investment and commenced its business on 1 April 1996. Properties owned by 7 Properties are mainly rented to and used by 7-Eleven Malaysia as premises for "7-Eleven" convenience stores. As at the LPD, the ground floor of all 13 properties owned by 7 Properties are primarily used by 7-Eleven Malaysia as premises for "7-Eleven" convenience stores whilst the upper floors of these properties which are not used by 7-Eleven Malaysia as offices are rented out to third parties.

(ii) **Share capital**

As at the LPD, the authorised share capital of 7 Properties is RM5,000,000 comprising 5,000,000 ordinary shares of RM1.00 each. The issued and paid-up share capital of 7 Properties is RM3,000,000 comprising 3,000,000 ordinary shares of RM1.00 each.

There has been no change in the issued and paid-up share capital of 7 Properties for the past three years preceding the LPD.

(iii) **Shareholder**

7 Properties is a wholly-owned subsidiary of 7-Eleven Malaysia.

(iv) Subsidiary and associated company

As at the LPD, 7 Properties does not have any subsidiary or associated company.

6.2.2.2 CSSSB

(i) History and business

CSSSB was incorporated in Malaysia under the Act on 27 March 1996 as a private limited company under its present name and commenced operations on the same date.

CSSSB is principally involved in the operation of convenience stores under the "7-Eleven" brand name in Sabah. As at the LPD, CSSSB operates 33 "7-Eleven" convenience stores in Sabah.

(ii) Share capital

As at the LPD, the authorised share capital of CSSSB is RM2,000,000 comprising 2,000,000 ordinary shares of RM1.00 each, all of which have been issued and fully paid-up.

There has been no change in the issued and paid-up share capital of CSSSB for the past three years preceding the LPD.

(iii) Shareholder

CSSSB is a wholly-owned subsidiary of 7-Eleven Malaysia.

(iv) Subsidiary and associated company

As at the LPD, CSSSB does not have any subsidiary or associated company.

6.2.2.3 Teluk Juara

(i) History and business

Teluk Juara was incorporated in Malaysia under the Act on 17 August 1992 as a private limited company under its present name.

Teluk Juara is principally involved in property investment, warehousing and distribution of merchandise. Teluk Juara had commenced its activity of property investment in 2009 but has yet to commence its activities of warehousing and distribution of merchandise as at the LPD.

(ii) Share capital

As at the LPD, the authorised share capital of Teluk Juara is RM5,000,000 comprising 5,000,000 ordinary shares of RM1.00 each. The issued and paid-up share capital of Teluk Juara is RM3,000,000 comprising 3,000,000 ordinary shares of RM1.00 each.

There has been no change in the issued and paid-up share capital of Teluk Juara for the past three years preceding the LPD.

(iii) Shareholder

Teluk Juara is a wholly-owned subsidiary of 7-Eleven Malaysia.

(iv) Subsidiary and associated company

As at the LPD, Teluk Juara does not have any subsidiary or associated company.

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7.1 Overview

We are the largest convenience store operator in Malaysia in terms of number of stores, with a market share of 82% of the standalone convenience store segment, as of March 2014, according to the IMR Report. We opened our first "7-Eleven" convenience store 30 years ago under the "7-Eleven" brand name, and as at the LPD, we and our franchisees operate a nationwide chain of 1,583 "7-Eleven" convenience stores throughout Peninsular and East Malaysia serving over 900,000 customers per day based on the number of transactions recorded. We are the sole operator of "7-Eleven" convenience stores in Malaysia. We believe that the "7-Eleven" brand name is one of the most well-established and global brand names which has high brand awareness and generates trust among consumers. Our relationship with our licensor, 7-Eleven USA, provides us with strong benefits both in terms of brand equity, as well as operational and merchandising support.

According to the IMR Report, standalone convenience stores in Malaysia grew at a CAGR of 13% from 2009 through 2013 both in terms of sales and number of stores. We believe that we are best positioned to capitalise on the continued growth we expect in the segment.

As at the LPD, we self-operate 1,417 of our stores and our franchisees operate the remaining 166 stores. We have a well-established presence across all states in Malaysia. Our stores are commonly located at high pedestrian and vehicle traffic areas and easily accessible sites such as alongside busy roads, petrol stations, transportation hubs and shopping centres, with the intention of making it easy and convenient for customers to visit the stores. Our stores operate 24 hours a day, seven days a week to maximise convenience for customers, with the exception of 19 stores which are located in shopping malls or at light rail transit stations. We opened 150 net new stores in 2013 and we plan to accelerate our store opening programme going forward and are targeting a total of 600 net new store openings from 2014 to 2016.

Our merchandising strategy is to offer our customers a wide range of products and services that cater to their "on-the-go" daily needs. Our stores typically offer a broad range of food and non-food items, including beverages, confectionaries and snack foods, household products and publications, perishables and other foods and tobacco, as well as certain products that are exclusive to our stores, such as our own fresh foods, proprietary products such as "Slurpee" and "Big Gulp", and to improve customer loyalty and increase margins we are developing fast-moving items under a private label. In addition, many of our stores also offer services that are usually only available in more specialised retail outlets, such as mobile phone and online gaming reloads, and we plan to extend our offering of such services to further improve our offerings to our customers. We also aim to tailor the product mix of each of our stores to meet the needs of the types of customers we serve. We believe that our broad range of products and services provides us with a competitive advantage over other convenience store operators, and helps to drive customer traffic to our stores.

Our operations are supported by an integrated supply chain and IT system. This system allows our procurement, sales and inventory and control processes to be centrally controlled. We manage and oversee an approximately 90,000 sq ft of usable warehouse space in our CDC in Shah Alam, Selangor to handle and distribute approximately 53% of our products by volume to our stores in Peninsular Malaysia, and whose on-the-ground operations we outsource to LF, a third-party logistics provider. We plan to construct a new and larger CDC to be opened by end 2015 with a higher capacity to support the continued expansion of our store network going forward. Our IT system, integrated computerised logistics and management system known as SEMRIS, is integrated with our supply chain, connecting our stores to our distribution system and our headquarters. We plan to invest approximately RM56.3 million in our IT systems during 2014 to further improve our operational efficiency and support our growth, including a new warehouse management system allowing for automation at the CDC, as well as a new IRIS for improved reporting and analytical capabilities and control.

We have a strategic relationship with the Berjaya Family. We are able to leverage on this relationship and the "Berjaya" brand name to access its networks and resources across the consumer, retail, property and entertainment segments in Malaysia. Examples of this include our strategic partnership with MOL (part of the Berjaya Family and a Southeast Asian online solutions provider) to provide in-store services such as mobile phone and online gaming reloads, as well as working with the Berjaya Family to access prime locations at competitive rental rates. In addition, we believe we are able to leverage on the Berjaya Family's expertise and understanding of consumers in Malaysia.

For the past four years ended 31 December 2010, 2011, 2012 and 2013, we recorded revenues of RM1,313.7 million, RM1,462.4 million, RM1,579.1 million and RM1,672.5 million respectively, representing a CAGR of 8.4%, and we recorded gross profit of RM342.5 million, RM384.2 million, RM425.2 million and RM467.1 million, respectively, representing a CAGR of 10.9%. We saw a decline in our same-store sales growth from 3.4% in 2010 to -0.1% in 2013 primarily due to, inter-alia, decrease in customers per store per day in the fourth quarter of 2012 and the first quarter of 2013 as a result of economic factors which had slowed the growth of the Malaysian consumer sector as well as our store refurbishment programme which had commenced in September 2013. However, excluding the 71 stores which we had refurbished in 2013, our same-store sales growth in 2013 would have been 1.1%. Please refer to Section 10.2 of this Prospectus for further information on the management's discussion and analysis of financial condition and results of operations and prospects for the past four years ended 31 December 2010 to 2013.

7.2 Competitive strengths, future plans and strategies

7.2.1 Competitive strengths

We believe that we have strong advantages over our competitors given the following key strengths:

(i) The leading convenience store operator in Malaysia best positioned to capitalise on future strong growth of the convenience store segment

We are the leading convenience store operator in Malaysia with 82% market share of the standalone convenience store segment as of March 2014 based on the number of stores according to the IMR Report. Established in 1984 as the first convenience store chains in Malaysia, we have enjoyed strong first mover advantage which has allowed us to establish our leading position in the convenience store industry. We have grown significantly since we commenced operations, expanding our store network from the opening of our first store in 1984 to 1,583 stores as at the LPD throughout Malaysia. In addition, our competition in the convenience store segment in Malaysia is substantially smaller in terms of network size and geographical coverage and as of March 2014, our number of convenience stores is approximately 10 times more than the next largest standalone convenience store chain in Malaysia and in aggregate has more than the total number of stores operated by the next three largest convenience store chains in Malaysia, based on the IMR Report.

According to the IMR Report, standalone convenience stores in Malaysia grew at a CAGR of 13% from 2009 to 2013 in terms of number of stores and sales value, respectively which compares to a CAGR of 9.3% in terms of overall growth in sales value for the retail sector over the same period. Going forward, the standalone convenience store segment is expected to grow at a CAGR of 9% in terms of number of stores between 2013 to 2018. Compared to other countries in Asia and globally, the convenience store segment in Malaysia is also relatively underdeveloped as demonstrated by its low penetration rates. According to the IMR Report, as at year end 2012 being the latest available date, convenience stores in Malaysia had a penetration rate of 131 stores per million people (56 stores per million people based on standalone convenience stores) as compared to 192 stores in Thailand, 340 stores in Japan, 429 stores in Taiwan and 490 stores in Korea. We believe that this underscores the significant long term growth potential for the segment.

Given our leading market position in the convenience store segment in Malaysia and our significantly larger and longer established presence than our competitors, we believe that we are well positioned to take advantage of the significant growth potential of the convenience store industry.

(ii) Significant brand and operational benefits from being the only operator of "7-Eleven" convenience stores in Malaysia

We are the only company that has been granted the right by 7-Eleven USA to establish and operate, and to grant sub-franchises to franchisees to establish and operate, "7-Eleven" convenience stores in Malaysia. We believe that our relationship with our licensor, 7-Eleven USA, brings strong benefits to us both in terms of brand equity as well as in terms of operational and merchandising support.

7-Eleven USA is the world's largest global convenience store chain with over 52,100 convenience stores in 16 countries worldwide. We believe that as a result of this, "7-Eleven" has become an iconic brand name with strong customer recognition and loyalty both in Malaysia and globally. In addition, we believe that the "7-Eleven" brand is a highly trusted brand that customers associate with convenience, choice, quality and value. We believe that these attributes provide us with a significant strategic advantage over our competitors who do not have the same brand heritage and characteristics that makes us the convenience store of choice for many customers.

In addition, by leveraging on 7-Eleven USA's global and regional expertise and experience, our relationship with 7-Eleven USA has provided us with strong operational support which allowed us to improve our efficiency and productivity. For example, 7-Eleven USA may, from time to time, assist us with and review our business planning processes and introduce best practices from other markets in a number of areas including operations, merchandising, real estate, human resource and repair and maintenance. In addition, 7-Eleven USA has also contributed by introducing other initiatives into our business such as the mystery shopper programme. We believe that such support and initiatives help to improve not only the operating efficiency and profitability of our business, but also the shopping experience of our customers which reinforces our brand attributes and customer loyalty.

(iii) Broad merchandise mix anchored by a differentiated offering of fresh foods, proprietary products, private label and in-store services

Our merchandising mix strategy offers our customers a broad range of products and services that cater to their "on-the-go" daily needs. To this end, we believe that we have a wide range of products and services, providing us with a significant competitive advantage. Given our scale and market leading position, we believe we have developed strong relationships with our suppliers which have allowed us to offer a substantial range of products across a number of food and non-food product categories to cater for a wide range of customers and their needs.

In addition, we believe that we are able to differentiate our customer proposition by offering the following products and services:

(a) **Fresh and frozen foods** – In order to increase customer traffic during breakfast, lunch and after-hours, we introduced a range of fresh food products in April 2009 and given its success we have continued to expand our range of products. Our fresh food products include donuts, croissants, pies and sandwiches at our stores and in addition, since May 2013, we have been working with PK Agro-Industrial Products (M) Sdn. Bhd., which is part of the Charoen Pokphand Group, an established food operator to supply our stores with ready-to-eat frozen food, which now supplies to 165 of our stores;

(b) **Proprietary products** – Through the ALA, we are able to offer proprietary products branded by 7-Eleven USA on a global basis such as "Slurpee" and "Big Gulp". Such products are unique to our stores and help to drive traffic and generate publicity. In addition, such products are among our highest margin products and have led to improved profitability of our stores;

(c) **Private label** – To improve customer loyalty and increase profit margins, we are developing exclusive fast-moving items such as personal care products and beverages under private labels which we intend to roll out in the fourth quarter of 2014. We believe that by associating our products with private labels, we can increase brand awareness among our customers, who may then associate our stores with these personal care products and beverages and consequently increase traffic to our stores and eventually improve our profit margins; and

(d) **In-store services** – In addition to selling products, we also offer in-store services to provide increased levels of convenience for our customers and help drive store traffic. Our current in-store services offered are as follows:

- **Mobile phone reloads**

  We sell a variety of mobile phone reloads packages for various telephone network operators or service providers in Malaysia ("**Telcos**") at our "7-Eleven" convenience stores. We purchase our supply of mobile phone reloads through various methods, which differs across the respective Telcos, namely, (i) direct purchase from the Telcos via purchase orders issued by our merchandising department; (ii) direct purchase from MOL which purchases from a reseller ("**Telco A**"); and (iii) on consignment basis, whereby mobile phone reloads in the form of electronic codes ("**Soft PINs**") are sent to us with payment expected only on completed sales.

On receiving our orders, the respective Telcos will send the Soft PINs to MOL, which are then immediately uploaded to the MOLReloads server. The Soft PINs would be automatically distributed to the MOL terminals located at each of our stores. The MOL terminals will then convert these Soft PINs into vouchers upon purchase, which are printed onto paper stock and issued to our customers.

- **Gaming reloads**

Gaming reloads such as MOLPoints, are also available to our customers via the MOL terminals. MOLPoints are an e-currency which enables customers to make online purchases of over 100 online game titles, game credits and other products and services.

Customers can purchase these MOLPoints in the form of Soft PINs printed on the vouchers issued by the MOL terminals at any one of our stores and top-up their MOLPoints accounts on MOL's website.

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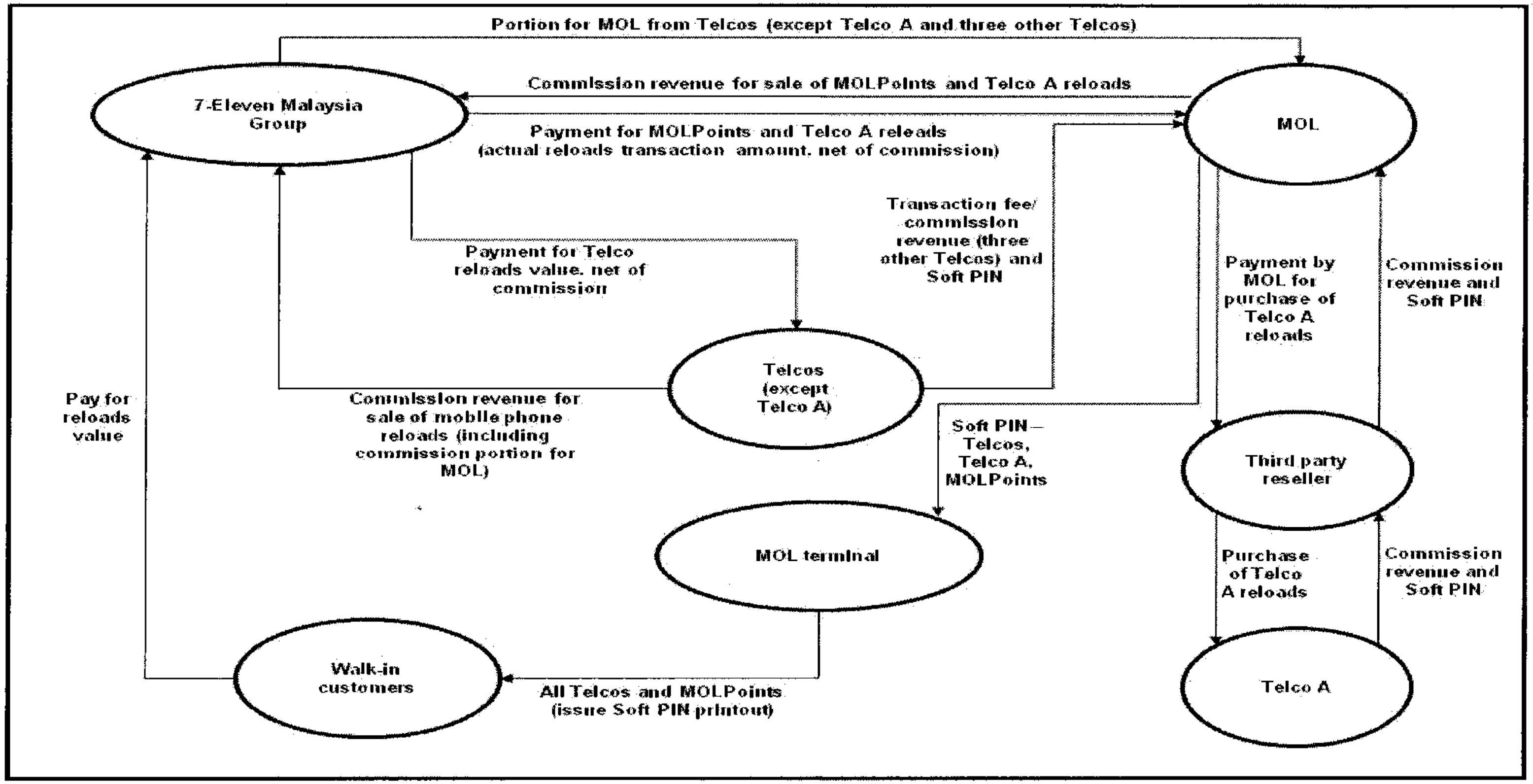
We set out below the process flow for the sale of mobile phone and online gaming reloads which involves MOL:



We are able to provide mobile phone and online gaming reloads to our customers through our strategic partnership with MOL. As part of our business strategy to expand our in-store services, we have since September 2013 enhanced our strategic partnership with MOL, details of which are set out in Section 7.2.2(iii) of this Prospectus.

- **Fax, print, scan and photocopying services**

  We have more than 1,200 stores with multi-functions copier machines where we provide fax, print, scan and photocopying services to our customers at a pre-ascertained rate depending on the service provided.

- **Touch 'n Go reloads**

  Touch 'n Go is an electronic payment system which enables users of the card to perform cashless low value transactions. As at the LPD, 89 of our stores provide Touch 'n Go reload services through the Touch 'n Go terminal. We receive a commission from Touch 'n Go for the provision of Touch 'n Go reload services at our stores.

We believe that by offering a wide range of products and services we will have a competitive advantage over our competitors and as a result, we are able to increase store traffic and improve customer loyalty.

(iv) Nationwide network of 1,583 stores supported by an integrated supply chain and centralised functions allowing for highly efficient operations, strong controls and economies of scale

As at the LPD, we have the largest nationwide network of convenience stores consisting of 1,583 self-operated and franchised stores in Peninsular and East Malaysia. We believe that our established nationwide presence provides us with a strong platform, and positions us well to continue to capitalise on the growth of consumer spending in Malaysia. In addition, our network has allowed us to obtain an in-depth understanding of consumers' needs and preferences in different regions and different location types in Malaysia.

We believe that our strong infrastructure and IT systems are invaluable in allowing us to increase our scale while at the same time maximising the efficiency of our business, providing us with an ability to respond to changing customer preferences, maintaining optimal inventory levels and reducing costs. To this end, our nationwide store network is supported by an integrated supply chain system and our IT system, SEMRIS. We currently manage and oversee an approximately 90,000 sq ft of usable warehouse space CDC located in Shah Alam, Selangor which, handles and distributes approximately 53% of our inventories by volume and typically delivers to our stores in Peninsular Malaysia three times per week. In the future, we plan to expand our distribution capabilities to support the continued growth of our store network through the construction of a new CDC in Shah Alam, Selangor which is expected to commence operations by end of 2015. Please refer to Section 7.9.1 of this Prospectus for further information.

Our IT system is integrated throughout the supply chain from the store level to the CDC and to our headquarters, which allows us to have visibility and control over the flow of our merchandise. We believe that this enables us to actively manage our merchandise and inventory effectively and efficiently. We plan to invest in our IT systems to drive efficiency and profitability of our business. Please refer to Section 7.11 of this Prospectus for further information. Furthermore, our procurement, sales and marketing, store leasing, human resource, and finance functions are fully centralised allowing for increased efficiency and economies of scale as we continue to grow our store network.

(v) **Relationship with the Berjaya Family provides significant advantages and opportunities for us**

The Berjaya Family is a leading consumer-focused conglomerate in Malaysia and we believe that our strategic relationship with the Berjaya Family provides significant advantages and synergies for us. We believe that we benefit from the experience that the Berjaya Family has in managing consumer-focused businesses and their exposure to Malaysian consumer trends and market dynamics given its extensive presence in Malaysia.

In addition, we believe we can leverage on other consumer-related businesses within the Berjaya Family. An example of this includes our existing partnership with MOL in providing services within our stores including mobile phone and online game reloads. The Berjaya Family also operates the "Krispy Kreme" and "Starbucks" chain in Malaysia and we believe that there is potential for future areas of collaboration to further enhance our product and service offering at our stores. We are also able to benefit from our relationship with the Berjaya Family through the implementation of BLoyalty Sdn. Bhd.'s (a member of the Berjaya Family) customer loyalty programme, "BCard" loyalty programme, which enables customers to earn points on purchases made at participating businesses and redeem these points for products and rewards at participating businesses within the Berjaya Family and other participating merchants. We believe that the launch of the "BCard" loyalty programme in the second quarter of 2014 allow us to leverage on the success of Berjaya Family's other brands and will help to increase traffic and customer loyalty.

Furthermore, we also expect to benefit from our strategic relationship with the Berjaya Family in securing more attractive store locations in high traffic areas. Our relationship with the Berjaya Family provides us with access to highly attractive locations in properties owned by the Berjaya Family such as "Berjaya Times Square". In addition, in approaching third party shopping mall operators for locations, we are able to leverage off the multi-format network of the Berjaya Family to secure attractive locations at more attractive rental rates as we are able to jointly negotiate with mall developers to establish multiple retail sites at their malls.

(vi) **Highly experienced management team with significant expertise in each of their respective areas of operation**

Our Group is managed by our highly experienced senior management and industry professionals. Led by our Chief Executive Officer and our Managing Director, both of whom have over 20 years of experience in senior management positions, we have further strengthened our management team with the recent appointment of a Deputy Chief Executive Officer and several new general managers who are highly experienced professionals in their respective area of expertise.

For example, our Deputy Chief Executive Officer has more than 30 years of experience in food, beverage and household products retailing, manufacturing and wholesaling, our General Manager of Merchandising has 15 years of retail and merchandising experience with a number of leading retailers in Malaysia and overseas, our Chief Information Officer has more than 29 years of experience in the IT and telecommunication industry, our General Manager of Logistics has 16 years of experience in the logistics industry, our Senior Manager of Store Development has more than 24 years of experience in the real estate industry and our General Manager of Sales and Operations has previously worked as the Store Director with Carrefour Malaysia Sdn. Bhd. ("**Carrefour Malaysia**") *(now known as AEON Big (M) Sdn. Bhd.)* and prior to his stint with Carrefour Malaysia, he had worked in sales and marketing for several years. We believe that the experience of our management team in their respective functions will be invaluable in executing our strategies going forward and in improving the operating efficiency and productivity of our business.

7.2.2 Future plans and strategies

Our principal goals are to further strengthen and consolidate our position as the leading convenience store operator in Malaysia as well as improve our sales productivity and operating efficiency. We aim to achieve this goal by implementing the following strategies:

(i) Further consolidate and strengthen our market position by expanding our store network

We intend to continue to capitalise on our strong brand and market leadership by further increasing our market penetration through rapid store expansion. We believe that our existing network and infrastructure provides us with a strong platform to accelerate our store rollout plan nationwide.

We are continuing to build our pipeline of store openings and have opened a total of 26 self-operated net new stores from 1 January 2014 up to the LPD. We plan to accelerate our store rollout plan and we are targeting a total net increase in the number of stores of approximately 600 stores between 2014 and 2016. For 2014, we intend to roll out the 200 new stores in the following regions:

Region	No. of new stores
(i) Peninsular Malaysia	
(a) West Coast	
• Northern Region[(1)]	32
• Central Region[(2)]	70
• Southern Region[(3)]	38
(b) East Coast[(4)]	36
(ii) East Malaysia[(5)]	24
Total	**200**

Notes:

(1) *Refers to Perlis, Kedah, Pulau Pinang and Perak.*
(2) *Refers to Selangor and Kuala Lumpur.*
(3) *Refers to Negeri Sembilan, Melaka and Johor.*
(4) *Refers to Kelantan, Terengganu and Pahang.*
(5) *Refers to Sabah and Sarawak.*

Given the relatively low penetration rate of convenience stores in Malaysia, we are confident that there will be significant opportunities to grow our store network both within the Kuala Lumpur and Selangor region, east coast of Peninsular Malaysia as well as East Malaysia, which we believe are still underpenetrated. Furthermore, our collaboration with Chevron Malaysia targets an opening of 23 additional convenience stores at "Caltex" petrol stations by June 2015 which will further help to underpin our store target. Subject to prevailing market conditions of each region, we intend to adopt a similar store roll out plan in 2015 and 2016.

In order to facilitate the acceleration of our store rollout programme, we have focused on enhancing our store development capabilities and practices. For example, we have put in place a highly experienced Senior Manager of Store Development to lead our new store rollout plan. Furthermore, so as to enhance our visibility in potential new sites, in addition to our store development team working with real estate agents, we also leverage on our extensive network of self-operated stores and empower our store managers to identify and evaluate new sites for us going forward. With our enhanced capabilities, we are confident in our ability to secure sufficient new site locations to implement our expansion plan and accelerate our growth profile. While we plan to accelerate our store opening profile, we will continue to be disciplined in our execution and to have strict selection criteria and financial targets for each of our new stores. Our store selection criteria include the population of the local catchment area, site traffic, accessibility, activity generators in the area e.g. hawkers, local competition, as well as expected sales and profitability.

(ii) Continue to invest in and improve our supply chain and IT infrastructure to facilitate growth and further improve our operating efficiency and productivity

While our operations are supported by an integrated supply chain and IT system, we plan to invest significantly in the next one to three years to further enhance our capabilities to support our next phase of growth and to improve our operating efficiency and productivity.

We plan to expand our distribution and logistics capabilities, with the aim of our CDC handling and distributing up to approximately 75% of our inventories in volume in the future as compared to approximately 53% at present, and shortening the lead time between ordering and delivery. To this end, we plan to execute the following initiatives:

(a) Implementation of a "put away" inventory management system – Currently inventory orders from our stores are aggregated by a business-to-business web portal that subsequently sends orders to suppliers. With the new "put away" inventory management system, store orders will be consolidated centrally at our CDC. This not only allows for our CDC to better manage our inventory but also to keep our own inventory, which in turn will significantly shorten our delivery lead time from the present five days to as low as one to two days, thus improving our inventory management and allowing our stores to carry a broader product assortment with lower levels of inventory required for each product at the store level. We expect that this new system will be operational by the third quarter of 2014.

(b) **Construction of new CDC** – we plan to construct a new 166,000 sq ft with a total usable warehouse space of 124,000 sq ft CDC in Shah Alam, Selangor to replace the existing CDC. Our new CDC is expected to commence operations by end of 2015 and will have 38% greater capacity and will significantly improve our distribution capacity and capabilities and allow us to supply to a larger network of stores with a broader assortment of products. As at the LPD, we have invested approximately RM12.0 million, for the construction of the new CDC which includes land cost of RM10.8 million and we estimate that the construction of the new CDC will cost approximately RM40.8 million, exclusive of land cost.

In addition to our investment in distribution and logistics infrastructure, we also plan to invest significantly in upgrading our existing IT platform to further enhance our operational efficiencies as well as support the implementation of our strategic initiatives. We plan to upgrade SEMRIS, our existing IT system, and implement a new IRIS by 2016 which combines best in class enterprise resource planning and POS systems and enhances integration and scalability throughout our organisation and provides our management team with improved control over our retail and merchandising operations. We believe that the implementation of this new system, combined with the significant investment in distribution and logistics infrastructure will improve the operational performance and efficiency of our business in the future. Including the investment in the "put away" inventory management system, we plan to invest a total of approximately RM66.3 million in our IT systems.

(iii) **Expand our in-store services to drive store traffic and profitability**

We believe that the provision of in-store services at our convenience stores is one of the key drivers of store traffic. Our in-store services include, among others, the provision of mobile phone and online gaming reloads, further details of which are set out in Section 7.2.1(iii)(d) of this Prospectus. In addition to being a key driver of store traffic, our in-store services have also significantly enhanced the profitability of our stores via commission-based income. For the year ended 31 December 2013, commissions revenue earned from the provision of our in-store services accounted for approximately 12.3% of our gross profit.

We have benefited from our strategic partnership with MOL, a payment service provider which facilitates electronic distribution of prepaid mobile phone and online gaming reloads through web-based and terminal-based infrastructure provided by MOL who owns, manages and maintains it. MOL is part of the Berjaya Family and is also a related party of our Group.

We are able to earn commissions through our strategic partnership with MOL for the sale of mobile phone and online gaming reloads, which contributed 35.3% of our total commissions revenue earned for the year ended 31 December 2013. MOL has been appointed as our exclusive partner for the provision of mobile phone and gaming reloads services since 2009.

As part of our business strategy to expand our in-store services, we have since September 2013, enhanced our strategic relationship with MOL which will allow us to expand our in-store services to include the following:

(a) **MOL Games Rack and POS Application Store Cards** – Leveraging on the growth of mobile and online gaming, MOL is partnering with application stores using MOLPoints. In conjunction with this strategy, we plan to start selling POS cards at our stores for use in application stores. In addition, MOL has partnered with large global games publishers to distribute CDs for online games (e.g. World of Warcraft). We believe that both selling POS cards and CDs for online games, combined with our existing MOLPoints service for online gaming reloads will make our "7-Eleven" convenience store a destination store for purchasing online and mobile games and will help to drive traffic into our stores as well as improve our stores' profitability.

(b) **MOLPay** – MOLPay is an e-commerce payment system that currently functions as a payment processor for credit card and online banking payments for e-commerce merchants. MOLPay is expected to expand its functions further to enable customers of such e-commerce merchants to pay by cash at our stores for their online purchases.

(c) **Bill payment** – Through MOL terminals, customers will be able to make cash payments for their monthly satellite television and utilities bills at our stores for which we will receive a commission from MOL for bill processing.

(d) **Touch 'n Go** – As at the LPD, only 89 of our stores provide the Touch 'n Go reload services through the Touch 'n Go terminal as there are limited Touch 'n Go terminals available. Going forward, we intend to utilise the MOL terminal for Touch 'n Go reloads which would enable all of our stores to provide Touch 'n Go reload services.

We believe that the provision of additional services will increase customer traffic in our stores, which in turn will help to increase sales of merchandise and income received from the use of such services. In addition, as part of our collaboration, MOL has agreed to fund the investment in the back-end capability, integration hosts and capital expenditure requirements to integrate with service providers at no cost to us, with our Company only being responsible for integration and operation processes between our POS system and the MOL terminal.

(iv) **Actively manage our merchandising and promotional strategy to improve our product offering and drive sales productivity**

In order to continue to drive store traffic and sales per store, we will continue to actively manage our product assortment. Notably, with continued investment in our IT systems, as well as our enhanced distribution and inventory management capabilities, we believe that our merchandising capabilities will improve significantly.

One of the key elements of our merchandising strategy is to increasingly differentiate our product assortment by store type. Our merchandising strategy is focused on moving away from a single strategy for our stores where fine tuning of merchandise mix relies largely on each individual store manager, to a strategy where general product assortment for each store is controlled centrally and adapted by the type of store. We segment our stores into a number of clusters, such as colleges, commercial, hospitals, residential, industrial and tourist areas, and going forward, we plan to increasingly examine our product assortment by cluster to optimise product mix and drive customer traffic for those store types. For example, we will focus on non-alcoholic beverages at stores located near bus terminals which tend to have higher demand for such items. Furthermore, we also plan to drive sales of fresh foods and proprietary products at our stores which we continue to see as key points of differentiation with our competitors.

In addition, we will increasingly consider the use of promotions to actively drive traffic to our stores and increase the average transaction size per customer. For example, we will actively promote multi-buy programmes where we offer bundled products to our customers at a discount. In addition, we will seek to increase the level of customer communication and interaction through various means, including the use of social media to increase the level of customer communication. Furthermore, we aim to launch the "BCard" loyalty programme in the second quarter of 2014 which we believe will further improve customer traffic as well as provide us with customer data which will allow us to use targeted promotional strategies as well as gain a better understanding of our customers' need and trends.

(v) Accelerate refurbishment of stores to improve in-store customer experience

We believe that customer shopping experience is one of the key drivers of store traffic and customer loyalty. With this in mind, we began our store refurbishment programme in September 2013 whereby 57 stores were refurbished under the programme in 2013 (with 17 stores refurbished in September 2013 and 40 stores refurbished in the fourth quarter of 2013). We plan to accelerate our store refurbishment programme in the coming years to improve the appearance and ambience of some of our stores and we target to refurbish 600 stores from 2014 to 2016 of which approximately 60% will be major refurbishments and 40% will be minor refurbishments. We focused our refurbishment programme in 2013 on many of our top performing stores in our effort to increase sales further at these stores.

Our store refurbishment programme focuses on both improving customer experience as well as providing greater emphasis for our other strategic initiatives. In addition to improvements in lighting and upgrading of our store appearance, other store improvements will focus on increasing sales of fresh foods and service income. To target younger customers, we plan to expand some of our stores with seating space comprising approximately 25% of store space and place greater emphasis on fresh foods as well as provide wireless network coverage within our stores. We believe that a larger store size with space for seating, combined with an enhanced fresh food offering as well as an expansion of in-store services such as online gaming reloads and POS application store cards will transform our stores into a destination store for younger customers.

7.3 Business milestones

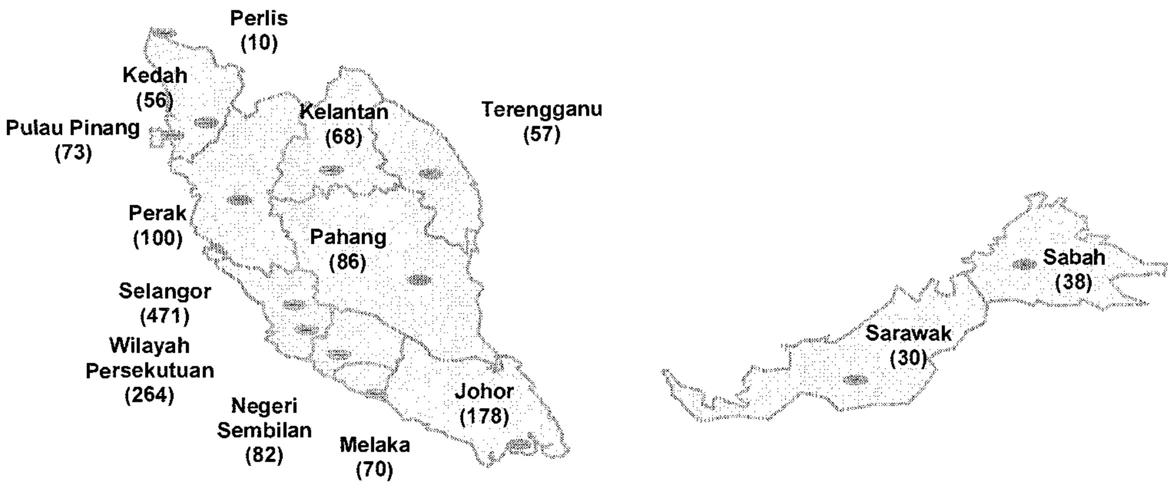
Date	Event
1984	We began operations and opened the first "7-Eleven" convenience store in Bukit Bintang, Kuala Lumpur, Malaysia.
1996	We commenced operations of our stores in Sabah.
	We opened the 100th "7-Eleven" store in Malaysia.
2003	We signed the ALA with 7-Eleven USA, which directly grants us the exclusive right to establish and operate "7-Eleven" stores, and to grant "7-Eleven" sub-franchises in Malaysia and Brunei Darussalam.
2004	We made our first delivery from a CDC, which we established to substantially centralise logistics for our stores in Peninsular Malaysia.
2005	Our initial CDC expanded its reach to serve all of our stores located in Peninsular Malaysia.
2008	We opened the 1,000th "7-Eleven" store in Malaysia.
2009	We introduced hot beverages at our stores.
	We began franchising "7-Eleven" stores.
	We began our strategic relationship with MOL.
2011	We were accredited by Jabatan Pembangunan Kemahiran for Sistem Latihan Dual National (national dual training system) ("**SLDN**"), which provides employees an opportunity to obtain academic qualifications and certifications while working at our stores.
	We launched our first SLDN intake.
2012	We moved our CDC operations to our current CDC in Shah Alam, Selangor

7.4 Our stores

As at the LPD, we and our franchisees operate 1,583 stores nationwide throughout Peninsular and East Malaysia, of which we self-operate 1,417 stores and our franchisees operate the remaining 166 stores. As at the LPD, we and our franchisees operate 1,562 of the stores on tenanted properties and we own the remaining 21 properties.

