

# 7-Eleven Malaysia Holdings Berhad

[Registration No: 201301028701 (1058531-W)]

**Date :** 29 Nov 2022

**Subject:** UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED  
30 SEPTEMBER 2022

<u>Table of contents</u>	Page
Condensed Consolidated Statements of Comprehensive Income	1
Condensed Consolidated Statements of Financial Position	2
Condensed Consolidated Statements of Changes in Equity	3
Condensed Consolidated Statements of Cash Flows	4
Notes to the Interim Financial Report	5 - 9
Additional Information Required by the Listing Requirements of Bursa Malaysia Securities Berhad ('Bursa Securities LR')	10 - 14

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022**  
**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	3 months ended		9 months ended	
	30.9.2022	30.9.2021	30.9.2022	30.9.2021
	RM'000	RM'000	RM'000	RM'000
Revenue	988,211	680,223	2,771,856	2,014,019
Cost of sales	(712,508)	(498,012)	(1,992,205)	(1,478,863)
<b>Gross profit</b>	<b>275,703</b>	<b>182,211</b>	<b>779,651</b>	<b>535,156</b>
Other operating income	44,451	38,588	131,957	120,753
Selling and distribution expenses	(213,786)	(152,564)	(595,973)	(457,461)
Administrative and other operating expenses	(51,244)	(37,735)	(139,437)	(109,108)
<b>Profit from operations</b>	<b>55,124</b>	<b>30,500</b>	<b>176,198</b>	<b>89,340</b>
Finance costs	(16,642)	(15,752)	(48,087)	(45,300)
<b>Profit before tax</b>	<b>38,482</b>	<b>14,748</b>	<b>128,111</b>	<b>44,040</b>
Income tax expense	(22,541)	(5,848)	(52,146)	(17,997)
<b>Profit after tax</b>	<b>15,941</b>	<b>8,900</b>	<b>75,965</b>	<b>26,043</b>
<b>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</b>				
Foreign currency translation	33	-	43	-
<b>Total other comprehensive income (net of taxation):</b>	<b>33</b>	<b>-</b>	<b>43</b>	<b>-</b>
<b>Total comprehensive income for the financial year</b>	<b>15,974</b>	<b>8,900</b>	<b>76,008</b>	<b>26,043</b>
<b>Profit after tax attributable to:</b>				
Equity holders of the Company	13,657	1,435	63,806	14,233
Non-controlling interest	2,284	7,465	12,159	11,810
	<b>15,941</b>	<b>8,900</b>	<b>75,965</b>	<b>26,043</b>
<b>Total comprehensive income for the financial year</b>				
Equity holders of the Company	13,682	1,435	63,838	14,233
Non-controlling interest	2,292	7,465	12,170	11,810
	<b>15,974</b>	<b>8,900</b>	<b>76,008</b>	<b>26,043</b>
<b>Basic/diluted earnings per ordinary share (sen) (Note B11)</b>	<b>1.21</b>	<b>0.13</b>	<b>5.66</b>	<b>1.26</b>

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022  
CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

