

**7-Eleven Malaysia Holdings Berhad**  
[Registration No: 201301028701 (1058531-W)]

**Date : 22 AUGUST 2024**

**Subject: UNAUDITED INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER  
ENDED 30 JUNE 2024**

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**UNAUDITED INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2024  
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	3 months ended		6 months ended	
	30.06.2024	30.06.2023	30.06.2024	30.06.2023
	RM'000	RM'000	RM'000	RM'000
<b>Continuing operations</b>				
Revenue	751,797	727,986	1,436,010	1,383,968
Cost of sales	(514,557)	(498,698)	(988,038)	(952,181)
<b>Gross profit</b>	237,240	229,288	447,972	431,787
Other operating income	44,751	36,574	93,185	72,800
Selling and distribution expenses	(200,060)	(184,149)	(389,022)	(356,862)
Administrative and other operating expenses	(33,323)	(34,123)	(68,384)	(64,821)
<b>Profit from operations</b>	48,608	47,590	83,751	82,904
Finance costs	(16,971)	(16,799)	(33,726)	(32,513)
Share of results of joint ventures	(905)	(1,566)	(1,220)	(3,067)
<b>Profit before tax from continuing operations</b>	30,732	29,225	48,805	47,324
Income tax expense	(10,973)	(10,240)	(16,976)	(17,673)
<b>Profit after tax from continuing operations</b>	19,759	18,985	31,829	29,651
<b>Discontinued operations</b>				
Profit after tax from discontinued operations	-	8,141	-	14,195
<b>Profit for the financial period</b>	19,759	27,126	31,829	43,846
<b>Profit after tax attributable to:</b>				
Equity holders of the Company				
- continuing operations	20,497	19,346	33,334	30,267
- discontinued operations	-	6,018	-	10,772
	20,497	25,364	33,334	41,039
Non-controlling interest				
- continuing operations	(738)	(361)	(1,505)	(616)
- discontinued operations	-	2,123	-	3,423
	(738)	1,762	(1,505)	2,807
	19,759	27,126	31,829	43,846
<b>Total comprehensive income for the financial period</b>				
Equity holders of the Company				
- continuing operations	20,497	19,346	33,334	30,267
- discontinued operations	-	6,018	-	10,772
	20,497	25,364	33,334	41,039
Non-controlling interest				
- continuing operations	(738)	(361)	(1,505)	(616)
- discontinued operations	-	2,123	-	3,423
	(738)	1,762	(1,505)	2,807
	19,759	27,126	31,829	43,846
<b>Basic/diluted earnings per ordinary share (sen) (Note B11)</b>				
- continuing operations	1.85	1.74	3.01	2.73
- discontinued operations	-	0.54	-	0.97
	1.85	2.28	3.01	3.70

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2024**  
**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

	The Group	
	Unaudited As at 30.06.2024 RM'000	Audited As at 31.12.2023 RM'000
<b>Assets</b>		
<b>Non-current assets</b>		
Property, plant and equipment	502,038	438,180
Right of use assets	657,032	625,433
Intangible assets	8,956	11,194
Investment in joint ventures	3,911	-
Other investments	462,187	94,664
Sundry receivables	42,057	42,057
Deferred tax assets	15,514	14,616
	<u>1,691,695</u>	<u>1,226,144</u>
<b>Current assets</b>		
Inventories	402,909	356,157
Sundry receivables	113,150	124,923
Tax recoverable	14,076	15,065
Other investment	2,469	9,512
Cash and bank balances	140,139	799,474
	<u>672,743</u>	<u>1,305,131</u>
<b>Total assets</b>	<u>2,364,438</u>	<u>2,531,275</u>
<b>Equity and liabilities</b>		
<b>Equity attributable to equity holders of the Company</b>		
Share capital	1,410,881	1,410,881
Treasury shares	(99,108)	(99,108)
Capital reorganisation deficit	(1,343,248)	(1,343,248)
Reserves	104,875	104,875
Retained profits	290,275	286,886
	<u>363,675</u>	<u>360,286</u>
Non-controlling interest	(4,495)	(2,990)
<b>Total equity</b>	<u>359,180</u>	<u>357,296</u>
<b>Non-current liabilities</b>		
Provisions	15,028	14,832
Borrowings	349,610	449,688
Lease liabilities	598,774	568,539
Contract liabilities	10,502	11,336
Deferred tax liabilities	5,709	4,811
	<u>979,623</u>	<u>1,049,206</u>
<b>Current liabilities</b>		
Provisions	1,452	1,418
Borrowings	229,000	287,710
Trade payables	478,493	498,418
Other payables	208,998	229,874
Lease liabilities	99,852	95,730
Contract liabilities	7,594	10,433
Tax payable	246	1,190
	<u>1,025,635</u>	<u>1,124,773</u>
<b>Total liabilities</b>	<u>2,005,258</u>	<u>2,173,979</u>
<b>Total equity and liabilities</b>	<u>2,364,438</u>	<u>2,531,275</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>32.79</u>	<u>32.47</u>