From 1 January 2010 up to the LPD, we opened 480 stores, of which 445 are in Peninsular Malaysia and the remaining 35 in East Malaysia (each net of store closures).

The following map depicts the locations of our stores as at the LPD.



The following table depicts the number of our stores in each state throughout Malaysia as at the LPD alongside the state's population and population density in 2010.

State	Stores	[1]Population (million)	[1]Population density (persons per sq km)
Johor	178	3.4	174
Kedah	56	2.0	205
Kelantan	68	1.5	102
Melaka	70	0.8	493
Negeri Sembilan	82	1.0	153
Pahang	86	1.5	42
Pulau Pinang	73	1.6	1,490
Perak	100	2.4	112
Perlis	10	0.2	282
Sabah	38	3.2	44
Sarawak	30	2.5	20
Selangor	471	5.5	674
Terengganu	57	1.0	79
Wilayah Persekutuan (Federal Territories)			
- Kuala Lumpur	261	1.7	6,891
- Putrajaya	3	0.1	1,478
Total	**1,583**	**28.3**	

Note:

(1) *Source: The 2010 Population and Housing Census of Malaysia.*

Our stores are commonly located at high pedestrian and vehicle traffic areas and easily accessible sites such as alongside busy roads, petrol stations, transportation hubs and shopping centres, with the intention of making it easy and convenient for customers to visit the stores. Our stores operate 24 hours a day, seven days a week, to maximise convenience for customers, with the exception of 19 stores which are located in shopping malls or at light rail transit stations.

As part of our strategy, we plan to expand and strengthen our store network by accelerating our store opening programme, which will allow us to capture growth in Malaysia's underserved convenience retail market. We believe that there will continue to be significant opportunities to grow our store network, both within the Kuala Lumpur and Selangor regions, as well as the rest of Malaysia. As such, we intend to expand across Malaysia, especially in underserved markets such as East Malaysia and the east coast of Peninsular Malaysia, as well as other areas where there is a low penetration of convenience stores. We plan to accelerate our store opening programme going forward and are targeting a total of 600 net new store openings from 2014 to 2016. We have a dedicated store development team that works with real estate agents to identify leads and prospects for potential store locations on an ongoing basis, and our operations team is also tasked with identifying potential sites for new stores.

We also plan to continually upgrade our stores by carrying out major refurbishments programme to enhance stores' images and customers' shopping experience, in addition to the continual minor refurbishments that we routinely undertake at our stores. Our store management team selects stores that are profitable and have been in operation for more than seven years for refurbishment. For tenanted outlets, in addition to profitability and years in operation, our store management team also selects stores with a remaining tenancy term of three years for refurbishment. From 2014 to 2016, we intend to undertake approximately 600 refurbishments (around 200 stores each year), approximately 60% of which we intend to undertake major refurbishments and the remaining 40% of which we intend to undertake minor refurbishments. We estimate that the refurbishments will take between two to four weeks to complete for each store and cost ranging from RM100,000 to RM150,000 for each store, of which RM27.3 million will be funded from proceeds raised from our Public Issue and the balance from internally generated funds.

Despite having the exclusive right to establish and operate "7-Eleven" stores, and to grant "7-Eleven" sub-franchises in Brunei Darussalam, we do not have any stores in Brunei Darussalam at this point in time as we believe the Malaysian convenience store market is still relatively underpenetrated with a penetration rate of 131 stores per million people (56 stores per million people based on standalone convenience stores) as compared to 192 stores in Thailand, 340 stores in Japan, 429 stores in Taiwan and 490 stores in Korea, according to the IMR Report and we intend to focus our growth strategy in Malaysia. Further, we are of the view that Brunei Darussalam market is not presently ready for us to develop a convenience store network given the scale involved and demand required.

7.4.1 Store opening process

We believe that the locations of our stores are crucial to our success. Accordingly, we have strict site selection criteria that take into account a number of factors. Prior to opening a new store in a particular area, we source potential sites and conduct a site evaluation, which includes assessing the number of houses in the catchment area, local activity generators (such as restaurants, banks, hotels, pubs and other retail businesses), the overall level of competition and estimated traffic flow. We also make an assessment on operational feasibility, potential sales, profitability and returns on investment based on our experience with other stores with similar demographics and characteristics. Once we have selected a site, we will negotiate and execute the tenancy agreement and then take vacant possession of the site.

We appoint a contractor from our regular panel of contractors to fit out a new store, including the installation of equipment, furniture and fittings, security systems and telephone and data lines. We then hand over the store to our operations team to complete an asset checklist and verification. Following that, we arrange for inventory to be delivered to the store and then open the store for business. To determine our initial product mix, we review the sales history of our other similar stores in the area with similar demographics and adjust the product mix based on our experience. If a store is our first store in an area, we determine its initial product mix by reviewing the sales history of the most-closely comparable store. Typically, we take on average 25 days from the time we conduct site markings of the store to the time we commence operations for stores located in Peninsular Malaysia and additional two to three weeks for stores located in East Malaysia due to shipping of certain custom-made materials from Peninsular Malaysia. During the year ended 31 December 2013, our average capital expenditure per new store, excluding inventory, was approximately RM245,000.

7.4.2 Design, layout and presentation of stores

In choosing the design, layout and presentation of our stores, we first classify each store by its store type based on surrounding demographics. We maintain a variety of store design templates with distinctive key features applicable to different store types, such as modern chic designs for stores located in a central business district and light and easy designs for stores located in suburban areas. Certain design features are common to all of our stores to provide them with a standard contemporary look, such as full glass frontages, standardised shelving unit sizes and low shelves that allow for easy browsing.

We design the layout of our stores according to the visual merchandising principle, in which we use colour, lighting, signage and other visual communications in order to encourage customers to enter our stores and make purchases. We have pre-defined layouts applicable to each store type and which we optimise by strategically locating high-traffic items, such as beverages, in areas that will allow customers to manoeuvre past impulse purchase products. Additionally, all of our store layouts conform to the "7-Eleven" brand's global style guidelines, which help us to ensure a consistent customer experience.

7.4.3 Strategic collaboration with Chevron Malaysia

Pursuant to a Memorandum of Agreement, dated 13 June 2013, we have a collaboration with Chevron Malaysia, who operates a network of approximately 423 "Caltex" petrol stations in Malaysia as at the LPD, to identify potential and existing "Caltex" petrol stations where we are able to rent retail space from them to operate our stores. We believe that this arrangement provides us with an opportunity to expand our presence into the "petro marts" segment and to explore the potential for new stores. Also, we believe that selected "Caltex" petrol stations offer us prime retail space given their high customer traffic. We have two stores at "Caltex" petrol stations as at the LPD, and we aim to open 23 more by June 2015. Our stores located at petrol stations offer our customers a product mix similar to our other retail stores, in addition to certain motoring products.

7.4.4 Franchises

As at the LPD, our franchisees throughout Peninsular Malaysia operate 166 stores, with a concentration of franchisees in Kuala Lumpur and Selangor. A potential franchisee must pay us an upfront non-refundable fee of RM100,000 and security deposits of RM150,000, which are refundable without interest upon expiration (usually 10 years) or termination of the relevant franchise agreement. The franchisee must purchase inventory and pay for store-operating costs and, in return, the franchisee receives a share of the gross profit of the store, which percentage varies depending on the store's gross profit margin, as well as other income in compliance with franchise guidelines. This profit sharing arrangement incentivises franchisees to maximise the performance of their stores, thereby increasing the revenues and profit that we earn. In addition to the profit sharing arrangements, we also receive small fees from our franchisees for services such as payroll processing, maintenance and repairs of store equipment and monthly inventory counts. We believe that by franchising stores to locals who are familiar with the local demographics, trends and needs of their community, the franchisees will be well-positioned to maximise their performance, particularly when coupled with the operational support that we provide to them. During the year ended 31 December 2012 and 31 December 2013, franchisees represented 5.9% and 4.1% of our gross profit (net of their share of operating expenses), respectively.

We also provide support to franchisees in terms of training, management development, advertising, promotions and other services. Our franchised stores are also integrated onto our SEMRIS IT platform that we use for all of our self-operated stores, which provides us with the same transactional and financial information from our franchised stores that it does from our self-operated stores. Moreover, our franchisees receive their supplies in the same fashion as our self-operated stores, either directly from the supplier or passed-through our CDC, depending on the product.

Our franchise agreements with our franchisees prescribe minimum terms and conditions with which our franchisees must comply relating to, among others, health and safety standards, security, maintenance of insurance, cash-collection policies and training programmes. Our store operations team randomly audits our franchised stores to review compliance with these terms.

We have decided to re-evaluate our store franchising model in early 2012 in part due to the regulatory challenges faced in trying to successfully develop our franchise stores. In Malaysia, in complying with the Franchise Act 1998, we are unable to offer customised terms to different franchisees. This constrains us from optimising performance and profitability from these stores as stores profitability are affected by location, sales and other factors and hence, the offering of the same terms to all franchisees does not lead to an optimal outcome to us. Therefore, we have decided to suspend the franchise model given the unattractive economics relative to existing stores. However, we do not rule out franchising and may have plans to resume our franchising strategy in the foreseeable future.

7.5 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. We offer a wide variety of food and non-food products to appeal to a wide range of customers, and, as at the LPD, each of our stores typically carried from approximately 800 SKUs for smaller stores (such as kiosks) to approximately 2,300 SKUs for larger stores, with our median store carrying approximately 1,800 SKUs. We aim to further tailor the product mix by the type of each store to meet the needs of the profile of customers we serve. For each new store, we base the store's initial product mix on that of an existing store with a similar profile, and subsequently refine the mix of products and brands on an ongoing basis based on sales trends at a particular store. Our range of products and services includes:

(a) beverages;

(b) confectionaries and snack foods;

(c) household products and publications;

(d) perishables and other foods;

(e) food services including sandwiches, fresh brew coffee and bakery items;

(f) tobacco products; and

(g) in-store services, such as mobile phone, online gaming and Touch 'n Go reloads, ATM machines, fax, print, scan and photocopying services.

We continually review our product mix and new product opportunities in order to respond to the changing demands of our customers and to provide a competitive advantage over some of our competitors. We believe that the following products and services, which will be the focus for our merchandising and service strategy, differentiates us from our competitors and helps to drive store traffic to our stores:

(a) **Fresh and frozen foods** – We introduced fresh foods in selected stores starting in April 2009 and given the success of fresh food sales in these stores we have expanded our range of fresh food products and intend to continue introducing fresh foods in more stores. Our fresh food products include a range of donuts, croissants, and pies. Since May 2013, we have also worked with PK Agro-Industrial Products (M) Sdn. Bhd., which is part of the Charoen Pokphand Group an established food operator to supply our stores with ready-to-eat frozen food, which now supplies to 165 of our stores as at the LPD. We believe that our fresh food initiatives will increase our customer traffic during breakfast, lunch and dinner periods, as well as after-hours, and lift overall sales per store;

(b) **Proprietary products** – Proprietary products branded by 7-Eleven USA on a global basis such as "Slurpee" and "Big Gulp" are among our highest margin products. We intend to continue leveraging on the branding of these products to generate publicity, customer traffic and customer loyalty. We also market our fresh brew coffee and chocolate drink under the "7-Eleven" brand name and have plans to continue this success by launching chilled drinks and fresh food under proprietary brands;

(c) **Private label** – To improve customer loyalty and increase profit margins, we are developing exclusive fast-moving items, such as personal care products and beverages which we intend to roll out in the fourth quarter of 2014. We believe that by associating our products with private labels, we can increase brand awareness among our customers, who may then associate our convenience stores with these personal care products and beverages and consequently increasing traffic to our stores and eventually our profit margins; and

(d) **Other services –** Many of our stores offer services that are usually only available in more specialised retail outlets, such as mobile phone, online gaming and Touch 'n Go reloads, fax, print, scan and photocopying services. A selected number of our stores also offer automotive supplies and access to ATMs. We intend to further increase the number of services offered in-store through further collaboration with MOL, further details of which are set out in Section 7.2.2(iii) of this Prospectus.

Historically, tobacco products have been our highest-revenue products, but they are our lowest-margin products. As part of our continual efforts to review our product mix and provide expanded value and choice to our customers, a key part of our strategy is to increasingly focus on offerings of non-tobacco products. Correspondingly, while tobacco products are still our highest-revenue products, our revenue from tobacco as a percentage of our total revenue began decreasing in 2012 as compared to 2011, a trend that continued into 2013. Similarly, given our increasing focus on providing in-store services, our revenue from in-store services as a percentage of total revenue has increased every year since 2010. By adjusting our product mix towards commissions and other non-tobacco products, we have achieved increased gross profit margins every year since 2010.

7.6 Customers

We serve over 900,000 customers per day in Malaysia, based on the number of transactions recorded at our stores, and our customer base primarily comprises walk-in customers at our stores. As such, we do not have any material exposure to nor are we dependent upon any particular customer, and no single customer contributed 10% or more of sales in any of the past four years ended 31 December 2010 to 2013. Whilst our customers come from all socio-economic and demographic groups, we focus in particular on convenience-oriented individuals, such as young working adults, who are an increasingly affluent demographic and tend to appreciate the convenience and 24-hour accessibility that our stores offer. We believe that as Malaysia continues to become increasingly urbanised, and there is a transition from traditional to modern grocery retail outlets, our stores will continue to be well-positioned to meet the adapting lifestyle preferences of the urban population.

7.7 Pricing

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. As a convenience store operator, our primary aim is to ensure convenience and accessibility and, as such, we do not engage in price-wars with our competitors.

7.8 Marketing and promotions

Our marketing strategy for the "7-Eleven" brand name is to position us as the convenience store of choice in Malaysia. We strive to create strong brand values to associate shopping at our stores with convenience, quality, value and choice. We conduct national advertisement campaigns to promote the "7-Eleven" brand name which are normally placed on television, radio and in print media such as newspapers and magazines. In addition, we advertise using leaflets, displays and other in-store media, and online media such as Facebook, which we use to maintain regular and direct contact with our customers. Periodically, we have promotional offers and also organise events and competitions in which customers can win prizes, such as "7-Eleven Ville", a social network game, to encourage customers to visit our stores. For the year ended 31 December 2013, we spent approximately 0.4% of our revenue on advertising and promotions.

We conduct a variety of sales and promotional campaigns at our stores, which we generally time to coincide with festive holidays, such as Hari Raya, New Year and Chinese New Year. During our sales and promotional campaigns, we offer our customers discounted products and special festive products, such as Chinese New Year snacks, to encourage greater patronage at our stores and increase sales. In addition to holiday promotions, we conduct other promotional campaigns, such as our "Hello Kitty" campaign, which was launched on 1 July 2013. Under this promotion, every purchase of RM5.00 and above (excluding certain products such as tobacco and mobile phone reloads) is entitled to one sticker, where the bonus stickers can be used for purchases of sponsored products. Customers can redeem these stickers for certain "Hello Kitty" promotional items. All of our stores highlight products of participating suppliers throughout the 11-week promotional period.

To support our promotional and other initiatives, we are implementing a customer loyalty programme and have started implementing a mix-and-match promotion that will provide us with increased pricing and promotional flexibility. Under our customer loyalty programme, we will participate in BLoyalty Sdn. Bhd.'s (a member of the Berjaya Family) customer loyalty programme, "BCard" loyalty programme, which enables customers to earn points on purchases made at participating businesses and redeem these points for products and rewards at participating businesses within the Berjaya Family and other participating merchants. We expect to launch the "BCard" loyalty programme in the second quarter of 2014 in all of our stores. Our mix-and-match promotion implemented in November 2013 features targeted promotions and provide discount structures on qualified purchases. We are able to activate mix-and-match promotions, such as "buy one get one free", discounts for buying in bulk and discounts during certain times of the day and on certain days of the week, as well as other innovative purchase bundling, to increase customers' purchase sizes and drive traffic to our stores.

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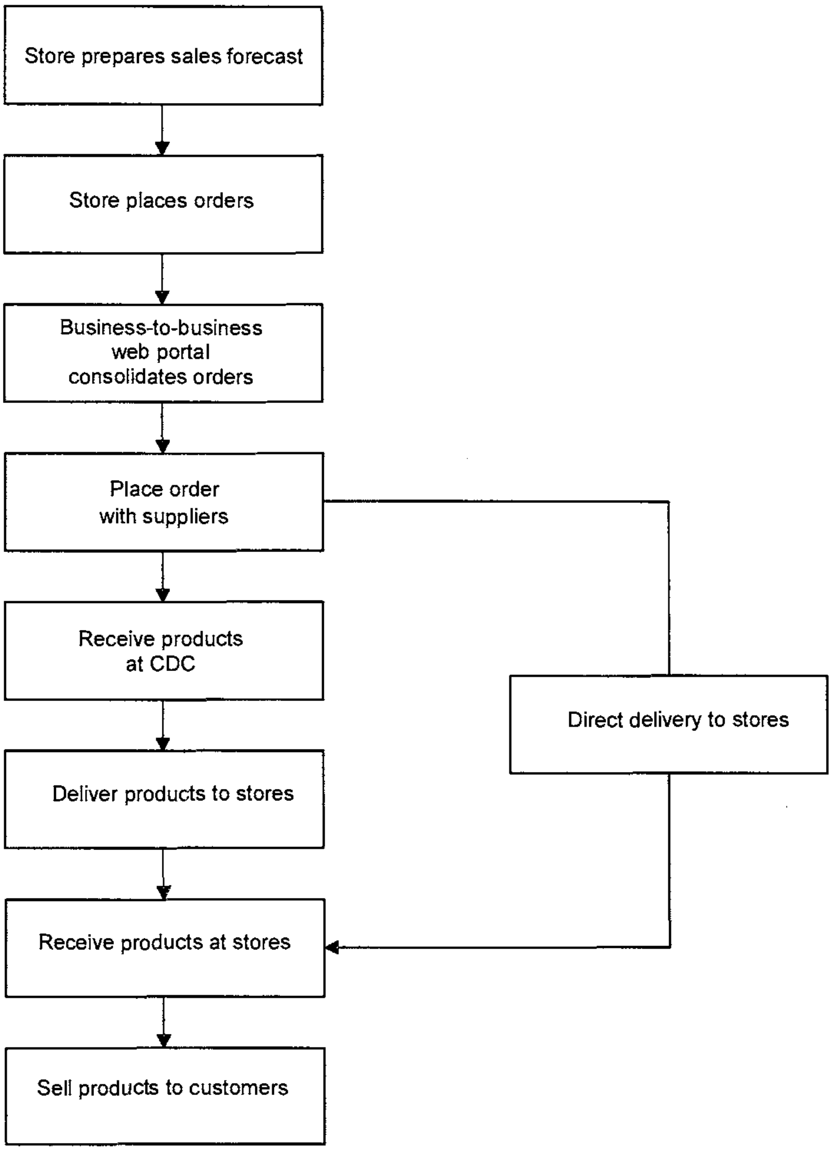
7.9 Inventory management

The chart below summarises our inventory management process.



Our store systems enable us to directly replenish stock. We order fast-moving items, such as non-alcoholic drinks and snacks, three times per week on two ordering cycles, either Monday, Wednesday and Friday or Tuesday, Thursday and Saturday, in order to ensure a consistent level of traffic through our CDC, and slower-moving items once a week. We refer to the previous four weeks' sales data at each store to arrive at a sales forecast, which is prepared by each store every week. Each store has access to 14 weeks of historical sales analysis data that we generate through SEMRIS (please refer to Section 7.11 of this Prospectus for further information on SEMRIS) to assist in preparing the sales forecast. After the store creates its sales forecast, SEMRIS automatically calculates the stores' order size based on its remaining stock and the typical time that each item takes to sell. Our order sizes are calculated so as to maintain a minimum number of days' stock for each item, in order to avoid any potential stock-outs at any given store.

SEMRIS sends all of our stores' orders to our head office for further consolidation by product code and by vendor. After consolidation, our head office sends the order to our vendors via a business-to-business web portal that allows vendors to download their respective purchase orders for further processing and tracking.

Our vendors deliver approximately 53% of the products by volume that we purchase for our stores in Peninsular Malaysia to our CDC, which then processes and arranges for distribution of the products to our individual stores. Our vendors deliver the remaining products, including all products for our stores in East Malaysia, directly to our stores. The remaining products, which are delivered directly by suppliers to our stores, comprise products that are not suitable for delivery from the CDC, namely, products with short shelf lives (such as newspapers and fresh foods), products that require specialised distribution channels (such as ice cream) and high risk products (such as tobacco products).

After delivery from the CDC, the products are received by individual stores, where the store manager checks them to ensure that the order is complete and that the products arrive in acceptable condition.

Upon completion of our "put away" project that we are currently implementing at the CDC and which we expect to complete by the third quarter of 2014, the CDC will not only process and arrange products for distribution, but will keep its own inventory as well. We expect that completion of this project will significantly shorten our delivery lead time from the present five days to as low as one to two days, thus improving inventory management and allowing our stores to carry a broader product assortment with lower levels of inventory required for each product at the store level.

In the future, with the planned opening of our new CDC as well as the investments that we are making in our IT systems, we plan to increase the percentage of products handled and distributed by our new CDC to approximately 75% of all of our products by volume for our stores in Peninsular Malaysia by 2016, from approximately 53% at present.

7.9.1 Combined distribution centre

Approximately 53% of the products by volume that we purchase for our stores throughout Peninsular Malaysia are processed and distributed through an approximately 90,000 sq ft of usable warehouse space CDC located in Shah Alam, Selangor, which serves our operations in Peninsular Malaysia only. We manage and oversee the CDC, but outsource on-the-ground operations to LF, a third-party logistics provider as the provider is able to supply us with and manage the recruitment of the required pool of labour for on-the-ground operations. This bodes well for us as we focus our resources and management's time on, among others, our accelerated store roll-out programme.

We believe that the CDC and our supporting distribution network infrastructure provide us with scalability and indirectly, help us to reduce our costs. We also derive a number of operational benefits from the CDC and our supporting distribution infrastructure which includes the following:

(a) reduced time taken from the time we place an order for products until such time the products are delivered to each of our stores in Peninsular Malaysia from five days currently to as low as one to two days upon completion of the "put away" project;

(b) increased frequency of delivery of products to our stores which allows our stores to carry less inventory thereby minimising store space required at our stores, reduces the likelihood of our stores being out of stock and provides our stores with better order forecasting and hence, are able to restock more efficiently;

(c) reduced total deliveries because without a managed distribution network, our stores would receive delivery via trucks from hundreds of vendors, generally once or twice each month, compared to only one truck three times per week from the CDC;

(d) improved ability to track delivery volumes and quality from vendors more accurately which improves quality control and reduces losses due to delivery variances;

(e) improved ability to schedule off-peak delivery hours which improve store efficiency;

(f) greater control over inventory that we receive from vendors; and

(g) simplified invoicing and accounting.

The CDC also generates revenue through rebates and incentives from our vendors who deliver their products to the CDC, instead of directly to our stores, but we also incur expenses in managing the CDC.

As at the LPD, we had invested approximately RM12.0 million, for the construction of the new CDC which includes land cost of RM10.8 million. The new CDC, with a gross built-up area of approximately 166,000 sq ft and usable warehouse space of approximately 124,000 sq ft which will eventually replace the existing CDC, is located approximately nine km away from the existing CDC in Shah Alam, Selangor. We estimate that construction of the new CDC will cost approximately RM40.8 million, exclusive of land cost, which we will fund via the proceeds from the Public Issue, and will replace the existing CDC by end of 2015.

The new CDC will have 38% greater capacity than the existing CDC and will feature air-conditioned and chilled facilities, as well as improved IT systems and a warehouse management system. With the chilled facilities, the new CDC will enable us to handle a variety of perishable products that vendors currently deliver straight to our stores.

We have obtained all the necessary approval from the authorities including the approval from Majlis Bandaraya Shah Alam for the building plan for the new CDC which was received on 9 December 2013. Currently we are fine tuning the final design. We expect the new CDC to commence operations by end of 2015.

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7.9.2 Quality control

We maintain rigorous quality control oversight at our CDC and stores and regularly monitor the quality of our products. Our policies require the CDC and each store to inspect product deliveries for damage, missing products, expiry dates and other health and safety concerns, and return unsatisfactory products to our suppliers. We have a dedicated quality assurance department which is tasked with monitoring the quality of our stores and franchises through unannounced store assessments. We enforce quality control at both the CDC and at each store, and we may impose disciplinary action on responsible parties in the event any individual store fails to meet our required standards. We only purchase from suppliers whose products meet all applicable health and safety standards, and all of our products (as applicable) are halal certified by the Department of Islamic Development Malaysia, the Malaysian governmental authority responsible for halal certification. From time to time, we engage third-party laboratory operators to test products from our suppliers for compliance with applicable health and safety standards.

7.10 Branding and intellectual property

We believe "7-Eleven" is an established and iconic brand globally and in Malaysia with strong customer recognition and loyalty. We believe customers associate the "7-Eleven" brand with convenience, choice, quality and value.

We rely on a combination of trademarks, service marks, copyright protection and domain name registrations to establish and protect our brand names and logos, marketing designs, trade dress, internet domain names and other intellectual property. The ALA with 7-Eleven USA grants us the right to use various trade secrets (including manuals, forms, drawings, methods, specifications, techniques and compilations of data that 7-Eleven USA provides), trade marks and names, related and ancillary trademarks, services marks, trade names, emblems, logos, designs, labels, domain, signs, symbols, trade dress and works, including copyrighted materials, as 7-Eleven USA may from time to time make available to us, as well as derivative works based thereon.

7-Eleven USA has registered various intellectual property rights with the Intellectual Property Corporation of Malaysia and granted us, through the ALA, the license to use this intellectual property. Save as disclosed above, we do not own any trademark or patent and have not paid or received any royalties for any licenses or use of any intellectual property material. Please refer to Section 7.26 of this Prospectus for further information on a description of the ALA.

7.11 Technology

To support our store growth and new in-store services, our policy is to maintain a scalable and robust IT architecture with reusability and rich product features which, coupled with IT discipline with proactive monitoring, increases the efficiency of our operations and enhances the customer experience at our stores. We utilise technology related to an integrated computerised logistics and management system known as SEMRIS. This system links our head office in Kuala Lumpur to our CDC in Shah Alam, Selangor and each of our stores, including those of our franchisees.

SEMRIS enables each of our stores to track and manage their inventory, and enables the CDC to track and manage inventory, order products from suppliers and organise and schedule deliveries of products from the CDC to each of our stores in Peninsular Malaysia. SEMRIS' sales forecasting assists us in streamlining our warehousing and procurement functions by creating sales forecasts and calculating suggested order sizes. The SEMRIS sales system allows us to analyse consumer spending patterns and thereby enables us to respond to changing customer preferences quickly and accurately. Moreover, through SEMRIS, we are able to track sales from all of our stores and SEMRIS is integrated with our accounting software, which provides us with enhanced cash-management and internal audit security. SEMRIS is also integrated with a service provider facilitating the consolidation of the purchase orders from each "7-Eleven" convenience store into a single purchase order to each supplier for delivery to the CDC ("**B2B Exchange**"), a web portal through which our vendors can access purchase orders from us and prepare products for delivery to our CDC.

To support our promotional and other initiatives, the third-party developer of SEMRIS is developing new SEMRIS features for us that implement a customer loyalty programme and additional mix-and-match promotion features. Our customer loyalty programme will enable SEMRIS to accept the Berjaya Family's "BCard", and our additional mix-and-match promotion features for SEMRIS will enable us to activate targeted promotions and provide discount structures on qualified purchases. Please refer to Section 7.8 of this Prospectus for further information on our promotional initiatives. Moreover, SEMRIS is now enhanced with promotional features, part of our initiative aimed at increasing customer loyalty and return visits, an example of which is our "Hello Kitty" campaign.

To achieve the next phase of our growth, we will invest significantly in our core IT systems so that we could maintain our competitive advantage and to accommodate today's evolving business trends, which includes the expansion of online business, such as online gaming reloads. We plan to upgrade, SEMRIS, our existing IT system, and implement a new platform, IRIS, by 2016, which will substantially enhance integration throughout our organisation and provide our management team with improved control over our retail and merchandising operations.

Currently, our inventory replenishment and ordering system utilises a business-to-business vendor who aggregates orders from our stores and subsequently sends orders to suppliers. We are implementing a new "put away" inventory management system, through which store orders will be consolidated centrally at the CDC (by vendor, store and SKU) and integrated with B2B Exchange, which will significantly shorten our delivery lead time from the present five days to as low as one to two days, thus improving inventory management and allowing our stores to carry broader product assortment with lower levels of inventory required for each product at the store level. We expect that this new system will be operational by the third quarter of 2014.

7.12 Suppliers

Our purchases principally comprise products for our stores. We generally source our supplies from Malaysia-based suppliers.

We aim to provide a comprehensive range of quality products at competitive prices to our customers. We believe that the quality of our suppliers plays an important part in our merchandising strategy. We strive to manage the quality of the products supplied to ensure strict adherence to quality standards. In selecting our suppliers, we consider their quality of product offerings, financial stability, product selection, price competitiveness and after-sales services. We only purchase from suppliers whose products meet all applicable health and safety standards.

The following table depicts our suppliers with purchases exceeding 10% of our total purchases for any of the past four years ended 31 December 2010 to 2013.

	Year ended 31 December			
Supplier	**2010**	**2011**	**2012**	**2013**
	% of total purchases			
Commercial Marketers & Distributors Sdn. Bhd. ("**Commercial Marketers**")	23.9	24.0	23.8	23.6
Lein-Hing Enterprise Sdn. Bhd. ("**Lein-Hing**")	9.7	9.6	10.2	9.9

Our largest supplier is Commercial Marketers, from whom we purchase British American Tobacco (Malaysia) Berhad products, and our second largest supplier is Lein-Hing, from whom we purchase "Philip Morris" products. While we have historically maintained a good working relationship with these suppliers, we cannot guarantee that our relationship with them will not deteriorate in the future, nor that our business would not be adversely affected if our relationship with them were to deteriorate. We have a commercial relationship with Commercial Marketers and Lein-Hing for more than 20 years and 14 years respectively, and we are one of Commercial Marketers' largest customers in Malaysia.

We have dealt with the majority of our top 20 suppliers for 10 years or more and we believe that we have cultivated a good working relationship with our suppliers, which includes various multinational companies.

For the past four years ended 31 December 2010, 2011, 2012 and 2013, our total purchases from our top five suppliers accounted for 50.1%, 50.7%, 51.0% and 51.2% of our total purchases, respectively.

For the past four years ended 31 December 2010 to 2013 up to the LPD, we have not experience any material disruptions to our supply.

7.13 Competition

We are the largest convenience store operator in Malaysia in terms of number of stores, with a market share of 82% of the standalone convenience store segment, as of March 2014, according to the IMR Report. Generally, the retail industry in Malaysia is segmented into three key segments, namely retail trade in non-specialised stores, retail trade in specialised stores and non-store based retailing. Non-specialised stores are typically those that are involved in selling more than one type of goods and, in that respect, convenience stores fall under this category. Other examples of non-specialised stores include departmental stores, hypermarkets, supermarkets, provision stores and mini-markets, among others.

We compete with other convenience store operators primarily on the basis of convenience, presentation, price, customer loyalty, product mix and quality customer services. Our closest competitors include retailers such as "KK Super Mart", "QE", "MyMart" and "Circle K". In addition, we compete with other larger-format supermarket and hypermarket operators, including "Tesco", "AEON Big" and "Giant", as well as petrol stations such as "Shell", "Petronas" and "Petron" that also operate convenience stores at their petrol stations under the brand name of "Select", "Mesra" and "Treats" respectively.

Foreign convenience store operators may also enter the convenience retail market in Malaysia in the future through local businesses, franchises or licenses, increasing competition further. In particular, established foreign convenience store chains such as "ampm", "Lawson" and "FamilyMart" are direct competitors of "7-Eleven" worldwide, and some already have interests in the Asian region.

We believe that convenience and location will continue to be the key factors in determining the success of our stores. Our extensive network of 1,583 strategically located stores as at the LPD with a nationwide presence across Peninsular and East Malaysia ensures that we are a convenient option for customers. The fact that most of our stores are opened 24 hours a day also gives us a competitive advantage over most non-convenience store retailers, which do not operate on this basis. Furthermore, our stores have been operating in Malaysia for the past 30 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.

7.14 Awards

The following table depicts selected information with regards to awards that we have won since 2010:

Award	Year	Grantor
Super Star of 2010 Award	2010	Malaysian Retailers Chain Association
Achiever Award	2010	Malaysian Retailers Chain Association
Super Brand Award	2011	Super Brand Malaysia
National Sales Growth Award, Platinum	2010, 2011 and 2012	Malaysian Retailers Chain Association
Super Brand Award	2013	Super Brand Malaysia

7.15 Properties

We tenant the majority of retail space and corporate offices we use. As at the LPD, we and our franchisees operate 1,562 of the stores on tenanted properties and the remaining 21 of our stores on our owned properties. With the exception of stores which are located in shopping and other complexes, we generally enter into three-year tenancies that are renewable at our option for up to four additional three-year terms. Our tenancies typically contain price escalation clauses whereby the price we pay for tenancies is subject to renegotiation at the end of each renewal period, subject generally to applicable maximum increases. LF, being the third-party operator of our CDC in Shah Alam, Selangor, leases the property for the CDC. In turn, we pay LF a monthly service fee which includes the use of storage space for our existing CDC. We own the property for the new CDC which will be built in Shah Alam, Selangor.

Some of our "7-Eleven" convenience stores are located at buildings which have not been issued with the requisite CF/CCC. Such non-compliance will render the registered proprietor/occupier liable to a fine and/or imprisonment and a further fine for any continuing offence.

In addition, the occupation of some of our "7-Eleven" convenience stores is inconsistent with the category of land use or express conditions set out in the IDT. Such non-compliance in Peninsular Malaysia may result in a forfeiture of the land by the Land Administrator, pursuant to the National Land Code, 1965, resulting in the outlet having to be closed down. In addition, 7-Eleven Malaysia, being the occupier of such outlets could be in breach of certain provisions of the Town and Country Planning Act, 1976, which may result in the imposition of a fine and/or imprisonment of persons such as our Directors, secretary or similar officers, and a further fine for each day during which the offence continues after the conviction. If a notice has been served on the owner and occupier of the land by a local planning authority requiring us to comply with such requirements specified in the notice and in the event we fail to comply with any requirements of the notice within the period specified, we could be liable to a fine and/or imprisonment of persons such as our Directors, secretary or similar officers and to a further fine for each day during which the failure continues after the first conviction of the offence. Further, we could also be liable under the Street, Drainage and Building Act, 1974 for using any building or part of a building for a purpose other than which it was originally constructed for without the prior written permission from the local authority. On conviction, we could be liable to a fine and also to a further fine for every day during which the offence is continued after a notice to cease using for other purpose has been served on the occupier.