	The Group	
	Unaudited As at 30.9.2022 RM'000	Audited As at 31.12.2021 RM'000
<b>Assets</b>		
<b>Non-current assets</b>		
Property, plant and equipment	333,774	321,045
Investment property	17,986	21,029
Right of use assets	663,889	652,534
Intangible assets	474,547	478,949
Other investments	214,963	72,801
Sundry receivables	24,622	24,666
Deferred tax assets	2,724	2,092
	<u>1,732,505</u>	<u>1,573,116</u>
<b>Current assets</b>		
Inventories	455,443	384,061
Sundry receivables	91,937	101,561
Tax recoverable	4,671	3,726
Other investment	65,222	41,527
Cash and bank balances	253,332	158,748
	<u>870,605</u>	<u>689,623</u>
<b>Total assets</b>	<u>2,603,110</u>	<u>2,262,739</u>
<b>Equity and liabilities</b>		
<b>Equity attributable to equity holders of the Company</b>		
Share capital	1,485,138	1,485,138
Treasury shares	(161,410)	(161,410)
Capital reorganisation deficit	(1,343,248)	(1,343,248)
Foreign currency translation reserve	32	-
Assets revaluation reserve	43,236	43,236
Retained profits	100,813	66,266
	<u>124,561</u>	<u>89,982</u>
Non-controlling interest	92,531	92,061
<b>Total equity</b>	<u>217,092</u>	<u>182,043</u>
<b>Non-current liabilities</b>		
Provisions	9,677	10,774
Borrowings	646,187	555,363
Lease liabilities	568,005	553,087
Contingent consideration	36,083	36,083
Contract liabilities	13,181	12,816
Deferred tax liabilities	61,170	63,182
	<u>1,334,303</u>	<u>1,231,305</u>
<b>Current liabilities</b>		
Provisions	844	1,074
Borrowings	89,564	84,874
Trade payables	649,447	517,864
Other payables	179,256	134,160
Lease liabilities	105,241	103,307
Contract liabilities	8,825	8,112
Taxation	18,538	-
	<u>1,051,715</u>	<u>849,391</u>
<b>Total liabilities</b>	<u>2,386,018</u>	<u>2,080,696</u>
<b>Total equity and liabilities</b>	<u>2,603,110</u>	<u>2,262,739</u>
<b>Net assets per share attributable to ordinary equity holders of the Company, based on number of outstanding shares in issue with voting rights (sen)</b>	<u>11.06</u>	<u>7.99</u>

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022**  
**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

	Attributable to Equity Holders of the Company								
	Share capital RM'000	Treasury shares RM'000	Capital reorganisation deficit RM'000	Assets revaluation reserve RM'000	Foreign currency translation reserve RM'000	Retained profits RM'000	Total RM'000	Non- controlling interest RM'000	Total equity RM'000
<b>At 1 January 2022</b>									
As previously stated	1,485,138	(161,410)	(1,343,248)	43,236	-	66,266	89,982	92,061	182,043
Acquisition of a subsidiaries							-	1,476	1,476
Total comprehensive income	-	-	-	-	32	63,806	63,838	12,170	76,008
<b>Transaction with owners:</b>									
Changes in subsidiary's ownership interests that do not result in a loss of control	-	-	-	-	-	25	25	17	42
Dividends on ordinary shares, representing total transaction with owners						(29,284)	(29,284)	-	(29,284)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	(13,193)	(13,193)
<b>At 30 September 2022</b>	<b>1,485,138</b>	<b>(161,410)</b>	<b>(1,343,248)</b>	<b>43,236</b>	<b>32</b>	<b>100,813</b>	<b>124,561</b>	<b>92,531</b>	<b>217,092</b>
<b>At 1 January 2021</b>									
As previously stated	1,485,138	(157,243)	(1,343,248)	42,214	-	39,899	66,760	94,461	161,221
Acquisition of a subsidiary	-	-	-	-	-	-	-	2,480	2,480
Acquisition of treasury shares	-	(4,167)	-	-	-	-	(4,167)	-	(4,167)
Changes in subsidiary's ownership interests that do not result in a loss of control	-	-	-	-	-	40	40	(207)	(167)
Total comprehensive income	-	-	-	1,022	-	44,348	45,370	14,709	60,079
<b>Transaction with owners:</b>									
Dividends on ordinary shares	-	-	-	-	-	(18,021)	(18,021)	-	(18,021)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	(19,513)	(19,513)
Issuance of shares by subsidiaries to non-controlling interests	-	-	-	-	-	-	-	131	131
<b>At 31 December 2021</b>	<b>1,485,138</b>	<b>(161,410)</b>	<b>(1,343,248)</b>	<b>43,236</b>	<b>-</b>	<b>66,266</b>	<b>89,982</b>	<b>92,061</b>	<b>182,043</b>

