

7-Eleven Malaysia Holdings Berhad

(Company No: 1058531-W)

Date : 28 August 2015

Subject: UNAUDITED INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER
ENDED 30 JUNE 2015

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7-Eleven Malaysia Holdings Berhad (Company No: 1058531-W)

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2015
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	3 months ended		6 months ended	
	30.6.2015	30.6.2014 ⁽¹⁾	30.6.2015	30.6.2014 ⁽¹⁾
	RM'000	RM'000	RM'000	RM'000
Revenue	482,321	471,623	987,312	924,696
Cost of sales	(335,679)	(333,137)	(686,933)	(657,068)
Gross profit	146,642	138,486	300,379	267,628
Other operating income	26,889	27,978	52,771	50,516
Selling and distribution expenses	(137,598)	(121,738)	(272,762)	(238,440)
Administrative and other operating expenses	(20,659)	(20,194)	(44,707)	(36,874)
Profit from operations	15,274	24,532	35,681	42,830
Finance costs	(88)	(1,365)	(206)	(3,150)
Profit before tax	15,186	23,167	35,475	39,680
Income tax expense	(4,444)	(6,762)	(10,353)	(11,647)
Profit after tax, representing total comprehensive income for the period	10,742	16,405	25,122	28,033
Profit attributable to:				
Equity holders of the Company	10,742	16,405	25,122	28,033
Basic/diluted earnings per ordinary share (sen) (Note B12)	0.87	1.47	2.04	2.58

Note:

(1) The acquisition of the entire issued and paid-up share capital of 7-Eleven Malaysia Sdn. Bhd. ("7-Eleven Malaysia") by 7-Eleven Malaysia Holdings Berhad ("7-Eleven Malaysia Holdings") that was completed on 2 April 2014 is a reorganisation and does not result in any change in economic substance. Accordingly, the comparative figures are presented as if the reorganisation had been effected from the beginning of the earliest period presented.

(The annexed notes form an integral part of this interim financial report)

7-Eleven Malaysia Holdings Berhad (Company No: 1058531-W)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2015
CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	The Group	
	Unaudited As at 30.6.2015 RM'000	Audited As at 31.12.2014 RM'000
Assets		
Non-current assets		
Property, plant and equipment	273,253	242,473
Investment property	219	222
Intangible assets	19,695	11,499
Other investments	1	1
	<u>293,168</u>	<u>254,195</u>
Current assets		
Inventories	175,183	148,898
Sundry receivables	86,112	85,527
Tax recoverable	4,554	2,420
Cash and bank balances	174,138	244,110
	<u>439,987</u>	<u>480,955</u>
Total assets	<u>733,155</u>	<u>735,150</u>
Equity and liabilities		
Equity attributable to equity holders of the Company		
Share capital	123,338	123,338
Share premium	1,361,800	1,361,800
Capital reorganisation deficit	(1,343,248)	(1,343,248)
Retained profits	56,538	94,319
Total equity	<u>198,428</u>	<u>236,209</u>
Non-current liabilities		
Provisions	5,754	5,254
Borrowings	779	2,061
Deferred tax liabilities	8,384	8,323
	<u>14,917</u>	<u>15,638</u>
Current liabilities		
Provisions	431	745
Borrowings	3,427	5,355
Trade payables	373,581	369,154
Other payables	142,347	108,013
Taxation	24	36
	<u>519,810</u>	<u>483,303</u>
Total liabilities	<u>534,727</u>	<u>498,941</u>
Total equity and liabilities	<u>733,155</u>	<u>735,150</u>
Net assets per share attributable to ordinary equity holders of the Company (sen) ⁽¹⁾	<u>16.09</u>	<u>19.15</u>

Note:

(1) Based on number of shares in issue.