As Sabah and Sarawak have their own land law and various other local requirements which apply to certain districts only, we may be exposed to various offences under their respective laws for our "7-Eleven" convenience stores in Sabah and Sarawak which are in breach of the category of land use and/or express condition. Please refer to Section 5.1.26 of this Prospectus for further information.

Please also refer to Sections 7.15.1 and 7.15.2 of this Prospectus for further information on non-compliances relating to CF/CCC and land use of the material properties owned by our Group and tenanted outlets of our Group.

In addition, each of our "7-Eleven" convenience stores has to obtain from the relevant local councils a trading licence to carry on business operations within the prescribed districts, prior to the commencement of business operations as well as an advertising licence to advertise and to display signboards at its premises. As at the LPD, some of our "7-Eleven" conveniences stores are operating without the requisite trading and/or advertising licences. Further details on the trading and advertising licences are set out in Sections 7.27.2(i) and 7.27.2(ii) of this Prospectus respectively.

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7. BUSINESS *(Cont'd)*

The summary of our non-compliances relating to CF/CCC, land use, trading licence and advertising licence are as follows:

	Owned outlets			Aggregate revenue	Aggregate gross profit
Region/State	**No. of affected stores**	**No. of stores without CF/CCC**	**No. of stores in breach of category of land use/express condition**	**Year ended 31 December 2013 (RM'000)**	**Year ended 31 December 2013 (RM'000)**
Kuala Lumpur	1	1	1	2,329	697
Selangor	1	1	-	2,815	806
Perak	1	1	-	1,327	377
Total	**3**	**3**	**1**	**6,471**	**1,880**

	Tenanted outlets							Aggregate revenue[2]	Aggregate gross profit[2]
Region/State	**No. of affected stores[1]**	**No. of stores with no records of CF/CCC**	**No. of stores without CF/CCC**	**No. of stores with no information on category of land use/express condition**	**No. of stores in breach of category of land use/express condition**	**No. of stores without trading licence**	**No. of stores without advertising licence**	**Year ended 31 December 2013 (RM'000)**	**Year ended 31 December 2013 (RM'000)**
Kuala Lumpur	121	85	4	40	9	3	2	151,773	41,737
Selangor	172	117	2	69	16	1	1	192,114	53,180
Perlis	3	3	-	-	-	-	-	3,538	998
Kedah	17	15	-	1	1	2	2	16,726	4,846
Perak	39	36	2	-	2	1	1	36,426	10,395
Kelantan	21	10	-	-	-	3	12	20,332	5,853
Johor	33	30	-	5	2	2	2	37,262	9,739
Melaka	29	29	-	2	-	-	-	34,900	9,447
Pahang	22	20	2	2	1	-	-	24,599	6,909
Pulau Pinang	35	24	-	7	1	2	11	30,598	8,855
Negeri Sembilan	19	15	-	1	-	3	3	18,465	5,022
Terengganu	18	13	-	-	4	3	3	18,256	5,217
Sabah	22	13	-	8	5	1	2	19,237	5,662
Sarawak	15	3	-	2	3	1	10	12,620	3,783
		413	**10**	**137**	**44**				
Total	**566**	**423**		**181**		**22**	**49**	**616,846**	**171,643**

Notes:

(1) *Refers to the number of stores which are not in compliance with either one or more of the following categories:*
(i) category of land use and/or express condition;
(ii) CF/CCC; or
(iii) trading and/or advertising licences.

(2) *Aggregate revenue or gross profit of the affected stores.*

7.15.1 Material properties owned by our Group

As at 31 December 2013, the total NBV of our land and buildings was RM34.3 million. The following table sets forth the details of the material properties that we own:

Property address/Title identification	Registered owner	Tenure of property	Type of property	Description and existing use/ Approximate age of building	Category of land use/Express condition	Date of CF/CCC	Major encumbrances	Land area/Built -up area (sq ft)	NBV as at 31 December 2013 (RM'million)
No. 49, Jalan Sultan Ismail, 50250 Kuala Lumpur/ GRN 33869, Lot 746 and GRN 24043, Lot 887 both in Section 57, Town and District of Kuala Lumpur, State of Federal Territory Kuala Lumpur	7-Eleven Malaysia	Freehold	2½ storey terrace shop office (Intermediate lot)	Ground floor as "7-Eleven" convenience store and other floors for rental purpose/ 56 years	None/Subject to the conditions and agreements, expressed or implied in Lease For Agricultural Land No. 863 in perpetuity and to such restrictions in interest expressed therein and shown by memorial thereon, and to such registered interests as are shown by memorial thereon(2)	-(1)	Charged to RHB Bank Berhad vide Presentation Nos. 4028/2006 dated 13 March 2006 and 6535/2010 dated 12 March 2010	1,813 / 3,440	3.1

7. BUSINESS *(Cont'd)*

Property address/Title identification	Registered owner	Tenure of property	Type of property	Description and existing use/ Approximate age of building	Category of land use/Express condition	Date of CF/CCC	Major encumbrances	Land area/Built -up area (sq ft)	NBV as at 31 December 2013 (RM'million)
No. 2, Jalan Hang Lekiu, 50100 Kuala Lumpur/ GRN 7917, Lot 79 Section 13, in the Town and District of Kuala Lumpur, State of Federal Territory Kuala Lumpur	7 Properties	Freehold	4-storey terrace shop office (Corner lot)	Ground floor as "7-Eleven" convenience store and other floors for rental purpose/ 15 years	None/None	24 March 1998	None	1,033 / 4,125	2.9
No. 1, Block 6, Jalan Jalil Jaya 7, Jalil Link Bukit Jalil, 57000 Kuala Lumpur/ GRN 73247, Lot 45943, in the Mukim of Petaling, District of Kuala Lumpur, State of Federal Territory Kuala Lumpur	7 Properties	Freehold	4-storey terrace shop office (Corner lot)	Ground floor as "7-Eleven" convenience store and other floors for rental purpose/ five years	Building/ Commercial building only	9 October 2009	None	1,787 / 6,688	2.2

7. BUSINESS *(Cont'd)*

Property address/Title identification	Registered owner	Tenure of property	Type of property	Description and existing use/ Approximate age of building	Category of land use/Express condition	Date of CF/CCC	Major encumbrances	Land area/Built -up area (sq ft)	NBV as at 31 December 2013 (RM'million)
Lot 3, Persiaran Gerbang Utama, Bukit Jelutong Industrial Park, 40150 Shah Alam, Selangor Darul Ehsan/ GRN 97607, Lot 64408, in the Mukim of Damansara, District of Petaling, State of Selangor Darul Ehsan	Teluk Juara	Freehold	Vacant land	Vacant/Not applicable	Industrial/ Industrial building only	Not applicable	None	174,182 / None	10.8

Notes:

(1) *The CF was not delivered to 7-Eleven Malaysia when the property was purchased from a third party. We had attempted to obtain the CF from Dewan Bandaraya Kuala Lumpur ("**DBKL**") but DBKL could not locate a copy of the CF in its database. On 12 April 2007, in line with the Malaysian Government's effort towards self-certification and self-regulation approach in the construction industry, the Street, Drainage and Building (Amendment) Act 2007 came into force, whereupon the issuance of CF by local councils was replaced by the issuance of the CCC by either professional architects, professional engineers or registered building draughtsmen. Upon obtaining a development order from DBKL on 6 April 2012, our architect had on 24 January 2014 submitted the application involving the submission of building plans with setback of 25 feet to DBKL and Jabatan Bomba dan Penyelamat Malaysia, which forms part of the process to procure the CCC. The approval process will take approximately 8 months from the date of submission of the application. Once approval is obtained, we will call for tender and appoint a contractor to commence demolition and renovation works on the building and our architect is expected to issue the CCC thereafter.*

(2) *We had obtained a development order to change the zoning of land use to "commercial" vide a letter from DBKL to our architect dated 6 April 2012. Subsequently, our land surveyor has submitted the plan for change of category of land use to the DBKL for endorsement on 22 October 2013. Once the plan is endorsed by the DBKL, our land surveyor will submit the application together with the endorsed plan to the land office of Kuala Lumpur to convert the category of land use to "building" and the express condition to "commercial building". The approval is expected to be obtained by the second quarter of 2015.*

In respect of the property located at No. 49, Jalan Sultan Ismail, 50250 Kuala Lumpur, our Board has undertaken to obtain the CCC by 7 February 2015, being 12 months from the date of obtaining the SC's approval for our IPO, and to convert the category of land use and express condition to commercial building by the second quarter of 2015, to make half-yearly announcements on the status of the undertaking to Bursa Securities and to update the SC on the same when such announcements are made.

In addition to the material properties mentioned above, our Group also owns non-material properties, of which two of them do not have CF. The said non-material properties are 2-storey freehold shop offices, one located at Subang Jaya, Selangor and the other in Ipoh, Perak. To rectify the non-compliance for these two properties, our Board has undertaken to procure a CCC for the respective non-material properties by 7 February 2015, to make half-yearly announcements on the status of the undertaking to Bursa Securities and to update the SC on the same when such announcements are made.

To the best knowledge of our Board, save as disclosed above, none of the properties owned by our Group are in breach of any land use conditions and/or are in non-compliance with current statutory requirements, land laws or building regulations/by-laws which will have a material adverse impact on our operations as at the LPD. No valuations have been conducted on any of the properties disclosed above.

As at the LPD, our Group has not been convicted for breach of any land use conditions and/or non-compliance with current statutory requirements, land laws or building regulations/by-laws.

7.15.2 Tenanted outlets of our Group

A summary of our Group's tenanted outlets as at the LPD is as follows:

Region/State	No. of tenanted outlets	Total tenanted area	Range of tenanted area
		(sq ft)	(sq ft)
Kuala Lumpur	255	315,023	172 – 2,702
Putrajaya	3	2,896	569 – 1,347
Selangor	466	599,588	192 – 2,585
Perlis	10	11,255	763 – 1,543
Kedah	56	65,244	621 – 1,728
Perak	99	124,968	632 – 2,100
Kelantan	68	78,556	608 – 1,931
Johor	173	232,878	467 – 2,310
Melaka	69	83,582	745 – 2,058
Pahang	86	103,264	377 – 2,636
Pulau Pinang	72	80,351	500 – 2,065
Negeri Sembilan	80	106,789	751 – 2,552
Terengganu	57	62,054	523 – 2,151
Sabah	38	42,103	248 – 2,233
Sarawak	30	32,922	362 – 2,547
Total	**1,562**	**1,941,473**	

The total rental paid by our Group during the years ended 31 December 2012 and 31 December 2013 for all the tenanted outlets is approximately RM57.4 million and RM63.1 million respectively. We typically have tenancies that carry three-year terms and are renewable at our option for up to four additional three-year terms, subject to rental price increases depending on prevailing market conditions and agreed maximum increases.

To the best knowledge of our Board, save as disclosed below, none of the outlets tenanted by our Group are in breach of land use conditions and/or are in non-compliance with current statutory requirements, land laws or building regulations/by-laws which will have a material adverse impact on our operations as at the LPD:

	No. of tenanted outlets	
Region/State	**Without CF/CCC**	**In breach of category of land use/express condition**
Kuala Lumpur	4	9
Selangor	2	16
Perak	2	2
Pahang	2	1
Pulau Pinang	-	1
Terengganu	-	4
Sabah	-	5
Sarawak	-	3
Kedah	-	1
Johor	-	2
Total	**10**	**44**

In addition, we do not have in our possession the CF/CCC as well as information relating to the category of land use and express condition for the following outlets as at the LPD:

	No. of tenanted outlets	
Region/State	**No records of CF/CCC**	**No information on category of land use and express condition**
Kuala Lumpur	85	40
Selangor	117	69
Perlis	3	-
Kedah	15	1
Perak	36	-
Kelantan	10	-
Johor	30	5
Melaka	29	2
Pahang	20	2
Pulau Pinang	24	7
Negeri Sembilan	15	1
Terengganu	13	-
Sabah	13	8
Sarawak	3	2
Total	**413**	**137**

The absence of records of CF/CCC for the aforesaid locations is attributed to the following:

(a) enquires have been made for 205 tenanted outlets with the relevant local councils but pending feedback;

(b) relevant local councils have informed that they have no CF/CCC in their records for 175 tenanted outlets; and

(c) enquiries for 33 tenanted outlets located at the premises of "Shell" petrol stations where enquiries cannot be made with the respective local councils as we do not have sufficient details to make such enquiries. The final and conclusive status of the tenancy for these outlets is the subject of an on-going legal suit, details of which are set out in Section 15.5 of this Prospectus.

On the other hand, the absence of information on category of land use and express condition for the aforesaid locations is attributed to the following:

(a) searches have been conducted for six tenanted outlets but pending issuance of results by the relevant land offices;

(b) land searches cannot be conducted for 119 tenanted outlets as insufficient or no land title particulars have been/can be provided by the property owners, of which 20 tenanted outlets are located at the premises of "Shell" petrol stations. The final and conclusive status of the tenancy for these outlets located at "Shell" petrol stations are subject of an on-going legal suit, details of which are set out in Section 15.5 of this Prospectus; and

(c) searches have been conducted for 12 tenanted outlets but the search results revealed that the land title for said tenanted outlets is subject to the expressed/implied conditions and/or agreements in the specified grant/lease for land, for which no information of such conditions or agreements is found in the records of 7-Eleven Malaysia or the relevant land offices. We have liaised with the relevant land offices as well as landlords and where applicable, the former registered proprietors of these tenanted outlets, to obtain a copy or details of the conditions and/or agreements in the specified grant/lease for land but we have not been successful in our attempts to ascertain the status of compliance of these tenanted outlets with the express condition of land use, having exhausted all avenues on a best-effort basis.

Our Board has undertaken the following:

No.	Description	Proposed action
CF/CCC		
(a)	Outlets without CF/CCC	We will continue to liaise and negotiate with the property owners to apply for CCC for these outlets and, where possible, to rectify the non-compliance within 12 months from 7 February 2014, being the date of obtaining the SC's approval for our IPO.
(b)	Outlets where enquiries have been made with the relevant local councils but pending feedback	We will continue to liaise with the local councils for these outlets as well as the property owners. In the event we are able to establish that the outlets have no CF/CCC, we will liaise and negotiate with the property owners to rectify the non-compliance, where possible within 12 months from 7 February 2014.
(c)	Outlets where the relevant local councils have informed that there is no CF/CCC in their records	We will continue to liaise with the property owners to locate the CF/CCC. If there are no CF/CCC in the records of relevant councils or property owners, within 12 months from 7 February 2014 and where possible, we will liaise and negotiate with the property owners to apply for CCC for those outlets.
(d)	Outlets where enquiries cannot be made with the respective local councils as the Company does not have sufficient details to make such enquires	In respect of the 33 outlets located at the premises of "Shell" petrol stations, we will follow up, where possible, to get the necessary information before making enquiries with the respective local councils as the 33 tenanted outlets are the subject of an on-going legal suit, the details of which are set out in Section 15.5 of this Prospectus.

No.	Description	Proposed action
	Category of land use and express condition	
(a)	Outlets in breach of category of land use and/or express condition	We will continue to negotiate with the respective land owners to rectify/amend the category of land use and/or express condition so as to allow for the operation of the "7-Eleven" business at that location and where possible, to rectify the non-compliance within 18 months from the date of our Listing.
(b)	Outlets with no information on the category of land use and/or express condition in the records of 7-Eleven Malaysia	
	• Outlets where searches have been conducted but pending issuance of results by the relevant land offices	We will continue to liaise with the relevant land offices to obtain the search results. In the event that we are able to establish that the outlets are in breach of category of land use and/or express condition, we will negotiate with the respective land owners to rectify/amend the category of land use and/or express condition, where possible, within 18 months from the date of our Listing.
	• Outlets where land searches cannot be conducted as insufficient or no land title particulars have been/can be provided by the property owners	For those outlets where a search could not be conducted due to non-availability of land title particulars, we will continue to follow up with the property owners and the respective land offices to get the necessary information and conduct the searches, save for the outlets located at the premises of "Shell" petrol stations which we will follow up, where possible, to obtain the necessary information as they are the subject of an on-going legal suit, the details of which are set out in Section 15.5 of this Prospectus. In the event that we are able to establish that that the outlets are in breach of category of land use and/or express condition, we will continue to negotiate with the respective land owners to rectify/amend the category of land use and/or express condition, where possible, within 18 months from the date of our Listing.

Our Board has also undertaken to make half-yearly announcements on the status of the above undertakings to Bursa Securities and update the SC when such announcements are made.

7.16 Seasonality

Our stores typically experience higher customer traffic, transaction value and sales during weekends, public holidays, school holidays and festive periods such as Chinese New Year, Christmas, Deepavali and Hari Raya.

7.17 Employees

As at 31 March 2014, we employ a total of 8,865 permanent staff (which include 26 contract staff) and 202 temporary/casual staff. Permanent staff generally includes executive directors, senior management, administrative and headquarters staff, contract staff and store staff, while our temporary staff generally includes staff on part-time and hourly-rated employment. The following table sets forth our permanent staff by function as at the dates indicated.

	As at 31 December				As at 31 March
Category of employees	**2010**	**2011**	**2012**	**2013**	**2014**
Executive directors and senior management	23	26	24	30	34
Managerial and professional	70	73	71	90	93
Administrative and headquarters staff	833	865	888	966	1,006
Store staff	6,370	6,186	6,689	7,663	7,732
Total	**7,296**	**7,150**	**7,672**	**8,749**	**8,865**

Store staff excludes foreign workers whom we outsource from various third-party recruitment agencies.

Our store staff increased by approximately 8.1% and 14.6% from 31 December 2011 to 31 December 2012 and 31 December 2012 to 31 December 2013 respectively primarily due to the growth of our network of stores.

As the majority of our stores operate 24 hours a day and seven days a week, we employ two shifts of staff at each store. At any given time, we require at least two employees to be stationed at each store. We select store managers from a pool of our promising and talented convenience store employees. Store managers and employees both receive a base salary and incentives based on the revenue, gross profit, inventory control and operating standards of their store. The base salary for newly hired employees is in accordance with the Malaysian statutory minimum wage of RM900 per month in Peninsular Malaysia and RM800 per month in East Malaysia, and our employees' compensation increases concurrently with their length of service. We offer our employees incentive-based compensation depending on their ability to meet our incentive programme's criteria, which include sales, profitability, inventory control and compliance with standard operating procedures. Given the greater incentives now placed on our employees, we believe that our incentive programme will allow us to achieve a higher retention rate and reduce our training and recruitment costs, as well as increase our sales.

Malaysian employment regulations require employers and employees to contribute to the Employees Provident Fund ("**EPF**") to provide for the retirement and other needs of employees. Under present regulations, employees contribute 11% of their monthly salary to the EPF via payroll deductions. Employers are required to contribute a minimum amount equivalent to 12% of an employee's monthly salary to the EPF. Under employment contracts entered into by us, we contribute 12% of the employees' salaries to the EPF (or 13% after 31 December 2011 for employees earning less than RM5,000 per month in salary). We believe that we offer a comprehensive and competitive remuneration and benefits package to our employees. Any adjustment of the remuneration and benefits of our employees depends on their respective performance.

Other than our contributions to the EPF, we do not maintain any retirement, pension or severance plans or have any unfunded pension liabilities, nor do we owe any amounts to any present or former employees that are not in the ordinary course of our business.

As at the LPD, none of our employees belong to any union nor are they parties to any collective agreements and we have not experienced any strikes or other disruptions due to labour disputes. In addition, the relationship between our management and our employees has always been good.

7.17.1 Staff training

We recognise the importance of having a strong team of management and technical personnel to meet our growth plans, and so we place great emphasis on staff training and development. When employees commence work, they receive basic training, and are subsequently given opportunities to attend further training including managerial and leadership, sales agent, credit control, system and technical trainings programmes.

7.17.2 National dual training system

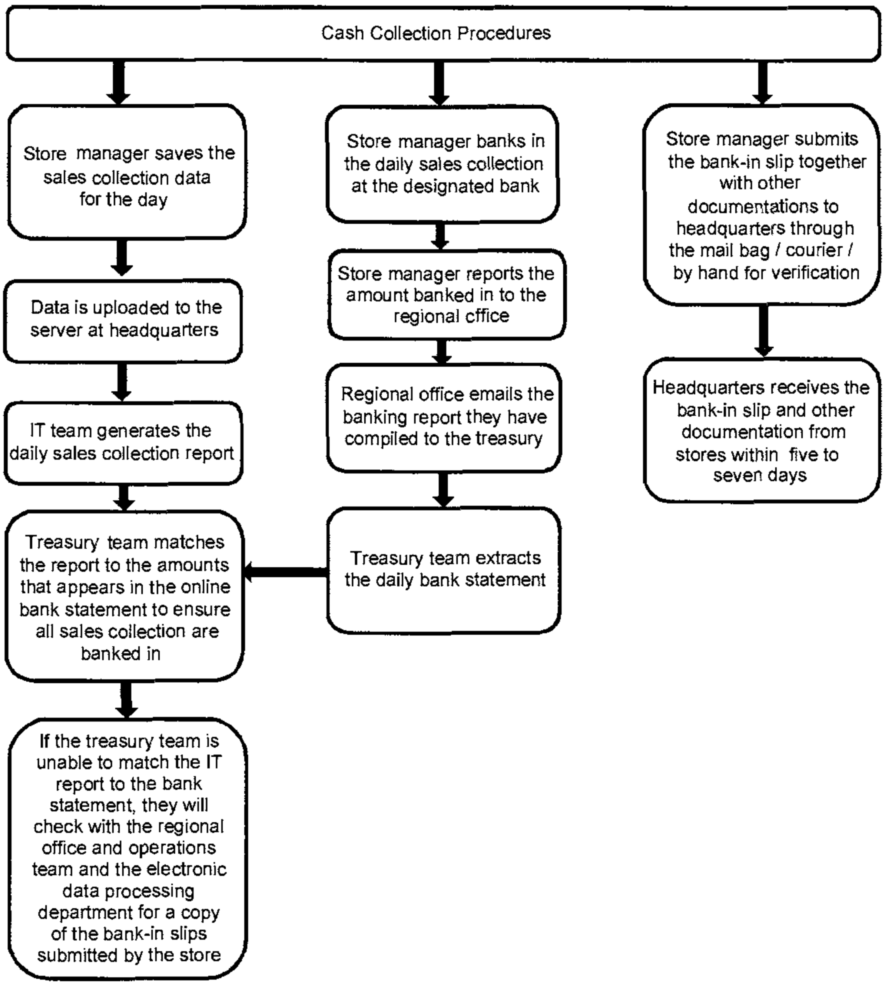
We are accredited by the Department of Skill Development of the Ministry of Human Resources to employ and train apprentices under a structured national dual training system. Any school-leaver may apply to enrol into the programme. This programme, which leads to a diploma in 4.5 years, trains apprentices with retail management knowledge and entails classroom training to enhance practical on-the-job experience. Apart from technical competence, apprentices are trained on social skills relevant to the work environment. Apprentices do not pay any tuition or fees to earn this qualification and, since learning is on-the-job, they continue to receive wages as full-time employees. We provide coaches and trainers, training resources, evaluation and feedback to apprentices.

By providing this opportunity for further education, not only do we fulfil our role as a socially responsible organisation, we mutually benefit through recruiting and developing valuable and knowledgeable employees who are practically trained for the roles in our stores. We have registered a total of 788 apprentices in the programme. The inaugural intake was in November 2011.

7.18 Cash management policy

We believe that strong internal controls for cash collection are necessary to prevent mishandling of funds. Our cash collection policy is designed to standardise practices across our stores with respect to cash handling to prevent possibilities of cash mismanagement and fraud, outlines the responsibilities of individuals who are authorised to receive, deposit, disburse and reconcile cash and equivalents, ensures cash and equivalents are handled in a safe manner, ensures cash and equivalents are deposited in the designated bank account on a daily basis at a specified cut-off time and identifies the consequences of non-adherence to the policy. For the past four years ended 31 December 2010, 2011, 2012 and 2013, our cash losses were approximately 0.02%, 0.02%, 0.03% and 0.05% of our revenue respectively.

The following chart illustrates our cash collection procedures.



7.19 Security and loss prevention

As nearly all of our stores operate 24 hours, we are affected by pilferage, shoplifting, theft and robbery. In order to minimise the risk of loss, we maintain strict security procedures. Examples of our security policies include the requirement that all of our stores have closed circuit televisions and time-delayed safes and maintain minimal cash in their tills. Also, store staffs perform regular checks on the cigarette display units, as tobacco products are particularly prone to pilferage, shoplifting and theft. For the past four years ended 31 December 2010, 2011, 2012 and 2013, our losses due to merchandise and cash shortages (including delivery variances, which are losses of products while en route to stores) were RM10.4 million, RM9.4 million, RM7.6 million and RM9.6 million respectively, representing 0.8%, 0.6%, 0.5% and 0.6% of our revenue respectively. In 2011, we introduced an incentive programme, which pays bonuses to stores that are able to achieve low loss rates. From then on, our losses due to merchandise and cash shortages (including delivery variances) have decreased both relative to our revenue and in absolute terms. Our internal audit function oversees stores' efforts to reduce losses, particularly inventory shrinkages and sales collection shortages and reports on a monthly basis to management, who assess the overall effectiveness of our loss prevention policies.

7.20 Corporate social responsibility

We are firmly committed to being a good corporate citizen. We have established procedures to help ensure compliance with all applicable statutory and regulatory requirements and with our Code of Business Conduct with respect to relations with customers, suppliers and fellow employees. We also comply with applicable environmental standards to minimise any impact operations may have on the environment.

We believe in giving back to the communities in which we operate, with a commitment to support underprivileged groups and to sustain environmental conservation efforts at the local community level across all regions in Malaysia. In 2010, we set up "7-Eleven Community Care", a programme set up to implement our corporate social responsibility and philanthropic initiatives.

7.21 Insurance

We have purchased insurance policies to cover a variety of risks that are relevant to our business needs and operations. We maintain property insurance in respect of all tenanted and owned real property, and once our CDC "put away" project is complete allowing us to stock products at the CDC, we will insure our CDC inventory as well. We maintain product and other liability insurance for our operations. These insurance policies have specifications and insured limits that we believe are appropriate in view of our exposure to the risk of loss, the cost of such insurance, applicable regulatory requirements and the prevailing industry practice in Malaysia. We also maintain various insurance policies for employees, such as group-term life insurance with total permanent disability benefits and group accident, hospital and surgical policies, as well as fidelity insurance. In respect of our franchisees, we cover most of their operations and assets with our group insurance policies, and we encourage our franchisees to take their own personal insurance and fidelity insurance policies. Our internal audit function oversees our franchisees to help ensure that they maintain all requisite insurance policies.

We believe that the insurance policies and coverage we have subscribed for are adequate for our business needs and operations and are in line with customary insurance coverage for similar companies in Malaysia. We periodically conduct reviews of our insurance coverage.

7.22 Research and development

We do not conduct any research and development activities and we do not have any specific research and development policy.

7.23 Health and safety issues

We value the health of our employees and place great emphasis on safety at all our stores, offices, and our warehouse. We ensure that new employees are advised of our safety and health policy and we provide them with the necessary in-house training.

7.24 Business interruptions

Save for our planned major refurbishments to some of our stores, there has not been any material interruption to our business activities during the past 12 months prior to the date of this Prospectus.

7.25 Legal proceedings

Please refer to Section 15.5 of this Prospectus for further information on 7-Eleven Malaysia's litigation with Shell Malaysia.

7.26 Dependency on contracts, agreements or other arrangements

We are highly dependent on the ALA. Our business of operating and franchising convenience stores under the "7-Eleven" brand name in Malaysia is subject to the terms and conditions of the ALA. Pursuant to the ALA, 7-Eleven USA grants us the right to establish and operate, and to grant sub-franchises to franchisees to establish and operate, "7-Eleven" convenience stores solely in Malaysia and Brunei Darussalam ("**Territories**"). We cannot use the "7-Eleven" brand to operate stores other than convenience stores, which the ALA defines as stores with an area between 30 and 300 square metres and that sell between 200 and 4,000 SKUs.

The ALA grants us the right to use various trade secrets (including manuals, forms, drawings, methods, specifications, techniques and compilations of data that 7-Eleven USA provides), trademarks and trade mark names, related and ancillary trademarks, services marks, trade names, emblems, logos, designs, labels, domain, signs, symbols, trade dress and works, including copyrighted materials, as 7-Eleven USA may from time to time make available to us, as well as derivative works based thereon.

The ALA is valid until 30 November 2033, and is renewable at our option for additional terms of 10 years each subject to, among others, material compliance with the terms of the ALA and except in limited circumstances, the signing of 7-Eleven USA's then-current form of renewal area license agreement, which shall superseded the ALA in all respects.

As long as we are in full compliance with the terms and conditions of the ALA during the term of the ALA, 7-Eleven USA shall not:

(i) grant franchises or licenses to any person or entity other than us for the operation of convenience stores in these Territories; and/or

(ii) operate convenience stores in these Territories.

We are not permitted to compete in the convenience store business or any similar or competing business in the Territories or in any country in which 7-Eleven USA has registered or used any of its trademarks or in which it is engaged, directly or indirectly, in the convenience store business.

We pay 7-Eleven USA on or before the tenth day of each month during the initial term, a royalty from all "7-Eleven" stores in the Territories owned or operated by us or by our franchisees.

7-Eleven USA has a right of first refusal to match the same terms of any bona fide offer for the purchase of all or any part of our rights and obligations under the ALA or any substantial portion of our other assets (or our controlling principals receive any bona fide offer for any direct or indirect ownership interest in us that does not constitute a permitted transfer under the ALA). Upon termination or expiration of the ALA, 7-Eleven USA has the right to purchase us at a price equal to the fair market value of our assets less our indebtedness.

7-Eleven USA has the right to terminate the ALA including for our (or any or all of our controlling principals') breach or default in the performance of any term, covenant or condition of the ALA, subject to the right to cure such breach or default. For certain particularly egregious breaches of the ALA, including, without limitation, breach of the covenants regarding protection of trade secrets and business information, maintenance of false books or records, certain fraudulent and criminal acts, commencement of voluntary bankruptcy or other insolvency proceedings, breach of the covenant not to compete, repeated defaults of the ALA (even if cured) and any attempted transfer by us or our equity holders of our rights and obligations under the ALA, all or a substantial portion of our assets or direct or indirect ownership in us or our controlling principals without 7-Eleven USA's prior written consent (unless such transfer does not result in a change of control), 7-Eleven USA has the right to terminate the ALA without any applicable cure period.

The ALA is interpreted, construed and enforced under the laws of the State of Texas, US.

7.27 Regulations and licences for our "7-Eleven" convenience stores

7.27.1 Franchise registration

The franchising of our convenience stores under the "7-Eleven" brand name requires the following registration:

Registered Master Franchisee	Issuer	Registration	Date of Issue/ Validity	Conditions Affecting Operations	Status of Compliance
7-Eleven Malaysia	MDTCC	Form 3 - Franchise Act 1998- Notice of Decision of Registration of Franchise and Effective Date of Registration of Franchise	19 May 2000 / Valid from 16 May 2000	1. This registration will continue to take effect unless the registrar provides a written notice stating that it has suspended, terminated or prohibited the sale or the registration of this franchise pursuant to the Franchise Act 1998. 2. Any amendments to the disclosure document shall be filed to the Registrar of Franchise, Malaysia.	Noted

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7.27.2 Governmental and Regulatory Requirements

(i) Trading Licence

For our "7-Eleven" convenience stores in Peninsular Malaysia and Sabah, the Local Government Act 1976, Local Government Ordinance 1961 of Sabah, Trades Licensing Ordinance of Sabah and the by-laws of the relevant local councils which regulate the licensing of trades, businesses and industries require a trading licence ("**Trading Licence**") to be obtained for each of our "7-Eleven" convenience stores prior to commencing business. We are required to adhere to the by-laws of such local councils in which the stores are located. The Trading Licence is normally valid for a period of one year, although some local council may issue a temporary Trading Licence for a period not exceeding six months or a Trading Licence which is valid for a period of up to three years. The Trading Licence must be renewed either prior to or on the date of expiration of the licence, failing which would render the licensee liable under the relevant by-laws for penalties. Nevertheless, subject to the relevant by-laws, in some instances, a licensee may still continue to operate his trade, business or industry if he can prove to the relevant local council that he has applied for the renewal of his Trading Licence.

Some of the Trading Licences issued to our "7-Eleven" convenience stores have conditions attached to them and we are obliged to comply with these conditions together with the requirements under the by-laws of the relevant local councils. Any non-compliance in Peninsular Malaysia with the conditions and the provisions of the by-laws may result in the imposition of a fine not exceeding RM2,000 or imprisonment for a term not exceeding one year or both and a further fine not exceeding RM200 for each day of non-compliance after conviction. In certain areas, the local councils are also given the power to revoke a Trading Licence if there is a non-compliance with its conditions and the by-laws.

Further, any non-compliance in Sabah with the provisions of the Trades Licensing Ordinance of Sabah may result in the imposition of a fine of four times the amount of the Trading Licence fee and to a further fine of RM10 for each day or part of a day subsequent to a conviction during which the contravention continues.

As for our "7-Eleven" convenience stores in Sarawak, we require a trading licence from the Inland Revenue Board of Malaysia ("**IRBM**") pursuant to the Businesses, Professions and Trades Licensing Ordinance of Sarawak. This Trading Licence is usually valid for a period of one year. Any non-compliance with the provisions of the Businesses, Professions and Trades Licensing Ordinance of Sarawak may result in the imposition of a fine of RM1,000.

As at the LPD, each of our "7-Eleven" convenience stores which require a Trading Licence has been issued with a Trading Licence by the relevant local councils/IRBM, save for 22 "7-Eleven" convenience stores located in the following regions/states:

Region/State	No. of stores
Kuala Lumpur	3
Selangor	1
Kedah	2
Perak	1
Kelantan	3
Johor	2
Pulau Pinang	2
Negeri Sembilan	3

Region/State	No. of stores
Terengganu	3
Sabah	1
Sarawak	1
Total	**22**

The lack of Trading Licences at the aforesaid locations is due to the following:

(a) the applications for a Trading Licence for 20 outlets are pending the approval from the relevant local councils; and

(b) the applications for a Trading Licence for two outlets (being one outlet located in Sabah ("**Sabah Outlet**") and one outlet in Sarawak) are pending our submission to the relevant local council and the IRBM.

We are enquiring with the relevant local councils on the status of the new applications under item (a) above for Trading Licences whilst we have temporarily ceased operations of the two outlets under item (b) above prior to 25 April 2014. The recommencement of operations of the said two outlets will only take place once the Trading Licences have been obtained.

Our Board has undertaken to obtain the Trading Licence for outlets referred to in item (a) above by the fourth quarter of 2014 save for one outlet in Kedah. The application for Trading Licence in respect of the outlet in Kedah will only be considered for approval after the completion of the conversion and subdivision of its master land title as well as the approval of its building plan. In addition, our Board has also undertaken to make half-yearly announcements on the status of the above undertaking to Bursa Securities and to update the SC on the same when such announcements are made.

(ii) Advertising Licence

Each of our "7-Eleven" convenience stores requires licence to advertise, and to display signboards at its premises ("**Advertising Licence**"). The application for an Advertising Licence is governed by the Local Government Act 1976, Local Government Ordinance 1961 of Sabah, Local Authorities Ordinance 1996 of Sarawak and the by-laws of the relevant local councils. The Advertising Licence is also normally valid for a period of one year, although some local councils may issue an Advertising Licence which would be valid for a period of up to three years. The renewal of an Advertising Licence must be done prior to the expiration of the licence.

Some of the Advertising Licences issued to our stores have conditions attached to them and we are obliged to comply with these conditions together with the requirements under the by-laws of the relevant local councils. Any non-compliance in Peninsular Malaysia with the conditions and the provisions of the by-laws may result in the imposition of a fine not exceeding RM2,000 or imprisonment for a term not exceeding one year or both and a further fine not exceeding RM200 for each day of non-compliance after conviction. In certain areas, the local councils are also given the power to revoke an advertisement licence if there is any non-compliance with the conditions and by-laws.