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**

	<b>CUMULATIVE QUARTER</b>	
	<b>9 months ended</b>	
	<b>30.9.2022</b>	<b>30.9.2021</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash flows from operating activities</b>		
Cash receipts from customers and other receivables	2,935,734	2,197,502
Cash paid to suppliers and employees	(2,494,770)	(2,031,915)
Cash generated from operations	440,964	165,587
Interest paid	(21,126)	(13,209)
Tax paid	(31,738)	(26,848)
Tax refund	54	-
Net cash generated from operating activities	<u>388,154</u>	<u>125,530</u>
<b>Cash flows from investing activities</b>		
Acquisition of subsidiaries and businesses	-	(25,667)
Acquisition of other investments	(143,638)	(4,714)
Changes in subsidiary's ownership interests that do not result in a loss of control	42	(142)
Purchase of property, plant and equipment	(59,932)	(29,557)
Proceeds from disposal of property, plant and equipment	678	1,447
Dividend received	135	75
Interest received	2,526	1,630
Increase in pledge fixed deposits with licensed bank	-	(1,002)
Net change in short term funds	(23,695)	(21,025)
Net cash used in investing activities	<u>(223,884)</u>	<u>(78,955)</u>
<b>Cash flows from financing activities</b>		
Acquisition of treasury shares	-	(4,167)
Dividends paid	(29,284)	(18,021)
Dividends paid to non-controlling interests	(13,193)	(11,590)
Proceeds from issuance of shares	-	131
Proceeds from bankers' acceptances	62,700	212,700
Proceeds from medium term note	100,000	498,939
Proceeds from term loan	-	43,730
Proceeds from revolving credit	-	20,000
Payment of principal portion of lease liabilities	(115,846)	(109,904)
Repayment of bankers' acceptances	(58,700)	(254,440)
Repayment of term loans	(15,100)	(379,505)
Repayment of revolving credit	-	(20,000)
Repayment of hire purchase and finance lease liabilities	(263)	(53)
Net cash (used in)/from financing activities	<u>(69,686)</u>	<u>(22,180)</u>
<b>Net increase in cash and cash equivalents</b>	<b>94,584</b>	<b>24,395</b>
<b>Cash and cash equivalents at beginning of the financial period</b>	<b>158,480</b>	<b>134,649</b>
<b>Cash and cash equivalents at end of the financial period</b>	<b><u>253,064</u></b>	<b><u>159,044</u></b>
Cash and cash equivalents at the end of the financial period comprises the following:-		
Cash and bank balances	250,522	159,044
Fixed deposits with licensed banks	2,810	2,619
	<u>253,332</u>	<u>161,663</u>
Less: Fixed deposit pledged to licensed bank	(268)	(2,619)
	<u>253,064</u>	<u>159,044</u>

# UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022

## NOTES TO THE INTERIM FINANCIAL REPORT

### A1. CORPORATE INFORMATION

7-Eleven Malaysia Holdings Berhad ("SEM" or "the Company") is a public limited liability company, incorporated and domiciled in Malaysia.

SEM is an investment holding company, with 2 major subsidiaries:-

- (a) 7-Eleven Malaysia Sdn Bhd ("7EMSB"), which manages the operations and franchising of the convenience store chain under the "7-Eleven" brand; and
- (b) Caring Pharmacy Group Berhad, which operates the pharmaceutical retail chain under the "Caring", "Wellings" and "Georgetown" brands.

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

### A2. BASIS OF PREPARATION

The interim financial report is unaudited and has been prepared in accordance with the requirements of Malaysian Financial Reporting Standard ("MFRS") 134 Interim Financial Reporting issued by the Malaysian Accounting Standards Board and paragraph 9.22 and Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad. It should be read in conjunction with the Group's annual audited financial statements for the year ended 31 December 2021.

