

# 7-Eleven Malaysia Holdings Berhad

(Company No: 1058531-W)

**Date :** 24 MAY 2017

**Subject:** **UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED  
31 MARCH 2017**

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

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2017**  
**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

	<b>CURRENT AND CUMULATIVE QUARTER</b>	
	<b>3 months ended</b>	
	<b>31.03.2017</b>	<b>31.03.2016</b>
	<b>RM'000</b>	<b>RM'000</b>
Revenue	522,528	526,253
Cost of sales	<u>(362,698)</u>	<u>(366,118)</u>
<b>Gross profit</b>	159,830	160,135
Other operating income	31,005	26,410
Selling and distribution expenses	(154,625)	(140,070)
Administrative and other operating expenses	<u>(23,650)</u>	<u>(23,971)</u>
<b>Profit from operations</b>	12,560	22,504
Finance costs	<u>(1,662)</u>	<u>(210)</u>
<b>Profit before tax</b>	10,898	22,294
Income tax expense	<u>(2,895)</u>	<u>(6,363)</u>
<b>Profit after tax, representing total comprehensive income for the period</b>	<u>8,003</u>	<u>15,931</u>
<b>Profit attributable to:</b>		
Equity holders of the Company	<u>8,003</u>	<u>15,931</u>
<b>Basic/diluted earnings per ordinary share (sen) (Note B12)</b>	<u>0.72</u>	<u>1.35</u>

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

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2017  
CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

	The Group	
	Unaudited As at 31.03.2017 RM'000	Audited As at 31.12.2016 RM'000
<b>Assets</b>		
<b>Non-current assets</b>		
Property, plant and equipment	320,819	318,801
Investment property	210	212
Intangible assets	37,307	35,822
Other investments	1	1
	<u>358,337</u>	<u>354,836</u>
<b>Current assets</b>		
Inventories	246,609	263,948
Sundry receivables	119,318	92,003
Tax recoverable	15,144	13,268
Cash and bank balances	64,050	49,450
	<u>445,121</u>	<u>418,669</u>
<b>Total assets</b>	<u>803,458</u>	<u>773,505</u>
<b>Equity and liabilities</b>		
<b>Equity attributable to equity holders of the Company</b>		
Share capital	1,485,138	123,338
Share premium	-	1,361,800
Treasury shares	(190,625)	(190,625)
Capital reorganisation deficit	(1,343,248)	(1,343,248)
Retained profits	39,739	83,924
<b>Total equity</b>	<u>(8,996)</u>	<u>35,189</u>
<b>Non-current liabilities</b>		
Provisions	6,714	6,955
Borrowings	39,509	25,219
Deferred tax liabilities	16,212	15,818
	<u>62,435</u>	<u>47,992</u>
<b>Current liabilities</b>		
Provisions	529	158
Borrowings	123,017	90,473
Trade payables	428,164	461,506
Other payables	198,283	138,168
Taxation	26	19
	<u>750,019</u>	<u>690,324</u>
<b>Total liabilities</b>	<u>812,454</u>	<u>738,316</u>
<b>Total equity and liabilities</b>	<u>803,458</u>	<u>773,505</u>
<b>Net (liabilities)/assets per share attributable to ordinary equity holders of the Company (sen) *</b>	<u>(0.81)</u>	<u>3.17</u>

**Note:**

\* Based on number of outstanding shares in issue with voting rights.

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

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2017  
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

Group	Attributable to Equity Holders of the Company					
	Share capital RM'000	Share premium RM'000	Treasury shares RM'000	Capital reorganisation RM'000	Distributable Retained profits RM'000	Total equity RM'000
<b>At 1 January 2017</b>	123,338	1,361,800	(190,625)	(1,343,248)	83,924	35,189
Transfer pursuant to S618(2) of CA 2016 *	1,361,800	(1,361,800)	-	-	-	-
Total comprehensive income	-	-	-	-	8,003	8,003
Transaction with owners: Dividends on ordinary shares	-	-	-	-	(52,188)	(52,188)
<b>At 31 March 2017</b>	<b>1,485,138</b>	<b>-</b>	<b>(190,625)</b>	<b>(1,343,248)</b>	<b>39,739</b>	<b>(8,996)</b>
<b>At 1 January 2016</b>	123,338	1,361,800	(58,913)	(1,343,248)	87,217	170,194
Total comprehensive income	-	-	-	-	15,931	15,931
Transaction with owners: Treasury shares acquired	-	-	(23,209)	-	-	(23,209)
Dividends on ordinary shares	-	-	-	-	(55,466)	(55,466)
<b>At 31 March 2016</b>	<b>123,338</b>	<b>1,361,800</b>	<b>(82,122)</b>	<b>(1,343,248)</b>	<b>47,682</b>	<b>107,450</b>

**Note:**

\* Pursuant to Section 618(2) of the Companies Act 2016 ("CA 2016"), any outstanding share premium and capital redemption reserve accounts shall become part of Share Capital.