(The annexed notes form an integral part of this interim financial report)

7-Eleven Malaysia Holdings Berhad (Company No: 1058531-W)

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2015
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

Group	Attributable to Equity Holders of the Company				
	Share capital RM'000	Share premium RM'000	Capital reorganisation deficit RM'000	Retained profits RM'000	Total equity RM'000
At 1 January 2015	123,338	1,361,800	(1,343,248)	94,319	236,209
Total comprehensive income	-	-	-	25,122	25,122
Transaction with owners:					
Dividends on ordinary shares	-	-	-	(62,903)	(62,903)
At 30 June 2015	<u>123,338</u>	<u>1,361,800</u>	<u>(1,343,248)</u>	<u>56,538</u>	<u>198,428</u>
At 1 January 2014 (Unaudited)*	105,200	1,136,160	(1,343,248)	31,245	(70,643)
Total comprehensive income	-	-	-	28,033	28,033
Transaction with owners:					
Public issue of shares	18,138	232,173	-	-	250,311
Share issue expenses	-	(6,735)	-	-	(6,735)
At 30 June 2014	<u>123,338</u>	<u>1,361,598</u>	<u>(1,343,248)</u>	<u>59,278</u>	<u>200,966</u>

* The comparative for the financial period ended 30 June 2014 have been presented for illustrative purpose only to show the effects of the transactions, as described below, with the assumption that these transactions had taken place as at the earliest date presented.

The acquisition of the entire issued and paid-up share capital of 7-Eleven Malaysia by 7-Eleven Malaysia Holdings that was completed on 2 April 2014 is a reorganisation and does not result in any change in economic substance. Accordingly, the consolidated financial statements of the 7-Eleven Malaysia Holdings is a continuation of 7-Eleven Malaysia Group and is accounted for as follows:

- The results of entities are presented as if the reorganisation had been effected from the beginning of the earliest period presented;
- 7-Eleven Malaysia Holdings consolidates the assets and liabilities of the 7-Eleven Malaysia Group at their pre-combination carrying amounts. No adjustments are made to reflect fair values, or recognise any new assets or liabilities, at the date of the combination that would otherwise be done under the acquisition method;
- No new goodwill is recognised as a result of the reorganisation. The only goodwill that is recognised is the existing goodwill relating to the combining entities. Difference between the consideration paid/transferred and the equity acquired is reflected within equity as capital reorganisation deficit.

(The annexed notes form an integral part of this interim financial report)

7-Eleven Malaysia Holdings Berhad (Company No: 1058531-W)**UNAUDITED INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2015
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**

	CUMULATIVE QUARTER	
	6 months ended	
	30.6.2015	30.6.2014
	RM'000	RM'000
Cash flows from operating activities		
Cash receipts from customers and other receivables	1,058,269	983,208
Cash paid to suppliers and employees	(1,015,659)	(907,291)
Cash generated from operations	42,610	75,917
Interest paid	(206)	(3,150)
Tax paid	(12,438)	(10,046)
Net cash generated from operating activities	29,966	62,721
Cash flows from investing activities		
Purchase of property, plant and equipment	(28,460)	(28,048)
Purchase of intangible assets	(8,196)	-
Proceeds from disposal of property, plant and equipment	5	25
Advances to intercompany (net)	-	33,091
Interest received	2,826	1,227
Net cash (used in)/generated from investing activities	(33,825)	6,295
Cash flows from financing activities		
Dividends paid on ordinary shares	(62,903)	-
Proceeds from issuance of shares pursuant to the IPO exercise	-	250,311
Payment of initial public offering exercise expenses	-	(6,275)
Proceeds from bankers' acceptances	-	191,952
Repayment of bankers' acceptances	-	(254,252)
Repayment of term loans	(810)	(1,178)
Repayment of hire purchase and finance lease liabilities	(2,400)	(3,542)
Net cash (used in)/generated from financing activities	(66,113)	177,016
Net (decrease)/increase in cash and cash equivalents	(69,972)	246,032
Cash and cash equivalents at beginning of the period	244,110	47,841
Cash and cash equivalents at end of the period	174,138	293,873
Cash and cash equivalents at the end of the financial period comprises the following:-		
Cash and bank balances	46,905	48,815
Fixed deposits with licensed banks	127,233	245,058
	174,138	293,873

(The annexed notes form an integral part of this interim financial report)

7-Eleven Malaysia Holdings Berhad (Company No: 1058531-W)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2015 NOTES TO THE INTERIM FINANCIAL REPORT

A1. CORPORATE INFORMATION

7-Eleven Malaysia Holdings Berhad is a public limited liability company, incorporated and domiciled in Malaysia.