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 2021 except as follows:

On 1 January 2022, the Group adopted the following amended MFRSs mandatory for annual financial period beginning on or after 1 January 2022:

<b>Description</b>	<b>Effective for annual financial periods beginning on or after</b>
MFRS 3: Reference to Conceptual Framework (Amendments to MFRS 3)	1 January 2022
MFRS 9: Fees in the 10% Test for Derecognition of Financial Liabilities	1 January 2022
Amendments to MFRS 116 Property, Plant and Equipment: <i>Proceeds before Intended Use</i>	1 January 2022
Amendments to MFRS 137 Provisions, Contingent Liabilities and Contingent Assets: <i>Onerous Contracts- Cost of Fulfilling a Contract</i>	1 January 2022
Annual improvements to MFRS Standards 2018 - 2020 Cycle	1 January 2022
(i) Amendments to MFRS 1: First-time Adoption of Malaysian Financial Reporting Standards	
(ii) Amendments to MFRS 3: Business Combination	
(iii) Amendments to MFRS 9: Financial Instruments	
(iv) Amendments to MFRS 16: Leases	
(v) Amendments to MFRS 141: Agriculture	

Adoption of the above standards and interpretations did not have any significant impact on the financial performance or position of the Group.

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022**  
**NOTES TO THE INTERIM FINANCIAL REPORT**

**A3. CHANGES IN ACCOUNTING POLICIES (CONT'D)**

The standards, amendments to standards and IC Interpretation that are issued but not yet effective up to the date of issuance of the Group's financial statements are disclosed below:

<b>Description</b>	<b>Effective for annual financial periods beginning on or after</b>
MFRS 108: Definition of Accounting Estimates (Amendments to MFRS 108)	1 January 2023
MFRS 101: Disclosure of Accounting Policies (Amendments to MFRS 101)	1 January 2023
Amendments to MFRS 101 Presentation of Financial Statements: <i>Classification of Liabilities as Current or Non-current</i>	1 January 2023
MFRS 17: Insurance Contracts	1 January 2023
Amendments to MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 17: Initial Application of MFRS 17 and MFRS 9- Comparative information	1 January 2023
Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
MFRS 16: Lease Liability in a Sale and Leaseback (Amendments to MFRS 16)	1 January 2024
MFRS 128: Sales or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to MFRS 10 and MFRS 128)	Deferred

The Group has not early adopted any of the 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 2022. 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, Hari Raya, Deepavali and Christmas.

**A5. ITEMS OF UNUSUAL NATURE**

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

**A6. CHANGES IN ESTIMATES**

There were no changes in estimates of amounts reported in prior financial year 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 financial period under review.

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022**  
**NOTES TO THE INTERIM FINANCIAL REPORT**

**A8. DEBT AND EQUITY SECURITIES**

There were no issuances and repayments of debt and equity securities, share buy-backs, share cancellations and resales of treasury shares for the current financial period ended 30 September 2022 and period up to the date of this announcement.

**A9. DIVIDEND PAID**

During the financial period ended 30 September 2022, the Company paid a single tier cash dividend of 2.6 sen per ordinary share on 1,126,320,000 ordinary shares with voting rights. The entitlement date was fixed on 11 May 2022 and the cash dividend was paid on 27 May 2022.

**A10. SEGMENT REPORT**

Segmental analysis for the financial period ended 30 September 2022 is as follows:

Revenue	External RM'000	Inter- segment RM'000	Total RM'000
<b>For the nine months ended 30 September 2022</b>			
Convenience stores	1,826,548	-	1,826,548
Pharmaceutical	945,163	-	945,163
Others	145	463	608
Inter-segment elimination	-	(463)	(463)
	<u>2,771,856</u>	<u>-</u>	<u>2,771,856</u>
<b>For the nine months ended 30 September 2021</b>			
Convenience stores	1,290,242	-	1,290,242
Pharmaceutical	723,640	-	723,640
Others	137	511	648
Inter-segment elimination	-	(511)	(511)
	<u>2,014,019</u>	<u>-</u>	<u>2,014,019</u>

Results	CUMULATIVE QUARTER	
	9 months ended	
	30.09.2022 RM'000	30.09.2021 RM'000
Convenience stores	124,308	50,980
Pharmaceutical	50,929	41,342
Others	149	(4,612)
	<u>175,386</u>	<u>87,710</u>
Interest income	2,526	1,630
<b>Profit from operations</b>	<b>177,912</b>	<b>89,340</b>
Finance costs	(48,087)	(45,300)
<b>Profit before tax</b>	<b>129,825</b>	<b>44,040</b>
Income tax expense	(52,146)	(17,997)
<b>Net profit for the year</b>	<b>77,679</b>	<b>26,043</b>



**UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022**  
**NOTES TO THE INTERIM FINANCIAL REPORT**

**A11. PROPERTY, PLANT AND EQUIPMENT**

During the 9 months ended 30 September, the Group acquired assets at costs of RM59.9 million (2021 : RM29.6 million). The assets acquired comprise mainly of renovation, furniture, fittings, equipment and computer equipment.

**A12. SIGNIFICANT RELATED PARTY TRANSACTIONS**

Transacting party	Type of transaction	CUMULATIVE QUARTER 9 months ended	
		30.09.2022 RM'000	30.09.2021 RM'000
<b>With subsidiaries company</b>			
7-Eleven Malaysia Sdn Bhd ("7-Eleven Malaysia" or "7EMSB")	Advances from/(to) 7EMSB	1,454	(121,887)
	Interest expense on advances from 7EMSB	-	(2,276)
	Interest income on advances to 7EMSB	1,707	-
Convenience Shopping (Sabah) Sdn Bhd ("CSSSB")	Advances to CSSSB	(60,000)	-
	Interest income on advances to CSSSB	14,362	14,878
<b>With companies in which TSVT is deemed interested*</b>			
U Mobile Sdn. Bhd. ("U Mobile")	Receipts of payment from U Mobile for commission for sale of mobile phone reloads	6,525	7,488
	Payments to U Mobile for reload transaction values for in-store services for sale of mobile phone reloads	(113,251)	(120,169)
	Receipts of payment from U Mobile for advertisement placement fees	5,494	7,043
Securexpress Services Sdn. Bhd. ("Securexpress")	Payments to Securexpress for fees relating to the delivery of merchandise to stores	(5,816)	(5,204)
Berjaya Food Trading Sdn Bhd ("B Food")	Payment to B Food for purchase of beverages	(5,268)	(4,156)
Berjaya Times Square Sdn. Bhd. ("Berjaya Times Square")	Payment to BTSB for rental of property	(770)	-

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022**  
**NOTES TO THE INTERIM FINANCIAL REPORT**

**A12. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONT'D)**

Transacting party	Type of transaction	CUMULATIVE QUARTER 9 months ended	
		30.09.2022 RM'000	30.09.2021 RM'000
<b>With companies in which TSVT is deemed interested*</b>			
Nural Enterprise Sdn Bhd ("Nural")	Payments to Nural for rental of property	(1,542)	(1,112)
Sun Media Corporation Sdn Bhd ("Sun Media")	Advertising fees on placement of advertisement in The Sun newspaper	(138)	(526)
	Display fees from placement of The Sun newspaper in 7-Eleven's stores	270	540
Razer Fintech Holdings Pte. Ltd. and its subsidiary companies ("Razer")	Receipts of commission from Razer for in-store services	28,798	26,837
	Payments to Razer for transaction values for in-store services	(3,283,038)	(2,907,119)
	Receipts of transaction values from Razer for e-wallet transactions	300,401	175,362
<b>With companies in which Director of a subsidiary is deemed interested</b>			
Bioscenergy International Sdn. Bhd. ("BIO")	Purchase of healthcare products by Caring	(2,326)	(712)

**A13. CONTINGENT LIABILITIES**

The Group has bank guarantees amounting to RM10,190,330 (31 December 2021: RM9,018,534) as security deposits in favour of various government and statutory bodies, and private companies.

The bank guarantee facility is granted to 7EMSB and Caring on a clean basis.