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

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2017  
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**

	<b>CUMULATIVE QUARTER</b>	
	<b>3 months ended</b>	
	<b>31.03.2017</b>	<b>31.03.2016</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash flows from operating activities</b>		
Cash receipts from customers and other receivables	536,920	563,279
Cash paid to suppliers and employees	(545,089)	(572,049)
Cash used in operations	(8,169)	(8,770)
Interest paid	(1,662)	(210)
Tax paid	(4,370)	(5,160)
Net cash used in operating activities	<u>(14,201)</u>	<u>(14,140)</u>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(15,772)	(6,276)
Purchase of intangible assets	(2,528)	(1,694)
Proceeds from disposal of property, plant and equipment	94	-
Interest received	173	801
Net cash used in investing activities	<u>(18,033)</u>	<u>(7,169)</u>
<b>Cash flows from financing activities</b>		
Dividends paid on ordinary shares	-	(55,466)
Acquisition of treasury shares	-	(23,209)
Proceeds from bankers' acceptances	85,270	60,740
Proceeds from revolving credit	20,000	-
Repayment of bankers' acceptances	(77,113)	(11,500)
Proceeds from term loan	20,000	-
Repayment of term loan	(1,200)	-
Repayment of hire purchase and finance lease liabilities	(123)	(502)
Net cash generated from/(used in) financing activities	<u>46,834</u>	<u>(29,937)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>14,600</b>	<b>(51,246)</b>
<b>Cash and cash equivalents at beginning of the financial period</b>	<b>49,450</b>	<b>126,487</b>
<b>Cash and cash equivalents at end of the financial period</b>	<b><u>64,050</u></b>	<b><u>75,241</u></b>
Cash and cash equivalents at the end of the financial period comprises the following:-		
Cash and bank balances	62,998	56,908
Fixed deposits with licensed banks	1,052	18,333
	<u>64,050</u>	<u>75,241</u>

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2017**  
**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 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 2016.

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 2016 except as follows:

On 1 January 2017, the Group adopted the following amended MFRSs mandatory for annual financial period beginning on or after 1 January 2017:

<b>Description</b>	<b>Effective for annual financial periods beginning on or after</b>
MFRS 107 : <i>Disclosures Initiatives (Amendments to MFRS 107)</i>	1 January 2017
MFRS 112 : <i>Recognition of Deferred Tax for Unrealised Losses (Amendments to MFRS 112)</i>	1 January 2017
Amendments to MFRS 12 : <i>Disclosure of Interest in Other Entities (Annual Improvements to MFRS Standards 2014 - 2016 Cycle)</i>	1 January 2017

The above pronouncements are either not relevant or do not have any impact on the financial statements of the Group, except for the Amendments to MFRS 107 : Statement of Cash Flows - Disclosure Initiative ("MFRS 107").

These amendments to MFRS 107 requires the entity to disclose a reconciliation between the opening and closing balances for liabilities arising from financing activities, including both changes arising from cash flows and non-cash flow changes. The adoption of these amendments affects only the disclosure notes to the financial statements and has no financial impact on the Group's financial statements.

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2017**  
**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>
Amendments to MFRS 2 : <i>Classification and Measurement of Share-based Payment Transactions (Amendments to MFRS 2)</i>	1 January 2018
MFRS 15 : <i>Revenue from Contracts with Customers</i>	1 January 2018
MFRS 9 : <i>Financial Instruments</i>	1 January 2018
Amendments to MFRS 4 : <i>Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts</i>	1 January 2018
Amendments to MFRS 140 : <i>Transfers of Investment Property</i>	1 January 2018
Annual Improvements to MFRS Standards 2014 - 2016 Cycle:	
(i) Amendments to MFRS 1 : <i>First-time Adoption of Malaysian Financial Reporting Standards</i>	1 January 2018
(ii) Amendments to MFRS 128 : <i>Investments in Associates and Joint Ventures</i>	1 January 2018
MFRS 16 : <i>Leases</i>	1 January 2019
Amendments to MFRS 10 and MFRS 128 : <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred
IC Interpretation 22 : <i>Foreign Currency Transactions and Advance Consideration</i>	1 January 2018

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 2017. 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, other than MFRS 16 : Leases which will be effective from 1 January 2019. The adoption of MFRS 16 : Leases will have an effect on the classification and measurement of the Group's lease assets and liabilities.