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2024**  
**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	Fair value adjustment reserve RM'000	Asset revaluation reserve RM'000	Retained profits RM'000	Total RM'000	Non- controlling interest RM'000	Total equity RM'000
<b>At 1 January 2024</b>									
As previously stated	1,410,881	(99,108)	(1,343,248)	58,524	46,351	286,886	360,286	(2,990)	357,296
Total comprehensive income	-	-	-	-	-	33,334	33,334	(1,505)	31,829
<b>Transaction with owners:</b>									
Dividends on ordinary shares, representing total transaction with owners	-	-	-	-	-	(29,945)	(29,945)	-	(29,945)
<b>At 30 June 2024</b>	<b>1,410,881</b>	<b>(99,108)</b>	<b>(1,343,248)</b>	<b>58,524</b>	<b>46,351</b>	<b>290,275</b>	<b>363,675</b>	<b>(4,495)</b>	<b>359,180</b>
<b>At 1 January 2023</b>									
As previously stated	1,485,138	(194,302)	(1,343,248)	37,338	45,599	103,636	134,161	96,080	230,241
Total comprehensive income for the year	-	-	-	21,186	5,133	261,766	288,085	8,352	296,437
<b>Transaction with owners:</b>									
Acquisition of subsidiaries	-	-	-	-	-	-	-	402	402
Acquisition of joint venture from non-controlling interests	-	-	-	-	-	-	-	(2,610)	(2,610)
Acquisition of treasury shares	-	(1,960)	-	-	-	-	(1,960)	-	(1,960)
Cancellation of treasury shares	(74,257)	97,154	-	-	-	(22,897)	-	-	-
Changes in subsidiary's ownership interests that do not result in a loss of control	-	-	-	-	-	(57)	(57)	143	86
Disposal of subsidiary	-	-	-	-	(4,381)	4,381	-	(83,664)	(83,664)
Dividends on ordinary shares, representing total transaction with owners	-	-	-	-	-	(59,943)	(59,943)	-	(59,943)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	(21,693)	(21,693)
<b>At 31 December 2023</b>	<b>1,410,881</b>	<b>(99,108)</b>	<b>(1,343,248)</b>	<b>58,524</b>	<b>46,351</b>	<b>286,886</b>	<b>360,286</b>	<b>(2,990)</b>	<b>357,296</b>

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2024  
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**