Further, any non-compliance by our "7-Eleven" convenience stores in Sabah with the provisions of the by-laws of the relevant local councils may result either in the imposition of a fine or imprisonment as stated in the by-laws of the relevant local councils. Additionally, any non-compliance by our "7-Eleven" convenience stores in Sarawak with the conditions of the Advertising Licence and the provisions of the Local Authorities (Advertisements) By-Laws 2012 may result in the imposition of a fine not exceeding RM5,000 and imprisonment for a term not exceeding six months and to a further fine not exceeding RM200 for each day during which the non-compliance is continued. The local councils are also given the power to revoke an Advertising Licence if there is any non-compliance with its conditions and the by-laws.

As at the LPD, each of our "7-Eleven" convenience stores which require an Advertising Licence has been issued with an Advertising Licence by the relevant local councils, save for 49 "7-Eleven" convenience stores located in the following regions/states:

Region/State	**No. of stores**
Kuala Lumpur	2
Selangor	1
Kedah	2
Perak	1
Kelantan	12
Johor	2
Pulau Pinang	11
Negeri Sembilan	3
Terengganu	3
Sabah	2
Sarawak	10
Total	**49**

The lack of Advertising Licences at the aforesaid locations is due to the following:

(a) the applications for an Advertising Licence for 48 outlets are pending the approval from the relevant local councils; and

(b) the application for an Advertising Licence for one outlet, being the Sabah Outlet referred to in Section 7.27.2(i) of this Prospectus, is pending our submission to the relevant local council.

We are enquiring with the relevant local councils for the status of the new applications for Advertising Licences under item (a) above whilst we have temporarily ceased operation for the Sabah Outlet under item (b) above prior to 25 April 2014. The recommencement of operation of the Sabah Outlet will only take place once its Trading Licence has been obtained.

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Our Board has undertaken to obtain the Advertising Licence for outlets referred to in item (a) above by the fourth quarter of 2014, save for two outlets in Kedah and Sarawak respectively. The application for Advertising Licence in respect of the outlet in Kedah will only be considered for approval after the completion of conversion and subdivision of its master land title as well as the approval of its building plan. For the outlet in Sarawak, the application for Advertising Licence will only be considered for approval upon the issuance of a CF/CCC in respect of the premise. In addition, our Board has also undertaken to make half-yearly announcements on the status of the above undertaking to Bursa Securities and to update the SC on the same when such announcements are made.

(iii) Licence for the Sale of Rice

Each of our store which sells rice is required to obtain a retail licence ("**Rice Licence**") under the Control of Padi and Rice (Licensing of Wholesalers and Retailers) Regulations 1996 from the Ministry of Agriculture and Agro-Based Industry Malaysia. The Rice Licence is normally valid for a period of two years, and shall be renewed at least 30 days prior to the expiration of the licence. The Rice Licence is issued with conditions attached to them which we are obliged to comply with.

Any non-compliance with the conditions and provisions in the Control of Padi and Rice Act 1994 and Control of Padi and Rice (Licensing of Wholesalers and Retailers) Regulations 1996 by a company may result in the imposition of a fine not exceeding RM25,000 and for the second and subsequent offence, to a fine not exceeding RM50,000. Further, any person including the director or officer of a company who fails to comply with the conditions and provisions of the Control of Padi and Rice Act 1994 and Control of Padi and Rice (Licensing of Wholesalers and Retailers) Regulations 1996, may be subject to the imposition of a fine not exceeding RM15,000 or imprisonment for a term not exceeding two years or both. For the second and subsequent offence, a fine not exceeding RM25,000 or imprisonment for a term not exceeding five years or both shall be imposed.

As at the LPD, each of our 536 stores which sell rice has a valid Rice Licence.

(iv) Licence for the Sale of Sugar, Flour and Oil

Each of our stores which sells controlled goods such as sugar, flour and oil is required to apply for and obtain a retail licence ("**Sugar, Flour and Oil Licence**") for the sale of such goods under the Control of Supplies Regulation 1974 from the MDTCC. The Sugar, Flour and Oil Licence is valid for a period of five years and shall be renewed prior to its expiration.

As at the LPD, each of our 1,461 stores which sell sugar, flour and oil has a valid Sugar, Flour and Oil Licence.

(v) **Retail Outlet Licences**

Each of our nine stores situated in Kuching Utara, Kuching Selatan and Samarahan, Sarawak, in addition to the Trading Licence, is also required to hold a retail outlet licence ("**Retail Outlet Licence**") issued by the relevant local councils to carry out sale of food and drinks. As at the LPD, all nine of our stores situated in Kuching Utara, Kuching Selatan and Samarahan, Sarawak requiring such licence have valid Retail Outlet Licences.

(vi) **Licence for the Sale of Delicacies**

Each of our three stores situated in Padawan, Sarawak, in addition to the Trading Licence issued by the IRBM, is also required to hold a delicacies licence ("**Delicacies Licence**") from the relevant local councils to sell local Sarawak delicacies. As at the LPD, all three of our stores in Padawan, Sarawak which require such licence have valid Delicacies Licences.

(vii) **Licences for the Sale of Liquor and Confectionaries**

Each of our 18 stores situated in Kuching Selatan, Padawan, Miri and Bintulu, Sarawak, in addition to the Trading Licences which were issued by the IRBM, is also required to hold a licence for the sale of liquor and confectionaries ("**Liquor and Confectionaries Licence**") from the relevant local councils. As at the LPD, all our 18 "7-Eleven" convenience stores in Kuching Selatan, Padawan, Miri and Bintulu, Sarawak which require such licence have valid Liquor and Confectionaries Licences.

(viii) **Personal Data Protection Act 2010 ("PDPA")**

On 13 February 2014, 7-Eleven Malaysia and CSSSB have each submitted an application for registration as data user to the Personal Data Protection Commissioner of Malaysia within the three month period from the date the PDPA came into force. As at the LPD, the Commissioner has not issued the certificate of registration to 7-Eleven Malaysia and CSSSB.

Other than as disclosed above, as at the LPD, we are in compliance with all conditions of our licences.

For the years ended 31 December 2010, 2011, 2012 and 2013, and the period from 1 January 2014 up to the LPD, we have paid compound charges of RM28,720, RM20,951, RM29,001, RM18,439 and RM6,255 respectively, primarily due to the outlets which are operating in contravention of the relevant by-laws regulating and/or conditions attached to the Trading Licence and/or Advertising Licence.

As at the LPD, although certain of our outlets have been fined for operating without the requisite Trading Licence and Advertising Licence, our Group has not been convicted by the court for such non-compliances.

Notwithstanding the above, our Group's operations have not been materially and adversely affected (including compounds, penalties, cessation of operations, seizure of products, revocation of licences) in the past for failure to obtain or renew the regulatory licences, approvals and permits to operate our stores.

VITAL FACTOR CONSULTING
Creating Winning Business Solutions

Vital Factor Consulting Sdn Bhd
(Company No.: 266797-T)
V Square @ PJ City Centre (VSQ)
Block 6 Level 6, Jalan Utara
46200 Petaling Jaya
Selangor, Malaysia
Tel (603) 7931 3188
Fax (603) 7931 2188
www.vitalfactor.com

1 8 APR 2014

The Board of Directors
7-Eleven Malaysia Holdings Berhad
(formerly known as Seven Convenience Berhad)
Level 3A, Podium Block, Plaza Berjaya
No. 12, Jalan Imbi
55100 Kuala Lumpur

Dear Sirs and Madam

Independent Assessment of the Convenience Store Segment of the Retail Industry in Malaysia

The following is an independent assessment of the convenience store segment of the retail industry in Malaysia prepared by Vital Factor Consulting Sdn Bhd ("Vital Factor Consulting") for inclusion in the prospectus of 7-Eleven Malaysia Holdings Berhad (formerly known as Seven Convenience Berhad, and herein together with all or any one or more of its subsidiaries will be referred to as "7-Eleven Malaysia Holdings Group" or the "Group") in relation to its initial public offering and listing of and quotation for the entire issued and paid-up share capital of 7-Eleven Malaysia Holdings Berhad on the Main Market of Bursa Malaysia Securities Berhad.

1 OVERVIEW OF THE RETAIL INDUSTRY

1.1 Industry Structure

The overall distributive trade industry consist of two sectors namely the retail industry and the wholesale industry. The wholesaling industry is mainly concerned with the resale of goods to industrial, commercial, institutional or professional users, or to retailers and other wholesalers. In contrast, the retail industry is mainly concerned with the resale of goods to the general public for personal or household consumption.

Generally, the retail industry in Malaysia is segmented into three key sectors, namely retail trade in non-specialised stores and specialised stores, and non-store based retailing.

(i) **Non-specialised stores** are typically those that are involved in selling more than one type of goods and therefore, convenience stores fall under this category. Other examples of non-specialised stores include, among others, departmental stores, hypermarkets, supermarkets, provision stores and minimarkets. 7-Eleven Malaysia Holdings Group's "7-Eleven" convenience stores are categorised as non-specialised stores commonly involved in selling a select range of food and non-food fast moving consumer goods ("FMCG").

(ii) **Specialised retail stores** refer to stores that specialise in selling mainly one category of goods. Some examples of specialised retail stores include among others, stores retailing books, home appliances, sporting goods, fashion and apparel, and hardware.

(iii) **Non-store based retailing** refers to other retail trade activities that are carried out independently of a fixed enclosed structure, including instances where the customer does not have direct contact with the retailer at a fixed location. Some examples of non-store based retailing include internet sales, direct selling and retail trade from temporary structures such as stalls and kiosks.

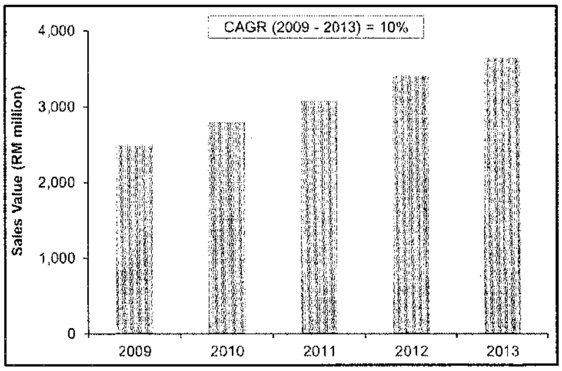
1.2 Convenience Store Segment

- Convenience stores are designed to provide convenience to customers by offering a select range of household goods, groceries, food and beverages with extended operating hours in accessible locations. Extended operating hours is arguably the most distinctive characteristic of a convenience store, with many operating 24 hours per day, seven days per week.

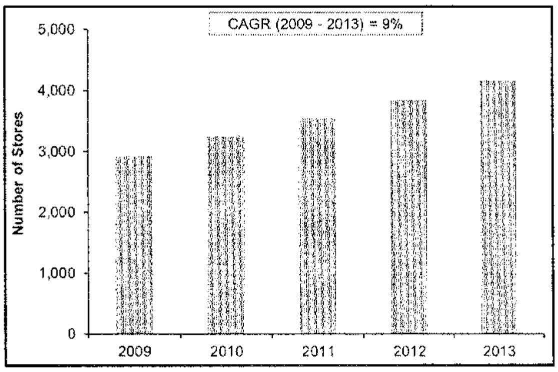
- There are currently two types of convenience stores operating in Malaysia, namely standalone convenience stores and convenience stores located in petrol stations (also known as petro marts). Standalone convenience stores and petro marts exclude provision stores and minimarkets.
  - Standalone convenience stores usually operate on a smaller retail space compared to other retail formats such as hypermarkets and supermarkets. Standalone convenience stores are commonly located in shopping centres, street level shopping areas and transportation hubs in commercial and residential areas.
  - Petro marts generally carry the same types of goods as standalone convenience stores with the addition of automotive products offered at most stores. While petro marts usually offer extended operating hours, some do not operate after midnight.

- Convenience stores operate on a modern retail format and offer a select range of goods focusing on food and non-food FMCG, usually for immediate consumption or usage. Some examples of FMCG that are commonly available at convenience stores include prepared, perishable and snack foods, confectioneries, bakery products, beverages, tobacco products, household goods, newspapers and magazines.

Estimated Growth in Sales Value of Convenience Stores



Estimated Growth in the Number of Convenience Stores



(Source: Vital Factor Consulting)

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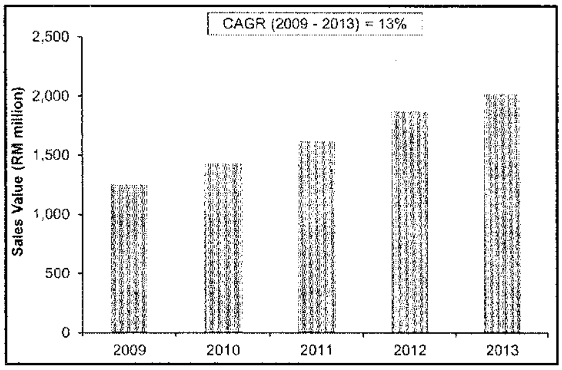
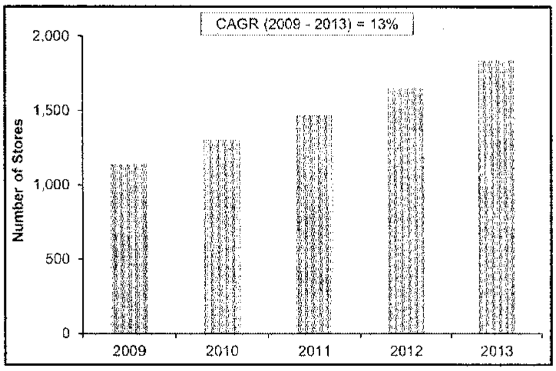
- Between 2009 and 2013, the estimated sales value of convenience store and the number of convenience stores grew at a compounded annual growth rate ("CAGR") of 10% and 9% respectively.

Estimated Growth in Sales Value of Standalone Convenience Stores



Estimated Growth in the Number of Standalone Convenience Stores

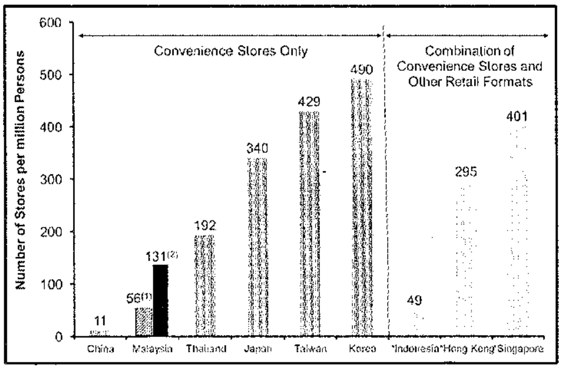


(Source: Vital Factor Consulting)

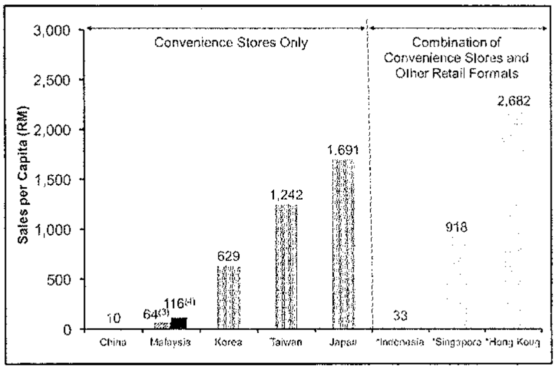
- Between 2009 and 2013, the estimated sales value of standalone convenience store and the number of standalone convenience stores both grew at CAGR of 13%.

1.2.1 Potential Growth in Penetration Rate and Sales Value

Convenience Stores per Million Persons – 2012



Convenience Store Annual Sales Value per Capita – 2012



*Notes: (1) Standalone convenience stores only. Calculated by dividing the estimated number of standalone convenience stores in Malaysia in 2012 by Malaysia's mid-year 2012 population; (2) Standalone convenience stores and petro marts; (3) Standalone convenience stores only. Calculated by dividing the estimated sales value of standalone convenience stores in Malaysia in 2012 by Malaysia's mid-year 2012 population; (4) Standalone convenience stores and petro marts; *Indonesia includes convenience stores and minimarkets; Hong Kong includes convenience stores and supermarkets; Singapore includes convenience stores, minimarkets and provision shops.*
No available data for Thailand on annual sales value per capita of convenience stores.
(Source: Secondary research by Vital Factor Consulting)

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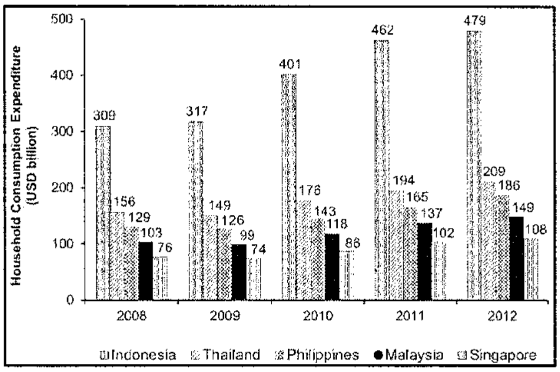
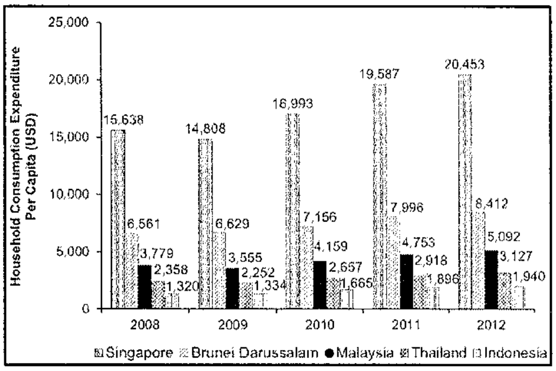
- In 2012, Malaysia's penetration rate in terms of the number of convenience stores per million persons was ahead of China but trailed Thailand, Japan, Taiwan and Korea. Similarly, the retail sales value per person spent at convenience stores in Malaysia was significantly lower compared to more developed nations like Korea, Taiwan and Japan. This indicates that there is significant growth potential for convenience stores in Malaysia. As Malaysia moves towards the status of a developed nation, the market size of the convenience store segment is likely to grow in tandem providing opportunities for convenience store operators in the industry.

1.2.2 Potential Growth in Household Consumption Expenditure

Top Five ASEAN Countries by Household Consumption Expenditure



Top Five ASEAN Countries by Household Consumption Expenditure per Capita



ASEAN = Association of Southeast Asian Nations
Note: The top five ASEAN countries are selected and sorted based on the highest value of household consumption expenditure and highest value of household consumption expenditure per capita.
(Source: Secondary research by Vital Factor Consulting)

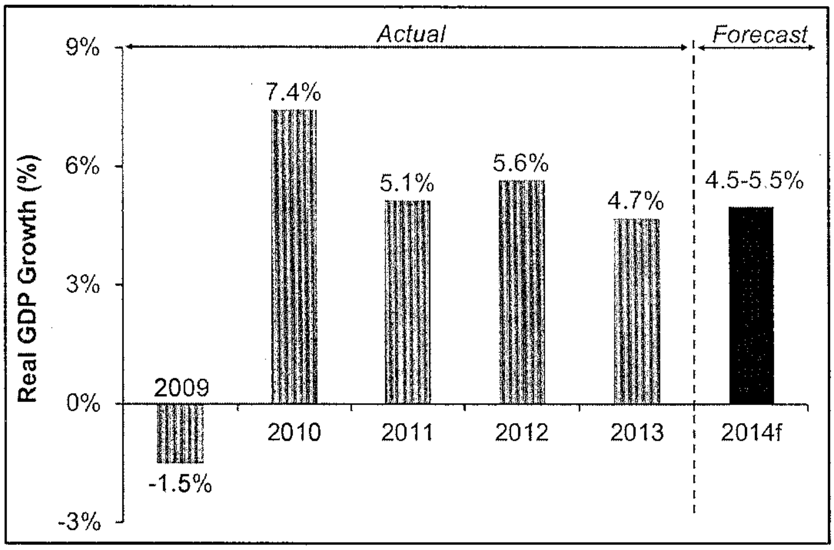
- In 2012, Malaysia's household consumption expenditure ranked fourth highest among the 10 ASEAN countries trailing Indonesia, Thailand and the Philippines. However, based on household consumption expenditure per capita, Malaysia ranked third among ASEAN countries surpassing Thailand, Indonesia and the Philippines. In 2012, Malaysia's household consumption expenditure per capita was 1.63 times higher than Thailand, the next highest country. The relatively high household consumption expenditure in Malaysia provides significant opportunities for the retail industry including the convenience store segment.

2 MACROECONOMIC INDICATORS

- Growth in real gross domestic product ("GDP") and consumer purchasing power are key drivers of growth for the convenience store segment of the retail industry in Malaysia. An increase in a country's GDP per capita measured on a purchasing power parity ("PPP") basis would indicate an increase in the purchasing power of the respective country's consumers.

2.1 Sustained Economic Growth

Malaysia's Real GDP Growth



f = forecast
(Source: Bank Negara Malaysia)

- Overall, Malaysia's real GDP grew at a CAGR of 5.7% between 2009 and 2013 with growth recorded every year during this period with the exception of 2009, when the economy contracted by 1.5% due to the global economic downturn. In 2012, growth of 5.6% was driven by resilient domestic demand despite the weak external environment. In 2013, the Malaysian economy grew by 4.7% driven by domestic demand, underpinned by steady private sector spending in both consumption and investment activities.

- While domestic demand in Malaysia has remained strong during the first and second quarter of 2013, the prolonged weakness in the external sector has affected the overall growth performance of the economy, which resulted to an expansion by 4.1% and 4.4% respectively. In the second half of 2013, exports showed improvements and coupled with the stable domestic demand, the Malaysian economy was boosted with growth recorded at 5.0% and 5.1% in the third and fourth quarter of 2013 respectively.

- For 2014, the Malaysian economy is forecasted to grow between 4.5% and 5.5%, supported by favourable domestic demand and an improving external environment *(Source: Bank Negara Malaysia)*.

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Real GDP Growth by State and Territory

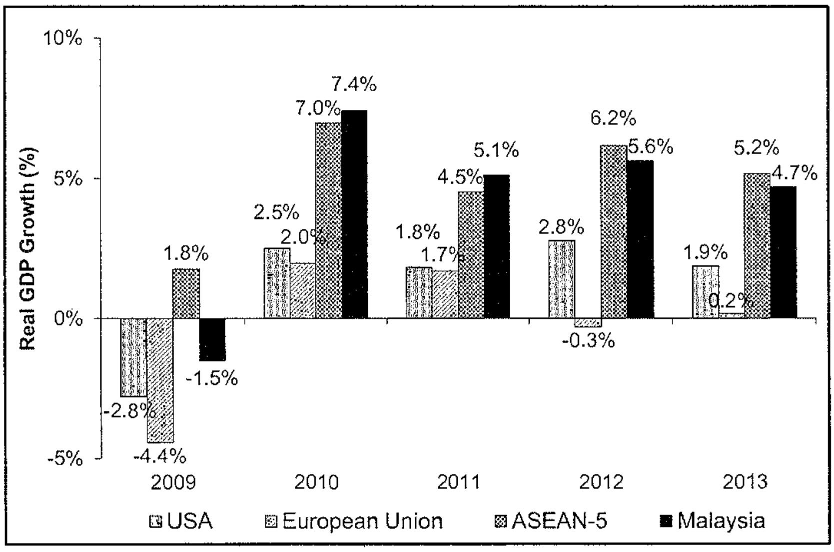
	2008	2009	2010	2011[e]	2012[p]
Kuala Lumpur and Putrajaya	9.1	3.6	10.6	8.8	7.2
Melaka	4.7	1.2	6.6	4.0	7.2
Selangor	9.1	-0.5	11.9	5.7	7.1
Perak	6.5	-1.1	5.7	7.0	7.1
Johor	4.2	-3.0	9.8	6.4	6.5
Kedah	0.8	-0.5	4.3	8.5	6.1
Labuan	-11.5	4.9	6.4	13.6	5.8
Kelantan	6.9	2.1	4.9	6.5	5.4
Pahang	5.0	-1.0	4.9	6.2	5.4
Negeri Sembilan	4.3	0.6	5.8	4.9	5.0
Pulau Pinang	5.5	-10.5	10.4	3.9	5.0
Perlis	2.9	-2.6	4.8	1.9	4.5
Sabah	10.7	4.8	2.7	1.3	4.1
Terengganu	2.1	-4.2	4.3	2.6	3.5
Sarawak	0.3	-2.0	4.3	5.8	1.5

e = estimate; p = preliminary
Note: All units in percentages.
(Source: Department of Statistics, Malaysia)

- Between 2010 and 2012, real GDP of all states in Malaysia registered positive growth rates.

2.2 Comparisons with Other Countries and Regions

Real GDP Growth



ASEAN-5 = Malaysia, Indonesia, Philippines, Thailand and Vietnam
(Source: Bank Negara Malaysia; Secondary research by Vital Factor Consulting)

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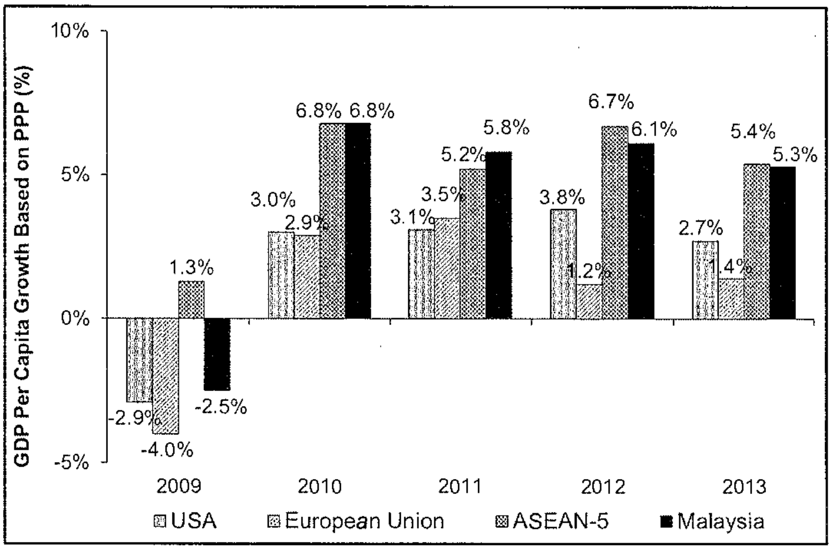
- Malaysia and the ASEAN-5 countries have continued to experience robust real GDP growth between 2009 and 2013. In 2013, both Malaysia and the ASEAN-5 countries recorded growth of 4.7% and 5.2% respectively, compared to advanced economies like the United States of America ("USA") and the European Union ("EU").

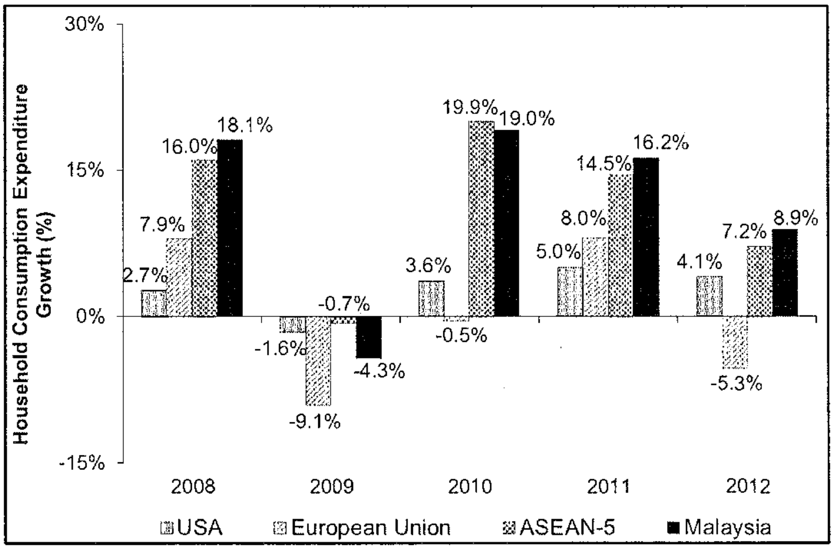
GDP per Capita Growth Based on Purchasing Power Parity



(Source: Secondary research by Vital Factor Consulting)

- GDP per capita in Malaysia grew by 5.3% in 2013, surpassing growth in the USA and EU. This indicates the increase in purchasing power of consumers in Malaysia, which will have a positive impact on the growth potential of the convenience store segment of the retail industry in the future.

Household Consumption Expenditure



(Source: Secondary research by Vital Factor Consulting)

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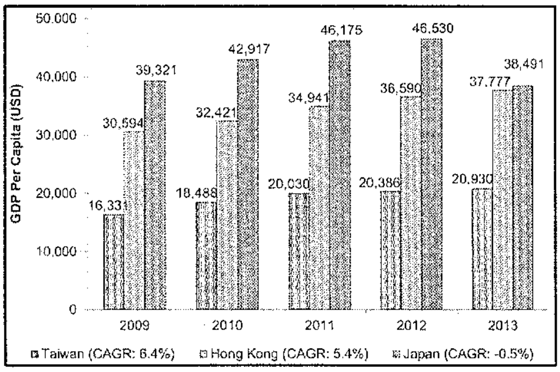
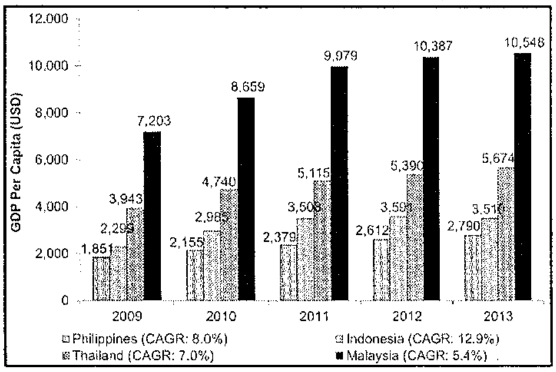
- An increase in household consumption expenditure is an indication of the growing affluence of the population. In 2012, Malaysia recorded the highest growth in household consumption expenditure as compared to the ASEAN-5 countries, the USA and EU. This in turn will stimulate expenditure on food and non-food FMCG.

GDP Per Capita – Developed Market Countries



GDP Per Capita – Emerging Market Countries



CAGR between 2009 and 2013
(Source: Secondary research by Vital Factor Consulting)

- An increase in a country's GDP per capita generally indicates economic growth and improvement in living standards. While GDP per capita of the developed market countries were higher, the GDP per capita of the emerging market countries registered higher CAGR between 2009 and 2013. The general growth in per capita GDP indicates improving living standards, and should stimulate consumer expenditure.

2.3 Growth in Other Economic and Social Indicators

- Other major economic and social indicators for Malaysia are summarised in the following table:

Other Economic and Social Indicators of Malaysia

	2009	2010	2011	2012	2013	CAGR 2009-13 *(%)*
Population [e] *(million)*	27.9	28.6	29.0	29.3	29.7	1.6
Per Capita Income *(RM)*	23,850	26,882	29,683	30,667	31,698 [p]	7.4
Value of Total Exports *(RM billion)*	552.5	638.8	697.9	702.6	719.8	6.8
Value of Total Imports *(RM billion)*	434.7	528.8	573.6	606.7	649.1	10.5
Unemployment Rate *(%)*	3.7	3.3	3.1	3.0	3.1 [p]	n.a.
Inflation Rate *(%)*	0.6	1.7	3.2	1.6	2.1 [p]	n.a.
Private Consumption Growth *(%)*	0.7	6.6	6.8	7.7	7.6 [p]	n.a.
Private Investment Growth *(%)*	-17.0	15.5	10.5	21.9	13.6 [p]	n.a.
Public Consumption Growth *(%)*	3.9	2.9	15.8	5.1	6.3 [p]	n.a.
Public Investment Growth *(%)*	7.5	5.0	1.0	17.1	0.7 [p]	n.a.

Notes: e = estimates; p = preliminary; n.a. = not applicable.
(Sources: Bank Negara Malaysia; Department of Statistics, Malaysia)

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- Malaysia's population continues to grow, increasing at a CAGR of 1.6% between 2009 and 2013. With the exception of 2009, per capita income during this period increased at a higher rate than inflation, which bodes well for the Malaysian economy as consumer purchasing power increases. Increases in per capita income indicate the growing affluence of Malaysia's population which may contribute to the growth potential of the convenience store segment.

- Inflation is measured through changes in consumer price index, and is mainly affected by energy and commodity price fluctuations including fuel and food prices. Between 2010 and 2013, inflation was mainly affected by price increases in food items. Moving forward, any price fluctuations in fuel and food prices will continue to have an impact on the country's inflation rate.

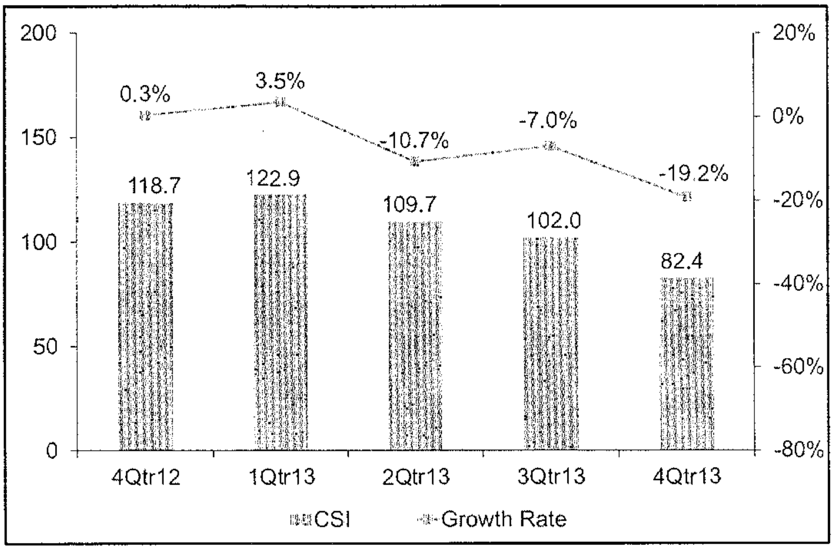
- The labour market in Malaysia continues to be robust, with unemployment rate stabilising between 3.0% and 3.3%. A relatively low unemployment rate is one of the factors contributing to positive consumer sentiments and increase in consumer spending.

- Private and public consumption and investment in Malaysia were generally resilient between 2009 and 2013 with the exception of a dip in 2009 when the Malaysian economy as a whole contracted. Increases in private and public consumption and investment will have a flow-on effect on increasing consumer spending in Malaysia.

2.4 Consumer Confidence

- The level of consumer confidence in the economy will have an impact on consumer spending. A high level of consumer confidence level may result in an increase in consumer spending that will benefit the general retail industry including the convenience store segment.

Consumer Sentiment Index - Malaysia



(Source: Malaysian Institute of Economic Research)

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- The Consumer Sentiment Index ("CSI") improved marginally to 118.7 points in the fourth quarter of 2012. Although expectations on present and expected incomes remained favourable with moderate outlook of the employment market, price pressures were expected to build up with delays in consumer spending. In the first quarter of 2013, the CSI increased by 3.5% to 122.9 points, which was the highest in six years. This was contributed by positive expectations on financial and employment outlook, easing of inflationary concerns and stabilisation of current incomes which led to the increase in consumer confidence. However by the second quarter of 2013, CSI registered a contraction of 10.7% to 109.7 points due to concerns of inflation coupled with bleak employment and financial expectations. The CSI further contracted by 7.0% in the third quarter of 2013 to 102.0 points due to dwindling income and job expectations, growth in inflationary concerns and weaker outlook on consumer spending. In the fourth quarter of 2013, CSI fell below the 100-point threshold, first time in almost five years, as the prospects of the household income and job weaken.

3 DEMAND AND SUPPLY CONDITIONS

- The sales value of retail trade provides an indication of the overall level of demand for the retail industry in Malaysia.

