SOMETHING FOR EVERYONE

7-Eleven Malaysia Holdings Berhad
201301028701 (1058531-W)

ANNUAL REPORT 2021

CONTENTS

VISION

To be the best retailer of convenience

Menjadi peruncit serbaneka yang terbaik

MISSION

To consistently serve the changing needs of customers for their convenience

Memberi layanan secara konsisten mengikut perubahan keperluan semasa pelanggan demi keselesaan mereka

VALUES

UNDERSTAND

We seek to understand the needs of stakeholders & the company to make the best (balanced) decisions

Kami berusaha untuk memahami keperluan pelbagai pihak & juga pihak syarikat dalam membuat keputusan yang seimbang dan terbaik

SIMPLIFY

We work towards making things convenient for people to increase the effectiveness of our solutions

Kami berusaha memudahkan setiap perkara untuk setiap pihak bagi mendapatkan penyelesaian yang terbaik

SOLVE

We find ways to resolve issues that prevents us from delivering value to those we serve

Kami sentiasa mencari jalan penyelesaian untuk memberi manfaat kepada semua pihak

CONNECT

We communicate to manage people's expectations in the most effective manner

Kami berkomunikasi secara berkesan untuk memaklumkan kepada semua pihak mengenai perkembangan terkini

OVERVIEW

7-Eleven Malaysia Holdings Berhad ("SEM") is a non-operating investment holding company which has been listed on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Malaysia") since 2014.

Through its major subsidiary, 7-Eleven Malaysia Sdn. Bhd. ("7-Eleven Malaysia"), SEM is the owner and operator of 7-Eleven stores in Malaysia. Incorporated on 4 June 1984, 7-Eleven Malaysia has made its mark in the retailing scene and remained a prominent icon for over 38 years. 7-Eleven Malaysia is the pioneer and largest 24-hours standalone convenience store operator in Malaysia.

Through another major subsidiary, Caring Pharmacy Group Berhad ("Caring"), SEM is the owner of one of the largest retail pharmacy chains in Malaysia. Established since 1994, Caring has grown its outlets to 156 by end-2021, with an established presence nationwide, except Terengganu and Sarawak. Caring was listed on Bursa Malaysia from 2013 until May 2020. The acquisition of Caring by SEM was completed in June 2020, marking SEM's diversification and foray into the retail pharmacy segment.

CORPORATE STRUCTURE

as at 31 March 2022

7-Eleven Malaysia Holdings Berhad

- 100% 7 Properties Sdn Bhd
- 100% Teluk Juara Sdn Bhd
- 100% Digital Flow Sdn Bhd
- 100% 7-Eleven Malaysia Sdn Bhd
  - 46.5% Dego Malaysia Sdn Bhd
- 100% Convenience Shopping (Sabah) Sdn Bhd
  - 60% Café Decoral Sdn Bhd
  - 75% Caring Pharmacy Group Berhad
- 60% QVI Foods Sdn Bhd
- 100% SEM Infra Sdn Bhd
  - 60% SEM ALP Logistic Solutions Sdn Bhd

Caring Pharmacy Group Berhad

- 100% Caring Pharmacy Retail Management Sdn Bhd
  - 67% The Pill House Pharmacy Sdn Bhd
    - 100% Wellings Pill House Sdn Bhd
      - 51% Amazinglife Pharmacy Sdn Bhd
      - 100% Blooming Health Pharmacy Sdn Bhd
      - 51% Green Trees Pharmacy Sdn Bhd
      - 100% Health Town Pharmacy Sdn Bhd
      - 60% Langkawi Pharmacy Sdn Bhd
      - 51% Nutricient RX Sdn Bhd
      - 100% Nutrilife Pharmacy Sdn Bhd
      - 51% Pharmfresh Pharmacy Sdn Bhd
      - 100% Pure Health Pharmacy Sdn Bhd
      - 100% Realcare Baby and Organic Sdn Bhd
      - 100% Realcare Pharmacy (K) Sdn Bhd
      - 51% Sharing Pharmacy Sdn Bhd
      - 51% Simple Life Pharmacy Sdn Bhd
      - 51% Super Health Sdn Bhd
      - 100% Wellings Pill House (Tg) Pharmacy Sdn Bhd
      - 51% Healthy Care Pharmacy Sdn Bhd
  - 60% Wellings Pharmacy Sdn Bhd
    - 100% Masons Health Sdn Bhd
  - 76% Ace Caring Pharmacy Sdn Bhd
  - 76% Be Caring Sdn Bhd
  - 60% Caring Abundance Sdn Bhd (f.k.a. Cosy Vision Sdn Bhd)
  - 60% Caring Alliance Sdn. Bhd.
  - 100% Caring Belle Sdn Bhd
  - 60% Caring Clover Sdn Bhd
  - 60% Caring Empire Sdn. Bhd.
  - 100% Caring Estore Sdn Bhd
  - 70% Caring Evergreen Sdn Bhd
  - 100% Caring Health Solutions Sdn Bhd
  - 75% Caring Healthmark Sdn Bhd
  - 60% Caring Link Sdn. Bhd.
  - 60% Caring 'N' You Pharmacy Sdn Bhd
  - 80% Caring Pharmacy (ABM) Sdn Bhd
  - 100% Caring Pharmacy (Ampang) Sdn Bhd
  - 68% Caring Pharmacy (IDR) Sdn Bhd
  - 60% Caring Pharmacy (JB Molek) Sdn Bhd
  - 100% Caring Pharmacy (Kinrara) Sdn Bhd
  - 80% Caring Pharmacy (KLP) Sdn Bhd
  - 60% Caring Pharmacy (MPLS) Sdn. Bhd.
  - 100% Caring Pharmacy (RS) Sdn. Bhd.
  - 85% Caring Pharmacy (Shah Alam) Sdn Bhd
  - 100% Caring Pharmacy (SK) Sdn Bhd
  - 51% Caring Pharmacy (SW) Sdn Bhd
  - 100% Caring Pharmacy Always Sdn Bhd
  - 60% Caring Pharmacy Ascend Sdn Bhd
  - 100% Caring Pharmacy Paradise Sdn Bhd
  - 100% Caring Pharmacy Rising Sdn Bhd
  - 100% Caring Pharmacy Sdn Bhd
  - 75% Caring T & T Sdn. Bhd.
  - 60% Caring Trinity Sdn Bhd
  - 60% Caring Trio Sdn Bhd
  - 87% Fuji Acre Sdn Bhd
  - 60% Green Surge Sdn Bhd
  - 100% Living Glory Sdn Bhd
  - 60% Mega Caring Sdn Bhd
  - 60% MN Pharmacy Sdn Bhd
  - 60% My Caring Pharmacy Sdn Bhd
  - 60% One Caring Pharmacy Sdn Bhd
  - 70% Preciouslife Pharmacy Sdn Bhd
  - 70% Stay Caring Sdn Bhd
  - 51% Sterling Pharmacy Sdn Bhd
  - 100% Tonic Pharma Sdn Bhd
  - 76% Vertex Pharmacy Sdn Bhd
  - 85% Victorie Caring Sdn Bhd
  - 60% Viva Caring Sdn Bhd
  - 80% WM Caring Pharmacy Sdn. Bhd.

CORPORATE **INFORMATION**

BOARD OF DIRECTORS

Dato' Sri Robin Tan Yeong Ching
Chairman, Non-Independent Non-Executive Director

Dato' Richard Alexander John Curtis
Deputy Chairman, Senior Independent Non-Executive Director

Tan U-Ming
Executive Director cum Co-Chief Executive Officer

Wong Wai Keong
Executive Director cum Co-Chief Executive Officer

Muhammad Lukman Bin Musa @ Hussain
Non-Independent Non-Executive Director

Chan Kien Sing
Non-Independent Non-Executive Director

Tsai, Tzung-Han
Non-Independent Non-Executive Director

Shalet Marian
Independent Non-Executive Director

Puan Sri Datuk Seri Rohani Parkash Binti Abdullah
Independent Non-Executive Director

Dr. Mazatul 'Aini Shahar Binti Abdul Malek Shahar
Independent Non-Executive Director

AUDIT COMMITTEE

Shalet Marian
Chairperson
Independent Non-Executive Director

Muhammad Lukman Bin Musa @ Hussain
Member
Non-Independent Non-Executive Director

Dr. Mazatul 'Aini Shahar Binti Abdul Malek Shahar
Member
Independent Non-Executive Director

REMUNERATION COMMITTEE

Chan Kien Sing
Chairman
Non-Independent Non-Executive Director

Shalet Marian
Member
Independent Non-Executive Director

Puan Sri Datuk Seri Rohani Parkash Binti Abdullah
Member
Independent Non-Executive Director

RISK MANAGEMENT AND SUSTAINABILITY COMMITTEE

Dato' Richard Alexander John Curtis
Chairman
Senior Independent Non-Executive Director

Muhammad Lukman Bin Musa @ Hussain
Member
Non-Independent Non-Executive Director

Dr. Mazatul 'Aini Shahar Binti Abdul Malek Shahar
Member
Independent Non-Executive Director

NOMINATING COMMITTEE

Puan Sri Datuk Seri Rohani Parkash Binti Abdullah
Chairperson
Independent Non-Executive Director

Shalet Marian
Member
Independent Non-Executive Director

Chan Kien Sing
Member
Non-Independent Non-Executive Director

COMPANY SECRETARIES

Tai Yit Chan (MAICSA 7009143)
(SSM PC No.202008001023)
Tia Hwei Ping (MAICSA 7057636)
(SSM PC No.202008001687)

REGISTERED OFFICE

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No. 5, Jalan Prof. Khoo Kay Kim,
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55100 Kuala Lumpur,
Wilayah Persekutuan,
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Tel. No.: +603 2142 1136
Fax No.: +603 2142 1139
Email address:
contactus@7eleven.com.my
Website address:
www.7eleven.com.my

AUDITORS

Ernst & Young PLT
Level 23A, Menara Milenium,
Jalan Damanlela,
Pusat Bandar Damansara,
50490 Kuala Lumpur,
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Malaysia
Tel. No.: +603 7495 8000

SHARE REGISTRAR

Berjaya Registration Services Sdn. Bhd.
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Level 10, West,
Berjaya Times Square,
No.1 Jalan Imbi,
55100 Kuala Lumpur,
Wilayah Persekutuan,
Malaysia
Tel. No.: +603-2145 0533
Fax No.: +603-2145 9702

PRINCIPAL BANKERS

Malayan Banking Berhad
AmBank (M) Berhad
CIMB Bank Berhad
RHB Bank Berhad

STOCK EXCHANGE LISTING

Main Market of
Bursa Malaysia Securities Berhad
Stock Name : SEM
Stock Code : 5250

PLACE OF INCORPORATION AND DOMICILE

Malaysia

BOARD OF **DIRECTORS**

1 **DATO' SRI ROBIN TAN YEONG CHING**
Chairman, Non-Independent
Non-Executive Director

2 **DATO' RICHARD ALEXANDER JOHN CURTIS**
Deputy Chairman,
Senior Independent
Non-Executive Director

3 **TAN U-MING**
Executive Director cum Co-Chief
Executive Officer ("Co-CEO")

4 **WONG WAI KEONG**
Executive Director cum Co-Chief
Executive Officer ("Co-CEO")

5 **CHAN KIEN SING**
Non-Independent
Non-Executive Director

6 **MUHAMMAD LUKMAN BIN MUSA @ HUSSAIN**
Non-Independent
Non-Executive Director

7 **PUAN SRI DATUK SERI ROHANI PARKASH BINTI ABDULLAH**
Independent
Non-Executive Director

8 **SHALET MARIAN**
Independent
Non-Executive Director

9 **DR. MAZATUL 'AINI SHAHAR BINTI ABDUL MALEK SHAHAR**
Independent
Non-Executive Director

10 **TSAI, TZUNG-HAN**
Non-Independent
Non-Executive Director

PROFILE OF **DIRECTORS**

DATO' SRI ROBIN TAN YEONG CHING

Male, Aged 48,
Malaysian
Chairman,
Non-Independent Non-Executive Director

Dato' Sri Robin Tan Yeong Ching was appointed to our Board as Chairman, Non-Independent Non-Executive Director on 25 November 2021.