**A14. CAPITAL COMMITMENTS**

	The Group	
	Unaudited As at 30.09.2022 RM'000	Audited As at 31.12.2021 RM'000
Property, plant and equipment		
- approved and contracted for	18,642	9,141
- approved but not contracted for	164,059	238,108
	<u>182,701</u>	<u>247,249</u>

**A15. 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 THIRD QUARTER ENDED 30 SEPTEMBER 2022  
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**

<b>RM'000</b>	<b>3Q22</b>	<b>3Q21</b>	<b>Variance</b>	<b>%</b>	<b>YTD 3Q22</b>	<b>YTD 3Q21</b>	<b>Variance</b>	<b>%</b>
<b><u>Revenue:</u></b>								
Convenience stores	658,488	404,611	253,877	62.7%	1,826,693	1,290,379	536,314	41.6%
Pharmaceutical	329,723	275,612	54,111	19.6%	945,163	723,640	221,523	30.6%
<b>Total</b>	<b>988,211</b>	<b>680,223</b>	<b>307,988</b>	<b>45.3%</b>	<b>2,771,856</b>	<b>2,014,019</b>	<b>757,837</b>	<b>37.6%</b>
<b><u>Core profit:</u></b>								
Convenience stores	15,260	(1,160)	16,420	-1415.5%	56,785	14,470	42,315	292.4%
Pharmaceutical	7,594	17,103	(9,509)	-55.6%	36,293	30,255	6,038	20.0%
<b>Total</b>	<b>22,854</b>	<b>15,943</b>	<b>6,911</b>	<b>43.3%</b>	<b>93,078</b>	<b>44,725</b>	<b>48,353</b>	<b>108.1%</b>
Corporate exercise expenses	(6,913)	(7,043)	130		(17,113)	(18,682)	1,569	
<b>PAT</b>	<b>15,941</b>	<b>8,900</b>	<b>7,041</b>	<b>79.1%</b>	<b>75,965</b>	<b>26,043</b>	<b>49,922</b>	<b>191.7%</b>

The Group registered Revenue of RM988.2m, an increase of RM308.0m or +45.3% and Core profit of RM22.9m, an increase of RM6.9m or +43.3% for the current quarter ended 30 September 2022. In comparison, during the corresponding quarter last year, the country was transitioning out of a full movement control order to the initial phases of the National Recovery Plan, where trading conditions were still impeded by strict SOPs.

The Convenience Stores segment recorded higher APSD and customer count as consumer spending and trading activities remained buoyant in the current quarter, leading to a positive SSSG of +58.7%. In this regard, Revenue increased by RM253.9m or +62.7% higher as compared to previous year corresponding quarter. Notably, Revenue across all product categories grew in the current quarter, resulting in higher Gross Profit by RM92.7m or +75.9% to RM214.8m. In addition, Gross Profit margins improved by +240 basis points, mainly due to lower contribution of tobacco sales.

We had in the current quarter, successfully rolled twenty-one (21) of our 7-Café store format, bringing a total count of fifty two (52) 7-Café stores for the period ended 30 September 2022. It is encouraging to note that these 7-Cafés are more productive and have higher fresh food sales participation as compared to a normal store. Total store count stood at 2,446 stores, a net increase of +41 stores.

Operating Expenses increased by RM60.4m or +42.0%, driven by higher store operation related expenses vis-a-vis longer operating hours and minimum wage effect. Excluding corporate exercise expenses, the Convenience Store segment recorded a Core Profit After Tax of RM15.3m, an increase of RM16.4m or +1,415.5% as compared to previous year corresponding quarter.

The Pharmaceutical segment recorded a Revenue of RM329.7m for the current quarter, an increased of RM54.1m or +19.6%. Gross Profit margins declined from 21.8% to 18.5% mainly due lower off-take of higher margin products such as COVID-19 test-kits and face mask. As a result, Core Profit After Tax decreased by RM9.5m or -55.6% to RM7.6m for the quarter. Total store count stood at 212 stores, a net increase of +29 stores.

Corporate exercise expenses of RM6.9m primarily consists of finance costs for the acquisition of Caring Group. The Group's Consolidated Profit after Tax for the current quarter after corporate exercise expenses is reported at RM15.9m, an increase of RM7.0m or +79.1%.