Sales Value of the Retail Industry

	2009	2010	2011	2012	2013	CAGR 2009-13 (%)
Sales Value of Overall Retail Trade	216.8	239.4	264.7	284.3	309.2	9.3
- *Sales Value of Non-specialised Stores*	*66.2*	*76.2*	*83.5*	*91.3*	*101.1*	*11.2*
- *Sales Value of Specialised Stores*	*147.4*	*160.2*	*178.1*	*189.7*	*204.4*	*8.5*
- *Sales Value of Non-store Based Retailers*	*3.2*	*3.0*	*3.1*	*3.3*	*3.6*	*3.1*

Notes: All units in RM billion except percentages.
(Source: Department of Statistics, Malaysia)

- According to the Department of Statistics, Malaysia, the convenience store segment is classified under the "retail sales in non-specialised stores" category of the overall retail industry. This category also includes sales generated through departmental stores, hypermarkets, supermarkets, minimarkets, newsagents and other segments of the retail industry.

- The sales value of non-specialised stores (which includes convenience stores as a subsector) grew at a CAGR of 11.2%, surpassing the CAGR in the sales value of overall retail trade, specialised stores and non-store based retailers, between 2009 and 2013. This suggests an industry that is robust with sustained growth over the last five years.

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4 SUPPLY AND DEMAND DEPENDENCIES

4.1 Supply Dependencies

- Convenience stores are dependent on local manufacturers and suppliers for most of their products. In terms of supply dependency, some of the main types of goods purchased by convenience stores for subsequent resale include:
  - Food products such as biscuits and cookies, bread and other bakery products, chocolate products and sugar confectionery, and snacks;
  - Non-alcoholic beverages;
  - Tobacco products;
  - Newspapers, journals and periodicals.

- The sales value of selected manufacturing activities relating to the products offered for sale in convenience stores are as follows:

Sales Value of Selected Manufacturing Activities

	2009	2010	2011	2012	2013	CAGR 2009-13 (%)
Manufacture of Biscuits and Cookies	1,034	1,102	1,058	1,041	1,085	1.2
Manufacture of Bread and Other Bakery Products	465	498	1,409	1,687	1,835	41.0
Manufacture of Chocolate Products and Sugar Confectionery	527	772	868	946	1,210	23.1
Manufacture of Snacks [1]	574	536	673	809	1,078	17.1
Manufacture of Non-alcoholic Beverages [2]	1,455	1,809	1,824	2,077	2,302	12.2
Manufacture of Tobacco Products	1,450	1,440	1,447	1,851	1,466	0.3
Publishing of Newspapers, Journals and Periodicals	1,104	1,292	1,403	1,447	1,475	7.5

[1] Includes chips and crackers. [2] Includes soft drinks and mineral water.
Note: All units in RM million except percentages.
(Source: Department of Statistics Malaysia)

- Between 2009 and 2013, the sales values of the manufacture of the selected products listed in the table above recorded positive CAGR, which suggest the availability of such products from local sources of supply.

4.2 Demand Dependencies

- The performance of convenience stores in Malaysia are dependent on several factors, including population growth and age profile, spending patterns of the different age groups, consumer affluence and spending, household final consumption expenditure, urbanisation, tourist arrivals and expenditure, and the sale of tobacco products and mobile phone products and services. These factors are further discussed in Section 10 of this document.

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5 COMPETITIVE ANALYSIS

- Operators in the retail industry, including operators of convenience stores, generally face normal competitive conditions. This is similar to a free enterprise environment characterised by the following factors:
  - There are no undue government regulations or licensing requirements;
  - No single or small group of operators is large enough to dictate pricing;
  - Operators may enter and leave the industry freely.

- In such an environment, the industry is subjected to normal supply and demand conditions moderated by the price mechanism and other factors of competition and differentiations.

- Convenience stores generally have extended operating hours, with many operating 24 hours per day, seven days per week. This is arguably the most distinctive characteristic of convenience stores compared to other retail formats.

- The following tables list the trade names of some of the standalone convenience store chains and petro mart chains currently operating in Malaysia (sorted by tier based on number of stores).

Standalone Convenience Stores – March 2014

Trade Name	Tier and Number of Stores	Coverage in Malaysia
"7-Eleven"[1]	**Tier 1 (> 1,000)**	**Nationwide**
KK Super Mart	Tier 3 (100 to 499)	Selangor, KL, Negeri Sembilan, Malacca
Orange Mart	Tier 4 (< 100)	Sabah
QE	Tier 4 (< 100)	Selangor, KL, Negeri Sembilan
Happy Mart	Tier 4 (< 100)	Penang
MyMart	Tier 4 (< 100)	Selangor, KL, Perak, Terengganu
Circle K	Tier 4 (< 100)	Selangor, KL

KL = Kuala Lumpur
Notes: The list above is not an exhaustive list of standalone convenience store chain trade names in Malaysia.
1) A small number of "7-Eleven" stores operate as petro marts.
(Source: Vital Factor Consulting)

- As at March 2014, 7-Eleven Malaysia Holdings Group, through its "7-Eleven" convenience stores, was the only Tier 1 operator in Malaysia with more than 1,000 stores. The next closest competitor among the standalone convenience store operators was KK Super Mart, a Tier 3 operator with 100 to 499 stores. Other standalone convenience store operators were Tier 4 operators, each with fewer than 100 stores.

Petro Marts – March 2014

Trade Name	Petrol Station	Tier and Number of Stores	Coverage in Malaysia
Mesra [1]	Petronas	Tier 2 (500 to 1,000)	Nationwide
Petron [2]	Petron	Tier 2 (500 to 1,000)	Nationwide (except Sarawak)
Select [3]	Shell	Tier 3 (100 to 499)	Nationwide
Star Mart	Caltex	Tier 3 (100 to 499)	Peninsular Malaysia
BHPetromart	BHPetrol	Tier 3 (100 to 499)	Peninsular Malaysia
Xpress Point	Caltex	Tier 4 (< 100)	Peninsular Malaysia

Notes: The list above is not an exhaustive list of petro mart chain trade names in Malaysia.
1) A very small number of "Mesra" stores operate as standalone convenience stores.
2) Petro marts at Petron petrol stations currently operate under the "Treats", "On-the-Run" and "Tiger Mart" trade names. An exercise is currently underway to rebrand these stores to operate under the "Treats" trade name.
3) Includes only "Select" brand of convenience stores at Shell petrol stations.
(Source: Vital Factor Consulting)

- As at March 2014, "Mesra" and "Petron" were Tier 2 operators, each operating between 500 and 1,000 stores in Malaysia. "Select", "Star Mart" and "BHPetromart" were Tier 3 operators, each operating between 100 and 499 stores.

- To a certain extent, convenience stores also compete against other retail formats such as hypermarkets, supermarkets, departmental stores, minimarkets and provision stores, as most of the products that are commonly available at convenience stores can also be purchased at these retail stores. However, competition from other retail formats is moderated by the following factors:
  - The longer operating hours typical of convenience stores results in some convenience stores continuing to operate when other retail formats are closed;
  - Easy accessibility and availability of stores at convenient locations.

- The trade names of some of the hypermarket, supermarket and minimarket chains that are currently operating in the retail industry in Malaysia are listed below *(sorted in alphabetical order)*:
  - "99 Speedmart" minimarkets;
  - "AEON" supermarkets;
  - "AEON Big" hypermarkets;
  - "Cold Storage" supermarkets;
  - "Econsave" hypermarkets and supermarkets;
  - "Giant" hypermarkets and supermarkets;
  - "Isetan" supermarkets;
  - "Jaya Grocer" supermarkets;
  - "Kedai Rakyat 1 Malaysia" minimarkets;
  - "MYDIN" hypermarkets and supermarkets;
  - "Tesco" hypermarkets;
  - "The Store" hypermarkets and supermarkets.

Note: The list above is not an exhaustive list of hypermarket, supermarket and minimarket chains currently operating in Malaysia.
(Source: Vital Factor Consulting)

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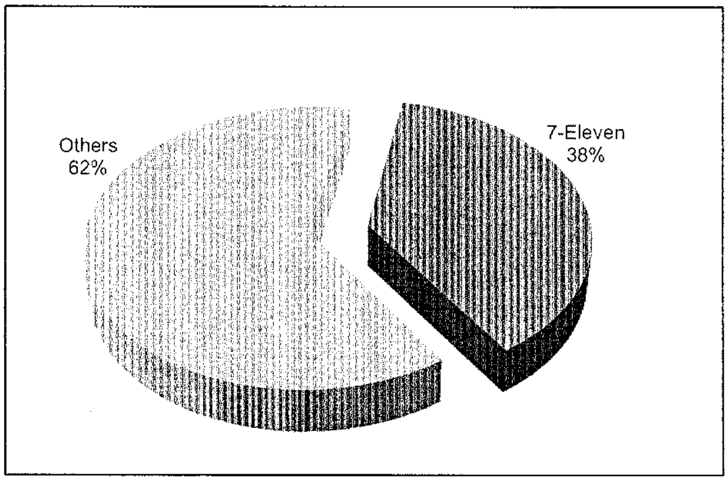
6 MARKET SHARE, SEGMENTATION, RANKING AND SIZE

6.1 Market Share

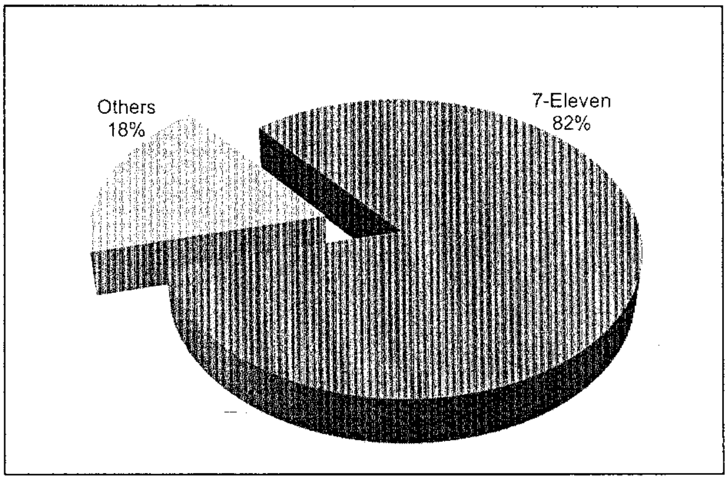
Market Share of "7-Eleven" Stores based on Number of Convenience Stores in Malaysia



(Source: Vital Factor Consulting)

- As at March 2014, the 7-Eleven Malaysia Holdings Group, operating under "7-Eleven", has an estimated market share of 38% of the convenience store segment based on number of stores in Malaysia.

Market Share of "7-Eleven" Stores based on Number of Standalone Convenience Stores in Malaysia

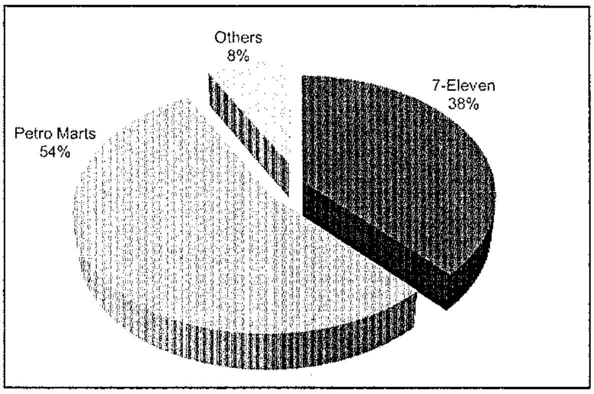


(Source: Vital Factor Consulting)

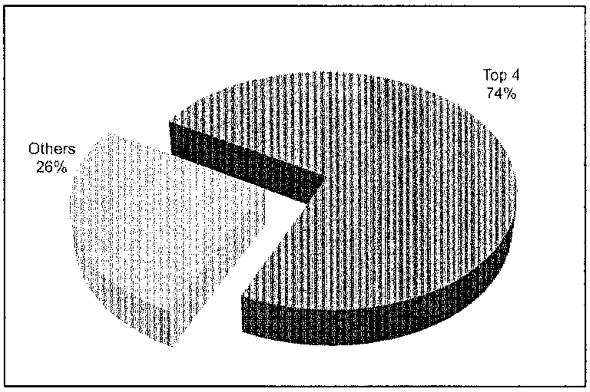
- As at March 2014, the 7-Eleven Malaysia Holdings Group, operating under "7-Eleven", has an estimated 82% market share of the standalone convenience store segment based on number of stores in Malaysia.

6.2 Market Segmentation

Market Share of "7-Eleven" and Petro Marts Based on Number of Stores in Malaysia



Market Share of Top 4 Operators Based on Number of Stores in Malaysia



(Source: Vital Factor Consulting)

- As at March 2014, petro marts have a 54% market share of the convenience store segment based on number of stores in Malaysia.
- As at March 2014, the convenience store segment has a high concentration ratio where the top four operators, namely "7-Eleven", "Mesra", "Petron" and "Select", represented an estimated 74% of the convenience store segment based on total number of stores in Malaysia.

6.3 Market Ranking

Standalone Convenience Stores

- As at March 2014, 7-Eleven Malaysia Holdings Group, through its "7-Eleven" convenience stores, ranked **first** among standalone convenience store chains based on the number of stores operated in Malaysia.
- As at March 2014, 7-Eleven Malaysia Holdings Group had approximately 10 times more convenience stores compared to the next largest standalone convenience store chain in Malaysia.
- As at March 2014, the number of "7-Eleven" convenience stores was greater than the total number of convenience stores operated by all other standalone convenience store chains in Malaysia.

(Source: Vital Factor Consulting)

Convenience Stores (Including Standalone Convenience Stores and Petro Marts)

- As at March 2014, 7-Eleven Malaysia Holdings Group, through its "7-Eleven" convenience stores, ranked **first** among convenience store chains based on the number of stores operated in Malaysia.

- As at March 2014, 7-Eleven Malaysia Holdings Group had slightly more than two times the number of convenience stores compared to the next largest convenience store chain in Malaysia.

- As at March 2014, the number of "7-Eleven" convenience stores was greater than the total number of stores operated by the next three largest convenience store chains in Malaysia.

(Source: Vital Factor Consulting)

6.4 Market Size and Share of Food, Beverages and Tobacco

- In 2013, the market size for food, beverages and tobacco in Malaysia based on household expenditure was estimated at RM54 billion.

- In 2013, 7-Eleven Malaysia Holdings Group had approximately a market share of 3% of the food, beverages and tobacco in Malaysia based on household expenditure.

Note: 7-Eleven Malaysia Holdings Group's market share of household spending on food, beverages and tobacco was estimated by dividing:
1) 7-Eleven Malaysia Holdings Group's revenue from convenience store operations, less revenue from non-food items; with
2) The estimated market size for household expenditure on food, beverages and tobacco in Malaysia.

(Source: Vital Factor Consulting)

7 GOVERNMENT REGULATIONS, LICENCES AND INITIATIVES

7.1 Government Regulations and Licences

- The convenience store segment of the retail industry is subjected to the following Malaysian Government regulations and licences in Malaysia:

  (i) Trading Licence whereby under the Local Government Act 1976, a retail outlet is required to obtain a Trading Licence from the relevant local council in order to operate.

  (ii) Signboard Licence whereby a retail outlet is required to obtain a Signboard Licence from the relevant local council to display a signboard at its premises under the Local Government Act.

  (iii) Retail Licence for Rice whereby under the Control of Padi and Rice Act 1994, those who are engaged in the retailing of rice are required to obtain a Retail Licence for Rice under the Control of Padi and Rice (Wholesale and Retail Licensing) Regulation 1996. The licence is issued by the Ministry of Agriculture and Agro-based Industry.

  (iv) Retail Licence for Scheduled Controlled Goods whereby under the Control of Supplies Act 1961, those who are engaged in the retailing of goods classified as scheduled controlled goods are required to obtain a Retail Licence for the relevant good under the Control of Supplies Regulation 1974. Scheduled controlled goods include flour, sugar, cooking oil, and all types of bread except French loaf.

(v) Under the Franchise Act 1998, registration with the Registrar of Franchise is required before a company is allowed to commence on the franchising business.

7.2 Government Initiatives

- The Malaysian Government has introduced a number of initiatives that may benefit operators in the retail industry including the convenience store segment. Some of these initiatives in the 10th Malaysia Plan and the Economic Transformation Plan are discussed below.

(i) **10th Malaysia Plan**

The 10th Malaysia Plan is a framework of targets and plans developed by the Malaysian Government to be executed from 2011 to 2015 with the aim of promoting economic development. There are twelve drivers of economic growth, also known as National Key Economic Areas ("NKEA"), which are expected to contribute to Malaysia's transformation target. This development is in line with the Malaysian Government's goal of shifting the economy towards higher value-added activities. The wholesale and retail Industries have been identified as an NKEA sector where objectives to be realised under this sector include:

- Liberalising the retail and wholesale sector, and promoting investments;
- Encouraging consolidation among local retailers to encourage efficiencies and achieve economies of scale;
- Encouraging modern retail formats such as hypermarkets, supermarkets, convenience and specialty stores to stimulate investment and accelerate the progression towards modernisation;
- Promoting franchise, direct sales and e-commerce.

(Source: 10th Malaysia Plan)

(ii) **Economic Transformation Programme ("ETP")**

The ETP is a progressive framework identifying various economic sectors and strategies to transform Malaysia into a high-income and developed nation by 2020. The wholesale and retail Industries are identified as a NKEA, with a number of entry point projects ("EPP") recognised including:

- Developing 'Makan Bazaars', which are food centres that would also have space for retail outlets such as convenience stores;
- Intensifying the transformation of Kuala Lumpur International Airport ("KLIA") into a retail hub;
- Developing big box boulevards, which refer to the concentration of integrated large-scale retailers and factory outlets within a single location. These boulevards would be supported by other retail outlets such as convenience stores;

- Removal of import duties on all finished goods except tobacco.

(Source: Economic Transformation Programme)

(iii) **The Corridors and Cities Transformation Programme**

The Corridors and Cities Transformation Programme complements other government initiatives such as the 10th Malaysia Plan and ETP. The goal of the programme is to develop five regional secondary cities and their corresponding economic corridors by focusing on their competitive advantages and industry strengths. The following table provides a summary of the five corridors:

Corridor	Iskandar Malaysia	Northern Corridor Economic Region	East Corridor Economic Region	Sabah Development Corridor	Sarawak Corridor of Renewable Energy
Development Period	2006 - 2025	2007 - 2025	2007 - 2020	2008 - 2025	2008 - 2030
Main City and State	Johor Bahru, Johor	Georgetown, Penang	Kuantan, Pahang	Kota Kinabalu, Sabah	Kuching, Sarawak
Focus Sectors	Creative industries, education, financial services, healthcare, logistics, tourism, electrical and electronics industry, oleo chemicals, food- and agro-processing.	Agriculture, logistics, education, manufacturing and tourism.	Agriculture, education, manufacturing, oil and gas, petrochemicals and tourism.	Agriculture, logistics, manufacturing and tourism.	Aluminium, glass, marine engineering, metal-based industry, oil and gas, timber-based industry, tourism, aquaculture, livestock, palm oil and tourism.
Expected Investment *(RM billion)*	383	177	112	113	334
Committed Investment between Jan-Sep 2013 *(RM billion)*	12.6	7.2	22.8	8.6	2.2
Realised Investment between Jan-Sep 2013 *(RM billion)*	10.0	7.2	3.7	3.0	1.7

(Sources: Iskandar Region Development Authority; Northern Corridor Implementation Authority; East Coast Economic Region Development Council; Sabah Economic Development and Investment Authority; Regional Corridor Development Authority; Ministry of Finance Malaysia.)

7.3 Budget 2014

- In Malaysia's Budget 2014, the Government stated that the sales tax and service tax will be abolished and will be replaced by the Goods and Services Tax (GST), which will be effective from 2015. The GST will be applied to all goods and services unless specified as zero-rated supply. Many of the products sold in convenience stores will be subjected to the GST when it is implemented in 2015.

(Source: Ministry of Finance Malaysia)

7.4 Subsidy Rationalisation

- The Government has rationalised several subsidies in 2013. The subsidy on petroleum products such as petrol and diesel were reduced by RM0.20 per litre, while the subsidy on sugar amounting to RM0.34 per kg was abolished. In addition, the electricity tariff for all user categories in Peninsular Malaysia, Labuan and Sabah was increased effective from 1 January 2014 *(Sources: Ministry of Domestic Trade, Co-operatives and Consumerism Malaysia, Ministry of Energy, Green Technology and Water Malaysia).*

- These measures are likely to reduce the disposable income of the average Malaysian consumer, as well as increase inflationary pressure in the Malaysian economy. The reduction in the petroleum product subsidy and the increase in electricity tariff are likely to increase costs for operators in the retail industry, including the convenience store segment.

8 THREAT OF SUBSTITUTES

- There are several substitutes for convenience stores in terms of other types of retail formats that would carry a similar, if not, a wider range of products such as hypermarkets, supermarkets, departmental stores, minimarkets and provision shops. However, these retail formats are unlikely to completely replace or substitute in view of the following advantages and characteristics of convenience stores:
  - Longer operating hours commonly extending to 24 hours a day, 7 days a week;
  - Wide availability where there are more convenience stores in a given urban and suburban area compared to other retail formats;
  - Convenient locations in proximity to residential and commercial areas in urban centres, suburbia, high pedestrian and traffic areas, and petrol stations;
  - Ease of accessibility where convenience stores are located in areas where they are easily accessible to pedestrians and vehicles;
  - Stock a range of FMCG typically for immediate consumption or usage.

9 RELIANCE AND VULNERABILITY TO IMPORTS

- Operators of convenience stores are involved in retailing a range of products, some of which are manufactured locally, while others are imported. The convenience store segment generally faces a low degree of vulnerability to imports as the products normally sold at convenience stores are general in nature, and are not controlled by a small or limited number of overseas suppliers. There is a range of alternatives available for each type of product in terms of differing brands and close product substitutes. These alternatives are usually available from a number of local and overseas manufacturers and suppliers. The ready availability of alternatives significantly reduces the convenience store segment's vulnerability to imports.

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10 INDUSTRY PROSPECTS AND OUTLOOK

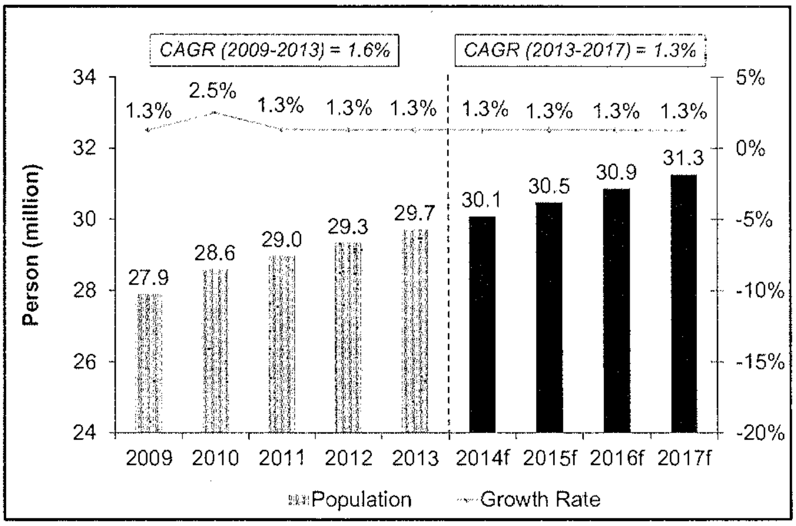
10.1 Prospects of the Convenient Store Segment of the Retail Industry

- The prospects of the convenience store segment will be dependent, to a certain extent, on the economic conditions of Malaysia. The social factors that continue to drive the prospects of the industry in Malaysia are the continuing increase in urbanisation, consumer confidence which may increase the propensity to spend, population growth and growing affluence of consumers as reflected in income per capita as well as household consumption expenditure in Malaysia.

10.2 Future Trends and Drivers of Growth

10.2.1 Positive Population Growth Creating a Larger Consumer Base

Malaysia's Population – Mid-Year



(Source: Department of Statistics, Malaysia)

- The population in Malaysia has been increasing at a CAGR of 1.6% between 2009 and 2013 with an expected targeted population of 31.3 million by 2017.

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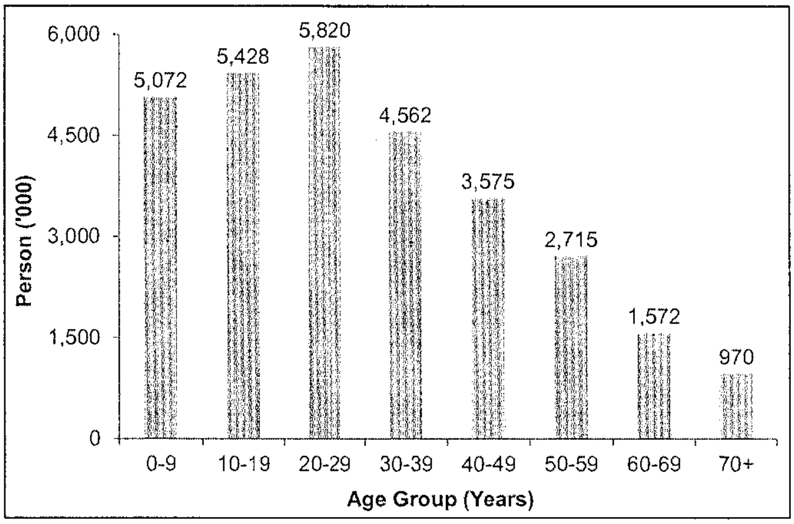
10.2.2 Relatively Young Population

- A growing population will benefit the retail industry in general by expanding the base of potential consumers and raising the overall level of demand.

Age Distribution of Population in Malaysia – As at Mid-2013



(Source: Department of Statistics, Malaysia)

Age Distribution of Population in Malaysia – Mid-Year

	2009	**2013**	**CAGR 2009-13 (%)**
Age Group (Years)			
0-9	5,027	5,072	0.2
10-19	5,334	5,428	0.4
20-29	4,906	5,820	4.4
30-39	4,363	4,562	1.1
40-49	3,675	3,575	-0.7
50-59	2,544	2,715	1.6
60-69	1,275	1,572	5.4
70+	771	970	5.9
TOTAL	**27,895**	**29,715**	**1.6**

Note: All units in thousand persons except percentages.
(Source: Department of Statistics Malaysia)

- Malaysia's population aged 60 years and above registered relatively high growth in terms of CAGR between 2009 and 2013. However, the composition of Malaysia's population is relatively young. In 2013, 54.9% of Malaysia's population comprised 29 years of age and younger. Therefore, the needs and requirements of the young adult population in Malaysia will be the main driver shaping the market for the retail industry including the convenience store segment.

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10.2.3 Higher Expenditure from Younger Age Group

Malaysia's Average Monthly Household Expenditure on Food and Beverages Away from Home

Age Group of Head of Household	2005	2010	CAGR 2005-10 (%)
24 and below	260	301	3.0
25-34	204	254	4.5
35-44	216	243	2.4
45-64	210	229	1.7
65 and above	142	157	2.0

(Source: Department of Statistics, Malaysia)

- Households headed by younger persons aged 24 and below have a higher average monthly expenditure on food and beverage products away from home compared to households with older heads. This is positive when coupled with the relatively young composition of Malaysia's population discussed in the previous section.

Malaysia's Average Monthly Household Expenditure on Food, Beverages and Tobacco by Age of Head of Household

	24 and below	25-34	35-44	45-64	65 and Above
In 2005					
Food and Non-alcoholic Beverages	165	319	415	435	385
- Rice	15	32	37	40	36
- Bread and Other Cereals	29	40	49	47	39
- Meat	18	37	56	63	55
- Fish and Seafood	25	58	84	96	88
- Milk, Cheese and Eggs	15	37	37	28	27
- Oils and Fats	4	9	12	13	12
- Fruits	10	20	28	31	26
- Vegetables	16	32	44	51	47
- Sugar, Jam, Honey, Chocolate and Confectionery	6	11	15	14	11
- Food Products, Not Elsewhere Classified	8	20	26	29	21
- Coffee, Tea, Cocoa and Non-alcoholic Beverages	19	22	28	26	23
Alcoholic Beverages and Tobacco	50	37	35	36	24
In 2010					
Food and Non-alcoholic Beverages	251	382	453	496	403
- Rice	29	34	42	47	38
- Bread and Other Cereals	37	50	56	57	45
- Meat	30	49	63	77	57

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	24 and below	25-34	35-44	45-64	65 and Above
- Fish and Seafood	46	76	98	114	99
- Milk, Cheese and Eggs	22	47	44	34	30
- Oils and Fats	7	10	13	14	11
- Fruits	12	21	25	31	26
- Vegetables	27	37	46	54	47
- Sugar, Jam, Honey, Chocolate and Confectionery	7	12	14	13	10
- Food Products, Not Elsewhere Classified	11	17	20	23	19
- Coffee, Tea, Cocoa and Non-alcoholic Beverages	23	28	31	32	22
Alcoholic Beverages and Tobacco	55	52	49	48	30
CAGR 2005-10 (%)					
Food and Non-alcoholic Beverages	8.8	3.7	1.8	2.7	0.9
- Rice	14.1	1.2	2.6	3.3	1.1
- Bread and Other Cereals	5.0	4.6	2.7	3.9	2.9
- Meat	10.8	5.8	2.4	4.1	0.7
- Fish and Seafood	13.0	5.6	3.1	3.5	2.4
- Milk, Cheese and Eggs	8.0	4.9	3.5	4.0	2.1
- Oils and Fats	11.8	2.1	1.6	1.5	-1.7
- Fruits	3.7	1.0	-2.2	-	-
- Vegetables	11.0	2.9	0.9	1.1	-
- Sugar, Jam, Honey, Chocolate and Confectionery	3.1	1.8	-1.4	-1.5	-1.9
- Food Products, Not Elsewhere Classified	6.6	-3.2	-5.1	-4.5	-2.0
- Coffee, Tea, Cocoa and Non-alcoholic Beverages	3.9	4.9	2.1	4.2	-0.9
Alcoholic Beverages and Tobacco	1.9	7.0	7.0	5.9	4.6

(Source: Department of Statistics, Malaysia)

- Between 2005 and 2010, average monthly expenditure on food and non-alcoholic beverages by households headed by those aged 24 years and below recorded the highest CAGR at 8.8% compared to households with older heads.
- Households headed by younger persons aged 24 and below have a higher average monthly expenditure on alcoholic beverages and tobacco compared to households with older heads.

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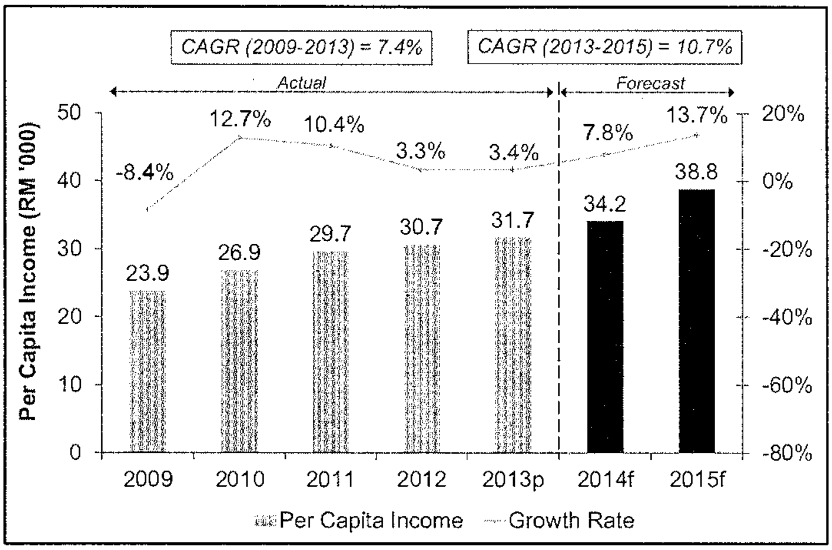
10.2.4 Increase in Consumer Affluence and Consumer Spending

Malaysia's Per Capita Income



p = preliminary; f = forecast
(Sources: Bank Negara Malaysia; Economic Planning Unit, Prime Minister Department)

- Generally, an increase in consumer affluence as reflected by the growth in per capita income is likely to increase overall consumer spending. This would be a growth driver to the overall retail industry, including the convenience store segment. Between 2009 and 2013, per capita income in Malaysia grew at a CAGR of 7.4%. Moving forward, per capita income in Malaysia is expected to continue growing with an estimated CAGR of 10.7% between 2013 and 2015. This would provide consumers with increased disposable income that could contribute positively towards the prospects of the retail industry, including the convenience store segment.

Average Monthly Per Capita Household Income by State

	2009	**2012**	**CAGR 2009-12 *(%)***
Kuala Lumpur............	1,933	2,854	13.9
Putrajaya....................	2,161	2,562	5.8
Selangor.....................	1,714	1,986	5.0
Labuan.......................	1,297	1,702	9.5
Pulau Pinang..............	1,322	1,547	5.4
Melaka	1,169	1,382	5.7
Johor..........................	1,100	1,368	7.5
Negeri Sembilan	1,020	1,339	9.5
Sarawak.....................	974	1,257	8.9
Pahang.......................	960	1,131	5.6
Sabah.........................	833	1,073	8.8

	2009	2012	CAGR 2009-12 *(%)*
Perak..........................	836	1,049	7.9
Terengganu................	783	1,023	9.3
Perlis........................	752	982	9.3
Kedah.........................	762	954	7.8
Kelantan.....................	641	742	5.0

Note: All units in RM except percentages
(Source: Department of Statistics, Malaysia)

- Between 2009 and 2012, the average monthly per capita household income in Kuala Lumpur grew the fastest among all states and territories in Malaysia with CAGR of 13.9%. In addition, the average monthly per capita household income in Kuala Lumpur was the highest in Malaysia in 2012.

10.2.5 Private Final Consumption Expenditure

Private Final Consumption Expenditure

	2008	2009	2010	2011[e]	2012[p]	CAGR 2008-12 *(%)*
Food and Non-alcoholic Beverages	75.3	79.4	84.6	92.6	100.6	7.5
Alcoholic Beverages and Tobacco................................	6.8	7.1	7.8	8.1	8.8	6.9

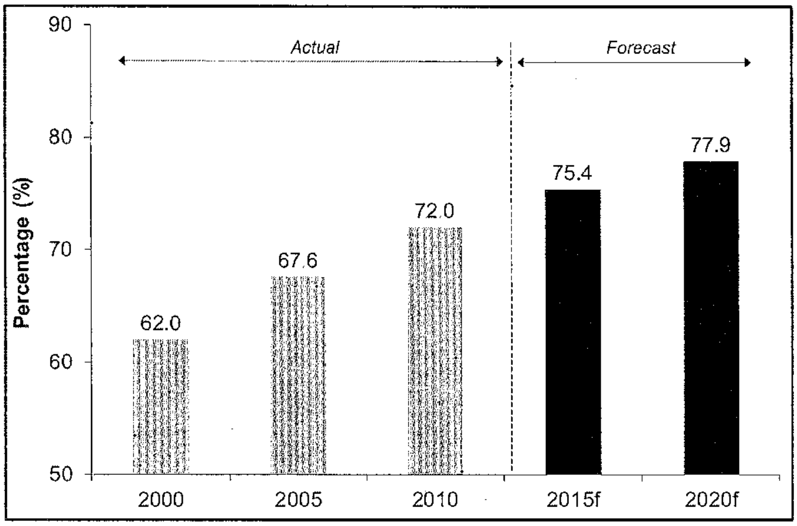
e = estimate; p = preliminary
Note: All units in RM billion except percentages.
(Source: Department of Statistics, Malaysia)

- Between 2008 and 2012, private final consumption expenditure on food and non-alcoholic beverages increased at a CAGR of 7.5%, while alcoholic beverages and tobacco increased at a CAGR of 6.9%. Increasing private final consumption expenditure on these product categories augurs well for operators in the retail industry, including convenience store operators.

10.2.6 Increasing Urbanisation

- Increasing urbanisation will continue to drive the demand for goods and services from convenience stores.

Malaysia's Urbanisation Rate



(Source: Secondary research by Vital Factor Consulting)

- The urbanisation rate in Malaysia increased by 10.0% over a ten-year period between 2000 and 2010. The shift in population from rural to urban areas is expected to continue, with urbanisation forecasted to reach 77.9% by 2020. The projected increase in Malaysia's urban population would continue to provide opportunities in the convenience store segment.