The principal activity of the Company is investment holding.

The principal activities of its subsidiaries are in the operating and franchising of convenience stores under the "7-Eleven" brand name and investment holdings.

The Company and its subsidiaries are collectively referred to as the Group.

The immediate and ultimate holding companies are Berjaya Retail Berhad ("BRetail") and HQZ Credit Sdn. Bhd. ("HQZ") respectively.

A2. BASIS OF PREPARATION

The interim financial report is unaudited and have been prepared in accordance with the Malaysian Financial Reporting Standard ("MFRS") 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("MASB") and Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"). The interim financial report should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2014.

Certain comparatives have been reclassified to conform with the current period presentation.

The interim financial report is presented in Ringgit Malaysia ("RM") and all values are rounded to the nearest thousand ("RM'000") except when otherwise indicated.

A3. CHANGES IN ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of the interim financial report are consistent with those adopted in the audited financial statements for the year ended 31 December 2014 except as follows:

On 1 January 2015, the Group adopted the following amended MFRSs mandatory for annual financial period beginning on or after 1 January 2015:

Description	Effective for annual financial periods beginning on or after
Amendments to MFRS 119 : Defined Benefit Plans : Employee Benefits	1 July 2014
Annual Improvements to MFRSs 2010 - 2012 Cycle	1 July 2014
Annual Improvements to MFRSs 2011 - 2013 Cycle	1 July 2014

The adoption of the above did not have any significant effect on the interim financial report upon their initial adoption.

7-Eleven Malaysia Holdings Berhad (Company No: 1058531-W)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2015 NOTES TO THE INTERIM FINANCIAL REPORT

A3. CHANGES IN ACCOUNTING POLICIES (CONT'D)

The Group has not early adopted new or revised standards and amendments to standards that have been issued but not yet effective for the Group's accounting period beginning on or after 1 January 2015. The Group intend to adopt these standards, if applicable, when they become effective. The initial application of the new or revised MFRSs and Amendments to MFRSs, which will be applied prospectively or which requires extended disclosures, is not expected to have any significant financial impacts to the financial statements of the Group upon their initial adoption.

A4. SEASONALITY OR CYCLICALITY OF OPERATIONS

The business of the Group typically experience higher customer count, transaction value and sales during weekends, public holidays, school holidays and festive periods such as Chinese New Year, Christmas, Deepavali and Hari Raya.

A5. ITEMS OF UNUSUAL NATURE

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the period under review.

A6. CHANGES IN ESTIMATES

There were no changes in estimates of amounts reported in prior financial period that have had a material effect in the current financial period.

A7. CHANGES IN COMPOSITION OF THE GROUP

There were no changes in composition of the Group during the period under review.

A8. DEBT AND EQUITY SECURITIES

There were no issuance and repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resales of treasury shares for the current financial period ended 30 June 2015.

A9. DIVIDEND PAID

During the financial period ended 30 June 2015, the Company paid an interim single tier dividend of 2.5 sen per ordinary share and a special single tier dividend of 2.6 sen per ordinary share amounting to RM62.9 million in respect of the financial year ended 31 December 2014 on 31 March 2015.