**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 period that have had a material effect in the current financial period.

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2017**  
**NOTES TO THE INTERIM FINANCIAL REPORT**

**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 31 March 2017 and period up to the date of this announcement.

**A9. DIVIDEND PAID**

There was no dividend paid during the period ended 31 March 2017.

**A10. SEGMENT REPORT**

Segmental analysis for the financial period ended 31 March 2017 is as follows:

<b>Revenue</b>	<b>External RM'000</b>	<b>Inter- segment RM'000</b>	<b>Total RM'000</b>
<b>For the three months ended 31 March 2017</b>			
Convenience stores	522,459	-	522,459
Others	69	174	243
Inter-segment elimination	-	(174)	(174)
	<b>522,528</b>	<b>-</b>	<b>522,528</b>
<b>For the three months ended 31 March 2016</b>			
Convenience stores	526,181	-	526,181
Others	72	174	246
Inter-segment elimination	-	(174)	(174)
	<b>526,253</b>	<b>-</b>	<b>526,253</b>
		<b>CUMULATIVE QUARTER</b>	
		<b>3 months ended</b>	
		<b>31.03.2017</b>	<b>31.03.2016</b>
<b>Results</b>		<b>RM'000</b>	<b>RM'000</b>
Convenience stores		12,647	21,289
Others		(260)	414
		12,387	21,703
Interest income		173	801
<b>Profit from operations</b>		<b>12,560</b>	<b>22,504</b>
Finance costs		(1,662)	(210)
<b>Profit before tax</b>		<b>10,898</b>	<b>22,294</b>
Income tax expense		(2,895)	(6,363)
<b>Net profit for the period</b>		<b>8,003</b>	<b>15,931</b>



**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2017**  
**NOTES TO THE INTERIM FINANCIAL REPORT**

**A11. PROPERTY, PLANT AND EQUIPMENT**

During the 3 months ended 31 March 2017, the Group acquired assets at costs of RM15.8 million (2016 : RM6.3 million). The assets acquired comprise mainly of renovation, furniture, fittings, equipment and computer equipment.

**A12. INTANGIBLE ASSETS**

During the 3 months ended 31 March 2017, the Group acquired computer software assets at the costs of RM2.5 million (2016 : RM1.7 million).

**A13. SIGNIFICANT RELATED PARTY TRANSACTIONS**

Transacting party	Type of transaction	CUMULATIVE QUARTER 3 months ended	
		31.03.2017 RM'000	31.03.2016 RM'000
<b>With a subsidiary company</b>			
7-Eleven Malaysia Sdn Bhd ("7-Eleven Malaysia")	Advances (to)/from 7-Eleven Malaysia (from)/to 7-Eleven Malaysia Holdings	(8,568)	602
	Interest expense on advances from 7-Eleven Malaysia	1,093	41
	Interest income on dividend receivable from 7-Eleven Malaysia	-	1,161

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2017**  
**NOTES TO THE INTERIM FINANCIAL REPORT**

**A13. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONT'D)**

Transacting party	Type of transaction	CUMULATIVE QUARTER 3 months ended	
		31.03.2017 RM'000	31.03.2016 RM'000
<b>With companies in which TSVT is deemed interested*</b>			
MOL AccessPortal Sdn. Bhd. ("MOL")	Receipts of payment from MOL for commission for sale of mobile phone, Touch'n Go and online game reloads and bill payments	6,911	6,326
	Payments to MOL for reload transaction values for in-store services for sale of mobile phone, Touch'n Go and online game reloads and bill payments	<u>172,259</u>	<u>168,008</u>
U Mobile Sdn. Bhd. ("U Mobile")	Receipts of payment from U Mobile for commission for sale of mobile phone reloads	2,756	2,224
	Payments to U Mobile for reload transaction values for in-store services for sale of mobile phone reloads	44,664	34,960
	Receipts of payment from U Mobile for advertisement placement fees	<u>1,708</u>	<u>1,546</u>
Berjaya Channel Sdn. Bhd. ("BChannel")	Receipts of payment from BChannel for advertisement placement fees	<u>13</u>	<u>375</u>
Sun Media Corporation Sdn. Bhd. ("Sun Media")	Advertising fees on placement of advertisement in The Sun newspaper	261	110
	Display fees from placement of The Sun newspaper in 7-Eleven's stores	<u>180</u>	<u>180</u>