Malaysia's Urbanisation Rate by State/Territory

	2000 (%)	2010 (%)
Kuala Lumpur	100.0	100.0
Putrajaya[1]	n.a.	100.0
Selangor	87.8	91.4
Pulau Pinang	79.5	90.8
Melaka	67.4	86.5
Labuan	77.3	82.3
Johor	64.3	71.9
Perak	59.0	69.7
Negeri Sembilan	54.9	66.5
Kedah	38.8	64.6
Terengganu	49.4	59.1
Sabah	48.1	54.0
Sarawak	48.0	53.8
Perlis	33.8	51.4

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	2000 (%)	2010 (%)
Pahang	42.1	50.5
Kelantan..........................	33.5	42.4

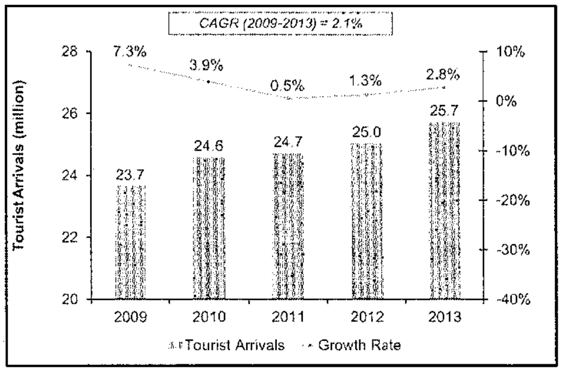
n.a. = not applicable
[1]Putrajaya became a Federal Territory in 2001. It was formerly part of the state of Selangor.
(Source: Department of Statistics Malaysia)

- Between 2000 and 2010, Kedah recorded the largest increase in urbanisation rate, which grew by 25.8%. Kuala Lumpur and Putrajaya were fully urbanised by 2010.

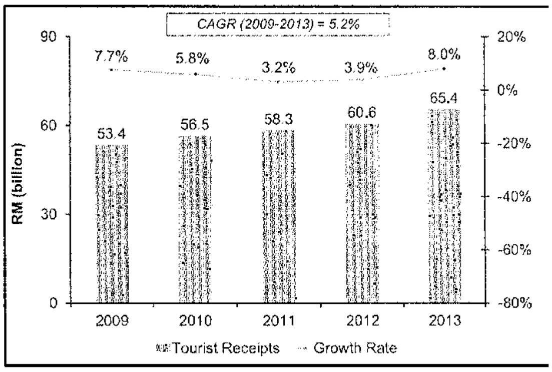
10.2.7 Increase in Tourism and Expenditure

- The influx of tourism into Malaysia will continue to provide opportunities for the retail industry including convenience stores due to their long operating hours and ease of availability. Foreign tourists are a sizable potential customer segment, with a total of 25.7 million tourist arrivals and total tourist receipts amounting to RM65.4 billion in 2013 *(Source: Tourism Malaysia)*.

Tourism Arrivals in Malaysia



Tourist Receipts in Malaysia



(Source: Tourism Malaysia)

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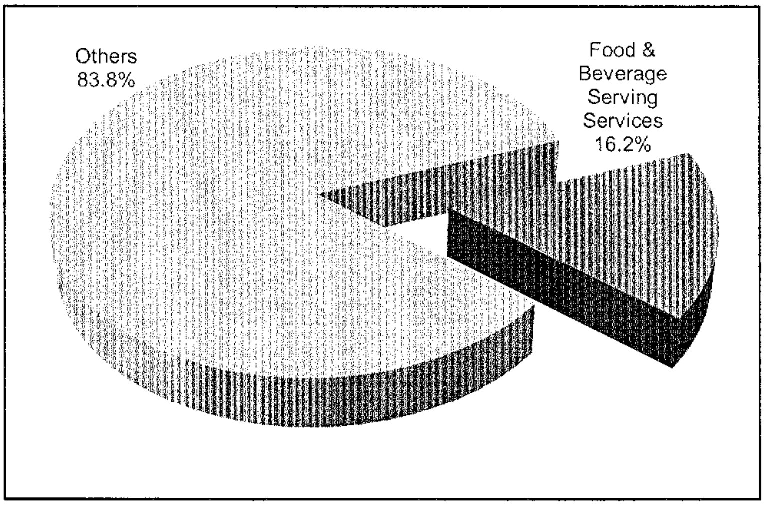
Breakdown of Foreign Tourist Expenditure - 2012



**Others include accommodation services, passenger transport services, travel agencies and other reservation services, cultural, sports and recreational services, and country-specific tourism characteristics goods and services.*
(Source: Department of Statistics, Malaysia)

- The Malaysian Government is actively promoting the tourism industry, as a NKEA under the ETP. Some of the 12 EPPs that have been identified as part of the ETP are to position Malaysia as a duty-free shopping destination for tourist goods *(Source: Pemandu, Prime Minister's Department, Malaysia)*. The Malaysian Government's initiative to drive the growth of the tourism industry would indirectly benefit the overall retail industry including the convenience store segment in Malaysia.

10.2.8 Sales of Tobacco Products

- Between 2005 and 2010, the average monthly household expenditure on tobacco products in Malaysia increased at a CAGR to 6.3% to approximately RM38 per household per month amounting to a total of RM3.0 billion in 2010 *(Source: Department of Statistics, Malaysia)*.

10.2.9 Sales of Mobile Phone Products and Services

- Sales of mobile phone starter packs and reloads constitute important product categories of convenience stores. As such, growth in the mobile phone penetration rates in Malaysia would continue to provide opportunities for operators of convenience stores. The size of the pre-paid segment of the mobile phone market is particularly relevant to convenience stores as sales of starter packs and reloads are exclusively for pre-paid mobile phone customers. In addition, convenience stores may also provide various bill payment services including payments for postpaid mobile phone subscriptions.

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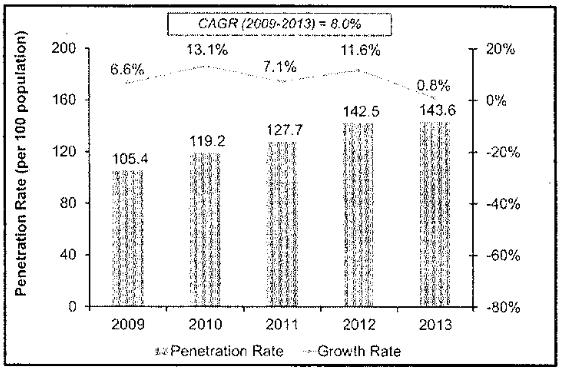
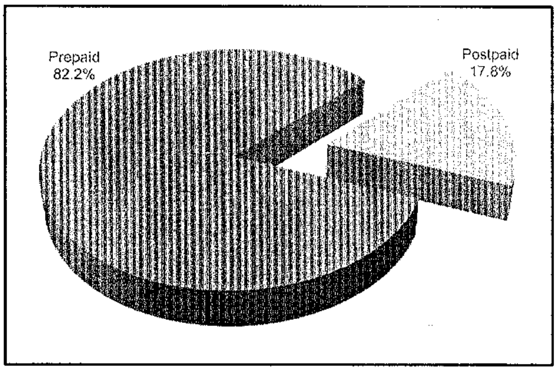
Malaysian's Mobile Phone Penetration Rate



Malaysia's Mobile Phone Subscription Type - 2013

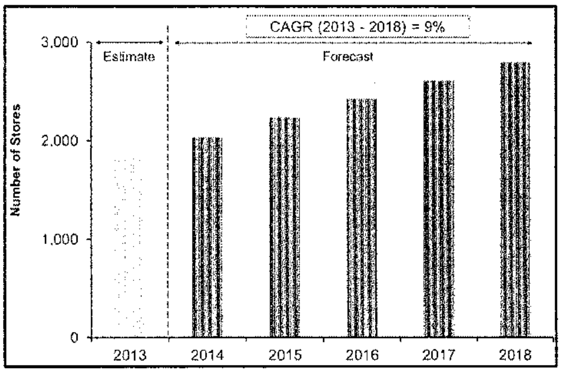


(Source: Malaysian Communications and Multimedia Commission)

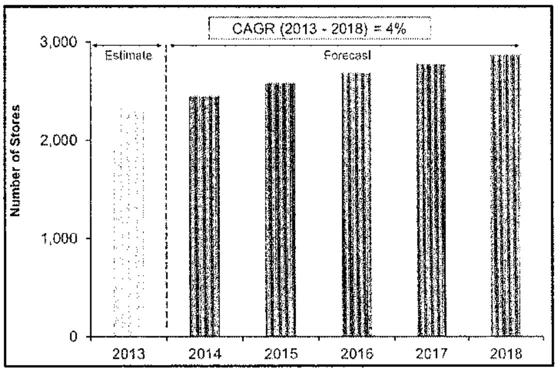
- The mobile phone penetration rate in Malaysia continued to increase even after it has reached the 100 subscriptions per 100 population milestone in 2009, with a CAGR of 8.0% between 2009 and 2013. Prepaid subscriptions, which accounted for 82.2% of all mobile phone subscriptions in 2013, continued to be the predominant segment with 35.3 million subscriptions. The substantial proportion of prepaid subscriptions in Malaysia will continue to drive the growth potential for convenience stores that are involved in selling prepaid mobile phone starter packs and reloads. At 7.6 million subscribers, the number of postpaid mobile phone subscriptions is still significant and represents an opportunity for convenience store operators with the capability to offer bill payment services at their stores in the future.

11 FUTURE GROWTH OF THE CONVENIENCE STORE SEGMENT

Forecast Number of Standalone Convenience Stores in Malaysia (2014 to 2018)



Forecast Number of Petro Marts in Malaysia (2014 to 2018)



(Source: Vital Factor Consulting)

- The number of standalone convenience store in Malaysia is forecasted to grow at a CAGR of 9% between 2013 and 2018. Growth is primarily driven by the expectations of continuing growth in, among others, real GDP, household expenditure on food and non-food FMCG, population and urbanisation.

- The number of petro marts in Malaysia is forecasted to grow by a CAGR of 4% between 2013 and 2018. The forecast growth in the number of petro marts is expected to be lower relative to standalone convenience stores. This is primarily due to the current high ratio of petro marts to petrol stations, with an expected low growth in the number of new petrol stations in Malaysia.

12 CRITICAL SUCCESS FACTORS

- The convenience store segment operates within a competitive environment dominated by chain operators. In addition, operators are affected by factors outside their control including economic, social and regulatory conditions as well as factors within their control including management and operation of their businesses. While there are many factors affecting the operation of the business, there are some factors that are critical to the long-term sustainability and growth of business within the convenience store segment. Some of these critical success factors are discussed below.

12.1 Strong Branding

- Branding is a critical success factor for operators in the convenience store segment primarily because it operates within the consumer industry. Operators with strong brand equity will derive benefits associated with instant brand recognition, brand recall culminating in long-term customer loyalty. From the operational perspective, operators with strong brand equity are likely to be in a stronger position to optimise from growth opportunities in the introduction of private label products associated with higher margins compared to the resale of other third party products.

12.2 Track Record and Market Reputation

- Track record and market reputation are important factors of consideration for operators in the convenience store segment. Customers that need assurance of product and service quality would normally select operators with an established track record and good market reputation.

12.3 Extensive Store Network

- The network of convenience stores and their geographic diversity is an important factor in determining the size of the addressable market of a convenience store operator. Generally, an operator's revenue earning potential increases with the number of the convenience stores as well as its geographical coverage. Convenience store operators with a nationwide geographical coverage would also be in a strong position to offer additional services such as mobile phone reloads, bill collection, and providing access to ATM whilst generating income from sources such as in-store media placement and shelf space rental. The income from these sources will largely flow directly to the operator's profit as the incremental costs of providing these services are low.

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12.4 Economies of Scale

- A convenience store operator that has reached a certain optimal size in terms of number of stores will be in a stronger position to benefit from economies of scale. The operator would be able to allocate costs such as headoffice, advertising and promotions, and warehousing and logistics across its network of convenience stores. Other benefits that can be derived from economies of scale include:

  (i) Stronger negotiation power with suppliers including obtaining among others, favourable payment terms and lower product pricing, exclusive product distribution or promotions, and more frequent delivery schedules.

  (ii) Greater efficiency in marketing costs and resources can be achieved through centralised purchasing and management of advertising, promotions and campaigns. Whilst marketing costs usually represent significant overhead costs, this cost can be defrayed across a large number of convenience stores to reduce the overall cost per convenience store.

  (iii) Centralised business functions such as internal controls, human resources and training, information technology and communications, procurement, warehousing and logistics can be defrayed over a large number of convenience stores.

12.5 Supply Chain

- An efficient supply chain system is critical for a convenience store operator with a large network of stores. Operators without any centralised supply chain are likely to experience inefficiencies in terms of procurement and logistics. The successful implementation of a supply chain with centralised procurement and logistics functions would enable an operator to achieve operational efficiencies

12.6 Long Operating Hours

- Long operating hours is a key differentiator when competing with alternative retail formats such as hypermarkets, supermarkets and minimarkets. It is during periods outside normal trading hours that convenience stores have a significant advantage of accessibility while many of the alternative retail formats are closed. It would also help sustain higher pricing for the same or similar products offered by other retail formats.

12.7 Product Range and Mix

- Convenience store operators that carry a product mix that is in line with the needs, expectations and preferences of their customers are in a better position to attract customers to their stores. Provision of value-added services such as bill payments, provision of ATM services and mobile phone reloads are added factors that will draw consumers to convenience stores.

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12.8 Financial Health

- Operators with strong financial position would be in a better position to sustain their business in the long-term including reinvesting in the business by expanding their store network, upgrading of stores and increasing advertising, marketing and brand development activities. In addition, operators with strong financial position are able to improve on centralised business functions such as procurement and logistics, IT systems and training to improve operational effectiveness and efficiency.

12.9 Internal Controls and Procedures

- Internal controls and procedures are important in safeguarding a convenience store's inventory and prevention of theft. A convenience store operator that fails to put into place effective internal controls is likely to experience cash shortfalls and/or inventory shortfalls, which would have an adverse impact on revenue and profitability.

- Convenience store operators with effective internal controls and procedures that are capable of detecting discrepancies in a timely manner and the ability to rectify discrepancies when detected are in a stronger position to prevent or minimise future losses from cash and inventory shortfalls. It is common for operators to invest in security systems such as closed circuit television ("CCTV") recorders at their stores to monitor and record the actions of their staff and members of the public at their stores.

12.10 Training

- Generally, convenience store operators rely on relatively lower skill level personnel to operate their convenience stores. Staff turnover is generally high, resulting in the need to constantly recruit and train personnel. Operators that are in a position to provide formal training programmes to their staff are in a better position to recruit and retain workers.

13 THREATS AND RISK ANALYSIS

13.1 Global Economic Slowdown

- Any prolonged and/or widespread economic slowdown is likely to affect economic performance, consumer confidence and spending in Malaysia. Uncertainty over the global and local economies may cause consumers to exercise more caution in their spending, which would have an impact on the retail industry including the convenience store segment.

Mitigating Factors

- Various initiatives introduced by the Malaysian Government such as the 10th Malaysia Plan and ETP which are expected to generate domestic business activity and consumption, would continue to provide opportunities in the retail industry and the convenience store segment.

- As convenience stores are primarily focused on selling FMCG, where most of which are used by consumers on a daily basis, an economic slowdown is unlikely to have a significant impact on the convenience store segment of the industry as compared to retailers of large ticket items.

13.2 Competition from Other Retail Formats

- Other retail formats such as hypermarkets, supermarkets, departmental stores, provision stores and minimarkets carry many of the same types of goods that are commonly available at convenience stores. As a result, these other retail formats pose a competitive threat to convenience store operators.

Mitigating Factors

- Convenience stores generally have distinct advantages such as offering extended operating hours and easy to access locations, which help to reduce competitive pressure posed by other retail formats.

13.3 Reputation Risk

- The reputation of operators in the convenience store segment is sensitive to public perception due to the sales of food and beverage items. Improper storage or handling of these food and beverage products may pose health risks as a result of food or beverage contamination. An operator may also become the target of malicious sabotage or rumours that are intended to damage its reputation.

Mitigating Factors

- Convenience store operators that continually ensure the safe and proper storage and handling of the food and beverage products sold at their stores are in a better position to reduce the risk of food or beverage contamination. While a convenience store operator may take all prudent measures to minimise the risk of food and beverage contamination and spoilage, incidences of sabotage or rumours are largely beyond the control of operators. To minimise the potential for reputation risk arising from sabotage and rumours, a convenience store operator may investigate any incidents with the relevant authorities, and communicate with consumers in a transparent and timely manner.

13.4 Public Liability

- Operators in the convenience store segment operate premises that are visited by customers, who are members of the public. As a result, convenience store operators are exposed to the risk of public liability if an accident resulting in harm or injury to a member of the public occurs on their premises.

Mitigating Factors

- Operators that exercise due care and consideration with respect to safety may be able to reduce the risk of accidents occurring on their premises, thereby reducing their exposure to public liability. Operators with public liability insurance are also in a stronger position to manage their exposure to risks arising from public liability.

13.5 High Operational Staff Turnover

- Convenience store operators experience high turnover operational staff and the inability to replace and train new staff quickly may have an adverse impact on their operations and financial performance.

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Mitigating Factors

- Convenience store operators may mitigate against the risk of high staff turnover by offering their operational staff competitive compensation, and training and skill development opportunities. Operators with an on-going programme of recruitment and training would be in a better position to mitigate against high staff turnover problems. Operators may also seek to retain qualified operational staff by offering opportunities to enrol in a structured training programme leading to a nationally recognised academic award upon successful completion.

13.6 Theft, Shoplifting and Robbery

- Convenience store premises are typically open to the public and operate extended hours where cash payments constitute a large proportion of convenience store transactions. As a result, convenience store operators are exposed to the risk of theft, shoplifting and robbery.

Mitigating Factors

- In general, convenience store operators may reduce the risk of theft, shoplifting and robbery by installing CCTV and alarm systems at their store premises. This may be supplemented by internal procedures and controls to reduce the risk of pilferage by internal staff.

Vital Factor Consulting, have prepared this report in an independent and objective manner and have taken all reasonable consideration and care to ensure the accuracy of the report. It is our opinion that the report represents a true and fair assessment of the industry within the limitations of, among others, secondary statistics and information, primary market research, and forecasting methodologies. Our assessment is for the overall industry and may not necessarily reflect the individual performance of any company. We do not take any responsibilities for the decisions or actions of readers of this document. This report should not be taken as a recommendation to buy or not to buy the shares of any company.

Yours sincerely

Wooi Tan
Managing Director

9. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, PROMOTERS AND SUBSTANTIAL SHAREHOLDERS

9.1 Directors

Our Board acknowledges and takes cognisance of the MCCG 2012, which contains recommendations to improve or to enhance corporate governance as an integral part of the business activities and culture of such companies. The MCCG 2012 is specifically targeted at listed companies on Bursa Securities, and listed companies with a year ended 31 December 2012 onwards will be required to report the extent of the adoption of the principles and recommendations of MCCG 2012 in their annual reports.

Our Board is committed to achieving and sustaining high standards of corporate governance. In regards to the above, our Board will use its best endeavours to comply with the MCCG 2012 and will provide a statement on the extent of compliance with the MCCG 2012 in our first annual report as a listed entity for the year ending 31 December 2014.

Within the limits set by our Articles, our Board is responsible for the governance and management of our Company. To ensure the effective discharge of its functions, our Board endeavours to follow the MCCG 2012 which sets out the following responsibilities:

(i) to review, challenge and approve our annual corporate plan, which includes our overall corporate strategy, marketing plan, human resources plan, information technology plan, financial plan, budget, regulations plan and risk management plan;

(ii) to oversee the conduct of our businesses and to determine whether the businesses are being properly managed;

(iii) to identify principal risks and ensure the implementation of appropriate internal controls and mitigation measures to effectively monitor and manage these risks;

(iv) succession planning, including appointing, training, fixing the remuneration of, and where appropriate, replacing our key management;

(v) to oversee the development and implementation of an investor relations programme or shareholders' communications policy for our Group; and

(vi) to review the adequacy and integrity of our internal controls and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines (including the Listing Requirements, securities laws and the Act).

In accordance with Article 95 of our Articles, at our AGM, one-third of our Directors for the time being, or if the number of Directors is not a multiple of three, then the number nearest to one-third with a minimum of one, shall retire from office and an election of Directors shall take place, provided always that each Director shall retire at least once in every three years but shall be eligible for re-election. In accordance with Article 96 of our Articles, the Directors to retire in each year shall be our Directors who, being subject to retirement by rotation, have been longest in office since their last election or appointment, but as between Directors who became or were last elected Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by lot. A retiring Director shall be eligible for re-election.

In accordance with Article 101 of our Articles, our Directors shall have the power at any time and from time to time to appoint any person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors, but the total number of Directors shall not at any time exceed the number fixed in accordance with our Articles. Any Director so appointed shall hold office only until the next AGM and shall then be eligible for re-election, but shall not be taken into account in determining the number of Directors who are to retire by rotation at that AGM.

At least one-third of our Board must also at all times be Independent Directors. As at the date of this Prospectus, our Board consists of seven Directors of which three are Independent Directors.

The details of the members of our Board, all of whom are Malaysian, as at the date of this Prospectus are as follows:

Name	Age	Date of appointment to our Board	Designation	No. of years in office as at the date of this Prospectus
Shalet Marian	57	21 August 2013	Independent Non-Executive Chairman	Less than one year
Chan Kien Sing	57	21 August 2013	Non-Independent Executive Director	Less than one year
Ho Meng	54	21 August 2013	Non-Independent Executive Director	Less than one year
Tan U-Ming	27	21 August 2013	Non-Independent Executive Director	Less than one year
Tan Wai Foon	54	21 August 2013	Non-Independent Non-Executive Director	Less than one year
Dato' Mohamed Nazim bin Abdul Razak	52	1 October 2013	Independent Non-Executive Director	Less than one year
Muhammad Lukman bin Musa @ Hussain	38	21 August 2013	Independent Non-Executive Director	Less than one year

Our Directors had retired at the first AGM held on 1 April 2014 and re-elected on the same day. None of our Directors represent any corporate shareholder.

9.1.1 Profiles of our Directors

SHALET MARIAN, aged 57, was appointed to our Board as Independent Non-Executive Chairman on 21 August 2013.

In 1981, she completed her articleship with Peat, Marwick, Mitchell & Co (*now known as KPMG (Malaysia)*). Thereafter, in 1982, she obtained her professional accounting qualification and was admitted as a member of the Malaysian Association of Certified Public Accountants (*now known as Malaysian Institute of Certified Public Accountants*). In 1994, she became a member of the Malaysian Institute of Accountants.

Her professional career began as a qualified auditor in 1982 in KPMG (Malaysia) where she continued after completing her articleship. She was principally involved in external audit. In 1983, she left KPMG (Malaysia) and joined Arab-Malaysian Merchant Bank Berhad ("**AMMB**") (*now known as AmInvestment Bank Berhad*) as an Internal Auditor where she was responsible for internal audit of the subsidiaries of AMMB. In 1984, she left AMMB and joined KPMG (Malaysia) as an Assistant Manager where she was responsible for external audits, managing client portfolios and a sub division within the main audit division. In 1988, she was transferred to KPMG Tax Services Sdn. Bhd. as a Senior Manager where she was responsible for managing client portfolios. In addition, she had responsibilities in human resources as well as unit and divisional responsibilities. In 1994, she was admitted as a partner in KPMG (Malaysia). In 2001, she was promoted to the Head of Corporate Tax Division of KPMG (Malaysia) where she was involved in the area of tax restructuring, incentives, identifying exposures and for managing several specialised units and teams. In 2006, she was re-designated as the Head of Indirect Tax where she was responsible for advising on cost saving ideas in embedded taxes in transactions. In 2007, she was re-designated as the Head of Finance and Administration where she was responsible for prudent financial management, cash flow management, cost optimization and driving annual budgetary processes. In 2009, the role of Country Risk Manager was added to her responsibilities where she was responsible for the setting and administration of enhanced risk management and quality control frameworks and policies and the operation of effective risk management and quality control processes and procedures compliant with the professional standards developed by the International Federation of Accountants as well as ethical requirements. Besides that, she was also responsible for setting and overseeing compliance with ethics and independence policies for services delivery and personal ethical and independence requirements compliant with international standards. In 2010, she opted for early retirement. In 2012, she joined Mustapharaj Sdn. Bhd. as an Advisor, a position she still holds as at the LPD. In March 2014, she was appointed as a consultant by E Bookkeeping Outsource Sdn. Bhd. She is concurrently the Chief Executive of Lejadi Foundation.

CHAN KIEN SING, aged 57, was appointed to our Board as Non-Independent Executive Director on 21 August 2013. He is also the Chief Executive Officer of 7-Eleven Malaysia since 21 January 2011. Prior to his appointment as the Chief Executive Officer, he was responsible for managing the operations, performance and strategic directions of the 7-Eleven Malaysia Group for over 10 years, initially as an Executive Director and subsequently as the Managing Director since 25 October 2004. As the Chief Executive Officer, he is primarily responsible for the supervision of the performance and strategic directions of the 7-Eleven Malaysia Group.

He became a member of the Malaysian Institute of Certified Public Accountants and Malaysian Institute of Accountants in 1988. Having articled with Peat, Marwick, Mitchell & Co (*now known as KPMG (Malaysia)*) from 1975 to 1981, he subsequently joined AMMB specialising in corporate finance until 1989 when he joined BGroup. He has more than 20 years of experience in the operations and management of companies and also in leading the development of their businesses.

Currently, he is an Executive Director of BCorporation, Berjaya Sports Toto Berhad and BMedia. He is also the Managing Director of Sun Media Corporation Sdn. Bhd. Besides that, he holds directorships in BAssets, Berjaya Capital Berhad, Berjaya Vacation Club Berhad, IUB, BRetail, BGroup and International Lottery & Totalizator Systems, Inc. and several other private limited companies.

HO MENG, aged 54, was appointed to our Board as Non-Independent Executive Director on 21 August 2013. He is also the Managing Director of 7-Eleven Malaysia since 12 August 2011. Prior to his appointment as the Managing Director, he was an Executive Director responsible for the oversight of the IT and Finance functions since 21 January 2011. As the Managing Director, he leads the management and operations of the 7-Eleven Malaysia Group.

He qualified as a chartered accountant from the Malaysian Institute of Certified Public Accountants in 1987. He is a member of the Malaysian Institute of Certified Public Accountants and the Malaysian Institute of Accountants since 1988 and a fellow member of the CPA Australia since 2008.

He served as an Audit Senior in Goonting & Chew, chartered accountants from 1979 to 1983. Subsequently, he joined Faber Group Bhd. (*previously known as Faber Merlin Malaysia Bhd.*) as a Senior Audit Assistant until 1985. He then worked as an Audit Executive in General Corporation Berhad from 1985 until 1987. He subsequently joined Ernst & Young as an Audit Senior in 1988. He left the same year to join MBf Builders Sdn. Bhd., a construction company, as the Finance & Administration Manager for two years. Between 1990 and 1994, he was with Berjaya Industrial Berhad as the Group Accounting Manager, hotels and resorts division and subsequently as the Financial Controller of its construction unit. He was with DiGi Telecommunications Sdn. Bhd. for almost 10 years after joining in 1995 when its mobile telecommunications service was launched and was the Chief Financial Officer when he left in 2005. Prior to his appointment as the Managing Director of 7-Eleven Malaysia in 2011, he was the Chief Executive Officer of U Television Sdn. Bhd. since 2005 and was re-designated to Executive Director on 1 October 2010.

Currently, he is a Director of U Telemedia and U Television Sdn. Bhd., and an alternate Director of U Mobile.

TAN U-MING, aged 27, was appointed to our Board as Non-Independent Executive Director on 21 August 2013. He is also an Executive Director of 7-Eleven Malaysia since January 2011 where he was responsible for overseeing merchandising, logistics and distribution as well as procurement and advertising & promotions functions of 7-Eleven Malaysia. He is also one of our Promoters.

He studied in Irvine Valley College, California, US. He attended the franchisee and in-store training courses with 7-Eleven USA in North America and has completed Phase I of Field Consultant Certification Training in Dallas, Texas, US.

In 2008, he was appointed as a Director of 7-Eleven Malaysia where he was responsible for overseeing merchandising, logistics and distribution as well as procurement and advertising and promotions functions of 7-Eleven Malaysia. In January 2011, he was promoted to the position of Executive Director of 7-Eleven Malaysia.

Currently, he is an Executive Director of Sports Toto Malaysia Sdn. Bhd. and a Director of MOL Global Pte. Ltd. He also holds directorships in several other private companies.

TAN WAI FOON, aged 54, was appointed to our Board as Non-Independent Non-Executive Director on 21 August 2013. She is also the Chairman of 7-Eleven Malaysia since 1 July 2013.

She graduated in 1980 with a Bachelor of Arts in English (Minor in Economics) from University of Manitoba and later obtained a Master in Business Administration in Finance from University of San Francisco in 1983.

In 1984, she started her career with NZI Investment Services Limited (Auckland, New Zealand) as an Investment Analyst and was subsequently transferred to NZI Investment Services Limited (Singapore) in 1986 as Portfolio Manager. She left NZI Investment Services Limited in 1989 and joined Indosuez Asia Investment Services Ltd. as Senior Investment Manager. A year later, she left Indosuez Asia Investment Services Ltd. and joined Peregrine Securities (Pty) Ltd. in Hong Kong for six months before moving to London where she worked as the Director of Sales and Corporate Broking. In 1994, she left Peregrine Securities (UK) Ltd. and joined Morgan Grenfell Asia Securities Limited (London) as the Head of Asian Equity Sales. After one year with Morgan Grenfell Asia Securities Limited (London), she was asked to take on a new assignment in Malaysia as the Country Head of Malaysian Equities Products, as well as representing Morgan Grenfell Asia Securities Limited (London) as Executive Director of K&N Kenanga Sdn. Bhd.. Concurrently, she was also part of the senior management team of Deutsche Morgan Grenfell Asia Securities Limited (Hong Kong). In 1998, she left Deutsche Morgan Grenfell Asia Securities Limited (Hong Kong) and joined Grand Generale Asset Management Limited ("**GGAM**") as Senior Investment Manager. The following year, the parent company of GGAM was acquired by Fortis which later merged their MeesPierson Investment Management business with GGAM to form Fortis Investment Management Asia Limited. Following the said acquisition, she was promoted to the role of Director of Research (Asia) and headed the research team. In 2002, she moved to Fortis Investment Management France SA and was re-designated as the Head of Asian Funds and Coordinator of Emerging-Market Equities Research. The year after, she joined Ward Ferry Management Ltd. as an Investment Manager. Then, in 2006, she left Ward Ferry Management Ltd. and joined WMG Asia Ltd. as the Chief Portfolio Manager and Managing Director. She was appointed by WMG Asia Ltd. as a (Hong Kong Securities and Futures Commission regulated) Responsible Officer in 2007, a position she held up to 6 January 2014. In 2012, she joined IPS as Senior Vice President and Head of Business Development, a position she still holds as at the LPD.

DATO' MOHAMED NAZIM BIN ABDUL RAZAK, aged 52, was appointed to our Board as Independent Non-Executive Director on 1 October 2013.

In 1985, he obtained his Bachelor of Architecture, Royal Institute of British Architects ("**RIBA**") Part 1 and subsequently graduated with a Master in Architecture, RIBA Part 2 from the Architectural Association, School of Architecture, London in 1987.

In 1987, he started his career with Yorke, Rosenberg & Mardell Architects ("**YRMA**") in London, a multi-disciplinary building design consultancy as an Assistant Architect. In 1988, he left YRMA and subsequently joined Geogrefy Reid Associates ("**GRA**") in London as a Project Architect. A year later, he left GRA and joined Biscoe & Stanson Architects ("**BSA**") in London as a Design Architect. In 1990, Dato' Mohamed Nazim returned to Malaysia and joined Kumpulan Akitek Sdn. Bhd. as an Architect. In 1992, he set up NRY Architects Sdn. Bhd. and has been a principal since then. He has over 27 years of experience in the architectural field.

Dato' Mohamed Nazim is currently a Non-Executive Independent Director of Hong Leong Bank Berhad, Hong Leong Islamic Bank Berhad and HLG Capital Berhad, and an independent member of the Board Audit and Risk Management Committee of Hong Leong Bank Berhad. He also holds directorships in The Legends Golf and Country Resorts Berhad and several other private companies.

MUHAMMAD LUKMAN BIN MUSA @ HUSSAIN, aged 38, was appointed to our Board as Independent Non-Executive Director on 21 August 2013.

In 1998, he graduated with a Bachelor in Accountancy Studies from University of Portsmouth, UK. Subsequently, in 2003 and 2011, he became a member of the Institute of Chartered Accountants in England and Wales and Malaysian Institute of Accountants respectively. As at the LPD, he is also a fellow member of the Institute of Chartered Accountants in England and Wales.

In 1998, he started his career with Andersen & Co (Malaysia) as a Senior Auditor. In January 2002, he left Andersen & Co and joined John Cumming Ross Ltd. as a Senior Auditor in February 2002. Five months later, he left John Cumming Ross Ltd. and joined Habib Bank AG Zurich as an Internal Auditor. In 2003, he left Habib Bank AG Zurich and joined Ernst & Young LLP as a Manager. Subsequently, in 2008, he left Ernst & Young LLP and joined Ernst & Young (Malaysia) as the Audit and Assurance Director. In August 2011, he left Ernst & Young (Malaysia) and joined ECS Solutions Sdn. Bhd. as an Advisor. A year later, he left ECS Solutions Sdn. Bhd. and joined Unitar Capital Sdn. Bhd. as the Chief Operating and Financial Officer.

9.1.2 Shareholding of our Directors

The following table sets out the direct and indirect shareholdings of our Directors before and after our IPO based on our Register of Directors' Shareholdings as at the date of this Prospectus (assuming full subscription of the Issue Shares allocated to our Directors under our IPO):

	Before our IPO				(1)After our IPO			
	Direct		Indirect		Direct		Indirect	
Name	No. of Shares	%	No. of Shares	%	No. of Shares	(2)%	No. of Shares	(2)%
Shalet Marian	-	-	-	-	100,000	(3)	-	-
Chan Kien Sing	-	-	-	-	100,000	(3)	-	-
Ho Meng	-	-	-	-	100,000	(3)	-	-
Tan U-Ming	-	-	-	-	100,000	(3)	-	-
Tan Wai Foon	-	-	-	-	100,000	(3)	-	-
Dato' Mohamed Nazim bin Abdul Razak	-	-	-	-	100,000	(3)	-	-
Muhammad Lukman bin Musa @ Hussain	-	-	-	-	100,000	(3)	-	-

Notes:

(1) *Notwithstanding the subscription of the Issue Shares reserved for application by our Directors, our Directors may apply for additional Issue Shares under the Retail Offering.*

(2) *Based on our enlarged issued and paid-up share capital comprising 1,233,385,000 Shares after our IPO.*

(3) *Negligible.*

9.1.3 Involvement of our Directors in principal business activities outside our Group and principal directorships/partnerships of our Directors

Save as disclosed below, none of our Directors are involved in any principal business activities outside our Group. The directorships/partnerships of our Directors outside of our Group for the past five years preceding the LPD are as follows:

Name	Directorships/Partnerships	Principal activities	Involvement in business activities other than as a director
Shalet Marian	*Previous directorships:* • KPMG Tax Services Sdn. Bhd. (*resigned on 21 January 2011*) • The Moon Bar (M) Sdn. Bhd. (*resigned on 26 June 2013*) • PSP Nominee Sdn. Bhd. (*resigned on 21 January 2011*)	• Tax agents and tax advisers • Restaurant, pub & bar and general trading • Nominee services	• Direct shareholder of The Moon Bar (M) Sdn. Bhd. • Direct shareholder of Infinite Love & Gratitude Sdn. Bhd. • Direct shareholder of Syros Sdn. Bhd. • Direct shareholder of Altoluck Sdn. Bhd.
	Present directorships: • Infinite Love & Gratitude Sdn. Bhd. • Syros Sdn. Bhd. • Altoluck Sdn. Bhd.	• Mind therapy and wellness centre, and general trading (*striking off*) • Management services and investment holding • Investment holding	
	Present partnerships: • Usui Rei Ki Seminars • Taska Kidz	• Event management, organising of seminars and conferences, and training and development courses • Operation of childcare centre	
Tan Wai Foon	*Present directorship:* • WMG Asia Ltd.	• Asset management • Advising on securities	-

Name	Directorships/Partnerships	Principal activities	Involvement in business activities other than as a director
Chan Kien Sing	*Previous directorships*:		
	• Caring Pharmacy Retail Management Sdn. Bhd. (*resigned on 5 September 2013*)	• Investment holding and provision of management services. Its subsidiaries are principally involved in the operation of community pharmacy including retailing of pharmaceutical, healthcare and personal care products	• Direct shareholder of Powerace Communications Network Sdn. Bhd. • Direct shareholder of Urban Avenue Sdn. Bhd.
	• Cosway (M) Sdn. Bhd. (*resigned on 30 April 2012*)	• Direct selling of household, personal care, healthcare and other consumer products	
	• Federation of Golf & Recreational Club Developers and Operators (*resigned on 12 March 2009*)	• Struck off from the registration on 19 June 2009	
	• HVN Entertainment Sdn. Bhd. (*resigned on 20 April 2011*)	• Distribution and sale of audio and visual home entertainment products	
	• Noble Circle (M) Sdn. Bhd. (*resigned on 28 January 2011*)	• Property investment and rental of property	
	Present directorships:		
	• Ambilan Imej Sdn. Bhd.	• Property investment	
	• Audit Bureau of Circulation	• To secure accurate figures of all publishers to establish a bureau of information with regard to all publications	
	• BAssets	• Investment holding and provision of management services to its subsidiaries	
	• Berjaya Capital Berhad	• Investment holding and provision of management services	
	• BCorporation	• Investment holding and provision of management services. Please refer to Note 1 for the principal activities of its subsidiaries	
	• BGroup	• Investment holding. Please refer to Note 2 for the principal activities of its subsidiaries	
	• BMedia	• Investment holding. One of its subsidiaries is principally involved in publication, printing and distribution of daily newspaper, whilst the other subsidiaries have ceased operations.	