7-Eleven Malaysia Holdings Berhad (Company No: 1058531-W)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2015 NOTES TO THE INTERIM FINANCIAL REPORT

A10. SEGMENT REPORT

Segmental analysis for the financial period ended 30 June 2015 is as follows:

Revenue	External RM'000	Inter- segment RM'000	Total RM'000
For the six months ended 30 June 2015			
Convenience stores	987,169	-	987,169
Others	143	349	492
Inter-segment elimination	-	(349)	(349)
	987,312	-	987,312
For the six months ended 30 June 2014			
Convenience stores	924,553	-	924,553
Others	143	349	492
Inter-segment elimination	-	(349)	(349)
	924,696	-	924,696
	CUMULATIVE QUARTER		
	6 months ended		
	30.6.2015	30.6.2014	
	RM'000	RM'000	
Results			
Convenience stores		33,347	37,748
Others		(492)	552
		32,855	38,300
Interest income		2,826	4,530
Profit from operations		35,681	42,830
Finance costs		(206)	(3,150)
Profit before tax		35,475	39,680
Income tax expense		(10,353)	(11,647)
Net profit for the period		25,122	28,033

A11. PROPERTY, PLANT AND EQUIPMENT

During the 6 months ended 30 June 2015, the Group acquired assets at costs of RM54.8 million (2014 : RM30.9 million). The assets acquired comprise mainly of renovation, furniture, fittings, equipment and computer equipment.

7-Eleven Malaysia Holdings Berhad (Company No: 1058531-W)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2015 NOTES TO THE INTERIM FINANCIAL REPORT

A12. INTANGIBLE ASSETS

Intangible assets include computer software-in-development. During the 6 months ended 30 June 2015, the Group acquired computer software-in-development assets at costs of RM8.2 million (2014 : Nil).

A13. SIGNIFICANT RELATED PARTY TRANSACTIONS

Transacting party	Type of transactions	CUMULATIVE QUARTER 6 months ended	
		30.6.2015 RM'000	30.6.2014 RM'000
With immediate holding company			
Berjaya Retail Berhad ("BRetail")	Intercompany repayment to 7-Eleven Malaysia from BRetail	-	43,151
	Interest income on advances to BRetail	-	3,304
	Interest expense on advances from BRetail	-	182
	Purchase consideration paid for the acquisition of the entire issued and paid-up share capital of 7-Eleven Malaysia from BRetail	-	1,378,248
	Assumption of debts owing by BRetail to 7EMSB through promissory note	-	136,888
With a subsidiary company			
7-Eleven Malaysia Sdn Bhd ("7-Eleven Malaysia")	Advances from 7-Eleven Malaysia to 7-Eleven Malaysia Holdings	2,938	9,878
	Interest expense on advances from 7-Eleven Malaysia	2	293
	Interest income on dividend receivable from 7-Eleven Malaysia	890	-

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2015 NOTES TO THE INTERIM FINANCIAL REPORT

A13. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONT'D)

Transacting party	Type of transactions	CUMULATIVE QUARTER 6 months ended	
		30.6.2015 RM'000	30.6.2014 RM'000
With companies in which TSVT is deemed interested*			
MOL AccessPortal Sdn. Bhd. ("MOL")	Receipt of payment from MOL for commission for sale of mobile phone and online game reloads	10,897	10,064
	Payment to MOL for reload transaction values for in-store services for sale of mobile phone and online games reloads	269,070	219,036
U Mobile Sdn. Bhd. ("U Mobile")	Receipt of payment from U Mobile for commission for sale of mobile phone reloads	3,902	3,769
	Payment to U Mobile for reload transaction values for in-store services for sale of mobile phone reloads	62,959	59,040
	Receipt of payment from U Mobile for advertisement placement fees	2,700	2,486
	Receipt of payment from Kakao for advertisement placement fees	-	1,411
Berjaya Channel Sdn. Bhd. ("BChannel")	Receipt of payment from BChannel for advertisement placement fees	750	750
Sun Media Corporation Sdn. Bhd. ("Sun Media")	Advertising fees on placement of advertisement in The Sun newspaper	290	161
	Display fees from placement of The Sun newspaper in 7-Eleven's stores	371	360

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2015 NOTES TO THE INTERIM FINANCIAL REPORT

A13. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONT'D)