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2017**  
**NOTES TO THE INTERIM FINANCIAL REPORT**

**A13. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONT'D)**

Transacting party	Type of transaction	CUMULATIVE QUARTER 3 months ended	
		31.03.2017 RM'000	31.03.2016 RM'000
<b>With companies in which TSVT is deemed interested*</b>			
Prime Credit Leasing Sdn. Bhd.	Leasing facility for point-of-sales computer system: - Lease interest	2	31
Securexpress Services Sdn. Bhd. ("Securexpress")	Payments to Securexpress for fees relating to the delivery of merchandise to stores	2,883	4,290
Berjaya Sampo Insurance Berhad ("Berjaya Sampo")	Payments to Berjaya Sampo for insurance premium	2,232	1,693
Nural Enterprise Sdn. Bhd. ("Nural")	Payments to Nural for rental of property	349	345
Berjaya Times Square Sdn. Bhd. ("BTS")	Payments to BTS for rental of property	188	128

\* 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 RM7,099,383 (31 December 2016: RM7,099,383) 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.

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2017**  
**NOTES TO THE INTERIM FINANCIAL REPORT**

**A15. CAPITAL COMMITMENTS**

	<b>The Group</b>	
	<b>Unaudited</b>	<b>Audited</b>
	<b>As at</b>	<b>As at</b>
	<b>31.03.2017</b>	<b>31.12.2016</b>
	<b>RM'000</b>	<b>RM'000</b>
Approved and contracted for		
- property, plant and equipment	4,896	-
- intangible assets	705	1,635
	<u>5,601</u>	<u>1,635</u>
Approved but not contracted for		
- property, plant and equipment	92,002	111,130
	<u>92,002</u>	<u>111,130</u>
	<u>97,603</u>	<u>112,765</u>

**A16. SUBSEQUENT EVENT**

There were no significant events since the end of this current quarter up to the date of this announcement, except as disclosed in Note B7.

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

### **UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2017 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 RM522.5 million reduced marginally by RM3.7 million or 0.7% against the corresponding quarter's revenue in the previous year of RM526.3 million. The decline in revenue was due to on-going softness in the retail market. In addition, the sales in February and March 2017 were affected by operational issues faced by our third party logistics provider in delivering products to the stores. These issues have since been resolved.

Gross profit of RM159.8 million reduced by RM0.3 million or 0.2% compared to the corresponding quarter in the previous year and this was mainly attributed by the marginal reduction of revenue.

Other operating income increased strongly by 17.4% compared to the corresponding quarter in the previous year due to commencement of our first main consumer promotion campaign for this year in the month of March.

Selling and distribution expenses for the quarter increased by RM14.6 million or 10.4%, mainly caused by new store expansion resulting in higher staff cost, rental cost, store depreciation expense and utility cost. In addition, the increase in the minimum wage effective 1st July 2016 continued to significantly impact selling and distribution expenses compared to the same period last year.

Administrative and other operating expenses for the quarter decreased by RM0.3 million or 1.3%.

The profit before tax of RM10.9 million decreased by RM11.4 million or 51.1% compared to the corresponding period of 2016 primarily due to the marginally lower revenue and gross profit coupled with the increase in selling and distribution cost due to new store expansion and the impact of minimum wage increase effective 1st July 2016.

#### **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 first quarter of RM10.9 million was lower than the immediate preceding quarter of RM12.0 million by RM1.1 million or 9.3% due to 0.2% decrease in revenue.

#### **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 remain challenging due to continued weak consumer confidence/spending and current macro-economic conditions. Despite this latest development, we remain positive of holding onto our market leading position.

#### **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 FIRST QUARTER ENDED 31 MARCH 2017 ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LR

#### B5. PROFIT FROM OPERATIONS

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

	CURRENT AND CUMULATIVE QUARTER 3 months ended	
	31.03.2017 RM'000	31.03.2016 RM'000
Interest income	173	801
Depreciation of property, plant and equipment	13,568	11,702
Property, plant and equipment written off	316	567
Amortisation charge for investment property	2	1
Amortisation of intangible assets	1,043	210
Provision for and write off of inventories	1,491	899
Reversal of impairment loss of property, plant and equipment	-	(666)
Gain on disposal of property, plant and equipment	(94)	-
Loss/(Gain) on foreign exchange translation differences	27	(13)

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 ended 31 March 2017.