Name	Directorships/Partnerships	Principal activities	Involvement in business activities other than as a director
Chan Kien Sing *(Cont'd)*	• Berjaya Registration Services Sdn. Bhd.	• Provision of securities and printing services	
	• Berjaya Sports Toto Berhad	• Investment holding and provision of management services to its subsidiaries	
	• Berjaya Times Square Sdn. Bhd.	• Investment holding, property investment and property development	
	• Berjaya Vacation Club Berhad	• Investment holding and provision and coordination for its members holiday accommodation and the letting of accommodation at holiday resorts	
	• BRetail	• Investment holding. Please refer to Note 3 for the principal activities of its subsidiaries	
	• Cashsystems Asia Technology Sdn. Bhd. ("**CATSB**")	• Dormant (in liquidation)	
	• Country Farms Sdn. Bhd.	• Dealers in organic foods	
	• Countryfarm Organics Sdn. Bhd.	• Dormant	
	• Eng Equities Sdn. Bhd.	• Dormant	
	• FEAB Land Sdn. Bhd.	• Property development and property investment	
	• FEAB Properties Sdn. Bhd.	• Property investment and development, and investment holding	
	• Focus Equity Sdn. Bhd. ("**FESB**")	• Printing of high security documents (in liquidation)	
	• Gemtech (M) Sdn. Bhd.	• Dormant	
	• IPS	• Stock and share broking	
	• Inter-Pacific Capital Sdn. Bhd.	• Investment holding and providing management services to its subsidiaries	
	• International Lottery & Totalizator Systems, Inc.	• Manufacture and distributor of computerised lottery and voting systems	
	• IUB	• Investment holding. Its subsidiaries are in the business of privatisation of water treatment and manufacturing, packaging, warehousing and trading of semiconductor components	
	• Megaquest Sdn. Bhd.	• Investment holding. Its subsidiary operates number forecast lotteries in Sarawak	
	• Moves & Shakes Sdn. Bhd.	• Dormant	
	• Natural Avenue Sdn. Bhd.	• Operates a numbers forecast betting game in Sarawak	

9. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, PROMOTERS AND SUBSTANTIAL SHAREHOLDERS *(Cont'd)*

Name	Directorships/Partnerships	Principal activities	Involvement in business activities other than as a director
Chan Kien Sing *(Cont'd)*	• Nexnews Channel Sdn. Bhd.	• Dormant	
	• PMCC-Berjaya Special Steel Sdn. Bhd.	• Business of manufacturers, dealers in steel & articles etc. (in liquidation)	
	• PMSB	• Investment holding. Please refer to Note 3 for the principal activities of its subsidiary, BRetail	
	• Rantau Embun Sdn. Bhd.	• Investment holding and generates revenue through dividend income from its equity instruments	
	• Sapphire Transform Sdn. Bhd.	• Property investment	
	• Sports Toto Fitness Sdn. Bhd.	• Operation of health and fitness centre and gym and ancillary services associated therewith	
	• Sun Media Corporation Sdn. Bhd.	• Publisher of The Sun newspaper	
	• U Mobile (*Alternate Director*)	• Multimedia interactive television and telecommunications service provider	
	• UT Equities Sdn. Bhd.	• Dormant	
Ho Meng	*Present directorships:*		
	• U Mobile (*Alternate Director*)	• Multimedia interactive television and telecommunications service provider	
	• UTelemedia	• Investment holdings. The principal activities of its sole subsidiary, U Television Sdn. Bhd. are disclosed below	
	• U Television Sdn. Bhd.	• Provision of broadband network services multimedia interactive television broadcast and related services	
	• Webhost Asia Sdn. Bhd.	• Dormant	
	• U Broadcast Sdn. Bhd.	• Dormant	
Tan U-Ming	*Previous directorships*:		
	• Caring Pharmacy Retail Management Sdn. Bhd. *(resigned on 5 September 2013)*	• Investment holding and provision of management services	• Direct shareholder of Bagus Wajib Sdn. Bhd.
	• PMSB (*resigned on 1 October 2009*)	• Investment holding. Please refer to Note 3 for the principal activities of its subsidiary, BRetail	• Direct shareholder of JMP Holdings Sdn. Bhd.

9. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, PROMOTERS AND SUBSTANTIAL SHAREHOLDERS *(Cont'd)*

Name	Directorships/Partnerships	Principal activities	Involvement in business activities other than as a director
Tan U-Ming *(Cont'd)*	*Present directorships*:		
	• Bagus Wajib Sdn. Bhd.	• General trading	• Direct shareholder of Jasa Daulat Sdn. Bhd.
	• BRetail	• Investment holding. Please refer to Note 3 for the principal activities of its subsidiaries	• Direct shareholder of Procureplace Sdn. Bhd.
	• Jasa Daulat Sdn. Bhd.	• General trading	
	• JMP Holdings Sdn. Bhd.	• Investment holding	
	• Procureplace Sdn. Bhd.	• Dormant	
	• Sports Toto Malaysia Sdn. Bhd.	• Operation of toto pool betting	
Dato' Mohamed Nazim bin Abdul Razak	*Previous directorships*:		
	• Binali Jaya Sdn. Bhd. (*resigned on 2 February 2012*)	• Trading in seafood products	• Direct shareholder of Batu Caves Centrepoint Sdn. Bhd.
	• BR Jaya Sdn. Bhd. (*resigned on 18 November 2009*)	• Dealing in new and used motor vehicles	
	• Meru Utama Sdn. Bhd. (*resigned on 12 September 2011*)	• General traders and rental of media space at airport, baggage trolleys and signages	• Direct shareholder of Binali Jaya Sdn. Bhd.
	• PE Petroleum Sdn. Bhd. (*resigned on 23 July 2009*)	• Investment holding	• Direct shareholder of BTS Land Capital Sdn. Bhd.
	• Peramu Ventures Corporation Sdn. Bhd. (*resigned on 2 September 2011*)	• Dormant	• Direct shareholder of Century Tower Industries Sdn. Bhd.
	• Premium Policy Berhad *(formerly known as ING Insurance Berhad)* (*resigned on 18 December 2012*)	• Engaged in underwriting life, home service, group, investment-linked business and general classes of insurance	• Direct shareholder of Digiport (M) Sdn. Bhd. • Direct shareholder of Ellisor Holdings Sdn. Bhd.
	Present directorships:		
	• Batu Caves Centrepoint Sdn. Bhd.	• Property development and maintenance services	• Direct shareholder of Encap Sdn. Bhd.
	• BTS Land Capital Sdn. Bhd.	• Investment holding and property development	• Direct shareholder of Hasrat Angkasa Sdn. Bhd.
	• Century Tower Industries Sdn. Bhd.	• Investment holding	• Direct shareholder of Hiliran Senja Sdn. Bhd.
	• Digiport (M) Sdn. Bhd.	• Investment holding	
	• Ellisor Holdings Sdn. Bhd.	• Investment holding	
	• Encap Sdn. Bhd.	• Dealing in information technology and software for payment systems	• Direct shareholder of Information Gateway Corporation Sdn. Bhd.
	• Haqqani Foundation Malaysia	• To receive and administer funds for religious, education, scientific and charitable purposes	• Direct shareholder of Liga Semanajung Sdn. Bhd.
	• Hiliran Bina Sdn. Bhd.	• Contractors, sub-contractors of all kinds of constructional, structural and civil engineering	• Direct shareholder of Lizcorp Sdn. Bhd. • Direct shareholder of Marvelnet

9. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, PROMOTERS AND SUBSTANTIAL SHAREHOLDERS *(Cont'd)*

Name	Directorships/Partnerships	Principal activities	Involvement in business activities other than as a director
Dato' Mohamed Nazim bin Abdul Razak *(Cont'd)*	• Hiliran Senja Sdn. Bhd.	• Investment holding. The principal activities of its sole subsidiary, Hiliran Bina Sdn. Bhd. are disclosed above	Technology Sdn. Bhd. • Direct shareholder of NR Associates Sdn. Bhd.
	• Hong Leong Bank Bhd.	• Commercial banking business and provision of related services	• Direct shareholder of NR Holdings Sdn. Bhd.
	• Hong Leong Capital Bhd.	• Investment holding. Its subsidiaries are principally involved in investment banking, stockbroking, futures broking, related financial services, nominees and custodian services, unit trust management, fund management and sale of unit trusts	• Direct shareholder of Pelita Panorama Sdn. Bhd. • Direct shareholder of Revision Energy Partners (M) Sdn. Bhd. • Direct shareholder of Ribu Sentosa Sdn. Bhd. • Direct shareholder of Saham Inspirasi Sdn. Bhd.
	• Hong Leong Islamic Bank Berhad	• Islamic banking business and related financial services	• Direct shareholder of Seri Tasik Semenyih Sdn. Bhd.
	• Liga Semenanjung Sdn. Bhd.	• Investment holding	
	• Marvelnet Technology Sdn. Bhd.	• Business in information technology, research and development of computers and related products and acquisition of stocks and shares	• Direct shareholder of Yahya Quarry & Construction Company Sdn. Bhd.
	• NR Associates Sdn. Bhd.	• Provision of professional services in architectural and related consultancy works	
	• NR Holdings Sdn. Bhd.	• Property investment	
	• NR Konsortium (M) Sdn. Bhd.	• Dormant	
	• Palmerston Holdings Sdn. Bhd.	• Property developer and owner	
	• Pelita Panorama Sdn. Bhd.	• Investment holding	
	• Pusat Kreatif Kanak-Kanak Tuanku Bainun	• Provision of facilities and services to meet the physical, spiritual, mental and development needs of children	
	• Revision Energy Partners (M) Sdn. Bhd.	• Business in the renewable energy industry which includes solar, wind, biomass and other sources of renewable energies	
	• Ribu Sentosa Sdn. Bhd.	• Property investment	
	• Saham Inspirasi Sdn. Bhd.	• Investment holding	
	• Seri Tasik Semenyih Sdn. Bhd.	• Property development	
	• Soon Her Sing Industries (M) Sdn. Bhd.	• Manufacture and trading of all kinds of wooden furniture	
	• Tapak Megamas Sdn. Bhd.	• General trading, investment and properties	

Name	Directorships/Partnerships	Principal activities	Involvement in business activities other than as a director
Dato' Mohamed Nazim bin Abdul Razak *(Cont'd)*	• The Legends Golf and Country Resort Berhad	• Business of golf and country resort	
	• UTM Holdings Sdn. Bhd.	• Business arm of Universiti Teknologi Malaysia which emphasises on commercialisation and consultancy activities	
	• Tropik Sentosa Sdn. Bhd.	• Investment holding and real estate development	
	• XiDeLang Holdings Ltd.	• Investment holding. Its subsidiaries are involved in, amongst others, design, marketing and manufacturing of sports shoes as well as design and marketing of sports apparels, accessories and equipment	
	• Yayasan GPMS	• To foster developed and improved education of all kinds	
	• Yayasan Rahah	• Provision of relief, help and assistance to the poor, the destitute and the needy	
Muhammad Lukman bin Musa @ Hussain	*Present directorships*: • Cakara Maritime Sdn. Bhd.	• Shipping business as an agent and consultants	• Direct shareholder of CE Ventures Sdn. Bhd. • Direct shareholder of Cakara Maritime Sdn. Bhd.
	• CE Ventures Sdn. Bhd.	• Business as an investment company and to provide advisory services in private equity and venture capital for corporations and medium sized companies • Provision of advisory and consultancy and related services in all areas of management and finance	
	• Ensure Strategies Sdn. Bhd.	• Training, advisory, consultancy and all related services in IT, management training courses and other ancillary services	

Notes:

(1) *The principal activities of the subsidiaries of BCorporation are as follows:*
- *(i) financial services;*
- *(ii) marketing of consumer products and services;*
- *(iii) motor trading and distribution;*
- *(iv) environmental and clean technology services;*
- *(v) food and beverage;*
- *(vi) property development and investment in properties;*
- *(vii) development and operation of hotels, resorts and other recreational activities; and*

(viii) gaming operations comprising Toto betting, leasing of on-line lottery equipment, provision of software support and the manufacture and distribution of computerised lottery and voting systems.

(2) *The principal activities of the subsidiaries of BGroup are as follows:*

(i) provision of educational programmes and training courses for healthcare and related fields;
(ii) research and development of algae and treatment processing for all kinds of surface finishing works;
(iii) provision of call centre services;
(iv) acting as agents to assist any person for the purpose of staying, investing and trading in Malaysia;
(v) garment manufacturer;
(vi) operations of book stores;
(vii) digital media advertisement;
(viii) marketing agent;
(ix) rental of property;
(x) provision of education and professional training services;
(xi) provision of civil engineering contracting works;
(xii) operation of a private university college;
(xiii) operation of international schools;
(xiv) import, distribution and selling of motor vehicles and related spare parts, accessories and tools;
(xv) manufacturing and sales of knitted, dyed and finished fabrics and sewing thread;
(xvi) development and operation of the "Papa John's Pizza" chain of restaurant in Malaysia and the Philippines:
(xvii) property investment;
(xviii) provision of securities and printing services;
(xix) distribution of Mazda vehicles under licence in Malaysia;
(xx) management and operation of Berjaya Loyalty card programme;
(xxi) production and selling of motor vehicles;
(xxii) wholesale and distribution of organic food products;
(xxiii) provision and management services and agent for marketing agricultural commodities;
(xxiv) printing including security printing;
(xxv) general trading;
(xxvi) housing development and letting of property;
(xxvii) sanitary landfill operation;
(xxviii) retail sale of wearing apparel for adults, maternity and breastfeeding/nursing apparel;
(xxix) development and operation of the "Rasa Utara" chain of restaurants;
(xxx) garment export agency;
(xxxi) renting of motor vehicles; and
(xxxii) property development and investment.

(3) *BRetail's subsidiaries are principally involved in the operation of convenience store, marketing and selling of consumable durables on cash, credit, hire purchase terms and equal payment schemes, real property investment, general insurance agent and retailer and distribution of consumer electronics and electrical products under the brand name of "Radio Shack".*

Our Board is of the opinion that the involvement of Ho Meng in other businesses and/or corporations as highlighted above is not expected to affect his contribution to our Group as he does not hold executive roles in other businesses and/or corporations and therefore is not actively involved in the management and day-to-day operations of these businesses and/or corporations.

Our Board is also of the opinion that the involvement of Chan Kien Sing in other businesses and/or corporations as highlighted above will not affect his commitment and responsibilities to our Group as his involvement as Chief Executive Officer is limited to the supervision of the performance and strategic directions of our Group, which does not require a significant portion of his time. The management and operations of our Group is led by Ho Meng.

Our Board is also of the opinion that the involvement of Tan U-Ming as Executive Director of Sports Toto Malaysia Sdn. Bhd. will not affect his commitment and responsibilities to our Group as he is mainly involved in advising on the strategic issues in Sports Toto Malaysia Sdn. Bhd. which does not require a significant portion of his time.

9.1.4 Involvement of our Directors in other businesses and/or corporations which carry on a similar trade as that of our Group or which are our customers and/or suppliers

None of our Directors have any interest, direct or indirect, in other businesses and/or corporations which are: (i) carrying on a similar trade as that of our Group; or (ii) our customers and/or suppliers as at the LPD.

However, it cannot be precluded that the businesses and/or corporations that our Directors have interest in may have in the past purchased or will purchase items from our convenience stores on a walk-in basis and would hence constitute a customer of our stores.

9.1.5 Audit Committee

Our Audit Committee was established and constituted by our Board on 3 September 2013 to fulfill its oversight responsibilities. Our Audit Committee currently comprises the following members:

Name	Designation	Directorship
Muhammad Lukman bin Musa @ Hussain	Chairman	Independent Non-Executive Director
Shalet Marian	Member	Independent Non-Executive Chairman
Tan Wai Foon	Member	Non-Independent Non-Executive Director

The duties and functions of our Audit Committee are as follows:

(i) to evaluate the quality of the audit conducted by our Company's internal and external auditors;

(ii) to provide assurance that the financial information presented by our management is relevant, reliable and timely;

(iii) to assess whether the financial reporting of our Group and our Company presents a true and fair view of both our Group's and our Company's financial position and performance;

(iv) to oversee our Company's compliance with laws and regulations and observance of a proper code of conduct;

(v) to review and monitor the adequacy and integrity of our Company's system of internal control and management information systems, including systems to ensure compliance with applicable laws, regulations, rules, directives and guidelines;

(vi) to consider and evaluate any related party transactions or conflicts of interest situations that may arise within our Company and our Group including any transaction, procedure or course of conduct that raises questions of management integrity;

(vii) to review the risk management framework of our Group and our Company to ensure the existence of effective risk management policies and controls to monitor and manage all financial and non-financial risks;

(viii) to review our Company's procedures for detecting fraud and whistle blowing; and

(ix) any other activities consistent with its term of reference, as our Audit Committee or our Board deem necessary or appropriate.

Under our Audit Committee's terms of reference, all members must be Non-Executive Directors with a majority of Independent Non-Executive Directors. Furthermore, at least one of our Audit Committee member must be a member of the Malaysian Institute of Accountants, or if he or she is not a member of the Malaysian Institute of Accountants, he or she must have at least three years of working experience and must:

(i) have passed certain examinations under the Accountants Act, 1967 of Malaysia;

(ii) be a member of one of the associations of accountants specified in the Accountants Act, 1967 of Malaysia; or

(iii) fulfils such other requirements as prescribed or approved by Bursa Securities.

In the event of any vacancy resulting in non-compliance with the minimum required number of members of our Audit Committee, our Board shall, upon the recommendation of our Nominating Committee, appoint such members to fill the vacancy within three months of the event.

The Chairman of our Audit Committee shall be an independent non-executive Director appointed by our Board, based on the recommendation of the Nominating Committee.

Our Board, with the concurrence of our Audit Committee, believes that the system of internal controls maintained by our Company's management is adequate to safeguard against financial, operational and compliance risks.

9.1.6 Remuneration Committee

Our Remuneration Committee was established and constituted by our Board on 3 September 2013. Our Remuneration Committee currently comprises the following members:

Name	Designation	Directorship
Tan Wai Foon	Chairman	Non-Independent Non-Executive Director
Shalet Marian	Member	Independent Non-Executive Chairman
Muhammad Lukman bin Musa @ Hussain	Member	Independent Non-Executive Director

The duties and functions of our Remuneration Committee are as follows:

(i) to review annually and recommend to our Board the overall remuneration policy for our Directors;

(ii) to make recommendations to our Board on individual remuneration packages for our Executive Directors and ensuring that such remuneration packages are competitive, fair and not excessive;

(iii) to review annually the performance of our Directors and recommending to our Board specific adjustments in remuneration and/or reward payment, if any;

(iv) to at least annually review its own performance and terms of reference to ensure that it is operating at maximum effectiveness and recommend any changes necessary to our Board;

(v) to ensure adequate disclosure of our Directors' remuneration for the financial year in our Company's annual report in accordance with the Listing Requirements; and

(vi) to assist our Board in discharging their responsibilities relating to, among others, compensation strategy, succession planning, management development and other compensation arrangement.

Under our Remuneration Committee's terms of reference, the members of which shall consist of not less than two Non-Executive Directors. The Chairman of our Remuneration Committee shall be elected from among our Remuneration Committee members. A member of our Remuneration Committee shall also abstain from participating in discussions and decision on any matters involving his or her remuneration.

9.1.7 Nominating Committee

Our Nominating Committee was established and constituted by our Board on 3 September 2013. Our Nominating Committee currently comprises the following members:

Name	Designation	Directorship
Shalet Marian	Chairman	Independent Non-Executive Chairman
Dato' Mohamed Nazim bin Abdul Razak	Member	Independent Non-Executive Director
Tan Wai Foon	Member	Non-Independent Non-Executive Director

The duties and functions of our Nominating Committee are as follows:

(i) to recommend to our Board the minimum requirements for our Board taking into account mix of skills, knowledge, experience, qualification and other core competencies;

(ii) to assess and recommend to our Board, nomination for membership to our Board and our Board committee members;

(iii) to assess and evaluate overall composition of our Board, the balance between executive, non-executive and independent Directors, the required mix of skills, experience and other qualities, including core competencies which Non-Executive Directors should bring to our Board, the desirable number of Independent Directors, the renewal of existing directorships, and the possible representation of interest of interest groups on our Board;

(iv) to recommend to our Board the removal of Director(s) if the Director(s) is found ineffective, errant or negligent in discharging his or her duties;

(v) to establish a mechanism for the formal annual assessment of the effectiveness of our Board as a whole and the contribution of each Director to the effectiveness of our Board based on objective performance criteria, in line with established key performance indicators, as approved by our Board;

(vi) to recommend and ensure all Directors receive appropriate continuous training in order to maintain an adequate level of competency to discharge their roles; and

(vii) to oversee the appointment, management succession planning and performance evaluation of our Board.

Under our Nominating Committee's term of reference, all members of our Nominating Committee must be Non-Executive Directors, a majority of whom shall be Independent Non-Executive Directors. The Chairman of our Nominating Committee shall be elected from among our Nominating Committee members.

9.1.8 Service agreements with our Directors

As at the date of this Prospectus, there is no existing or proposed service agreement entered into or to be entered into between any of our Directors and our Group.

9.1.9 Remuneration and material benefits in-kind of our Directors

The aggregate remuneration and material benefits in-kind paid and proposed to be paid to our Directors for services rendered in all capacities to our Group for the year ended 31 December 2013 and estimated for the year ending 31 December 2014 respectively are as follows:

	Remuneration band	
Name	**For the year ended 31 December 2013 (Actual)**	**For the year ending 31 December 2014 (Estimated)**
Shalet Marian	-	Up to RM50,000
Chan Kien Sing	RM150,001 – RM200,000	RM150,001 – RM200,000
Ho Meng	RM800,001 – RM850,000	RM800,001 – RM850,000
Tan U-Ming	RM550,001 – RM600,000	RM550,001 – RM600,000
Tan Wai Foon	-	Up to RM50,000
Dato' Mohamed Nazim bin Abdul Razak	-	Up to RM50,000
Muhammad Lukman bin Musa @ Hussain	-	Up to RM50,000

The remuneration of our Directors, which includes salaries, bonus, Directors' fees and such other allowances as well as other benefits, must be approved by our Board, following recommendations made by our Remuneration Committee and subject to our Articles. Our Directors' fees must be further approved by our shareholders at a general meeting and where appropriate, notice of any proposed increase in Directors' fees should be given.

9.2 Key management

Our key management is responsible for our day-to-day management and operations. Our key management consists of experienced personnel in charge of matters related to finance, sales and operations, IT, human resource, store development, internal audit, merchandising, logistics and construction and maintenance.

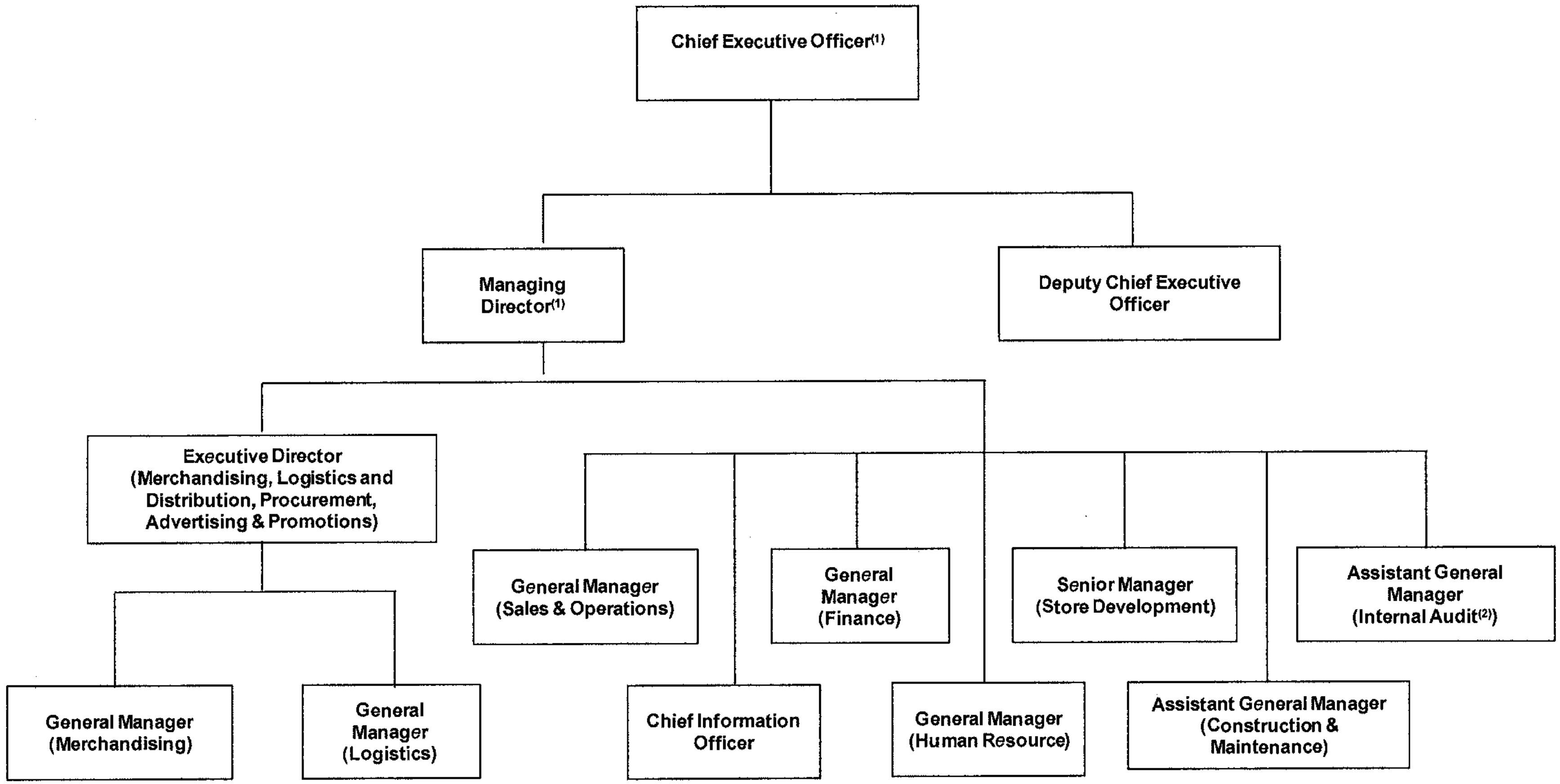
The members of our key management as at the date of this Prospectus are as follows:

Name	Nationality	Age	Designation
Chan Kien Sing	Malaysian	57	Chief Executive Officer of 7-Eleven Malaysia
Gary Thomas Brown	Australian / Permanent resident of Malaysia	55	Deputy Chief Executive Officer of 7-Eleven Malaysia
Ho Meng	Malaysian	54	Managing Director of 7-Eleven Malaysia
Tan U-Ming	Malaysian	27	Executive Director of 7-Eleven Malaysia
Low Nam Chuan	Malaysian	56	General Manager (Finance) of 7-Eleven Malaysia
Zulhikam bin Ahmad	Singaporean /Permanent resident of Malaysia	42	General Manager (Sales and Operations) of 7-Eleven Malaysia
Chua Seok Theng	Malaysian	58	Chief Information Officer of 7-Eleven Malaysia
Liew Kian Meng	Malaysian	53	General Manager (Human Resource) of 7-Eleven Malaysia
Poon Thim Fatt	Malaysian	51	Senior Manager (Store Development) of 7-Eleven Malaysia
Alvin Gan Kwang Loke @ Lim Kim Koon	Malaysian	46	Assistant General Manager (Internal Audit) of 7-Eleven Malaysia
Thoren Tan Han Siang	Malaysian	39	General Manager (Merchandising) of 7-Eleven Malaysia
Lew Joo Ken	Malaysian	41	General Manager (Logistics) of 7-Eleven Malaysia
Chong Kok Hwa	Malaysian	47	Assistant General Manager (Construction and Maintenance) of 7-Eleven Malaysia

The management and operations of our Group is led by Ho Meng, our Managing Director. Both Ho Meng and Gary Thomas Brown report directly to Chan Kien Sing, the Chief Executive Officer of 7-Eleven Malaysia, who is responsible for the supervision of the performance and strategic directions of the 7-Eleven Malaysia Group. Gary Thomas Brown who is assisting and supporting Chan Kien Sing in the supervision of the performance and strategic directions of the 7-Eleven Malaysia Group, is working closely with Ho Meng with regards to the management and operations of the 7-Eleven Malaysia Group vis-à-vis the strategic directions of the 7-Eleven Malaysia Group.

9. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, PROMOTERS AND SUBSTANTIAL SHAREHOLDERS *(Cont'd)*

The reporting structure of the key management of 7-Eleven Malaysia as at the date of this Prospectus is as follows:



Notes:

[1] *The Chief Executive Officer and Managing Director report separately to the Board of 7-Eleven Malaysia at the operating company level and the Board of 7-Eleven Malaysia Holdings at the holding company level.*

[2] *The Assistant General Manager (Internal Audit) reports to the Managing Director of 7-Eleven Malaysia at the operating company level and also report directly to the Audit Committee of 7-Eleven Malaysia Holdings.*

9.2.1 Profiles of our key management

The profiles of Chan Kien Sing, Ho Meng and Tan U-Ming are set out in Section 9.1.1 of this Prospectus. The profiles of our other key management are as follows:

GARY THOMAS BROWN, aged 55, is the Deputy Chief Executive Officer of 7-Eleven Malaysia and is primarily responsible for assisting and supporting the Chief Executive Officer of 7-Eleven Malaysia, Chan Kien Sing, in supervising the performance and strategic directions of the 7-Eleven Malaysia Group.

In 1980, he obtained a Certificate in Exporting from the Perth Technical College, Western Australia. Subsequently, in 1981, he obtained a Diploma in Export from the Australian Institute of Export.

Before obtaining his Certificate, he started his career with Metro Meat Ltd. (Perth, Western Australia) as an Export/Shipping Clerk in 1978. Subsequently, in 1980, he left Metro Meat Ltd. (Perth, Western Australia) to join Dairy Farm Exports Ltd. (Perth, Western Australia) as an Export Sales Representative. During the years from 1983 to 1988, he was transferred to several corporations within the Dairy Farm group of companies ("**Dairy Farm Group**") in Hong Kong, Brunei and Australia, and held the position of Wholesale Manager and Marketing Manager where he was primarily responsible for marketing and wholesaling the products of the Dairy Farm Group. In 1988, he left the Dairy Farm Group and joined the Sara Lee group of companies ("**Sara Lee Group**"), more specifically Sara Lee Bakery (Hong Kong) in its establishment of bakery business in Asia as General Manager (Bakery, Asia) where he was primarily responsible for formulating and implementing plans for successful and long term market penetration throughout Asia. During the years from 1996 to 2011, he was transferred to several corporations within the Sara Lee Group in Malaysia, Singapore, Thailand and the UK where he held several designations including, Vice President (Business Development), President, Regional Vice President & President (Bakery, Asia), Managing Director, Country Board Chairman, Regional Vice President (Asia Pacific and Africa) and member of the Global Household & Bodycare Board respectively, where at various times he was primarily responsible for the establishment, development, marketing, operations, distribution and growth of apparel, body care, food, coffee and household products of the Sara Lee Group within Asia, Australia, New Zealand, Africa and the UK. In 2011, he left the Sara Lee Group and joined Pos Ad Group Sdn. Bhd. as the Group Chief Executive Officer where he was responsible for overseeing the operations of Pos Ad Group Sdn. Bhd. (including its subsidiaries) as well as the development and implementation of business strategies. Nearly two years later, he left Pos Ad Group Sdn. Bhd. and joined Permanis Sdn. Bhd. as a Commercial Consultant where he was primarily responsible for mentoring directors and senior managers as well as reviewing commercial structures, particularly trade marketing. In September 2013, he left Permanis Sdn. Bhd. and in October 2013, he joined Berjaya Group Sdn. Bhd. as a Director (Business Development) where he was primarily responsible for developing mergers and acquisition opportunities through networking and discovering business developments of a food manufacturing business and overseeing the operations of Berjaya Krispy Kreme Doughnuts Sdn. Bhd. and a call centre business. Later, in December 2013, he left Berjaya Group Sdn. Bhd. and joined 7-Eleven Malaysia as the Deputy Chief Executive Officer.

He has more than 30 years of experience in food, beverage and household products retailing, manufacturing and wholesaling.

LOW NAM CHUAN, aged 56, is the General Manager (Finance) of 7-Eleven Malaysia and is responsible for the accounting, taxation and treasury functions of our Group.

In 1981, he completed his professional examination with the Chartered Institute of Management Accountants. Subsequently, he was admitted as a registered accountant with the Malaysian Institute of Accountants in 1984. In 2001, pursuant to Section 15 of the Accountants Act, 1967 of Malaysia, he was certified as a chartered accountant.

In 1979, he started his career with Tan Choon Chye & Company and subsequently left to join UMW Holdings Berhad in 1981. Subsequently in 1983, he joined United Chemical Industries Berhad (member of the Malayan Flour Mill Group) as Head of Accounts Division. Prior to joining Berjaya Capital Berhad in 1995, he served as a Finance Manager in Sumitomo Electric Sintered Components Sdn. Bhd. for five years. Over the past 17 years, he was assigned to various subsidiaries of BCorporation (such as Berjaya Wood Furniture Sdn. Bhd., Sun Media Corporation Sdn. Bhd., Carlovers Carwash Ltd. and U Television Sdn. Bhd.) as the Head of Finance Department until 2007 when he was assigned to 7-Eleven Malaysia in his current position.

He has more than 30 years of experience in accounting and finance.

ZULHIKAM BIN AHMAD, aged 42, is the General Manager (Sales and Operations) of 7-Eleven Malaysia and is responsible for overseeing the sales and operations of our convenience stores in Malaysia.

In 1996, he graduated with a Bachelor of Accountancy (Honours) from Nanyang Technological University, Singapore. Subsequently, in 2007, he obtained his qualification as a chartered accountant from the Institute of Singapore Chartered Accountants.