Transacting party	Type of transactions	CUMULATIVE QUARTER 6 months ended	
		30.6.2015 RM'000	30.6.2014 RM'000
With companies in which TSVT is deemed interested*			
Prime Credit Leasing Sdn. Bhd.	Leasing facility for point-of-sales computer system:		
	- Drawdown	-	1,923
	- Lease interest	189	336
Securexpress Services Sdn. Bhd. ("Securexpress")	Payment to Securexpress for fees relating to the delivery of merchandise to stores	5,891	5,338
Berjaya Sompo Insurance Berhad ("Berjaya Sompo")	Payment to Berjaya Sompo for insurance premium	1,679	928
Nural Enterprise Sdn. Bhd. ("Nural")	Payment to Nural for rental of property and service charges	1,073	1,026
Berjaya Times Square Sdn. Bhd. ("BTS")	Payment to BTS for rental of property and service charges	484	457

* Tan Sri Dato' Seri Vincent Tan Chee Yioun ("TSVT"), a substantial shareholder of HQZ Credit Sdn. Bhd. ("HQZ"), is also deemed interested in all the subsidiary companies of HQZ.

A14. CONTINGENT LIABILITIES

The Group has bank guarantees amounting to RM7,020,000 (31 December 2014: RM7,015,000) as security deposits in favour of various government and statutory bodies, and private companies.

The bank guarantee facility is granted to 7-Eleven Malaysia on a clean basis.

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2015 NOTES TO THE INTERIM FINANCIAL REPORT

A15. CAPITAL COMMITMENTS

	Group	
	As at 30.6.2015 Unaudited RM'000	As at 31.12.2014 Audited RM'000
Approved and contracted for		
- property, plant and equipment	43,924	35,690
- intangible assets	11,462	14,100
	<u>55,386</u>	<u>49,790</u>
Approved but not contracted for		
- property, plant and equipment	93,751	126,070
- intangible assets	1,780	4,000
	<u>95,531</u>	<u>130,070</u>
	<u>150,917</u>	<u>179,860</u>

A16. SUBSEQUENT EVENT

There were no significant events since the end of this current quarter up to the date of this announcement.

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2015
ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LR**

B1. REVIEW OF THE PERFORMANCE OF THE GROUP

Review of Current Quarter Performance versus Corresponding Quarter Last Year

The Group's revenue for the current quarter of RM482.3 million grew by RM10.7 million or 2.3% against the corresponding quarter's revenue in the previous year of RM471.6 million. The growth in revenue was driven by the growth in new stores and improved merchandise mix albeit at a lower momentum due to the impact from GST implementation, declining consumer confidence and commencement of Ramadan fasting two weeks earlier in this year.

Gross profit of RM146.6 million improved by RM8.2 million or 5.9% compared to the corresponding quarter in the previous year and this was mainly attributed to the revenue growth of 2.3% and gross profit margin expansion of 1.0% point. Other operating income declined by 3.9% compared to the corresponding quarter in the previous year due to the main consumer promotion campaign which started earlier in March this year vis-a-vis May last year.

Selling and distribution expenses for the quarter increased by RM15.9 million or 13.0%, mainly caused by new store expansion resulting in higher staff cost, rental cost and store depreciation expense. Staff cost increased by RM7.7 million or 17.4%, rental increased by RM3.4 million or 18.9% and store depreciation expense increased by RM3.3 million or 40%.

Administrative and other operating expenses for the quarter increased marginally by 2.3%.

The profit before tax of RM15.2 million declined by 34.4% or RM8.0 million which was attributed mainly to lower sales growth, due to the impact of GST and low consumer confidence, on the back of higher selling and distribution expenses from new store expansion.

Review of 6 Months Period Performance versus Corresponding Period Last Year

For the 6 months ended 30 June 2015, the Group's revenue of RM987.3 million grew RM62.6 million or 6.8% against the corresponding 6 months' revenue in the previous year of RM924.7 million. The growth in revenue was driven by the growth in new stores (total stores as at 30 June 2015: 1,854 stores), improved merchandise mix and consumer promotion activity.

Gross profit improved by RM32.8 mil or 12.2% compared to the corresponding 6 months in the previous year and this was mainly attributed to the revenue growth of 6.8% and gross profit margin expansion of 1.5% points. Other operating income grew by 4.5% compared to the corresponding 6 months in the previous year.