He graduated with a Bachelor of Social Science degree in Accounting/Law from the University of Southampton, United Kingdom in 1995. He joined Berjaya Group Berhad in 1995 as an Executive and subsequently became the General Manager, Corporate Affairs in 1997.

Currently, he is the Executive Chairman of Berjaya Sports Toto Berhad, Non-Independent Non-Executive Deputy Chairman of Berjaya Corporation Berhad and a Director of Atlan Holdings Bhd.

He is also an Executive Director of Sports Toto Malaysia Sdn Bhd, Berjaya Hartanah Berhad (formerly known as Berjaya Golf Resort Berhad), Bukit Kiara Resort Berhad and Staffield Country Resort Berhad and a Director of KDE Recreation Berhad. He also holds directorships in several other private limited companies in the Berjaya Corporation Group of companies.

He is a son of Tan Sri Dato' Seri Vincent Tan Chee Yioun, a major shareholder of 7-Eleven Malaysia Holdings Berhad and a brother of Mr. Tan U-Ming, the Executive Director cum Co-Chief Executive Officer of 7-Eleven Malaysia Holdings Berhad.

DATO' RICHARD ALEXANDER JOHN CURTIS

Male, Aged 70,
British
Deputy Chairman,
Senior Independent Non-Executive Director

Dato' Richard Alexander John Curtis was appointed to our Board as Deputy Chairman, Independent Non-Executive Director on 25 November 2021 and redesignated as a Senior Independent Non-Executive Director on 20 April 2022. He was appointed as Chairman of the Risk Management and Sustainability Committee on 20 April 2022.

Dato' Richard Alexander John Curtis, after graduating with a LLB. (Hons) from Bristol University, United Kingdom, commenced his career in legal practice as a solicitor in Norton Rose (1976-1979) in London and progressively advanced his career by joining Jardine Matheson & Co. (1979-1983) in Hong Kong after which he joined the Jardine Offshore Group (1983-1986) with postings to Singapore and Indonesia. He subsequently pursued his own businesses (1988-1997) in retail, consultancy and construction before helming The Melium Group (1997-2004), a leading Malaysian retail company and F&B chain operator, as its Chief Executive Officer.

Dato' Richard Alexander John Curtis was formerly the Group Managing Director of Cahya Mata Sarawak Berhad ("CMS"), a conglomerate listed on the Main Market of Bursa Malaysia Securities Berhad with cement, construction materials, road maintenance, infrastructure and property development as its core businesses until his retirement on 31 December 2017. He was then appointed as a Non-Independent Non-Executive Director of CMS and of some of its subsidiary companies until his resignation on 31 December 2018. He was then appointed as an Adviser to CMS, whilst remaining as a Non-Independent Non-Executive Director of some of its subsidiary companies, until he retired effective 1 January 2021.

Dato' Richard Alexander John Curtis was also a Non-Independent Non-Executive Director, member of Group Board Risk Committee and member of Group Board Digital Innovation & Technology Committee of Kenanga Investment Bank Berhad. He ceased to be a member of these two Committees and a Non-Independent Non-Executive Director on 11 June 2021.

TAN U-MING

Male, Aged 35,
Malaysian
Executive Director cum
Co-Chief Executive
Officer ("Co-CEO")
Key Senior Management

Mr. Tan U-Ming was appointed to our Board as Executive Director on 21 August 2013, and subsequently he was appointed as Co-Chief Executive Officer ("Co-CEO") of the Company with effect from 1 December 2020.

Mr. Tan U-Ming attended college in Irvine Valley College, California, USA. Before embarking on his studies in the US, he spent a year as a Management Trainee with Convenience Shopping Sdn. Bhd. (now known as 7-Eleven Malaysia Sdn. Bhd.), the earlier half of which as a Store Associate and the latter as an Intern with the Merchandising Department. Before returning to Malaysia, he spent six (6) months completing the Franchisee, In-store Training and Field Consultant Certification Training (Phase 1) courses with 7-Eleven Inc. in North America.

In 2008, he was appointed as a Director of 7-Eleven Malaysia Sdn. Bhd., where he was responsible for overseeing it's Merchandising, Supply Chain, Procurement and Marketing functions. He was promoted to the position of Executive Director in 2011.

He currently holds multiple directorships in other private companies of various industries. He is also the son of Tan Sri Dato' Seri Vincent Tan Chee Yioun, a major shareholder of the 7-Eleven Malaysia Holdings Berhad and a brother of Dato' Sri Robin Tan Yeong Ching, the Chairman, Non-Independent Non-Executive Director of 7-Eleven Malaysia Holdings Berhad.

WONG WAI KEONG

Male, Aged 48,
Malaysian
Executive Director cum
Co-Chief Executive
Officer ("Co-CEO")
Key Senior Management

Mr. Wong Wai Keong was appointed to our Board as Executive Director on 1 November 2020, subsequently he was appointed as Co-Chief Executive Officer ("Co-CEO") of the Company with effect from 1 December 2020.

Mr. Wong Wai Keong was appointed as Chief Financial Officer of the Company on 12 March 2018. He is an experienced financial professional and has over 23 years of working experience in multinational corporations (MNCs) and local environment across the region overseeing finance, accounting, information technology/enterprise resource planning (ERP) and business management. He has worked in various industries including healthcare, multi-level marketing, Enterprise Application services, manufacturing, agriculture and the Fast Moving Consumer Goods industry (FMCG).

He is a member of the Chartered Institute of Management Accountant (CIMA), the Malaysian Institute of Accountants (MIA) and the Chartered Global Management Accountants (CGMA).

Prior to joining 7-Eleven Malaysia Holdings Berhad, he was the Group Finance Director of SyAqua Group Inc. overseeing the Asian markets and Florida, USA where he was involved in the organization expansion and was instrumental in transforming the group into an integrated functional business.

He has previously held management roles in Avon Cosmetics, KFCH Marketing, Ayamas Food Corp, Abbott Laboratories, and Wyeth. He was also a Lead Application Consultant with JD Edwards.

PROFILE OF **DIRECTORS**

CHAN KIEN SING

Male, Aged 65,
Malaysian
Non-Independent
Non-Executive Director

Mr. Chan Kien Sing was appointed to the Board first as Executive Director on 21 August 2013 and was then redesignated as Non-Independent Non-Executive Director on 22 April 2015. Mr. Chan Kien Sing was appointed as the Chairman of the Remuneration Committee and a member of the Nominating Committee on 12 March 2021. He resigned as member of the Nominating Committee on 12 April 2022.

He is a chartered accountant by qualification and a member of the Malaysian Institute of Certified Accountants (MICPA) and Malaysian Institute of Accountants (MIA). He has over 40 years of experience in strategic corporate planning and structuring, M&As, IPOs, audit/accountancy and managing business operations.

From 1975 to 1981, he pursued his professional MICPA articleship with Messrs Peat Marwick Mitchell (now KPMG). Involved principally in statutory compliance audits for companies in various industries. He subsequently joined Ambank Bhd, an investment bank, for eight years specialising in corporate advisory and banking. A notable assignment in Ambank was co-leading a joint research team with Kleinwort Benson, to formulate the Privatisation Master plan (PMP) for the Government of Malaysia.

In 1989, Mr. Chan joined Berjaya Corporation to head their Group Investment function. Shortly thereafter, he was promoted to Group Executive Director and spent some 30 years in the group overseeing various operations and functions. He retired as Executive Director in January 2017 and remained as Non-Executive Director until December 2019.

Whilst in Berjaya Group, he held multiple roles and was seconded to oversee various operations. Following are some notable appointments:

- DiGi Telecommunications Sdn Bhd
  - CEO/ Executive Director of DiGi from 1995 till 2005.
- 7 Eleven Malaysia Sdn Bhd ("7E")
  - Managing Director / Executive Director.
- CEO of Berjaya Capital Bhd which operates the stockbroking company, Inter-Pacific Securities Sdn Bhd.
- Managing Director of the Sun Media group. Publishes theSun newspaper. Largest free daily paper distributed in Malaysia.
- Director of Caring Pharmacy Sdn Bhd. ("Caring")
  Instrumental in identifying this pharmacy chain and negotiating a minority strategic investment position. Coordinated the public listing of Caring on Bursa in 2013. Caring grew to become the largest pharmacy retail chain in Malaysia.

Currently, he is a Non-Independent Non-Executive Director of Berjaya Assets Berhad and holds directorships in several other private limited companies.

TSAI, TZUNG-HAN

Male, Aged 45,
Taiwanese
Non-Independent
Non-Executive Director

Mr. Tsai, Tzung-Han was appointed to the Board as Non-Independent Non-Executive Director on 16 January 2019.

He obtained his Juris Doctor Degree in law from Georgetown University Law Center, USA and his Bachelor's Degree in Economics from Harvard University, USA.