	<b>CUMULATIVE QUARTER</b>	
	<b>6 months ended</b>	
	<b>30.06.2024</b>	<b>30.06.2023</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash flows from operating activities</b>		
Cash receipts from customers and other receivables	1,574,137	2,122,982
Cash paid to suppliers and employees	<u>(1,462,393)</u>	<u>(1,932,611)</u>
Cash generated from operations	111,744	190,371
Interest paid	(15,613)	(17,105)
Tax paid	(16,931)	(22,301)
Tax refund	-	20
Net cash generated from operating activities	<u>79,200</u>	<u>150,985</u>
<b>Cash flows from investing activities</b>		
Acquisition of subsidiaries	-	(2,678)
Acquisition of intangible assets	-	(2,452)
Investment in joint ventures	(5,131)	(6,147)
Changes in subsidiary's ownership interests that do not result in a loss of control	-	(34)
Purchase of property, plant and equipment	(106,290)	(62,905)
Proceeds from disposal of property, plant and equipment	211	183
Dividend income received	-	375
Interest received	6,794	2,889
(Placement)/Withdrawal with broker under a Discretionary Investment Fund, net	(376,000)	61,099
Withdrawal short term fund	-	40,921
Net cash (used in)/generated from investing activities	<u>(480,416)</u>	<u>31,251</u>
<b>Cash flows from financing activities</b>		
Dividends paid on ordinary shares	(29,945)	(59,943)
Dividends paid to non-controlling interests	-	(17,857)
Proceeds from bankers' acceptances	112,300	79,800
Proceeds from revolving credit	-	17,000
Payment of principal & interest portion of lease liabilities	(69,343)	(81,761)
Advances from non-controlling shareholders	-	661
Repayment of bankers' acceptances	(121,200)	(43,500)
Repayment of term loans	(149,888)	(6,172)
Repayment of hire purchase and finance lease liabilities	(43)	(148)
Net cash used in financing activities	<u>(258,119)</u>	<u>(111,920)</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(659,335)</b>	<b>70,316</b>
<b>Cash and cash equivalents at beginning of the financial period</b>	<b>799,474</b>	<b>296,777</b>
<b>Cash and cash equivalents at end of the financial period</b>	<b>140,139</b>	<b>367,093</b>
Cash and cash equivalents at the end of the financial period comprises the following:-		
Cash and bank balances	140,040	367,414
Fixed deposits with licensed banks	99	1,188
	<u>140,139</u>	<u>368,602</u>
Less: Fixed deposit pledged to licensed bank	-	(1,509)
	<u>140,139</u>	<u>367,093</u>

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2024**  
**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.

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.

**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 2023.

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 2023 except as follows:

On 1 January 2024, the Group adopted the following amended MFRSs mandatory for annual financial period beginning on or after 1 January 2024:

<b>Description</b>	<b>Effective for annual financial periods beginning on or after</b>
MFRS 7 & MFRS 107: Supplier Finance Arrangements (Amendments to MFRS 107 and MFRS 7)	1 January 2024
MFRS 16: Lease Liability in a Sale and Leaseback (Amendments to MFRS 16)	1 January 2024
MFRS 101: Non-current Liabilities with Covenants (Amendments to MFRS 101)	1 January 2024
MFRS 107: Supplier Finance Arrangements (Amendments to MFRS 107 and MFRS 7)	1 January 2024

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 SECOND QUARTER ENDED 30 JUNE 2024**  
**NOTES TO THE INTERIM FINANCIAL REPORT**

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 128: Sales or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to MFRS 10 and MFRS 128)	Deferred
MFRS 121: Lack of Exchangeability (Amendments to MFRS 121)	1 January 2025
MFRS 7 & MFRS 9: Amendments to the Classification and Measurement of Financial Instruments (Amendments to MFRS 9 and MFRS 7)	1 January 2026
MFRS 18: Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19: Subsidiaries without Public Accountability: Disclosures	1 January 2027

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 2024. 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.

**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 June 2024 and period up to the date of this announcement.

**A9. DIVIDEND PAID**

During the financial period ended 30 June 2024, the Company paid a single tier cash dividend of 2.7 sen per ordinary share in 1,109,066,500 ordinary shares with voting rights. The entitlement date was fixed on 13 May 2024 and the cash dividend was paid on 28 May 2024.

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2024**  
**NOTES TO THE INTERIM FINANCIAL REPORT**

**A10. SEGMENT REPORT**

The results of the Continuing Operations are as follows:

<b>Revenue</b>	<b>External RM'000</b>	<b>Inter- segment RM'000</b>	<b>Total RM'000</b>
<b>For the six months ended 30 June 2024</b>			
Convenience stores	1,435,757	-	1,435,757
Others	253	227	480
Inter-segment elimination	-	(227)	(227)
	<u>1,436,010</u>	<u>-</u>	<u>1,436,010</u>
<b>For the six months ended 30 June 2023</b>			
Convenience stores	1,383,742	-	1,383,742
Others	226	262	488
Inter-segment elimination	-	(262)	(262)
	<u>1,383,968</u>	<u>-</u>	<u>1,383,968</u>