**Review of 9 Months Period Performance versus Corresponding Period Last Year**

Revenue for the Convenience Stores segment increased by RM536.3m or +41.6% to RM1,826.7m; with all product categories recording higher Revenue, thereby resulting in higher Gross Profits. Excluding corporate exercise expenses, the Convenience Store segment recorded a Core Profit After Tax of RM56.8m, an increase of RM42.3m or +292.4%.

Revenue from the Pharmaceutical segment increased by RM221.5m or +30.6% to RM945.2m, while Profit After Tax closed at RM36.3m, an increase of RM6.0m or +20.0%.

The Group's Consolidated Profit After Tax for the period ended 30 September 2022 after corporate exercise expenses is reported at RM76.0m, an increase of RM50.0m or +191.7%.

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

The Group recorded a lower Profit before Tax for the third quarter by RM5.5m or -12.5% against the immediate preceding quarter mainly due to higher store operation related expenses in the current quarter.

**B3. PROSPECTS**

Notwithstanding the continued positive turnaround in trading conditions and retail sentiment, the Group is cognisant and will remain steadfast in monitoring potential headwinds arising from global supply chain disruptions, workforce supply constraints and cost pressures on the back of minimum wages, rising interest rates and inflation; essentially, we will take appropriate measures to mitigate these impacts, as necessary.

The Convenience Store segment will continue to focus on the roll-out of its new 7-Café store format, which entails much improved product offerings and in-store customer experience. In addition, this 7-Café format is expected to contribute positively to the growth of our fresh food category. We will also continue our efforts to enhance our product assortment, fresh food and private labels to drive stronger sales mix for margin improvement/sustenance.

Additionally, we have successfully launched our Chilled Distribution Centre on 1st August 2022, which has a capacity to serve up to 1,000 stores in Klang Valley. This cold-chain infrastructure will complement the growth strategies of our perishable and fresh food offerings to our customers, anchored primarily through our 7-Café stores.

The Pharmaceutical segment, which had shown much resilience over the pandemic will continue to strengthen its market share together with The Pill House and Wellings group. As at the date of this report, Wellings had successfully opened nine (9) stores in Indonesia via our joint venture with PT Era Caring Indonesia.

**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.

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022  
ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LR**

**B5. PROFIT FROM OPERATIONS**

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

	CURRENT QUARTER		CUMULATIVE QUARTER	
	3 months ended		9 months ended	
	30.9.2022	30.9.2021	30.9.2022	30.9.2021
	RM'000	RM'000	RM'000	RM'000
Amortisation of intangible assets	2,844	2,844	5,102	5,103
Amortisation of right of use	31,405	29,787	92,329	90,463
Bad debts written off	-	-	130	1
Depreciation of property, plant and equipment	17,334	17,616	51,272	52,919
Dividend income	(61)	(31)	(136)	(76)
Fair value changes of FVTPL for investments in quoted shares	-	(46)	-	441
Loss on foreign exchange translation differences	18	16	20	16
Impairment loss on:				
- Property, plant and equipment	-	-	10	-
- Receivables	-	-	500	-
Interest income	(1,180)	(592)	(2,526)	(1,630)
Gain on disposal of property, plant and equipment	(109)	(236)	(238)	(654)
Property, plant and equipment written off	228	193	796	901
Provision for and write off of inventories	3,645	3,437	9,337	8,764

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, 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 September 2022.

**B6. TAXATION**

	CURRENT QUARTER		CUMULATIVE QUARTER	
	3 months ended		9 months ended	
	30.9.2022	30.9.2021	30.9.2022	30.9.2021
	RM'000	RM'000	RM'000	RM'000
Income tax:				
Current period provision	21,348	6,115	51,745	19,238
(Over)/Under provision in prior year	(1,985)	201	(1,985)	201
	<u>19,363</u>	<u>6,316</u>	<u>49,760</u>	<u>19,439</u>
Deferred tax:				
Relating to reversal of temporary differences	(406)	(468)	(1,198)	(1,442)
Under provision in prior year	3,584	-	3,584	-
	<u>3,178</u>	<u>(468)</u>	<u>2,386</u>	<u>(1,442)</u>
	<u>22,541</u>	<u>5,848</u>	<u>52,146</u>	<u>17,997</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 September 2022 were higher than the Malaysian's statutory tax rate mainly due to the effect of (a) Prosperity Tax ("Cukai Makmur") as gazetted in the Malaysian Budget 2022; and (b) certain expenses not deductible under tax legislation.