Currently, he is the Vice Chairman of Cathay United Bank, a subsidiary of Cathay Financial Holdings, a publicly listed company in Taiwan. He also serves as a director on the Board of Directors of Cathay Life Insurance, the largest life insurer in Taiwan and also a subsidiary of Cathay Financial Holdings. After returning from the USA in 2005, he served in various capacities at Cathay Life Insurance, including senior vice president in charge of alternative investments and executive vice president in charge of real estate acquisitions and development, human resources and strategic planning. He also ran the strategic planning department for Cathay Financial Holdings from 2010 until 2016. During his tenure, Mr. Tsai oversaw a number of overseas strategic investments on behalf of the group. He joined Cathay United Bank in 2015 and served as the Head of Strategic Planning until he became the Vice Chairman in 2016, where he continues to oversee the strategic planning, wealth management, digital banking, data analytics and overseas banking departments.

Prior to returning to Taiwan, he worked briefly in private equity at Goldman Sachs in New York and in venture capital at Pacific Venture Partners in San Francisco. From 2001 until 2003, he was a practicing attorney in the real estate department at Hale and Dorr LLP, currently known as Wilmer Hale, in Boston.

Mr. Tsai, Tzung-Han has over fifteen (15) years' experience in investment and business development in the finance industry. Mr. Tsai, Tzung-Han is the son of Mr. Tsai, Hong-Tu, who is the major shareholder of 7-Eleven Malaysia Holdings Berhad by virtue of his indirect interest shareholding in Classic Union Group Ltd.

PROFILE OF **DIRECTORS**

SHALET MARIAN

**Female, Aged 65,
Malaysian
Independent
Non-Executive Director**

Ms. Shalet Marian was appointed to our Board as Independent Non-Executive Chairman on 21 August 2013 and re-designated as Independent Non-Executive Director on 20 July 2016. She serves as the member of Audit Committee, member of Remuneration Committee and Chairperson of Nominating Committee. On 12 April 2022, she was redesignated as Chairperson of Audit Committee and a member of Nominating Committee.

She is a member of the Malaysian Institute of Certified Public Accountants and Malaysian Institute of Accountants.

Ms. Shalet Marian's career as a public accountant with a specialization in tax spanned over 30 years. She has a wealth of experience in finance and risk management. In KPMG Malaysia, she held various senior positions which include Head of Corporate Tax, Head of Indirect Tax, Head of Finance and Administration and Country Risk Manager. In her career she also served as internal auditor of Arab-Malaysian Merchant Bank (now known as AmInvstment Bank Berhad) in 1984. She took an early retirement in 2010 to refresh her skills in people management.

In the field of human and personal development, she is certified in Neuro Linguistic Programming, Lifeline Techniques, Cognitive Behaviour Models and Aubrey Daniels Institute's certification in behavioural based performance management technologies incorporating Performance Management and Coaching for Rapid Change in Business. In addition, she gained certification in Malaysian Goods and Services Tax (GST) from the Royal Malaysian Customs Department in 2013. She served as Advisor on tax matters that included GST to a firm of consultants between 2011 and 2015. She obtained the Human Resources Development Fund (HRDF) Certification in Training in 2017. In 2021 she obtained a Certificate in Cybersecurity Fundamentals for Finance and Accounting Professionals (AICPA and CIMA).

Ms. Shalet Marian was appointed to the Board of Directors of Hong Leong Assurance Berhad on 16 June 2016 and is a member of the Hong Leong Group Board, Audit Committee, Nomination Committee and Group Board Information and Technology Committee.

MUHAMMAD LUKMAN BIN MUSA @ HUSSAIN

**Male, Aged 46,
Malaysian
Non-Independent
Non-Executive Director**

Encik Muhammad Lukman Bin Musa @ Hussain has been an Independent Non-Executive Director of the Company since 21 August 2013 and was redesignated as Non-Independent Non-Executive Director on 22 March 2022.

He also serves as the Chairman of Audit Committee, member of Remuneration Committee and member of Nominating Committee. Subsequently, he was redesignated as member of Audit Committee on 22 March 2022 and resigned as member of Remuneration Committee and member of Nominating Committee on 11 April 2022. He then appointed as member of Risk Management and Sustainability Committee on 20 April 2022.

He commenced his career in 1998 as an external auditor with Andersen & Co (Malaysia). In 2001, he has pursued his career in United Kingdom and his last position in United Kingdom was as the Manager in Banking & Capital Market Division at the London office of Ernst & Young LLP, United Kingdom. Upon his return in 2008, he joined Ernst & Young PLT (Malaysia) as the Audit and Assurance Director, and was responsible in managing various Government Linked and Multinational Companies portfolio. In 2011, he left Ernst & Young (Malaysia) to hold the position as Chief Operating and Chief Financial Officer of Unitar Capital Sdn. Bhd. (UNITAR), the operator of UNITAR International University, and a subsidiary of Ekuiti Nasional Berhad. In June 2016, he left UNITAR and joined MARA Corporation Sdn. Bhd., a strategic investment holding company of Majlis Amanah Rakyat (MARA) as the Acting Chief Executive Officer and Chief Financial Officer. In July 2019, he left MARA Corporation Sdn. Bhd. and currently act as an Advisor to ECS Solutions Sdn. Bhd., a boutique management and advisory firm.

He holds a Bachelor in Accountancy Studies from University of Porstmouth, United Kingdom. He is also a qualified Chartered Accountant from Malaysian Institute of Accountants (MIA) and is a fellow member of the Institute of Chartered Accountants in England and Wales (ICAEW).

He currently serves on the Board of MBM Resources Berhad. In March 2022, he has been appointed as the Chief Executive Officer of Berjaya Capital Berhad.

PUAN SRI DATUK SERI ROHANI PARKASH BINTI ABDULLAH

Female, Aged 66,
Malaysian
Independent
Non-Executive Director

Puan Sri Datuk Seri Rohani Parkash Binti Abdullah was appointed to the Board as Independent Non-Executive Director on 10 February 2017. She was appointed as the Chairperson of the Nominating Committee and member of Remuneration Committee on 11 April 2022.

She obtained her Master of Business Administration from Oklahoma State University, USA in 1995.

Her career was primarily in the civil service and spanned the land and regional development, communication and multimedia, human resources and higher education sectors. She was extensively involved in international and policy aspects of these sectors and left the government service in 2012 as the Deputy Secretary General of Ministry of Higher Education. She concluded her career in the public sector as a Senior Fellow at University Teknologi Malaysia.

Since mid-2015, Puan Sri has involved herself solely with the corporate sector, as well as her role (mid-2012 to late-2018), as the President of PUSPANITA Kebangsaan (Association of Women Civil Servants and Wives of Civil Servants) which is a charity and volunteer organisation.

She is also the Chairperson of the Sultan Idris Education University (UPSI), the first lady to assume the post in a public university in Malaysia.

DR. MAZATUL 'AINI SHAHAR BINTI ABDUL MALEK SHAHAR

Female, Aged 50,
Malaysian
Independent
Non-Executive Director

Dr Mazatul 'Aini Shahar Binti Abdul Malek Shahar ("Dr Aini") was appointed to the Board as Independent Non-Executive Director on 12 April 2022. She was appointed as the member of the Audit Committee on 12 April 2022 and subsequently, she was appointed as member of Risk Management and Sustainability Committee on 20 April 2022.

Dr Aini was the Group Chief Financial Officer ("CFO") of Proton Holdings Berhad prior to the merger with Zhejiang Geely Holdings Group. Previously, she was also the CFO for Nationwide Express Courier Services Berhad.

Her career began with Arthur Anderson & Co in 1995 after graduating from the University of Nottingham, UK. She then joined Aseambankers Malaysia Berhad as an investment banker and afterwards headed the Capital Markets division in Bank Pembangunan Malaysia Berhad. She also became a financial consultant to Prokhas Sdn. Bhd. (Prokhas) and Malaysia Institute of Accountants (MIA).

Dr Aini has 26 years of hands-on experience in Islamic banking & finance, fund-raising, transformation management, corporate finance and advisory works. She is the editor of the 1st Islamic Finance Accounting textbook, launched by MIA.

She is a fellow of the Institute of Chartered Accountants in England and Wales (ICAEW) and obtained her PhD in Political Economy & Islamic Banking from a London University.

Dr Aini is currently an Independent Non-Executive Director of IJN Holdings Sdn Bhd and the chairman of the Tender Board Committee and member of the Finance Committee. She is also an Independent Non-Executive Director of TH Heavy Engineering Berhad and a member of the Audit Committee.

Notes:-

1. The details of Board Committees held by the Directors and the number of board meetings attended by them are disclosed in the Corporate Governance Overview Statement.

2. Save as disclosed, none of the Directors have:-

    - Any other directorship in public companies and listed issuers;
    - Any family relationship with any Director and/or major shareholder;
    - Any conflict of interest with the Company;
    - Any convictions for offences within the past five (5) years other than traffic offences, if any; and
    - Any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

PROFILE OF **KEY SENIOR MANAGEMENT**

TAN U-MING

Executive Director cum
Co-Chief Executive Officer

The profile of Mr. Tan U-Ming is set out on page 9 of this Annual Report.

WONG WAI KEONG

Executive Director cum
Co-Chief Executive Officer

The profile of Mr. Wong Wai Keong is set out on page 9 of this Annual Report.

CHONG YEOW SIANG

Male, Aged 54,
Malaysian
Managing Director of Caring Pharmacy Group Berhad

Mr. Chong Yeow Siang graduated in 1992 from Universiti Sains Malaysia with a Bachelor of Pharmacy (Honours) Degree. He became a Registered Pharmacist with the Ministry of Health in 1993. His career started in 1992 as a Pupil Pharmacist in the Pharmacy Department of the Penang General Hospital. Subsequently he left and joined Servier Malaysia, a French pharmaceutical company located in Kuala Lumpur, as a Hospital Product Specialist in 1993. In 1994, he became Product Executive at Servier Malaysia and was later appointed as Product Manager of the company in 1995. He left Servier Malaysia in 1997 and took up the position as Branch Manager and Pharmacist at the Taman Kok Lian outlet of Caring Pharmacy Sdn Bhd. In 1999, he was later appointed as General Manager of Caring Pharmacy Sdn Bhd where he was responsible for the operations of six CARiNG outlets. He was appointed to his current tenure as Group Managing Director of CARiNG Group of companies in 2002 and is mainly responsible for developing the strategic direction and overseeing the business operations of the Group.

SOO CHAN CHIEW

Male, Aged 53,
Malaysian
Executive Director of Caring Pharmacy Group Berhad

Mr. Soo Chan Chiew graduated in 1992 from Universiti Sains Malaysia with a Bachelor of Pharmacy (Honours) Degree. He became a Registered Pharmacist with the Ministry of Health in 1993. His career started in 1992 as a Pupil Pharmacist with Universiti Hospital, Kuala Lumpur. In 1993, he joined George Town Chemist Sdn Bhd, a retail pharmacy chain, as a Pharmacist in one of the outlets. Subsequently he left to set up Caring Pharmacy Sdn Bhd in 1994 and was appointed as Branch Manager of our first 'CARiNG' community pharmacy outlet in Taman Muda. In 2007, with the establishment of Caring Pharmacy Retail Management Sdn Bhd, both the Heads of Finance and Management Information System Department report to him. His role and responsibilities include identifying critical business issues and to develop solutions to enhance the existing core applications, such as our in-house point-of-sales system and our retail management software system.