#### B6. TAXATION

	CURRENT AND CUMULATIVE QUARTER 3 months ended	
	31.03.2017 RM'000	31.03.2016 RM'000
Income tax:		
Current period provision	2,501	6,807

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

### UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2017 ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LR

#### B6. TAXATION (CONT'D)

	<b>CURRENT AND CUMULATIVE QUARTER 3 months ended</b>	
	<b>31.03.2017 RM'000</b>	<b>31.03.2016 RM'000</b>
Deferred tax		
Relating to origination and reversal of temporary differences	394	(444)
	<u>2,895</u>	<u>6,363</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 31 March 2017 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 other corporate proposals announced but not completed at the date of this report, except for the corporate proposal announced on 25 April 2017. The Company announced its intention to undertake the proposed renounceable rights issue of up to 616,692,500 new warrants at an issue price of RM0.10 for each warrant on the basis of 1 warrant for every 2 existing ordinary shares in the Company held on an entitlement date to be determined later.

#### 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 31 March 2017 are as follows:

Purposes	Proposed utilisation RM'000	Actual utilisation at the date of this report RM'000	Deviation between actual and proposed utilisation Note 1 RM'000	Change of proposed utilisation Note 2 RM'000	Revised balance RM'000	Estimated time frame for utilisation
i. Capital expenditure	184,790	137,910	-	(40,790)	6,090	Within 36 months
ii. Working capital	42,664	92,610	(9,156)	40,790	-	
iii. Estimated fees and expenses for the IPO and listing exercise	22,857	13,701	9,156	-	-	
<b>Total gross proceeds</b>	<b>250,311</b>	<b>244,221</b>	<b>-</b>	<b>-</b>	<b>6,090</b>	

#### Note:

1 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.

2 As announced to the Bursa Securities on 13 November 2015, the Board of Directors had approved for the unutilised balance of RM40.79 million included under capital expenditure that was allocated for the construction of the new combined distribution center on its existing land to be reallocated for working capital.

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

### UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2017 ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LR

#### B9. GROUP BORROWINGS

The Group borrowings which are denominated in Ringgit Malaysia ("RM") as at 31 March 2017 are as follows: -

	<b>Unaudited As at 31.03.2017 RM'000</b>	<b>Audited As at 31.12.2016 RM'000</b>
<b>Short term borrowings</b>		
<b>Secured:</b>		
Hire purchase and finance lease liabilities	47	160
<b>Unsecured:</b>		
Bankers' acceptance	73,670	65,513
Term loan	9,300	4,800
Revolving credit	40,000	20,000
	<u>123,017</u>	<u>90,473</u>
<b>Long term borrowings</b>		
<b>Secured:</b>		
Hire purchase and finance lease liabilities	9	19
<b>Unsecured:</b>		
Term loan	39,500	25,200
	<u>39,509</u>	<u>25,219</u>
<b>Total borrowings</b>		
Bankers' acceptances	73,670	65,513
Term loan	48,800	30,000
Revolving credit	40,000	20,000
Hire purchase and finance lease liabilities	56	179
	<u>162,526</u>	<u>115,692</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).



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

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#### B12. EARNINGS PER SHARE

	CURRENT AND CUMULATIVE QUARTER 3 months ended	
	31.03.2017	31.03.2016
Net profit attributable to ordinary shares (RM'000)	8,003	15,931
Weighted average number of ordinary shares in issue ('000)	1,110,385	1,182,802
Basic/diluted earnings per ordinary share (sen)	<u>0.72</u>	<u>1.35</u>

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

#### B13. BREAKDOWN OF REALISED AND UNREALISED PROFITS OR LOSSES

The breakdown of the retained profits of the Group as at 31 March 2017 and 31 December 2016 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.

	Unaudited As at 31.03.2017 RM'000	Audited As at 31.12.2016 RM'000
Realised profits	55,951	99,742
Unrealised losses	<u>(16,212)</u>	<u>(15,818)</u>
<b>Total retained profits as per condensed consolidated statements of changes in equity</b>	<u>39,739</u>	<u>83,924</u>