<b>Results</b>	<b>CUMULATIVE QUARTER</b>	
	<b>6 months ended</b>	
	<b>30.06.2024 RM'000</b>	<b>30.06.2023 RM'000</b>
Convenience stores	78,112	82,912
Others	(1,167)	(1,470)
	<u>76,945</u>	<u>81,442</u>
Interest income	6,806	1,462
<b>Profit from operations</b>	<b>83,751</b>	<b>82,904</b>
Finance costs	(33,726)	(32,513)
Share of results of joint ventures	(1,220)	(3,067)
<b>Profit before tax</b>	<b>48,805</b>	<b>47,324</b>
Income tax expense	(16,976)	(17,673)
<b>Net profit for the year</b>	<b>31,829</b>	<b>29,651</b>



**UNAUDITED INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2024**  
**NOTES TO THE INTERIM FINANCIAL REPORT**

**A11. PROPERTY, PLANT AND EQUIPMENT**

During the 6 months ended 30 June, the Group acquired assets at costs of RM106.3million (2023 : RM62.9 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	
		30.06.2024 RM'000	30.06.2023 RM'000
<b>With subsidiaries company</b>			
7-Eleven Malaysia Sdn Bhd ("7-Eleven Malaysia" or "7EMSB")	Advances from 7EMSB	195,185	45,143
	Interest income on advances to 7EMSB	834	1,697
Convenience Shopping (Sabah) Sdn Bhd ("CSSSB")	Repayment from CSSSB	-	30,000
	Interest income on advances to CSSSB	10,711	10,429
<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	4,571	4,505
	Payments to U Mobile for reload transaction values for in-store services for sale of mobile phone reloads	(89,111)	(87,502)
	Receipts of payment from U Mobile for advertisement placement fees	5,935	5,438
	Prepaid incentive receivable for sale of mobile phone reloads	575	536
	Securexpress Services Sdn. Bhd. ("Securexpress")	Payments to Securexpress for fees relating to the delivery of merchandise to stores	(2,971)
Berjaya Food Trading Sdn Bhd ("B Food")	Payment to B Food for purchase of beverages	(196)	(678)
Berjaya Times Square Sdn. Bhd. ("Berjaya Times Square")	Payment to BTSB for rental of property	(939)	(637)
Nural Enterprise Sdn Bhd ("Nural")	Payments to Nural for rental of property	(546)	(1,038)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2024  
NOTES TO THE INTERIM FINANCIAL REPORT

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

Transacting party	Type of transaction	CUMULATIVE QUARTER 6 months ended	
		30.06.2024 RM'000	30.06.2023 RM'000
<b>With companies in which TSVT is deemed interested*</b>			
Sun Media Corporation Sdn Bhd ("Sun Media")	Advertising fees on placement of advertisement in The Sun newspaper	(1)	(239)
	Display fees from placement of The Sun newspaper in 7-Eleven's stores	-	180
Razer Fintech Holdings Pte. Ltd. and its subsidiary companies ("Razer")	Receipts of commission from Razer for in-store services	19,571	21,500
	Payments to Razer for transaction values for in-store services	(2,412,312)	(2,429,064)
	Commission paid for e-wallet transactions (Merchant Discount Rate)	(1,232)	(852)
	Receipts of transaction values from Razer for e-wallet transactions	370,305	253,215

**A13. CONTINGENT LIABILITIES**

The Group has bank guarantees amounting to RM12.3million (31 December 2023: RM12.3million) as security deposits in favour of various government and statutory bodies, and private companies.

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

**A14. CAPITAL COMMITMENTS**

	The Group	
	Unaudited As at 30.06.2024 RM'000	Audited As at 31.12.2023 RM'000
Property, plant and equipment		
- approved and contracted for	8,963	15,071
- approved but not contracted for	242,023	32,372
	<u>250,986</u>	<u>47,443</u>

**A15. SUBSEQUENT EVENT**

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

**B1. REVIEW OF THE PERFORMANCE OF THE GROUP**

**Review of Current Quarter Performance versus Corresponding Quarter Last Year**

The Convenience Stores had in 2Q-2024, recorded a Revenue of RM751.8m, an increase of RM23.8m or +3.3% as compared to RM728.0m achieved in the same quarter last year. The increase in Revenue is primarily attributed to the net addition of 94 new stores as compared to the corresponding quarter last year, complemented by the festive trade of Hari Raya which spurred consumer spending.