Note:-
1. Save as disclosed, none of the Key Senior Management have:-
    - Any other directorship in public companies and listed issuers;
    - Any family relationship with any Director and/or major shareholder;
    - Any conflict of interest with the Company;
    - Any convictions for offences within the past five (5) years other than traffic offences, if any; and
    - Any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

MANAGEMENT DISCUSSION **AND ANALYSIS**

OVERVIEW

After a turbulent 2020 following the unprecedented COVID-19 outbreak, year 2021 saw continued volatility amid various headwinds; chief of which, the seemingly endless threat of the pandemic. The emergence of new variants of concern saw cases surging and once again, we back-paddled to a slew of lockdowns, which impeded retail activities and dampened consumer sentiments. In addition, there were also political uncertainties to contend with, as well as the bout of "once in 100 years" massive floods that occurred towards the year's tail end; all of which, collectively, took its toll on the Group's performance for the financial year ended 31 December 2021 ("FYE2021")

That said, we continued our efforts throughout the year, in supporting our people, customers and communities at large, prioritising their safety and welfare. Indeed, we are deeply humbled to be awarded our 5th consecutive win in the Sustainability & CSR Malaysia Awards 2021 for "Company of the Year Award (Retail Category) for Supporting Needy Communities", inspiring us to act by our motto of being "Always There For You", and in making a positive impact to the local community.

Despite the challenging circumstance, the Group remained resilient in seeing through several major corporate exercises. This includes, amongst others, our maiden issuance of RM500.0million of Medium-Term Notes and the acquisition of The Pill House ("TPH") and Wellings Pharmacy ("WP"), a group of pharmacies with strong footprint in the Northern region of Peninsular Malaysia ("PM").

For FYE2021, the Group posted an all-time high Revenue record of RM2.81 billion, an increase of RM269.5 million or 10.6% as compared to prior year; this after taking into accounts eleven (11) months of TPH and WP's results of RM259.1 million in the current year. Total combined store count was 2,618 stores, comprising 2,427 convenience stores and 191 pharmaceutical stores.

CONVENIENCE STORES SEGMENT

Against the backdrop of the extended COVID-19 pandemic, the Convenience Stores segment recorded a decline in Revenue of 12.3%, primarily due to the lockdown periods. Essentially, store operations and operating hours were impeded, curtailing customer (local & tourist) footfall and consequently, a significant decline in store productivity.

As the largest convenience store operator in Malaysia, we remained steadfast in refurbishing and refreshing our stores, to upkeep the 7-Eleven brand image and more importantly, to continuously deliver a seamless shopping convenience and experience across our existing network. Strategically, we opened 38 new stores in various high potential regions and closed 24 under-performing stores where the trade areas changed and were no longer economically viable to operate.

In our endeavours to retain our market share and competitive edge, we had successfully launched our new 7-Café store format towards the end of 2021; a refreshed concept with much improved product offerings and better in-store shopping experience.

Our business strategy

- Improve assortment
- Supply chain
- Drive operational excellence
- Grow and improve store base
- Digitally enable the organization
- Engaging and developing our colleagues

Improve Assortment

7-Eleven has a legacy in innovation. We were the first to operate 24 hours a day and we offer everyone's favourite frozen beverage, Slurpee®. We will continue to modernise and offer more differentiated products/services to our customers, driven by insights on consumer behaviour and trends. The goal is to develop high value products/services, to provide exclusive offerings and ultimately, to enhance consumer's shopping experience at our stores.

We recognize that fresh food is an important category that draws customers in and drives ancillary purchases. Moving forward, our new 7-Café store format launched in Q4 2021 is expected to contribute positively to the growth of our fresh food category; this being supported by a strong roll-out, planned for both new and refurbishment of existing stores in 2022.

The convenience store landscape in Malaysia remains highly competitive. Bearing that in mind, we will continue to refresh how our customers view the 7-Eleven brand and build customer loyalty through brand innovations, impactful promotions and exclusive products/services.

Supply Chain

Supply chain is the heart of the business and we continue to work on improving efficiencies and optimizing our logistics. In 2021, we successfully launched our second distribution centre in Senai, Johor, to better serve our stores in the Southern region of PM. This facility operates with greater degree of automation and has contributed to much improved fulfilment rates to stores since go-live.

We will continue to ensure consistent fulfilment to stores and to drive down cost alongside generating a fairer income. That said, we further recognise that additional facilities are required for fresh food and time sensitive perishables and will work towards this in the near future.

Drive Operational Excellence

On a daily basis, more than a million customers walk into our stores. Our customers are our reason for being, and we continue to work on our customer service, ensuring that we provide the right assistance for lasting consumer experience. This year, to continue serving our customers during the lockdowns, we had expanded our presence with *Foodpanda* Malaysia to over 1,000 stores.

Amidst the challenging trading conditions, we continue to invest in customer service training programs and monitor this through our mystery shopper audits.

Store operations and processes are being simplified so that more effort can be focused on improving the execution in customer service, stock replenishment and shelf merchandising. In addition, costs efficiency is also an area of attention to ensure the reduction of bad costs, shrinkages and over-time spent.

To this end, we are immensely proud to have clinched the Putra Brand Award for the 7th consecutive year as it demonstrates customers' trust and confidence in the 7-Eleven brand.

Grow and Improve Store Base

It is important to keep our store portfolio updated and as such, we will continue to refurbish our stores. In the process, we are also exploring new concepts and models as we work on adding new formats and categories. Indeed, we are remarkably pleased to have launched our new 7-Café store format, a refreshed concept with much improved product offerings, services and in-store customer experience.

In our new store opening process, we set up stores based on feasibility of a certain trade area composition and economics. However, they change over the years and may not meet financial performance expectations due to evolution of a particular area. We continue to work on eliminating under-performing stores and improve profitability of the others.

Our strength is in our network and as such, we will continue to work on growing our stores in the right areas. We seek to go into areas where we are under-represented and make 7-Eleven accessible to all.

Digitally Enable the Organization

In the new digital economy, success is no longer linked primarily to efficiency, but to business agility. We need to be able to seize the opportunities in a rapid changing environment while responding to the needs of our customers.

In 2021, we implemented Microsoft 365 which saw improved efficiencies in business processes and workflows, contributing positively to our workforce productivity and effective collaboration. Additionally, we had in Q3 2021 launched the acceptance of ShopeePay, an extension of cashless payments at all our stores.

We will continue to review our digital strategy and investments as we strive to understand our customers better and employ the latest technologies to meet their needs.

Engaging and Developing our Colleagues

To create positive experiences for our customers, we must first build equally great experiences for our people. We have put in placed well-established learning and development plans/programmes for our front-liners to ensure that they embrace the knowledge and skills to fulfil their potential and serve with heart.

At the same time, we made considerable efforts to develop our people by way of On the Job Training, formal programmes, seminars and leveraged the 7 Eleven network by using programs develop in the USA and Japan to understand best practices.

In continuing our efforts to improve workplace health and safety, we have allocated RM1.0 million to support our employees; this was in addition to the "Pampasan Prihatin" assistance provided to those affected by COVID-19, to lessen their burden.

PHARMACEUTICAL SEGMENT

Caring is a household brand in community pharmacy and a responsible organisation that genuinely wants to shape an ethical and professional pharmacy practice in Malaysia. In FY2021, we completed the acquisition of TPH and WP, which helped strengthen our pharmaceutical footprint in the Northern region of PM.

We have consistently adopted a prudent outlet expansion strategy with stringent selection criteria by committing to only open in the most strategic, high-potential areas. In 2021, Caring opened 18 new outlets in locations where we had minimal or no presence, to gain market share with our competitive pharmacy services and including high-quality health and beauty product offerings. On the same note, we also regularly review our under-performing outlets and we closed 6 under-performing outlets during the year, where they were no longer economically viable to operate. The acquisition of TPH and WP added another 35 outlets to our portfolio, bringing a total combine outlet count of 191 in FY2021.

Despite the challenging circumstance, we had in 2021 successfully implemented SAP, a fully integrated ERP solution, to drive our digital transformation plans and to streamline our business processes as a group. Essentially, this is will give us better oversight and control as we strive to provide the most professional pharmaceutical services and offer differentiated products to our customers, driven by insights on consumer behaviour and trends. To boost customer footfall, we aim to roll out more high quality and exciting health and personal care products, especially in our Exclusive and Home brand stable.

MANAGEMENT DISCUSSION AND ANALYSIS

On the ground, we regularly strive to improve the productivity of our front-liners by equipping and empowering them with better information, tools and training. The goal is to enable our front-liners to spend more time serving customers and driving sales, instead of doing mundane repetitive tasks. During the year, we had also updated our training programmes to further develop the retail skills of our front-liners, to serve our customers better.

FINANCIAL PERFORMANCE

Revenue

The Group's Consolidated Revenue for the financial year ended 31 December 2021, increased by RM269.5 million or 10.6% to RM2.81 billion compared to the previous year of RM2.54 billion. The growth was largely driven by taking into account eleven (11) months of the consolidation of TPH and WP's operations of RM259.1 million in the current year. Revenue of Pharmaceutical segment expanded by RM522.4 million or 109.9% to RM997.9 million, as compared to prior year of RM475.5 million.

However, the Convenient Stores segment recorded a decline in Revenue by RM252.9 million or 12.3% to RM1.81 billion, as compared to prior year of RM2.06 billion. Essentially, store operations and operating hours were impeded during the lockdown periods, curtailing customer (local & tourist) footfall and consequently, a significant decline in store productivity.

In 2021, the total combined store count was 2,618 stores, comprising 2,427 Convenience Stores and 191 Pharmaceutical Stores. For the Convenience Stores segment, we opened 38 new stores and closed 24 non-performing stores, for a net increase of 14 stores; whilst for the Pharmaceutical segment, we acquired 33 stores of TPH and WP, opened 21 new stores and closed 7 non-performing stores, for a net increase of 47 stores.

Gross Profit

Consolidated Gross Profit increased by RM37.1 million or 5.1% compared to the previous year, driven by the increase in Revenue from the Pharmaceutical segment. Additionally, TPH and WP's operations contributed Gross Profit of RM45.6 million in the current year. However, Gross Profit of the Convenience Stores segment declined by RM61.3 million year-on-year, on the back of lower Revenue.