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022  
ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LR**

**B7. STATUS OF CORPORATE PROPOSALS**

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

**B8. GROUP BORROWINGS**

The Group borrowings which are denominated in Ringgit Malaysia ("RM") as at 30 September 2022 are as follows: -

	<b>Unaudited As at 30.9.2022 RM'000</b>	<b>Audited As at 31.12.2021 RM'000</b>
<b>Short term borrowings</b>		
<b>Secured:</b>		
Term loan	11,950	11,874
<b>Unsecured:</b>		
Bankers' acceptances	11,000	7,000
Medium term notes	6,614	-
Term loan	-	6,000
Revolving credit	60,000	60,000
	<u>89,564</u>	<u>84,874</u>
<b>Long term borrowings</b>		
<b>Secured:</b>		
Term loan	46,187	55,363
<b>Unsecured:</b>		
Medium term notes	600,000	500,000
	<u>646,187</u>	<u>555,363</u>
<b>Total borrowings</b>		
Bankers' acceptances	11,000	7,000
Medium term notes	606,614	500,000
Term loan	58,137	73,237
Revolving credit	60,000	60,000
	<u>735,751</u>	<u>640,237</u>

**B9. MATERIAL LITIGATION**

On 9 November 2020, 7EMSB, a wholly-owned subsidiary of the Company and another company, Qinetics Solutions Sdn Bhd ("Qinetics") had filed a Writ of Summons together with Statement of Claim against one Nabil Bin Feisal Bamadhaj ("Nabil") and Deگو for respective claims arising from a Subscription Agreement dated 27 December 2019 made between 7EMSB, Encik Nabil and Deگو ("SA") and a Share Sales Agreement dated 11 September 2019 made between Qinetics and Nabil ("the HC Suit").

On 12 April 2021, all parties to the legal action have reached an amicable settlement and recorded a Consent Judgment (a sealed copy of which was extracted on 14 April 2021) at Kuala Lumpur High Court ("Settlement"). The Settlement will envisage, amongst others, both Nabil and Deگو to pay a sum of RM2,800,000 ("Settlement Sum") to 7EMSB and Qinetics as full and final settlement of the claims made against them.

After the record of the Settlement, Nabil and Deگو had breached the Consent Judgment and the Settlement by defaulting in paying monthly installment of the Settlement Sum ("the Default"). Due to the Default, 7EMSB and Qinetics have initiated a Bankruptcy Proceeding at Kuala Lumpur High Court against Nabil to recover the outstanding sum under the Consent Judgment. The Bankruptcy Proceeding envisages a demand from Nabil a total sum of RM1,813,808 (inclusive of late payment payment interest). The bankruptcy proceeding will not have any material effect on the earnings, net assets and gearing of the 7-Eleven Group for the financial year ending 31 December 2022.

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022  
ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LR**

**B10. DIVIDEND**

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

**B11. EARNINGS PER SHARE**

	<b>CURRENT QUARTER</b>		<b>CUMULATIVE QUARTER</b>	
	<b>3 months ended</b>		<b>9 months ended</b>	
	<b>30.9.2022</b>	<b>30.9.2021</b>	<b>30.9.2022</b>	<b>30.9.2021</b>
Net profit attributable to equity holders of the company (RM'000)	13,657	1,435	63,806	14,233
Weighted average number of ordinary shares in issue ('000)	1,126,320	1,126,320	1,126,320	1,127,287
Basic/diluted earnings per ordinary share (sen)	<u>1.21</u>	<u>0.13</u>	<u>5.66</u>	<u>1.26</u>

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

**B12. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS**

The auditors' report on the financial statements for the financial year ended 31 December 2021 was not qualified.