As compared to the same quarter last year, we had successfully added 239 of our 7-CAFé store formats, bringing the total count to 383 7-CAFé stores in 2Q-2024. And through our newly launched food commissary, we had introduced a variety of affordably priced Ready-To-Eat (“RTE”) packed meals, prepared with high-quality locally sourced ingredients, all of which, had contributed positively to the Fresh Food sales growth in 2Q-2024.

Operating Expenses increased by RM15.5m or +7.1%, primarily due to higher operational costs associated with store operations and logistics; the increase in operating hours and expanded workforce is in tandem with the addition of 94 new stores. Our total store count in 2Q-2024 stood at 2,593.

**Review of 6 Months Period Performance versus Corresponding Period Last Year**

The Convenience Stores recorded revenue of RM1,436.0m for the period ended 30 June 2024, an increase of RM52.0m or +3.8% compared to RM1,384.0m in the same period last year. This Revenue growth was accompanied by a Gross Profit of RM448.0 million, up RM16.2m or +3.8%, maintaining a stable Gross Profit margin of 31.2%.

Operating Expenses for the Convenience Stores increased by RM36.0m or +8.5%. This rise is attributed to higher store rental costs due to an expanded store network, increase in store depreciation, and including IT maintenance expenses, such as AWS Server Maintenance and other software updates.

The Convenience Stores PAT for the period ended 30 June 2024 stood at RM31.8 million, an increase of RM2.2m or +7.3% from RM29.7m recorded in the same period last year.

Due to the successful disposal of discontinued operations at the end of FY2023, the Group's consolidated PAT for YTD 2Q-2024 is lower in comparison. The absence of RM14.2m from discontinued operations, which contributed to a total PAT of RM43.8m in YTD 2Q-2023, resulted in a decrease in overall PAT to RM31.8m for YTD 2Q-2024.

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

The Group recorded a higher Profit before Tax for the second quarter by RM12.6m or 69.6% against the immediate preceding quarter mainly due to higher gross profit in current quarter.

**B3. PROSPECTS**

The economic landscape is shaped by several key factors; internally, the possible re-acceleration in inflation for the second half of FY2024 due to the removal of the diesel subsidy on 1 June 2024, whilst on the external front, the uncertainties from weaker growth in China and the US, including further escalation in geopolitical conflicts. Despite these headwinds, Malaysia's economy is anticipated to grow by 5.8% in 2Q-2024, marking the highest growth since 4Q-2022. Domestic consumer spending had remained robust, partly supported by the withdrawal of RM7.81 billion from EPF's Account 3/Flexible Account as of June 2024. The Group remains committed to navigating these economic conditions by focusing on strategic initiatives that align with market trends.

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2024  
ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LR**

Looking ahead, the Convenience Stores will remain focused on the expansion of our 7-CAFé store format, which is crucial in enhancing our product offerings, elevating in-store customer experience, and driving growth in the fresh food category. Significant milestones achieved to-date include the highest number of 7-CAFé stores opened in 2Q-2024 (Note: 79 stores) and with that, we have now fully penetrated all states in Peninsular Malaysia. Our ongoing efforts include the continued roll-out of our 7-CAFés beyond Klang Valley, targeted expansions into high-potential areas, and building a stronger partnership with our Japanese counterpart to expand fresh food offerings, optimizing commissary production yields via best practices in operational efficiencies.

Furthermore, we are committed to broadening our private label offerings to cater to the emerging demographic of value-driven consumers who prioritize product quality over brand prestige. As part of our customer-centric approach, we will intensify our efforts in consumer research and insights, leveraging advanced analytics, social listening, and brand health studies to continuously refine our services and product portfolio.

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

**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 SECOND QUARTER ENDED 30 JUNE 2024**  
**ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LR**