Other Operating Income

Consolidated Other Operating Income increased by RM4.7 million or 2.8% as compared to the previous year, driven by the increase from the Pharmaceutical segment. Additionally, TPH and WP's operations contributed RM8.5 million in the current year. However, Other Operating Income of the Convenience Stores segment declined by RM10.4 million year-on-year, in tandem with lower Revenue and reduced promotional activities.

Selling and Distribution Expenses

Consolidated Selling and Distribution Expenses increased by RM5.3 million or 0.9% year-on-year. This was driven mainly by the increase from the Pharmaceutical segment, which recorded RM57.6 million or 75.8% increase year-on-year, with TPH and WP's operations contributing RM28.4 million in the current year. However, the Convenience Stores segment recorded as decline of RM52.3 million or 9.7% year-on-year, on the back of lower staff costs and utilities. This is in line with the shorter operating hours observed during the lockdown periods. Internally, concerted efforts were taken by the Group to manage operating costs effectively.

Administration and Other Operating Expenses

Consolidated Administrative and Other Operating Expenses increased by RM0.5 million or 0.3% year-on-year. This was driven mainly by the increase from the Pharmaceutical segment, which recorded RM24.1 million or 98.5% increase year-on-year, with TPH and WP's operations contributing RM10.2 million in the current year. However, the Convenience Stores segment recorded a decline of RM8.4 million or 7.5% year-on-year, on the back of lower assets written-off and lower staff costs. The Group also recorded lower corporate exercise expenses by RM15.2 million compared to previous year.

Finance Cost

Consolidated Finance Cost increased by RM7.2 million or 13.2% year-on-year. This was driven mainly by the increase from the Pharmaceutical segment, which recorded RM3.4 million or 182.3% increase year-on-year, with TPH and WP's operations contributing RM1.1 million in the current year. Part of the increase was also due to interest expense on loan taken by the Group for various corporate exercise.

Profit after Tax

The Convenience Stores segment contributed a Core Profit of RM40.2million, a decline of RM7.7 million year-on-year; whilst the Pharmaceutical segment contributed a Core Profit of RM42.0 million, an increase of RM20.9 million year-on-year, with TPH and WP's operations of contributing RM11.4 million in the current year.

After deducting Corporate Exercise expenses incurred for the financial year of RM23.4 million, the Group recorded a Consolidated Profit after Tax of RM58.8 million, an increase of RM23.5 million or 66.4% year-on-year.

Liquidity and Financial Resources

As at 31st December 2021, the Group retained a cash balance and short-term investment of RM200.3 million after cash dividend payment for financial year 2020 of RM18.0 million.

The Group has total borrowings of RM640.2 million as at 31st December 2021. The borrowings comprise of bankers' acceptance, revolving credit, term loan and medium term note which were utilized for corporate exercises, working capital and capital expenditures funding for new stores opening and including store refurbishments. The debt-to-equity ratio (excluding the reorganisation deficit) of the Group as at 31st December 2021 was 0.42 times, which is in compliance with all existing loan covenant obligations. Operating cash flows generated at the end of financial year 2021 was RM263.6 million.

PROSPECTS

Outlook for 2022

Malaysia has effectively entered the "transition to endemic" phase, which will see the re-opening of the economy, with more flexibility accorded to recalibrate our livelihoods back to normalcy. To this end, the Group is optimistic on this gradual path of recovery; more importantly, we are cognisant that nearly 2 years of sustained social distancing measures have led to behavioural changes in our daily lives and inadvertently accelerated digitalised habits amongst consumers, across all ages.

Essentially, the Group's priority is to retain our competitiveness by closely monitoring consumer behaviours and competitive trends, managing costs and working capital effectively, while streamlining and simplifying work processes to improve our operations and product offerings. We will continuously strive to safeguard the interests and livelihood of our people, whilst remembering to give back to the local communities in which we faithfully serve.

In the coming year, the Convenience Stores segment will focus on rolling out its new 7-Café store format, which will be our pivot to refreshing our 7-Eleven brand image, through a blend of enhanced product offerings, services and much improved in-store shopping experiences and customer engagement. We envisage that said 7-Café format will contribute positively to expanding our revenue base, paving way for restoring growth and sustained profitability.

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. And through the recently announced joint venture with PT Era Caring Indonesia, the Group will mark its foray into the Indonesian market, operating a network of pharmacies under the brand "Wellings" in 2022.

To all management and staff of the Group, the Board of Directors extends our heartfelt gratitude and appreciation for your resilience, dedication and loyalty. Our sincere thanks to you all.

COMPANY PROFILE
7-ELEVEN MALAYSIA

7-Eleven was founded by J. C. Thompson in 1927 as The Southland Ice Company in Dallas, Texas. Started as an ice vendor, the company eventually began offering milk, bread and eggs on Sundays and evenings when grocery stores were closed. This new business idea produced satisfied customers and increased sales, spawning the precursor of the

modern convenience retail concept.

The company's first convenience outlets were known as Tote'm stores since customers "toted" away their purchases, and some even sported genuine Alaskan totem poles in front. In 1946, Tote'm became 7-Eleven to reflect the stores' new, extended hours - 7 a.m. until 11 p.m., seven days a week. The company's corporate name was changed from The Southland Corporation to 7-Eleven, Inc. in 1999.

We are the pioneer and the largest 24-hours convenience store operator in Malaysia. Upon achieving its 1,000 mark in stores network, 7-Eleven Malaysia opened its door to local entrepreneurs through its unique franchising program in 2009. We are the first franchisor in the local market to offer existing profit-making stores to franchisees.

7-Eleven stores can be found across bustling commercial districts to serene suburban residential compounds throughout Malaysia, from petrol stations and LRT stations to shopping malls and medical institutions. 7-Eleven is

Always There For You.

Each 7-Eleven store carries over 2,200 SKUs, including our proprietary brands Slurpee frozen beverages and Aiskleem™ an exclusive range of soft serve. The variety of products and services available at 7-Eleven include bill payment services (TM, Astro, U Mobile, Syabas and Singer), sale of mobile phone reload cards, IDD/STD, Touch 'n Go reload service, gift cards (Google Play, SONY and Netflix), online purchases payment service (Razer Cash), e-Wallets acceptance (Touch 'n Go, Razer Pay and Alipay) photocopying, fax, automated teller machine (ATM) and bulletin board for neighbourhood community notices.

In 2009, 7-Eleven introduced fresh brewed coffee and other hot beverages together with packaged fresh food and bakery for the convenience of customers looking for ready-to-eat hot food. All food items sold in 7-Eleven are certified HALAL and undergo stringent quality control to ensure tastefulness and freshness.