Selling and distribution expenses for the 6 months period in 2015 increased by RM34.3 million or 14.4%, mainly caused by higher staff cost, rental cost and store depreciation expense which is in tandem with new store expansion. Staff cost increased by RM13.1 million or 14.9%, rental increased by RM6.0 million or 16.7% and store depreciation expense increased by RM5.1 million or 31.1%.

Administrative and other operating expenses increased by RM7.8 million or 21.2% vis-a-vis the corresponding 6 months in the previous year due to higher marketing expenses and staff cost by 43.7% and 14.4% respectively coupled with reversal of overprovision of IPO expenses of RM2.3 million in prior year which is non-recurrent in current year.

The profit before tax of RM35.5 million declined by 10.6% or RM4.2 million which was mainly attributed to lower sales growth, due to the impact of GST and low consumer confidence, and higher selling and distribution expenses from new store expansion.

7-Eleven Malaysia Holdings Berhad (Company No: 1058531-W)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2015 ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LR

B2. MATERIAL CHANGES IN THE PROFIT BEFORE TAXATION FOR THE CURRENT QUARTER AS COMPARED WITH THE IMMEDIATE PRECEDING QUARTER

The Group's profit before tax for the second quarter was RM15.2 million, a decrease of RM5.1 million or 25.1% vis-a-vis the immediate preceding quarter profit before tax of RM20.3 million primarily due to decline in the revenue by RM22.7 million or 4.5%. The decrease in revenue was mainly due to the impact from GST implementation, declining consumer confidence and commencement of Ramadan fasting two weeks earlier in this year.

B3. PROSPECTS

The Board of Directors is of the view that the trading conditions for the remaining period of the current financial year is expected to stay challenging due to general softening in the domestic private consumption since GST implementation and the current macro-economic condition which adversely affected the consumer confidence. Despite this latest development, we are positive of holding onto our market leading position while our new store expansion plan remains on track.

B4. VARIANCE OF ACTUAL RESULTS FROM PROFIT FORECAST AND PROFIT GUARANTEE

The Group did not issue any profit forecast or profit estimate previously in any public document.

7-Eleven Malaysia Holdings Berhad (Company No: 1058531-W)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2015 ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LR

B5. PROFIT FROM OPERATIONS

Profit from operations is arrived at after charging/(crediting):

	Current Quarter 3 months ended		Cumulative Quarter 6 months ended	
	30.6.2015 RM'000	30.6.2014 RM'000	30.6.2015 RM'000	30.6.2014 RM'000
Interest income	(1,156)	(1,516)	(2,826)	(4,530)
Depreciation of property, plant and equipment	12,609	9,111	23,334	17,880
Initial Public Offering ("IPO") expenses Over provision of IPO and listing expenses in respect of prior year	-	835	-	1,726
Amortisation charge for investment property	-	(1,300)	-	(2,261)
Property, plant and equipment written off	2	2	3	3
Impairment loss on sundry receivables Impairment loss on sundry receivables written back	505	275	673	312
Gain on disposal of property, plant and equipment	-	-	-	41
(Gain)/loss on foreign exchange translation differences	-	(209)	-	(209)
	(5)	(3)	(5)	(3)
	(5)	(8)	123	(8)

Other than as presented in the condensed consolidated statements of comprehensive income and as disclosed above, there were no gain or loss on disposal of quoted or unquoted investments or properties, provision for and write off of inventories, impairment of other assets, gain or loss on derivatives and exceptional items included in the results of the current quarter and financial period ended 30 June 2015.