**B5. PROFIT FROM OPERATIONS**

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

	CURRENT QUARTER 3 months ended		CUMULATIVE QUARTER 6 months ended	
	30.06.2024 RM'000	30.06.2023 RM'000	30.06.2024 RM'000	30.06.2023 RM'000
Amortisation of intangible assets				
- continuing operations	1,118	1,118	2,237	2,237
- discontinued operations	-	1,251	-	1,254
Amortisation of right of use				
- continuing operations	27,116	24,791	54,121	49,737
- discontinued operations	-	8,739	-	16,850
Depreciation of property, plant and equipment				
- continuing operations	23,005	17,003	44,141	33,497
- discontinued operations	-	1,542	-	4,239
Dividend income				
- continuing operations	-	(75)	-	(375)
Loss/(Gain) on foreign exchange translation differences				
- continuing operations	5	(36)	17	(29)
Interest income				
- continuing operations	(1,544)	(829)	(6,806)	(1,463)
- discontinued operations	-	(646)	-	(1,495)
Interest expense				
- continuing operations	7,807	8,316	15,613	15,654
- discontinued operations	-	892	-	1,451
Loss on disposal of property, plant and equipment				
- continuing operations	43	53	679	421
- discontinued operations	-	1	-	-
Property, plant and equipment written off				
- continuing operations	1,815	141	1,816	1,527
- discontinued operations	-	97	-	106
Provision for and write off of inventories				
- continuing operations	11,288	9,517	20,989	17,371
- discontinued operations	-	206	-	206

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 June 2024.

**B6. TAXATION**

	CURRENT QUARTER 3 months ended		CUMULATIVE QUARTER 6 months ended	
	30.06.2024 RM'000	30.06.2023 RM'000	30.06.2024 RM'000	30.06.2023 RM'000
Income tax:				
Current period provision	10,973	10,404	16,976	18,157
Deferred tax:				
Relating to reversal of temporary differences	-	(164)	-	(484)
	<u>10,973</u>	<u>10,240</u>	<u>16,976</u>	<u>17,673</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 2024 were higher than the Malaysian's statutory tax rate mainly due to certain expenses not deductible under tax legislation.

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2024  
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. STATUS OF UTILISATION OF PROCEEDS FROM DISPOSAL OF CARING**

The status of utilisation of the proceeds from disposal of Caring on 30 June 2024 are as follows:

<b>Purpose</b>	<b>Proposed utilisation RM'000</b>	<b>Actual utilisation on 30 June 2024 RM'000</b>	<b>Balance RM'000</b>	<b>Estimated time frame for utilisation</b>
Repayment of borrowings	250,000	(250,000)	-	within 12 months
7-CAFÉ expansion	407,442	(101,702)	305,740	Within 24 months
Estimated expenses in relation to the Proposed Disposal	8,806	(8,806)	-	Within 6 months
<b>Total gross proceeds</b>	<b>666,248</b>	<b>(360,508)</b>	<b>305,740</b>	

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ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LR**

**B9. GROUP BORROWINGS**

The Group borrowings which are denominated in Ringgit Malaysia ("RM") as at 30 June 2024 are as follows: -

	<b>Unaudited As at 30.06.2024 RM'000</b>	<b>Audited As at 31.12.2023 RM'000</b>
<b>Short term borrowings</b>		
<b>Unsecured:</b>		
Bankers' acceptances	69,000	77,900
Medium term notes	100,000	149,810
Revolving credit	60,000	60,000
	<u>229,000</u>	<u>287,710</u>
<b>Long term borrowings</b>		
<b>Unsecured:</b>		
Medium term notes	349,610	449,688
<b>Total borrowings</b>		
Bankers' acceptances	69,000	77,900
Medium term notes	449,610	599,498
Revolving credit	60,000	60,000
	<u>578,610</u>	<u>737,398</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**

	<b>CURRENT QUARTER 3 months ended</b>		<b>CUMULATIVE QUARTER 6 months ended</b>	
	<b>30.06.2024</b>	<b>30.06.2023</b>	<b>30.06.2024</b>	<b>30.06.2023</b>
Net profit attributable to equity holders of the company (RM'000)				
- Continuing operations	20,497	19,346	33,334	30,267
- Discontinued operations	-	6,018	-	10,772
	<u>20,497</u>	<u>25,364</u>	<u>33,334</u>	<u>41,039</u>
Weighted average number of ordinary shares in issue ('000)	1,109,067	1,110,047	1,109,067	1,110,047
Basic/diluted earnings per ordinary share (sen)				
- Continuing operations	1.85	1.74	3.01	2.73
- Discontinued operations	-	0.54	-	0.97
	<u>1.85</u>	<u>2.28</u>	<u>3.01</u>	<u>3.70</u>

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

**B13. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS**

The auditors' report on the financial statements for the financial year ended 31 December 2023 was not qualified.