2021 COMMUNITY ENGAGEMENTS

JANUARY

Malaysia Aids

Empowering disabled

FEBRUARY

Food baskets for old folks home

MARCH

Graceful Moves organised for young pregnant women

APRIL

Ramadhan Joy with Autistic Children

Semurni Kasih

MAY

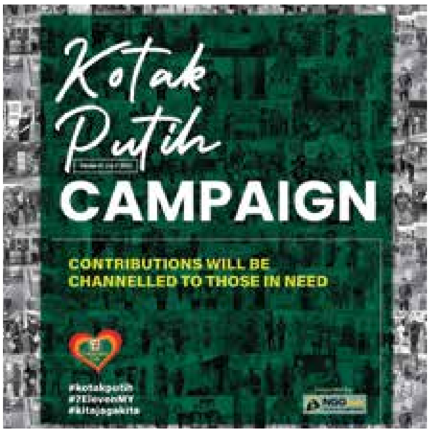
Raya Warmth to Shelter Homes

JUNE

Lend A Helping Hand 2021

Support Frontliners & B40 Communities

JULY



Kotak Putih Campaign

AUGUST

Trash to Treasure Campaign

Contribution to Victory Children & Youth Home

OCTOBER

Provides Support to Mesra Home

NOVEMBER

Sustainability & CSR Malaysia Awards 2021

DECEMBER

"Buat Baik" Together 2021

JANUARY

Celebrate with Slurpee

Pepsi x Black Pink Launch

Third Ever Sale

FEBRUARY

Boots exclusively at 7-Eleven

Credit & Debit card payments launch

Touch 'nGo Oxpicious cash back

MARCH

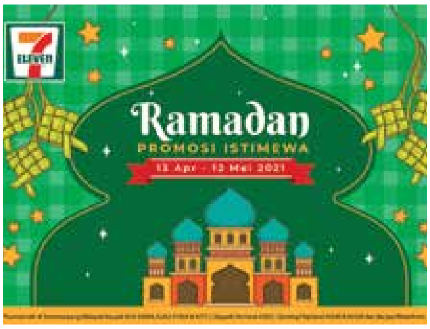
Hello Kitty visit Malaysia

Pepsi concept store

Nilofa Milk

APRIL

Jom Reload 4 Raya



Ramadan promotion

Soft serve Gula Melaka

MAY

Pepsi Black Pink Blue Label

Raya 2Gether with Slurpee

Touch 'nGo Kaya Raya Bergaya

JUNE

Football Fever

Touch 'nGo Goal Hunter

Nescafe Chococino Exclusive

JULY

Slurpee Strawberry Yogurt launch

Jom Pay Bills & Win

Touch 'nGo Spend & Win

AUGUST

Be Vaccinated Be Rewarded

MyDebit Wave & Win

BTS HY Coffee 2021 Edition

SEPTEMBER

Flamin Festival X2

Soft Serve Promotion

Touch 'nGo The Goal Hunter

OCTOBER

RM5 Combo

Ready, Set, Breakfast

FoodPanda Promotion

NOVEMBER

7-Eleven Day

Jom Reload 2Gether Contest

MyDebit card GWP Slurpee

DECEMBER

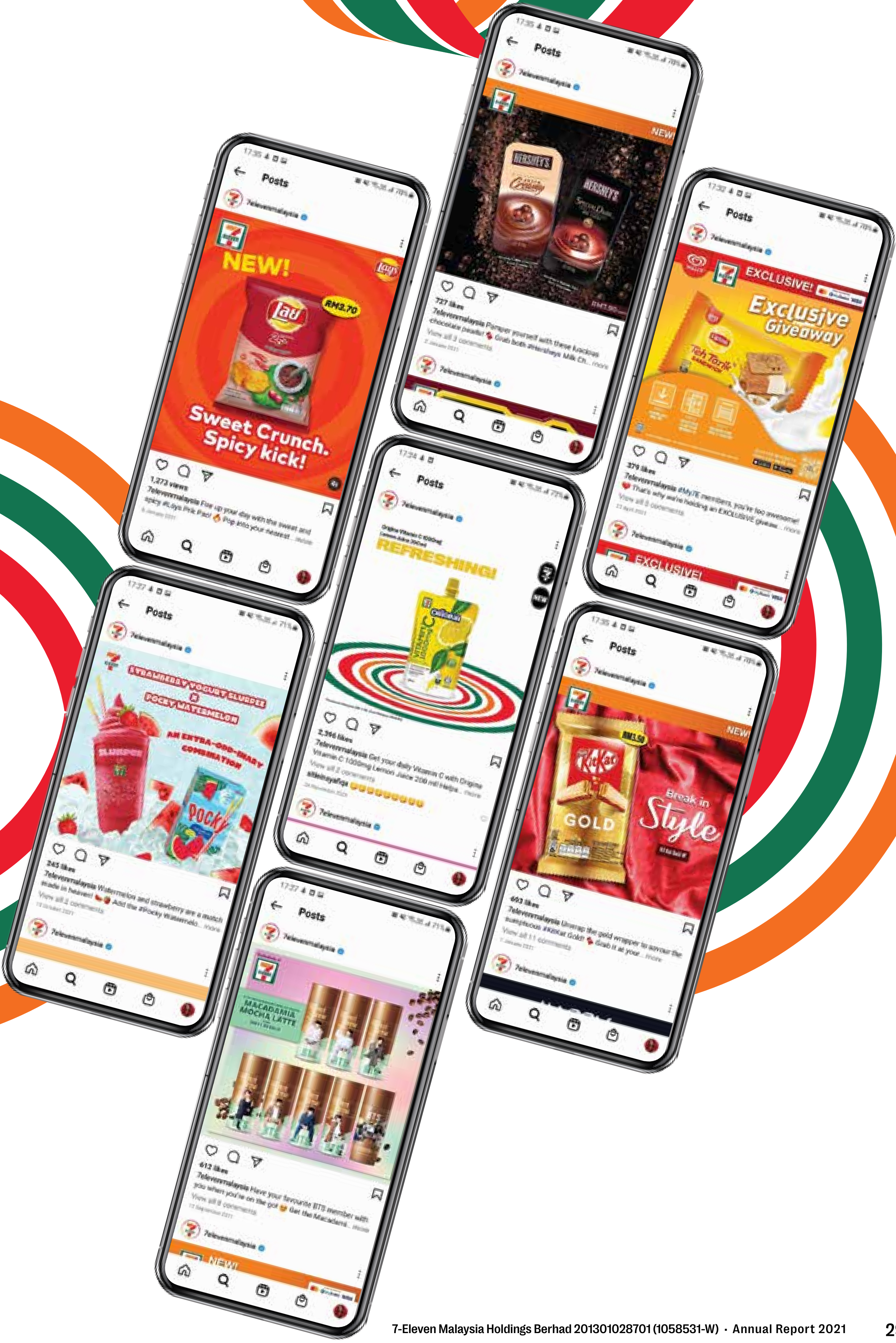
All Things Sweet Promotion

Shopee Pay launch

MyDebit card GWP Anda Water

2021 DIGITAL SOCIAL MEDIA ENGAGEMENTS

Since 2021, 7-Eleven actively engaged with customers through various social media platforms and key opinion leaders (KOLs). These activities are successful in building brand awareness and connection with our customers.


Posts
NEW!
Sweet Crunch.
Spicy kick!
EXCLUSIVE!
Exclusive
Giveaway
REFRESHING!
Break in
Style
GOLD
MACADAMIA MOCHA LATTE
NEW!
EXCLUSIVE!

CARiNG Pharmacy was established in 1994 by 5 pharmacists, who were course-mates in the School of Pharmacy, Universiti Sains Malaysia (USM). Starting as a neighborhood "mom & pop" pharmacy, catered to the needs of the local community, CARiNG Pharmacy has evolved into a major pharmacy chain with outlets in major shopping malls.

Currently, CARiNG Pharmacy operates more than 156 retail pharmacies nationwide. Our outlet expansion focused on new areas where we had minimal or no presence so that more Malaysians could benefit from our competitive pharmacy services and high-quality health and beauty product offerings.

One of the big success factors for CARiNG Pharmacy is the belief in pharmacist's service as a core ingredient. The company has started from day 1 providing 12 hours a day, 7 days a week full time pharmacist service until now. We are proud to be the largest employer of community pharmacists in Malaysia.

CARiNG Pharmacy has a vision to become the most appreciated and admired pharmacy brand. At CARiNG Pharmacy, we consistently provide health check and counselling e.g. Patient Medication Record (PMR), Medication Use Review (MUR), Diabetes Management System (DMS), Minor Ailment Service, Smoking Cessation & Weight Management.

Company Profile
Caring Pharmacy

We aim to be the driver and promoter of healthy lifestyles in the communities that we serve. We provide free health screenings, valuable information and health talks/ workshops by working closely with other healthcare professionals.

Regular Card is CARiNG owned CRM program with the objective to link with our regular customers and reward them for their loyalty. We have over 900,000 validated members and over 480,000 mobile users with loyalty sales of more than 65%. Our aim is to provide a seamless and convenient shopping experience for all types of customers by integrating all selling channels (physical stores, online E-store and Mobile app).

Besides the Regular Member base, our marketing strategy is to grow our own-media base e.g. Facebook, Instagram, Website Visitors and other social media platforms.

We are focusing on expanding and nurturing our blue ocean and exclusive brands. Our buying team is actively engaging with international brand owners to bring in high quality and popular health and personal care products to benefit our shoppers. We are representing 29 international and local health & beauty brands as their exclusive retail partners.

In the year 2021, CARiNG Pharmacy acquired Georgetown Pharmacy and Wellings Pharmacy which expanded our business footprint into the northern part of Malaysia covering Penang, Kedah and Perlis by another 33 pharmacy stores and expected to contribute positively to the future earnings of the CARiNG group.

CARING PHARMACY
2021 COMMUNITY ENGAGEMENTS & MILESTONES

Donation of 50k to Major CSR Partner – SJAM-KPS

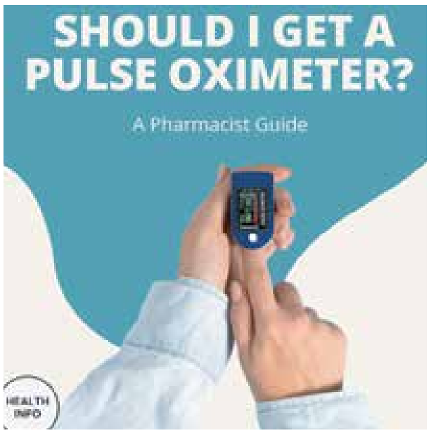
Continue Support for Covid 19 Pandemic

Support for Covid 19 Vaccination Programme

One Shop One School

Astro #KAMICARE flood relief programme

RTK Test Kits for Muslim Care Malaysia SocietyProgramme



Virtual Health Workshops - Accurate & Reliable Information About Covid 19

Health Campaign - Facebook Live sessions

Virtual health talks

Safe Medicine Disposal Campaign

16 New Caring outlets in Q3-Q4 2021

SUSTAINABILITY STATEMENT

At 7-Eleven Malaysia Holdings Berhad and its subsidiaries ("7-Eleven"), we are resolute in integrating sustainability practices and shared values into our business operations. We remain committed in contributing meaningfully to the Economy, Environment and Society ("EES") by actualising positive goals and in protecting the interests of all our stakeholders.

Together with our subsidiaries, we have set a sustainability strategy underpinned by three (3) pillars which are defined by our Vision and Mission, and reinforced by our Core Values. Essentially, our contributions are focused on these strategic pillars through which the communities where we operate can benefit most.

OUR THREE STRATEGIC PILLARS

LEADING BY EXAMPLE

Promoting the shift to e-commerce as well as identifying ways of empowering customers and encouraging green consumerism

WORKING WITH OTHERS

Building sustainable partnerships with NGOs and other community organisations that would strengthen the resilience of vulnerable communities

EMPOWERING CUSTOMERS

Applying a long-term programme that employs practical steps in reducing energy consumption and greenhouse gas emissions

Sustainability & Corporate Social Responsibility (CSR) Malaysia Awards. 7-Eleven has been awarded "Company of The Year" in the retail category for 2021, making it the company's fifth consecutive win since its inception in 2017.

Nominees are judged on multiple CSR criteria including: the clear purpose and goals of the company for their initiatives, the impact created, frequency of events held, the total amount of contributions given, transparency in reporting, creative implementation, the strength of the team, and sincerity and effectiveness of each initiative.

The Award is organized by CSR Malaysia and backed by The Ministry of Women, Family and Community Development. It celebrates the sustainability efforts of 60 outstanding Malaysian listed and private companies together with GLCs for engaging in sustainability endeavours for the betterment of the local community.

7-Eleven is a constituent of FTSE4Good Bursa Malaysia("F4GBM") Index aimed to:

- Support investors in making ESG investments in Malaysian listed companies;
- Enhance profile and exposure of companies with leading ESG practices;
- Encourage best practice disclosure; and
- Support transition to lower carbon footprint and a more circular economy.

ABOUT THIS STATEMENT

Through this Sustainability Statement, we convey to our stakeholders the efforts that we have undertaken to address EES opportunities and risks. We aspire to weave a sustainability culture across our organisation, consistently improve our performance, and set new goals for further development.

Scope and Boundary	This statement pertains to the core business of 7-Eleven: the Convenience Stores segment, the Pharmaceutical segment, and subsidiaries directly controlled by the Group and where it holds a majority stake.
Reporting Period	The reporting period spans from 1 January 2021 to 31 December 2021. Historical information for the Convenience Stores segment for (3) three years and Pharmaceutical segment for two (2) years are presented as comparative data.
Guidelines	• **Primary Guideline** Bursa Malaysia Sustainability Reporting Guide (2nd Edition) • **References** Global Reporting Initiative (GRI) Standards United Nations Sustainability Development Goals (UNSDGs)
Reporting Cycle	Annually; coinciding with our Annual Report
Feedback	For further information, contact: ir@7eleven.com.my

"The Sustainable Development Goals are the blueprint for achieving a better and more sustainable future."

The United Nations Sustainable Development Goals ("SDGs") were designed to help society and businesses solve global sustainability challenges. In addition to international policy frameworks such as the SDGs, there is a growing trend amongst governments, stock exchanges and other regulating bodies to translate global goals into laws, regulations and requirements. In response to the government's call, 7-Eleven has incorporated sustainability goals in our business operations with proper monitoring tools and reporting measures.