B6. TAXATION

	Current Quarter 3 months ended		Cumulative Quarter 6 months ended	
	30.6.2015 RM'000	30.6.2014 RM'000	30.6.2015 RM'000	30.6.2014 RM'000
Income tax:				
Current period provision	4,418	6,979	10,292	11,836
Over provision in prior year	-	(3)	-	(3)
	4,418	6,976	10,292	11,833

7-Eleven Malaysia Holdings Berhad (Company No: 1058531-W)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2015 ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LR

B6. TAXATION (CONT'D)

	Current Quarter 3 months ended		Cumulative Quarter 6 months ended	
	30.6.2015 RM'000	30.6.2014 RM'000	30.6.2015 RM'000	30.6.2014 RM'000
Deferred tax				
Relating to origination and reversal of temporary differences	26	40	61	68
Over provision in prior year	-	(254)	-	(254)
	<u>26</u>	<u>(214)</u>	<u>61</u>	<u>(186)</u>
	<u>4,444</u>	<u>6,762</u>	<u>10,353</u>	<u>11,647</u>

Income tax expense is recognised based on management's best estimation. The Group's consolidated effective tax rates for the current quarter and financial period ended 30 June 2015 were higher than the Malaysian's statutory tax rate mainly due to the certain expenses not deductible under tax legislation.

B7. STATUS OF CORPORATE PROPOSALS

There were no corporate proposals announced but not completed at the date of this report.

B8. STATUS OF UTILISATION OF IPO PROCEEDS

The status of utilisation of the proceeds from the Public Issue of 181,385,000 new ordinary shares at RM1.38 per share on 30 May 2014 are as follows:

Purposes	Proposed utilisation RM'000	Actual utilisation at the date of this report RM'000	Deviation RM'000	Balance RM'000	Estimated time frame for utilisation
i. Capital expenditure	184,790	78,187	-	106,603	Within 36 months
ii. Working capital	42,664	51,820	(9,156)	-	Within 36 months Note 1
iii. Estimated fees and expenses for the IPO and listing exercise	22,857	13,701	9,156	-	Note 1
Total gross proceeds	250,311	143,708	-	106,603	

Note:

- Actual fees and expenses incurred for the IPO and listing exercise were less than the estimated fees and expenses by approximately RM9.2 million. The excess arising from actual listing expenses compared to the estimated expenses has been utilised for working capital purposes.

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B9. GROUP BORROWINGS

The Group borrowings which are denominated in Ringgit Malaysia ("RM") as at 30 June 2015 are as follows: -

	As at 30.6.2015 RM'000	As at 31.12.2014 RM'000
Short term borrowings		
Secured:		
Term loans	9	819
Hire purchase and finance lease liabilities	3,418	4,536
	<u>3,427</u>	<u>5,355</u>
Long term borrowings		
Secured:		
Hire purchase and finance lease liabilities	779	2,061
	<u>779</u>	<u>2,061</u>
Total borrowings		
Term loans	9	819
Hire purchase and finance lease liabilities	4,197	6,597
	<u>4,206</u>	<u>7,416</u>

B10. MATERIAL LITIGATION

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

B11. DIVIDEND

No dividend was declared or recommended for payment by the Company for the current quarter (previous corresponding quarter : Nil).

B12. EARNINGS PER SHARE

	CURRENT QUARTER 3 months ended		CUMULATIVE QUARTER 6 months ended	
	30.6.2015	30.6.2014	30.6.2015	30.6.2014
Net profit attributable to ordinary shares (RM'000)	10,742	16,405	25,122	28,033
Weighted average number of ordinary shares in issue ('000)	1,233,385	1,119,770	1,233,385	1,086,072
Basic/diluted earnings per ordinary share (sen)	<u>0.87</u>	<u>1.47</u>	<u>2.04</u>	<u>2.58</u>

The Company does not have any dilutive potential ordinary shares in issue for the current quarter and financial period to date.

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B13. BREAKDOWN OF REALISED AND UNREALISED PROFITS OR LOSSES

The breakdown of the retained profits of the Group as at 30 June 2015 and 31 December 2014 into realised and unrealised profits is presented in accordance with the directives issued by Bursa Malaysia Securities Berhad dated 25 March 2010 and 20 December 2010, prepared in accordance with Guidance on Special Matter No. 1, *Determination of Realised and Unrealised Profits or Losses* in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

	As at 30.6.2015 RM'000	As at 31.12.2014 RM'000
Realised profits	64,922	102,642
Unrealised losses	(8,384)	(8,323)
Total retained profits as per condensed consolidated statements of changes in equity	56,538	94,319