In 1996, he started his career with BP Singapore Pte. Ltd. as a Retail Executive where he was responsible for various aspects of the retail business for the service stations in Singapore. In 1997, he was re-designated as a Business Analyst in Strategy Planning and Control, where he was responsible for preparing financial budgets and performance analysis for the lubricants performance unit. In 1998, he was seconded to BP Sabah Sdn. Bhd. as the Retail Territory Manager where he was responsible for the delivery of financial and operational performance targets for "BP" service stations in Sabah. From 2000 to 2004, he was again seconded to BP Malaysia Sdn. Bhd. where he held various management positions, as the Knowledge Manager where he was responsible for implementing the overall training strategy for the fuel sales teams for Singapore and Malaysia, Distribution Health, Safety, Security and Environment ("**HSSE**") Manager where he was responsible for delivery of road safety programs for the Malaysian logistics team, and HSSE Manager of Operations and Assurance where he was responsible for organising and conducting HSSE trainings and risks assessment. In 2004, he moved to Premier Lubricants (M) Sdn. Bhd. as the Training Advisor where he was responsible for overseeing training and delivery of the training courses across the network for the Business Intelligence and Global Standards projects.

Subsequently in 2005, he moved to BP Asia Pacific (M) Sdn. Bhd. as the Learning and Development Consultant for Asia Pacific where he was involved in the delivery of financial control and accounting courses across Asia Pacific, Middle East and Africa. He joined Carrefour Malaysia as a Store Director in 2008 where he was responsible for overseeing 400 store employees and responsible for ensuring operational effectiveness and efficiency of the hypermarket, managing the operational cost of stores, executing national sales, marketing and promotion plans, accountable for the profitability, presentation and services level of the hypermarket. He joined 7-Eleven Malaysia in his current position in 2010.

He has nine and a half years of experience in retail operations.

CHUA SEOK THENG, aged 58, is the Chief Information Officer of 7-Eleven Malaysia and is responsible for overseeing the overall management of the IT functions of our Group.

In 1980, she graduated with a Bachelor of Science in engineering from National Taiwan University, Taiwan. In 1982, she obtained her Master of Engineering from the Asian Institute of Technology, Thailand.

In 1982, she started her career with Dataprep Bhd. as a programmer and was subsequently promoted to a Senior System Analyst where she was responsible for software development for financial systems. In 1989, she left Dataprep Bhd. and joined Far East Computers Ltd. as the Software Manager where she was responsible for the implementation of small turnkey projects for small medium enterprises and an oil and gas company using Oracle as a new database technology during that time. Subsequently, in 1990, she left Far East Computers Ltd. and joined Formis Computer/BASS Consulting as the Senior Manager where she was responsible for the implementation of major turnkey projects for financial sector and broker management systems. In 1995, she left Formis Computer/BASS Consulting and joined DiGi Telecommunications Sdn. Bhd. as the Chief Information Officer where she was responsible for the overall IT management from billing systems to prepaid and mobile application service planning for products and services. From 2004 to 2011, she was the Chief Information Officer of Maxis Berhad where she was responsible for the overall IT management, billing systems, customer relationship management, prepaid services and service platforms planning, customer experience for prepaid services and broadband. In 2013, she joined 7-Eleven Malaysia as the Chief Information Officer.

She has 29 years of experience in the IT field.

LIEW KIAN MENG, aged 53, is the General Manager (Human Resource) of 7-Eleven Malaysia and is responsible for human resource and administrative functions of our Group.

In 1992, he graduated with a Diploma in Management from the Malaysian Institute of Management. In 1998, he obtained a Master of Business Administration from University of South Australia, Australia. In 2010, he continued his studies and graduated with a Bachelor of Law (LLB) from University of London, UK.

In 1981, he started his career with Dunlop Estates Bhd. as a Field Conductor where he was responsible for staff and agricultural practices management. From 1985 to 1993, he served Kumpulan Emas Berhad as the Plantation Assistant Manager where he held similar responsibilities. In 1993, he left Kumpulan Emas Berhad and joined Hybrid Electronics Sdn. Bhd. as the Personnel and Administration Manager where he was responsible for all human resource activities (including training and development programmes for plant operators) and production management. In 1995, he left Hybrid Electronics Sdn. Bhd. and joined TVR Sports (Malaysia) Sdn. Bhd. as the Human Resource Manager.

He left TVR Sports (Malaysia) Sdn. Bhd. in 1998 and joined Associated Pan Malaysia Cement Sdn. Bhd. as the Human Resource Development Manager. From 1999 to 2005, he was the Regional Human Resource Manager for USG Asia Pacific Holdings Pte. Ltd. where he was responsible for managing human resource plan, establishing and managing regional compensation and benefits plan, managing annual performance appraisals, training and development, regional human resource consultation and managing industrial relations. Subsequently in 2005, he left USG Asia Pacific Holdings Pte. Ltd. and joined Royal Selangor International Sdn. Bhd. as the Human Resource Senior Manager where he was responsible for, amongst others, developing human resource policies, manpower planning, implementing succession plan, managing compensation and benefits structure and managing employee relations. He joined 7-Eleven Malaysia as the General Manager (Human Resource) in 2013.

He has 20 years of experience in human resource.

POON THIM FATT, aged 51, is the Senior Manager (Store Development) of 7-Eleven Malaysia and is responsible for the store development and real estate functions of our Group.

He completed the estate agents examinations with the Board of Valuers, Appraisers and Estate Agents Malaysia in 1999 and is qualified as a registered Probationary Estate Agent.

In 1984, he started his career with Kassim Chan & Co as an Audit Assistant where he was responsible for providing statutory and special audit services. Subsequently, he left Kassim Chan & Co in 1989 and joined Seri Angkasa Sdn. Bhd. as an Accounts and Administration Executive where he was responsible for accounts and administrative functions. In 1991, he left Seri Angkasa Sdn. Bhd. and joined Inter Pacific Properties (M) Sdn. Bhd. as a Real Estate Negotiator where he was responsible for marketing properties for sale and rental. In 1992, he left Inter Pacific Properties (M) Sdn. Bhd. and joined Wenco Properties as a Senior Real Estate Negotiator where he held similar responsibilities. In 1993, he left Wenco Properties and joined Allied Group Property Services Sdn. Bhd. as the Head of Property Services where he was responsible for providing property management, property marketing and providing property consultancy services. In 2006, he joined 7-Eleven Malaysia as a Manager in Store Development where he was responsible for the store development and real estate functions of 7-Eleven Malaysia. In 2010, he was promoted to his current position.

He has 24 years of experience in real estate.

ALVIN GAN KWANG LOKE @ LIM KIM KOON, aged 46, is the Assistant General Manager (Internal Audit) of 7-Eleven Malaysia and is responsible for leading and managing the internal audit and loss prevention department of our Group.

In 1991, he graduated with a Bachelor of Accountancy from Universiti Pertanian Malaysia.

In 1994, he qualified as a chartered accountant with the Malaysian Institute of Accountants. Subsequently, in 1996, he became a member of the Malaysian Association of Certified Public Accountants. Eight years later, he qualified as a chartered member of the Institute of Internal Auditors Malaysia.

In 1991, he started his career with Arthur Andersen and Co. as an Auditor and was subsequently promoted as a Senior Auditor in 1993 where he was involved in statutory audit and providing consultancy services to the clients. In 1994, he left Arthur Andersen and Co. and joined Sime Darby Berhad as an Assistant Internal Audit Manager where he was responsible for assisting the head of internal audit in managing the internal audit department and audit assignments.

He left Sime Darby Berhad in 1996 and joined Proton Berhad as Section Head of Internal Audit where he was responsible for assisting the head of internal audit in managing the internal audit department and setting up policies and procedures and implementing internal controls. In 2000, he left Proton Berhad and joined BLand as an Internal Audit Manager and was subsequently promoted as the Senior Internal Audit Manager where he was responsible for preparing audit plans, managing audit assignments and reporting to the audit committee. He left BLand in 2005 and moved to IUB as the Group Internal Auditor where he was responsible for internal audit functions. In 2006, he left IUB and joined 7-Eleven Malaysia in 2007 as a Senior Manager in the internal audit department. In 2012, he was promoted to his current position.

He has more than 20 years of experience in auditing.

THOREN TAN HAN SIANG, aged 39, is General Manager (Merchandising) of 7-Eleven Malaysia and is responsible for the merchandising, product development, promotions and supplier management of our Group.

In 1997, he graduated with a Bachelor of Commerce, Double Major in Marketing and Information Systems from Curtin University, Perth, Australia.

In 1998, he started his career with Giant TMC Berhad as a Management Trainee and was eventually promoted to Department Manager where he was in-charge of the operations department of the Giant outlet located in Subang Jaya, Selangor. In 2002, he left Giant TMC Berhad and joined Makro Cash and Carry Distribution (M) Sdn. Bhd. as the Product Manager where he was responsible for managing the commodity goods serving the specialised market of hotel/restaurant/catering and general trade. He left Makro Cash and Carry Distribution (M) Sdn. Bhd. in 2005 and joined Watson Personal Care Stores (Malaysia) Sdn. Bhd. as the Merchandising Manager managing personal care and health products department and was later promoted to Senior Merchandising Manager in 2008 where he worked with the Space and Range Department in tailoring the range of products offered to customers and managing floor space within the stores. He was also the promotion coordinator for the company. In 2011, he was relocated to Watsons Personal Care Stores Pte. Ltd. (China) as a Trading Controller where he was responsible for category management and supplier management on health and food category. He left Watsons Personal Care Stores Pte. Ltd. (China) in 2013 and joined 7-Eleven Malaysia in his current position.

He has 15 years of experience in merchandising and retail.

LEW JOO KEN, aged 41, is the General Manager (Logistics) of 7-Eleven Malaysia and is responsible for the logistics and distributions of our Group.

In 1997, he graduated with a Bachelor of Arts in International Business Management from Oxford Brookes University, UK.

In 1997, he started his career with Sitt Tatt Logistics Sdn. Bhd. as an Executive in Operations and was responsible for managing the logistics and distributions of key accounts of the company. Subsequently, he left Sitt Tatt Logistics Sdn. Bhd. in 2000 and joined Zuellig Pharma Sdn. Bhd. as an Operations Executive and was subsequently promoted to Section Manager. In 2004, he was re-designated as the Quality and Compliance Manager, ensuring operation compliances and improving business processes of the company. In 2005, he left Zuellig Pharma Sdn. Bhd. and joined Diethelm Logistics Services Sdn. Bhd. (now known as DKSH Logistics Services Sdn. Bhd.) as the Warehouse Operation Manager and was subsequently re-designated as the Third Party Logistics and Business Process Manager. During his employment with Diethelm Logistics Services Sdn. Bhd., he was responsible for managing the logistics and distribution, process re-engineering and business development for third party logistics. In 2007, he left Diethelm Logistics Services Sdn. Bhd. and joined GSF Pacific Foods Malaysia Sdn. Bhd. as the Warehouse and Logistics Manager where he was responsible for managing the logistics and distributions of the company.

He left GSF Pacific Foods Malaysia Sdn. Bhd. in 2008 and joined LF Asia (M) Sdn. Bhd. as the Senior Manager in Healthcare Logistics where he was responsible for managing the logistics, distirbutions and inventory of the company. In 2013, he left LF Asia (M) Sdn. Bhd. and joined 7-Eleven Malaysia in his current position.

He has 16 years of experience in logistics.

CHONG KOK HWA, aged 47, is the Assistant General Manager (Construction and Maintenance) of 7-Eleven Malaysia. He is responsible for the day-to-day operations of the Construction and Maintenance Department in relation to the setting up and maintenance of new and existing "7-Eleven" stores, store refurbishment programmes, store preventive maintenance programme and store repair works.

He graduated with a Masters of Business Administration in General Management from University of Western Sydney, Australia in 2005.

He joined Berjaya Roadhouse Grill Sdn. Bhd. in 1994 as Operation Manager and was responsible for the setting up of a franchised steak house chain from Florida, US which include assisting in the supervision of the renovation works from the time the store is vacant to the completion of the store set-up and thereafter, responsible for the day-to-day operations of the franchised steak house chain. He was then transfered to Berjaya Starbucks Coffee Company Sdn. Bhd. in 1998 as the Senior Manager (Store Development) where he heads the Construction, Maintenance and Real Estate Department and was responsible for the development plan and setting-up of business units, which includes monitoring of construction related works, market planning and development. In 2004, he was transfered from Berjaya Starbucks Coffee Company Sdn. Bhd. to 7-Eleven Malaysia as the Senior Manager (Sales and Operations) whereby he was responsible for the day-to-day operations of all business units of the company. In 2008, he was transfered to Berjaya Krispy Kreme Doughnuts Sdn. Bhd. as the General Manager and was responsible for the day-to-day operations of the company. He was also tasked to supervise the setting up of "Krispy Kreme Doughnuts" outlets from the time the store is vacant to the time the store commenced operations. In 2013, he joined 7-Eleven Malaysia as the Assistant General Manager of Construction and Maintenance, being his present role.

He has five years of experience in construction and maintenance function.

9.2.2 Shareholding of our key management

The following table sets out the direct and indirect shareholdings of each of our key management before and after our IPO (assuming full subscription for the Issue Shares allocated to them under our IPO) as follows:

	Before our IPO				[1]After our IPO			
	Direct		Indirect		Direct		Indirect	
Name	No. of Shares	%	No. of Shares	%	No. of Shares	[2]%	No. of Shares	[2]%
Chan Kien Sing	-	-	-	-	100,000	[3]	-	-
Ho Meng	-	-	-	-	100,000	[3]	-	-
Tan U-Ming	-	-	-	-	100,000	[3]	-	-
Gary Thomas Brown	-	-	-	-	50,000	[3]	-	-
Low Nam Chuan	-	-	-	-	12,000	[3]	-	-
Zulhikam bin Ahmad	-	-	-	-	10,000	[3]	-	-
Chua Seok Theng	-	-	-	-	10,000	[3]	-	-
Liew Kian Meng	-	-	-	-	10,000	[3]	-	-
Poon Thim Fatt	-	-	-	-	12,000	[3]	-	-
Alvin Gan Kwang Loke @ Lim Kim Koon	-	-	-	-	12,000	[3]	-	-
Thoren Tan Han Siang	-	-	-	-	10,000	[3]	-	-
Lew Joo Ken	-	-	-	-	10,000	[3]	-	-
Chong Kok Hwa	-	-	-	-	10,000	[3]	-	-

Notes:

(1) *Notwithstanding the subscription of the Issue Shares reserved for application by our key management, our key management may apply for additional Issue Shares under the Retail Offering.*

(2) *Based on our enlarged issued and paid-up share capital comprising 1,233,385,000 Shares after our IPO.*

(3) *Negligible.*

9.2.3 Involvement of our key management in principal business activities outside our Group

Save as disclosed in Section 9.1.3 of this Prospectus, none of our key management are involved in any principal business activities outside our Group.

9.2.4 Involvement of our key management in other businesses and/or corporations which carry on a similar trade as that of our Group or which are our customers and/or suppliers

None of our key management have any interest, direct or indirect, in other businesses and/or corporations which are: (i) carrying on a similar trade as that of our Group; or (ii) our customers and/or suppliers as at the LPD.

It cannot be precluded that the businesses and/or that our key management have interest in may have in the past purchased or will purchase items from our stores on a walk-in basis and would hence constitute a customer of our stores.

9.2.5 Service agreements with our key management

As at the date of this Prospectus, there is no existing or proposed service agreement entered into or to be entered into between any member of our key management and our Group.

9.3 Promoters and substantial shareholders

9.3.1 Profiles of our Promoters

(i) BRetail

BRetail is also one of our substantial shareholders.

BRetail was incorporated in Malaysia under the Act on 8 June 2009 as a private limited company under the name of Berjaya Retail Sdn. Bhd. On 29 September 2009, BRetail was converted into a public limited company and listed on the Main Market of Bursa Securities on 16 August 2010. On 3 May 2011, BRetail was delisted from the Main Market of Bursa Securities. It is principally an investment holding company.

BRetail has an authorised share capital of RM5,000,000,000 comprising 6,000,000,000 BRetail Shares and 4,000,000,000 BRetail ICPS, of which 1,495,884,064 BRetail Shares and 1,547,940 BRetail ICPS have been issued and are fully paid-up as at the LPD.

As at the LPD, the Directors of BRetail are Yeap Dein Wah, Chan Kien Sing and Tan U-Ming. The substantial shareholders of BRetail and their respective shareholdings in BRetail as at the LPD are as follows:

	Direct		Indirect	
Name	**No. of shares**	**%**	**No. of shares**	**%**
PMSB	(1)1,495,884,064	100.00	-	-
IUB	-	-	1,495,884,064	(2)100.00
Vista Meranti	-	-	1,495,884,064	(3)100.00
HQZ	-	-	1,495,884,064	(4)100.00
TSVT	-	-	1,495,884,064	(5)100.00

Notes:

(1) *Excludes 1,547,940 BRetail ICPS.*

(2) *Deemed interest by virtue of its direct shareholding in PMSB pursuant to Section 6A of the Act.*

(3) *Deemed interest by virtue of its direct shareholding in IUB pursuant to Section 6A of the Act.*

(4) *Deemed interest by virtue of its direct shareholding in Vista Meranti pursuant to Section 6A of the Act.*

(5) *Deemed interest by virtue of his direct shareholding in HQZ pursuant to Section 6A of the Act.*

(ii) TSVT

TSVT, a Malaysian, aged 62, is also one of our substantial shareholders.

He is a businessman and entrepreneur with varied interests (both direct and indirect) in property development and investment, gaming, stockbroking, manufacturing, trading, hospitality, internet-related business, utilities, media, food and beverage, telecommunications, insurance and education through various public and private companies namely, the BCorporation group of companies, BMedia, BAssets, BRetail, Cosway Corporation Limited, Informatics Education Ltd., IUB, U Mobile and MOL Global Pte. Ltd., the holding company of MOL. He also holds directorships in Sports Toto Malaysia Sdn. Bhd., Ascot Sports Sdn. Bhd. as well as several other private limited companies.

Since TSVT assumed indirect control of 7-Eleven Malaysia in 2001, the then 7-Eleven group of companies has grown from a chain of 176 "7-Eleven" convenience stores to become the largest chain of convenience stores in Malaysia with the opening of its 1,000th store in Sunway, Selangor in 2008. As at the LPD, 7-Eleven Malaysia has a chain of 1,583 "7-Eleven" convenience stores throughout Malaysia. The extensive number of "7-Eleven" convenience stores in Malaysia is in line with TSVT's vision of strengthening 7-Eleven Malaysia's store network in Malaysia.

TSVT is currently the Managing Director/Chief Executive Officer of Sports Toto Malaysia Sdn. Bhd. and Chairman of U Mobile and Berjaya Times Square Sdn. Bhd. TSVT was appointed the Chairman/Chief Executive Officer of BCorporation in September 2005. He resigned as the Chief Executive Officer of BCorporation in January 2012 and retired as the Chairman of BCorporation in February 2012.

(iii) Tan U-Ming

Tan U-Ming, a Malaysian, is also one of our Directors and key management.

The profile of Tan U-Ming is set out in Section 9.1.1 of this Prospectus.

9.3.2 Profiles of our substantial shareholders

(i) BRetail

BRetail is also one of our Promoters. The profile of BRetail is set out in Section 9.3.1(i) of this Prospectus.

(ii) PMSB

PMSB was incorporated in Malaysia under the Act on 28 September 2002 as a private limited company under its present name. It is principally an investment holding company.

PMSB has an authorised share capital of RM1,000,000 comprising 100,000 ordinary shares of RM1.00 each and 90,000,000 preference shares of RM0.01 each, all of which have been issued and are fully paid-up as at the LPD.

As at the LPD, the Directors of PMSB are Chan Kien Sing and Tan Boon Pien. As at the LPD, PMSB is a wholly-owned subsidiary of IUB.

(iii) IUB

IUB was incorporated in Malaysia under the Act on 23 December 1995 as a private limited company under the name of Prisma Angsana Sdn. Bhd. On 10 February 1996, it converted to a public limited company. On 8 April 1996, it changed its name to its present name. It is principally an investment holding company.

IUB has an authorised share capital of RM300,000,000 comprising 300,000,000 ordinary shares of RM1.00 each, of which 96,377,404 ordinary shares have been issued and are fully paid-up as at the LPD.

As at the LPD, the Directors of IUB are Low Ah Ha, Freddie Pang Hock Cheng and Chan Kien Sing. The substantial shareholders of IUB and their respective shareholdings in IUB as at the LPD are as follows:

	Direct		Indirect	
Name	**No. of shares**	**%**	**No. of shares**	**%**
Vista Meranti	96,377,404	100.00	-	-
HQZ	-	-	96,377,404	(1)100.00
TSVT	-	-	96,377,404	(2)100.00

Notes:

(1) *Deemed interest by virtue of its direct shareholding in Vista Meranti pursuant to Section 6A of the Act.*

(2) *Deemed interest by virtue of his direct shareholding in HQZ pursuant to Section 6A of the Act.*

(iv) Vista Meranti

Vista Meranti was incorporated in Malaysia under the Act on 16 November 1990 as a private limited company under its present name. It is principally involved in investment holding, provision of operating and maintenance services and general corporate management.

Vista Meranti has an authorised share capital of RM100,000,000 comprising 100,000,000 ordinary shares of RM1.00 each, of which 21,000,000 ordinary shares have been issued and are fully paid-up as at the LPD.

As at the LPD, the Directors of Vista Meranti are Hew Chee Wai and Tan Boon Pien. As at the LPD, Vista Meranti is a wholly-owned subsidiary of HQZ.

(v) HQZ

HQZ was incorporated in Malaysia under the Act on 10 May 1991 as a private limited company under the name of Jutamex Sdn. Bhd. On 12 August 1994, it changed its name to Berjaya Resource Holdings Sdn. Bhd. On 23 November 2001, it changed its name to its present name. It is principally involved in investment holding, money lending and factoring activities.

HQZ has an authorised share capital of RM500,000,000 comprising 500,000,000 ordinary shares of RM1.00 each, of which 70,000,000 ordinary shares have been issued and are fully paid-up as at the LPD.

As at the LPD, the Directors of HQZ are Hew Chee Wai and Tan Boon Pien. As at the LPD, HQZ is 99.99% owned by TSVT. Both Dato' Robin Tan Yeong Ching and the Estate of Dato' Wan Adli bin Dato' Wan Ibrahim (deceased) holds the remaining one share each.

(vi) TSVT

TSVT is also one of our Promoters. The profile of TSVT is set out in Section 9.3.1(ii) of this Prospectus.

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9.3.3 Shareholding of our Promoters

The following table sets out the direct and indirect shareholdings of our Promoters before and after our IPO based on our Register of Substantial Shareholders and Register of Directors as at the date of this Prospectus:

	Before our IPO				After our IPO (assuming the Over-allotment Option is not exercised)				After our IPO (assuming full exercise of the Over-allotment Option)			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
Promoters	No. of Shares ('000)	[1]%	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]%
BRetail	1,052,000	100.0	-	-	703,060	57.0	-	-	629,026	51.0	-	-
TSVT	-	-	[3]1,052,000	100.0	-	-	[3]703,060	57.0	-	-	[3]629,026	51.0
Tan U-Ming	-	-	-	-	[4]100	[5]	-	-	[4]100	[5]	-	-

Notes:

(1) *Based on our issued and paid-up share capital comprising 1,052,000,000 Shares as at the date of this Prospectus.*

(2) *Based on our enlarged issued and paid-up share capital comprising 1,233,385,000 Shares.*

(3) *Deemed interest by virtue of his direct shareholding in HQZ pursuant to Section 6A of the Act.*

(4) *Assuming full subscription for the Issue Shares allocated to him under our IPO.*

(5) *Negligible.*

9.3.4 Shareholding of our substantial shareholders

The following table sets out the direct and indirect shareholdings of our substantial shareholders before and after our IPO based on our Register of Substantial Shareholders as at the date of this Prospectus:

	Before our IPO				After our IPO (assuming the Over-allotment Option is not exercised)				After our IPO (assuming full exercise of the Over-allotment Option)			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
Name	No. of Shares ('000)	[1]%	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]%
BRetail	1,052,000	100.0	-	-	703,060	57.0	-	-	629,026	51.0	-	-
PMSB	-	-	[3]1,052,000	100.0	-	-	[3]703,060	57.0	-	-	[3]629,026	51.0
IUB	-	-	[4]1,052,000	100.0	-	-	[4]703,060	57.0	-	-	[4]629,026	51.0
Vista Meranti	-	-	[5]1,052,000	100.0	-	-	[5]703,060	57.0	-	-	[5]629,026	51.0
HQZ	-	-	[6]1,052,000	100.0	-	-	[6]703,060	57.0	-	-	[6]629,026	51.0
TSVT	-	-	[7]1,052,000	100.0	-	-	[7]703,060	57.0	-	-	[7]629,026	51.0

Notes:

(1) *Based on our issued and paid-up share capital comprising 1,052,000,000 Shares as at the date of this Prospectus.*

(2) *Based on our enlarged issued and paid-up share capital, comprising 1,233,385,000 Shares.*

(3) *Deemed interest by virtue of its direct shareholding in BRetail pursuant to Section 6A of the Act.*

(4) *Deemed interest by virtue of its direct shareholding in PMSB pursuant to Section 6A of the Act.*

(5) *Deemed interest by virtue of its direct shareholding in IUB pursuant to Section 6A of the Act.*

(6) *Deemed interest by virtue of its direct shareholding in Vista Meranti pursuant to Section 6A of the Act.*

(7) *Deemed interest by virtue of his direct shareholding in HQZ pursuant to Section 6A of the Act.*

9. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, PROMOTERS AND SUBSTANTIAL SHAREHOLDERS *(Cont'd)*

9.3.5 Changes in our Promoters' and substantial shareholders' shareholdings in our Company since incorporation

The table below sets out our Promoters' and/or substantial shareholders' direct and indirect shareholdings in our Company since our incorporation on 16 August 2013 up to the LPD:

	As at 16 August 2013				As at 17 August 2013				As at the LPD			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
Name	No. of Shares	[(1)]%	No. of Shares	[(1)]%	No. of Shares	%	No. of Shares	%	No. of Shares ('000)	[(2)]%	No. of Shares ('000)	[(2)]%
Cheng Chia Peng	10	50.0	-	-	-	-	-	-	-	-	-	-
Pan Seng Wee	10	50.0	-	-	-	-	-	-	-	-	-	-
BRetail	-	-	-	-	20	100.0	-	-	1,052,000	100.0	-	-
PMSB	-	-	-	-	-	-	-	-	-	-	[(3)]1,052,000	100.0
IUB	-	-	-	-	-	-	-	-	-	-	[(4)]1,052,000	100.0
Vista Meranti	-	-	-	-	-	-	-	-	-	-	[(5)]1,052,000	100.0
HQZ	-	-	-	-	-	-	-	-	-	-	[(6)]1,052,000	100.0
TSVT	-	-	-	-	-	-	-	-	-	-	[(7)]1,052,000	100.0
Tan U-Ming	-	-	-	-	-	-	-	-	-	-	-	-

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9. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, PROMOTERS AND SUBSTANTIAL SHAREHOLDERS *(Cont'd)*

Notes:

(1) *Based on our issued and paid-up share capital of 20 Shares on the date of our incorporation on 16 August 2013.*

(2) *Based on our enlarged issued and paid-up share capital comprising 1,233,385,000 Shares.*

(3) *Deemed interest by virtue of its direct shareholding in BRetail pursuant to Section 6A of the Act.*

(4) *Deemed interest by virtue of its direct shareholding in PMSB pursuant to Section 6A of the Act.*

(5) *Deemed interest by virtue of its direct shareholding in IUB pursuant to Section 6A of the Act.*

(6) *Deemed interest by virtue of its direct shareholding in Vista Meranti pursuant to Section 6A of the Act.*

(7) *Deemed interest by virtue of his direct shareholding in HQZ pursuant to Section 6A of the Act.*

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9.3.6 Involvement of our substantial shareholders in other businesses and/or corporations which carry on a similar trade as that of our Group or which are our customers and/or suppliers

Save as disclosed below and in Section 9.1.4 of this Prospectus, none of our substantial shareholders have any interest, direct or indirect, in other businesses and/or corporations which are: (i) carrying on a similar trade as that of our Group; or (ii) the customers and/or suppliers of our Group as at the LPD.

Name	Business/Corporation	Principal activities	Nature of interest	Direct Interest (%)	Indirect interest (%)
BRetail	*Our supplier:*				
	• Singer	• Marketing and selling of consumer durables products on cash, credit, hire purchase terms and equal payment schemes	• Shareholder of Singer	100.0	-
TSVT	*Our suppliers:*				
	• Singer	• Marketing and selling of consumer durables products on cash, credit, hire purchase terms and equal payment schemes	• Major shareholder of Singer	-	100.0
	• MOL	• Internet media, e-commerce utilising internet-connected physical outlets as e-distribution and e-payment centres and the provision of e-solution services	• Major shareholder of MOL	-	85.0
	• U Mobile	• Multimedia interactive television and telecommunications service provider	• Major shareholder of U Mobile	6.20	38.5
	• Prime Credit Leasing Sdn. Bhd.	• Hire purchase, lease and loan financing	• Major shareholder of Prime Credit Leasing Sdn. Bhd.	-	100.0
	• Securexpress Services Sdn. Bhd.	• Provision of logistics, warehousing and transportation services	• Major shareholder of Securexpress Services Sdn. Bhd.	-	100.0
	• Berjaya Sompo Insurance Berhad	• General insurance	• Major shareholder of Berjaya Sompo Insurance Berhad	-	30.0

9. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, PROMOTERS AND SUBSTANTIAL SHAREHOLDERS *(Cont'd)*

Name	Business/Corporation	Principal activities	Nature of interest	Direct Interest (%)	Indirect interest (%)
TSVT *(Cont'd)*	*Our suppliers (Cont'd):*				
	• Nural Enterprise Sdn. Bhd.	• Investment and rental of properties	• Major shareholder of Nural Enterprise Sdn. Bhd.	-	100.0
	• Cosway (M) Sdn. Bhd.	• Direct selling of household, personal care, health care and other consumer products	• Major shareholder of Cosway (M) Sdn. Bhd.	-	100.0
	• Wilayah Motor Sdn. Bhd.	• Insurance agent and business of dealing with motor vehicles	• Major shareholder of Wilayah Motor Sdn. Bhd.	-	100.0
	• Klasik Mewah Sdn. Bhd.	• Property investment	• Major shareholder of Klasik Mewah Sdn. Bhd.	-	100.0
	• Berjaya Times Square Sdn. Bhd.	• Investment holding, property investment and property development	• Major shareholder of Berjaya Times Square Sdn. Bhd.	-	80.0
	• Cempaka Properties Sdn. Bhd.	• Property development and investment	• Major shareholder of Cempaka Properties Sdn. Bhd.	-	100.0
	• Angsana Gemilang Sdn. Bhd.	• Property investment	• Major shareholder of Angsana Gemilang Sdn. Bhd.	-	100.0
	• Direct Vision Sdn. Bhd.	• Sale and rental of audio/visual home entertainment products	• Major shareholder of Direct Vision Sdn. Bhd.	-	19.0
	• Sun Media Corporation Sdn. Bhd.	• Publisher of The Sun newspaper	• Major shareholder of Sun Media Corporation Sdn. Bhd.	-	100.0

The interests held by our substantial shareholders in other businesses and/or corporations which are our customers and/or suppliers may give rise to a conflict of interest situation with our business. Accordingly, such substantial shareholders and persons connected to them shall abstain from deliberations 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. In the event such matters or transactions require the approval of the relevant Board of the companies in our Group including our Company, the Directors on the relevant Board who are conflicted in such matters or transactions by virtue of their relationship with our substantial shareholders or other relationship shall declare their interests to our Board, and similarly abstain from deliberations and voting on the resolutions relating to these matters/transactions.

It cannot be precluded that the businesses and/or corporations that our substantial shareholders have an interest in may have in the past purchased or will purchase items from our stores on a walk-in basis and would hence constitute a customer of our stores.

9.4 Relationships and associations between our Directors, key management, Promoters and substantial shareholders

Save as disclosed below, there are no family relationships and/or associations between any of our Directors, key management, Promoters and substantial shareholders:

(i) BRetail and TSVT who are our Promoters, are also our substantial shareholders;

(ii) Chan Kien Sing and Tan U-Ming who are our Non-Independent Executive Directors, are also Directors of BRetail, which is our Promoter and substantial shareholder;

(iii) Tan U-Ming who is our Non-Independent Executive Director and Promoter, is the son of TSVT, who is our Promoter and substantial shareholder; and

(iv) Chan Kien Sing is a Director of PMSB and IUB, which are our substantial shareholders.

9.5 Declaration by our Directors, key management and Promoters

Save as disclosed below, none of our Directors, key management and Promoters are and have been involved in any of the following events (whether in or outside Malaysia):

(i) a petition under any bankruptcy or insolvency laws was filed (and not struck out) against such person or any partnership in which such person is or was a partner or any corporation of which such person was a Director or key personnel;

(ii) disqualified from acting as a Director of any corporation, or from taking part, directly or indirectly, in the management of any corporation;

(iii) charged and/or convicted in a criminal proceeding or is a named subject of a pending criminal proceeding;

(iv) any judgment was entered against such person involving a breach of any law or regulatory requirement that relates to the securities or futures industry; or

(v) the subject of any order, judgment or ruling of any court, government, or regulatory authority or body temporarily enjoining him from engaging in any type of business practice or activity.

Chan Kien Sing

Chan Kien Sing was appointed to the Board of CATSB and FESB on 2 September 2003 and 24 April 2006 respectively.

On 15 April 2013, a winding-up petition, which was filed by the creditors of CATSB due to default of loan covenants, was presented at the Shah Alam High Court for CATSB. On 24 July 2013, the Shah Alam High Court had ordered the winding-up of CATSB. As at the LPD, CATSB is still in the process of liquidation and Chan Kien Sing remains as a Director of CATSB.

On 4 February 2010, a winding-up petition, which was filed by the creditors of FESB due to default of loan covenants, was presented at the Kuala Lumpur High Court for FESB. On 8 April 2010, the Kuala Lumpur High Court had ordered the winding-up of FESB. As at the LPD, FESB is still in the process of liquidation and Chan Kien Sing remains as a Director of FESB.

Dato' Mohamed Nazim bin Abdul Razak

Dato' Mohamed Nazim bin Abdul Razak was appointed to the Board of Bristol Industries Sdn. Bhd. ("**BISB**") on 1 December 2001.

On 6 May 2002, a winding-up petition was presented by a shareholder of BISB ("**Petitioning Shareholder**") at the Kuala Lumpur High Court for BISB on the grounds that the directors of BISB have acted in the affairs of the company in their own interests rather than in the interests of the shareholders of BISB and/or in such manner which appears to be unfair or unjust to the Petitioning Shareholder and the hearing for the same was set on 3 July 2002. On 31 December 2002, Dato' Mohamed Nazim bin Abdul Razak resigned as a director of BISB. The current status of the winding-up proceeding is not known and there are no available records with regards to the said proceeding. However, as at the LPD, BISB is a dormant company and no order for winding-up has been made against it.

Our Board is of the view that (i) the winding-up proceedings involving CATSB and FESB would not affect Chan Kien Sing's capacity as a director of 7-Eleven Malaysia Holdings, 7-Eleven Malaysia, 7 Properties and Teluk Juara; and (ii) the winding-up proceeding involving BISB would not affect Dato' Mohamed Nazim bin Abdul Razak's capacity as our director.

9.6 Other matters

Save as disclosed below, for the two years preceding the date of this Prospectus, no amount had been paid or benefits given or intended to be paid or given by our Group to any Director, Promoter or substantial shareholder of our Company:

(i) Remuneration and material benefits-in-kind paid and proposed to be paid to our Directors as set out in Section 9.1.9 of this Prospectus;

(ii) The allocation of the Issue Shares under the Retail Offering to our eligible Directors that may be subscribed by them as set out in Section 4.3.2 of this Prospectus; and

(iii) The issuance of 1,051,999,980 new Shares at the issue price of RM1.18 per Share and the Note pursuant to the Pre-IPO Reorganisation.