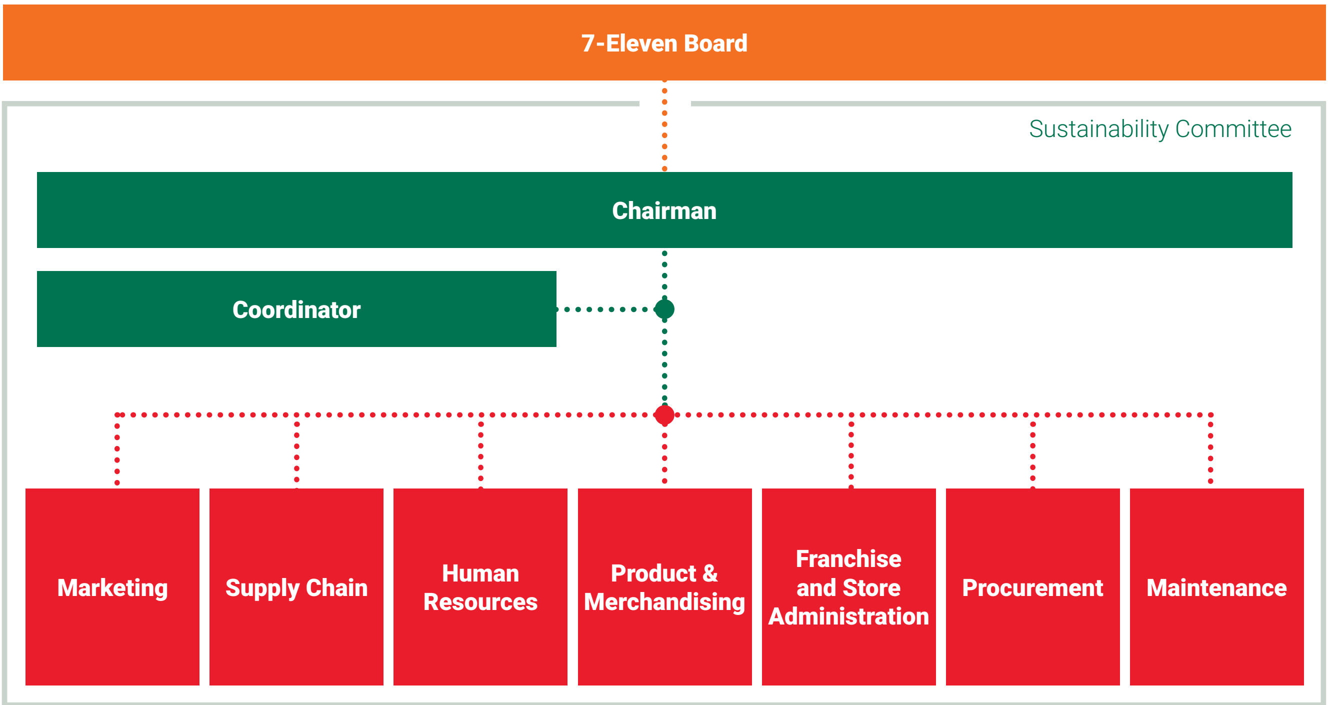
The table below maps our contribution to each goal pertinent to 7-Eleven.

United Nations Sustainable Development Goals (SDGs) 2030	7-Eleven Contributions
Goal 1: End all forms of poverty everywhere	• Regularly conducts programmes that develop capability and life skills to improve the standard of living and quality of life. • Collaborates with NGOs to implement social welfare assistance to the needy
Goal 3: Ensure healthy lives and promote the wellbeing of everyone	• Zero tolerance to all forms of harassment • Provide employee health benefits and encourage better work– life balance. • Rolled out healthy food and fruit range • Initiated health awareness campaigns
Goal 4: Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	• Invested RM1,681,579 in upskilling our employees in FY2021 • Established Equal Opportunity and Anti-Harassment policies • Organised community empowerment initiatives
Goal 5: Promote sustained, inclusive and sustainable economic growth as well as full and productive employment	• Actively engaged women NGOs and embedded non-discrimination in our Code of Ethics • Initiated the P40+ Programme
Goal 10: Reduce inequality within and amongst countries	• Practised equitable treatment, recruitment and repatriation of migrant workers • Promoted procurement activities nationwide • Promoted local hiring and sourcing
Goal 12: Ensure sustainable consumption and production patterns	• Reduced packaging and eliminated hazardous packaging • Promoted the sale of eco-bags at stores
Goal 13: Take urgent actions to combat climate change and its impacts	• Implemented waste management and energy efficiency programmes
Goal 16: . Promote peaceful and inclusive societies for sustainable development; provide access to justice for all; and build effective, accountable and inclusive institutions	• Established guidelines on Conflicts of Interest, Related Party Transactions, as well as Bribery, Corruption and Business Courtesies in the Code of Ethics • Maintained inclusive and relevant dialogue between public and private sectors

SUSTAINABILITY GOVERNANCE

Our good reputation is our most important asset, as revealed by our materiality assessment. A major factor in our success is the Group's strong governance and integrity – qualities that have reduced risks to our business and produced beneficial value for our stakeholders.

We have embarked on a robust governance framework to ensure that sustainability matters are incorporated into our corporate agenda. To proactively integrate sustainability into our business activities, the Group has established a three-tiered structure with the Board of Directors ("Board") at the apex. Supporting the Board is the Sustainability Committee, which is comprised of representatives from both the Convenience Stores and Pharmaceutical divisions.



The Board
The Board directly oversees all matters pertaining to the Group's overarching sustainability agenda, strategic decisions and initiatives. The Board reviews existing strategies to keep them consistent with the current best practices whilst ensuring that the stakeholders' expectations are fulfilled.

Sustainability Chairman
The Chairman of the Committee is assisted by a Coordinator, who collaborates with the Sustainability Working Group and oversees that all implemented initiatives align with the Group's strategic direction and policies. The Chairman presides over sustainability meetings and updates the Board on the status of the Group's sustainability agenda.

Sustainability Working Group "SWG"
The SWG consists of the Heads of Departments ("HODs") of both the Convenience Stores and Pharmaceutical divisions. Although our sustainability efforts are observed across the entire organisation, specific issues are directly tied to each division to manage. Thus, the SWG is in charge of developing plans, executing our strategies and monitoring data that reflect the Group's year-on-year EES performance parameters.

COMPLIANCE, ETHICS AND TRANSPARENCY

The Group strives to uphold the highest standards of professional conduct. We have established policies and manuals that will guide our employees and partners towards fostering a sound and equitable corporate culture.

We do not condone acts of bribery and corruption as espoused by the Malaysian Anti-Corruption Commission (Amendment) Act 2018. Our position is reflected by our Anti-Bribery & Anti-Corruption Policy (ABAC). To promote integrity and respect in our activities, our Code of Conduct and Ethics outlines the ethical and behavioural standards that are expected of our employees and business partners.

The Whistle Blowing Policy provides an anonymous platform where all our stakeholders can raise concerns about possible breaches of policies and other questionable practices without fear of reprisals or retaliation.

Our policies are published on our website and disseminated to all our employees and business partners.

SUSTAINABILITY MATTERS

During the year under review, the Group conducted a re-assessment of material issues to ensure that the newly acquired pharmaceutical businesses of TPH and Wellings are adequately represented. We assessed the impacts of each sustainability aspect on our business performance and stakeholders to determine the actual matters that significantly coincide with our activities. To this end, we are of the view that our materiality issues remain consistent and relevant in the current report as compared to the prior year.

MATERIALITY PROCESS

The materiality assessment process seeks to analyse, identify and prioritise the EES sustainability issues that are most material to our business operations.

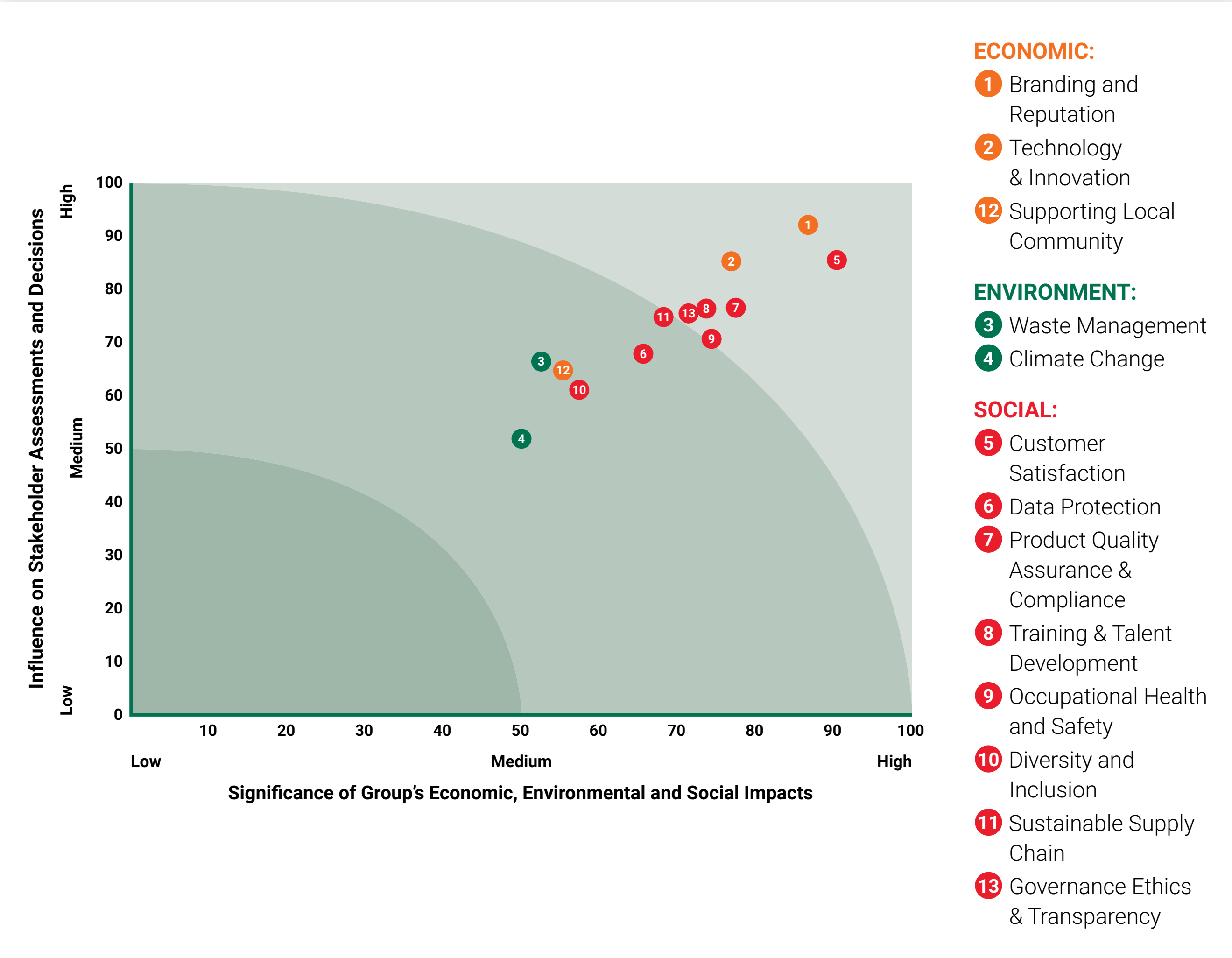
Identify and Categorise	From our materiality assessment, we identified a comprehensive list of stakeholders and material themes that currently affect our stakeholders and business operations. After that, we categorised each material theme under EES topics and narrowed them down to avoid redundancy.
Prioritise	Each material theme and stakeholder groups were assessed and scored according to its importance and impact.
Stakeholder Inclusiveness	To ensure stakeholder voices are incorporated, the identified stakeholder groups were requested to score the material themes according to their perceived importance.
Validation & Approval	The formulated materiality matrix was then presented to the Senior Management and the Board for verification and approval.

MATERIALITY MATRIX

The material sustainability issues include 13 indicators that indicate EES topics that are important to both the Group and stakeholders. The following diagram depicts the outcome of our materiality assessment. The aspects deemed most significant by the Group and our stakeholders are mapped on the upper right-hand quadrant of the matrix.

The Group's top four (4) material issues are (a) Branding & Reputation; (b) Customer Satisfaction; (c) Technology & Innovation; and (d) Product Quality Assurance & Compliance. These matters are closely linked to the core nature of our business. Maintaining a positive brand protects our reputation, enhances our overall sustainability performance, and builds stakeholder confidence.

Meanwhile, the material issues mapped in the middle of the matrix are (a) Waste Management; (b) Supporting the Local Community; and (c) Climate Change. Our operations neither generate substantial direct waste nor exert considerable impacts on climate change and the community. Nevertheless, we recognise the value of these issues and have introduced initiatives for reducing waste and emissions as well as contributing to the communities where we operate.



STAKEHOLDER ENGAGEMENT

"Understand and Connect"

Consistent with our core value to Understand and Connect, we have partnered with our stakeholders to manage sustainability issues and challenges. We pride ourselves on being good listeners to both positive and critical feedback and consider engagement a key tool in keeping abreast of retail industry trends.

We maintain effective, timely and transparent relations with our stakeholders through year-round communication across various forms of engagement. We address concerns in a collaborative manner that meets both the stakeholders' expectations and the Group's vision for sustainable growth.

Stakeholder Group	Areas of Interest	Engagement Channel
Investor	• Financial performance • Business strategy • Information disclosure	- Shareholder meeting - Analyst / Investor Briefings - Timely disclosure of information on the company website
Customer	• Product pricing & offers • Product assortments & quality • E-commerce services • Product safety & information • Health issues	- Marketing promotions - Website, social media and magazines - Customer care channels - Seminars and health programmes - E-payment system
Employees	• Compensation benchmarking • Corporate culture & values • Workplace safety • Career development • Employee welfare	- Performance reviews - Intranet, newsletter and broadcasting - Occupational health and safety Initiatives - Training & education - Sports activities and social activities - Awards and recognition - Flexi-working hours - Job rotations and internal hiring
Supply Chain	• Partnership for growth • Purchase commitments • Product awareness	- Health awareness partnership - Product training and recall - Supplier meetings and briefings - Human Rights - Environmental Initiatives
CSO & Community	• Community development • Medical education and awareness • Community care programmes	- Student internships - Health seminars - Free health screening services - CSR activities & collaboration with CSO - Partnership with Small & Medium Enterprise (SME)
Regulators	• Compliance • Ethics and transparency • Food security issues • Environmental initiatives	- Regulatory seminars and conferences - Ethics & transparency-related policies - 3R recycling initiatives

ECONOMIC IMPACT

The Group strives to establish the right conditions and framework that would yield both direct and indirect positive economic outcomes for our business and stakeholders. The material aspects related to this are (a) Supporting the Local Community; (b) Branding and Reputation; and (c) Technology and Innovation.

The economic contributions of 7-Eleven extend beyond the borders of our operations. Our enterprise of sale and distribution of retail merchandise to end consumers require intermediaries from various industries. Similarly, these industries must purchase goods and services from their own supply chains to fulfill their business obligations. This web of transactions drives a significant chain of symbiotic economic activities. Our total economic effect is the aggregate of our direct, indirect, and induced impacts, including our operational and capital investments.

2021 ECONOMIC SNAPSHOT:

Revenue: **RM 2,809 million**	Shareholders' Equity: **RM 90 million**	Number of Convenience Stores: **2,427**	Number of Pharmacy Outlets: **191**	Number of Franchisees: **274**
Number of Employees: **10,139**	Total Training Hours: **164,917 Hours**	Employee Training Investment: **RM 1,681,579**	Community Donations: **RM 289,830**	Loss Time Injury Frequency Rate (LTIFR): **0**

SUPPORTING THE LOCAL COMMUNITY

Supply chain epitomises the indirect economic benefits of the retail industry with a continuous cycle of demand and supply that can create wide economic ripples. Direct economic contributions come from the employment of a variety of occupations, including but not limited to, logistics, freight & transportation, finance, marketing, insurance, real estate, IT and technology services.

Whenever possible, we will elect to partner with SMEs for the benefit of the local economy. We have implemented actions that prioritise the procurement of products and services that are within the geographical proximity of our stores. Moreover, we have launched 7-Eleven Community Care, which focuses on community livelihood programmes and supports various charitable organisations.

BRANDING AND REPUTATION

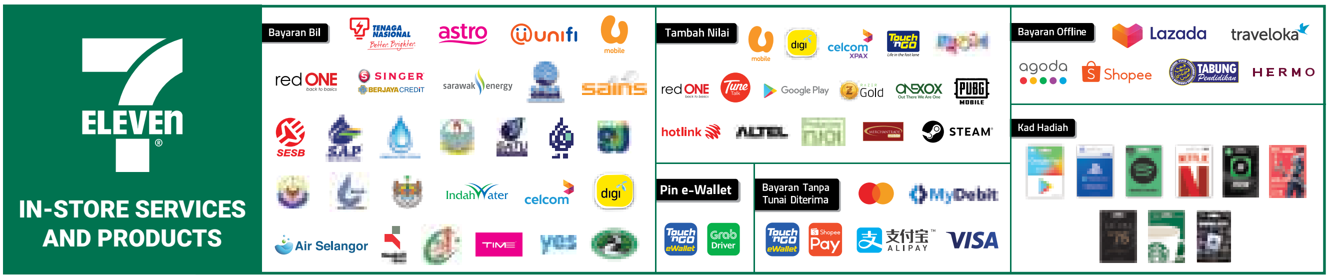
Our Group's corporate brand and reputation is directly affected by the actions of every business unit, department and employee. That said, we are equally conscious about stakeholders' sentiments on EES concerns, which may significantly impact the brand and reputation of our business. In this regard, we have established the need for strong EES awareness and management throughout our organisation and business operations.

In 2021, we are immensely proud to have clinched several awards, which is a strong testament to our brand and reputation. We were named 'Master Franchisee of the Year' at the 23rd Malaysia Franchise Award Night 2021, in recognition of our robust franchise system. Additionally, we clinched the Putra Brand Award 2021 for the 7th consecutive year and we were awarded the 'Company of the Year (Retail Category)' for the 5th consecutive time at the Sustainability and CSR Awards 2021.

TECHNOLOGY AND INNOVATION

Technology and Innovation are national key economic areas that the Malaysian Government has targeted in realising national growth. In line with this national agenda, we have embraced technology and innovation as major strategic tools for development. The Group is transitioning towards digitalisation by gradually empowering the entire organisation with cloud and application-based technologies which would improve our operational efficiencies.

We have also invested in cloud computing, allowing us on-demand availability and access to information systems, with scalability into future technologies. Capitalising on the booming digital economy, we have adopted financial technology to implement various payment systems, such as e-wallets, cards, online purchasing platforms and in-store handheld devices.



Integrating the Human Resource Information System (HRIS) was a timely move when the pandemic struck. This enabled the HR Department to manage their tasks remotely and efficiently. In addition, the HRIS ensures the accuracy and security of the data and empowers employees in managing their personal information.

CUSTOMER

Our Mission and Core Values exemplifies our customer relation strategy:-

MISSION:	CORE VALUES:
To consistently serve the changing needs of our customers for their convenience	***Understand, Simplify, Solve and Connect***

Our commitment to our customers is to consistently deliver excellent services and product offerings for a lasting in-store experience. Being considered an essential service during the pandemic, we have ensured that all of our stores remained open within the allowable operational hours, that all our employees and customers are always safe and that our shelves are adequately stocked – especially daily necessities like groceries, medications and COVID essential items. Essentially, customer experience is the 'new marketing' and we at 7-Eleven are humbled after being awarded the 'CXP Best Customer Experience Award 2020'; a resounding endorsement as one of the leaders in driving excellent customer experience. Said prize is the first and only regional award for excellence in customer experience that is judged by customers themselves.

HEALTHY FOOD, PRODUCTS & SERVICES

Convenient and processed food products are major components of diverse offerings within the convenience stores segment. Essentially, over-consumption of processed foods could inadvertently lead to poor dietary quality and obesity. As such, we have expanded our product range with fresh and nutritious foods to provide our customers with healthy alternatives. In addition, our pharmaceutical division has been educating customers about healthy and nutritious food, which is key for vulnerable groups such as smokers and diabetics.

Access to Better Nutrition: Our *Fresh to Go* section is where we offer a variety of healthy food selections at our stores, ranging from healthy beverages, sandwiches and fresh fruits. More importantly, we strive to ensure that our *Fresh to Go* items are strategically sourced and competitively priced.

Access to Better Health Information: The pharmaceutical division provides health information via our website and also in-person at stores to create health awareness amongst consumers. On top of that, we have our Caring Health Awareness Day, an in-store activity for spreading awareness about common medical conditions, such as diabetes, hypertension, asthma and obesity. Free health screenings and wet sampling are also conducted all year round for our customers.

In conjunction with Diabetes Awareness Month and World Diabetes Day on 14 November 2021, the pharmaceutical division had organised a diabetes prevention and management campaign that urged everyone to opt for food choices with low or less sugar.

Additionally, we also launched a YouTube series called *"Stop Google Search, Ask Me!"* – which is hosted by medical practioners to provide reliable medical information to consumers and also to debunk health myths and misinformation.

"Life is Healthier with Less Sugar"

CUSTOMER SATISFACTION

Across the Group, we seek to inculcate a *customer centric* culture with all of our employees. We need to understand the needs and wants of our customers and in relation thereto, adjust our products, services and customer support to meet or, if possible, even surpass their expectations.

"Very rarely do I enter a shop and leave with such a big smile on my face"

A Twitter user posted a tweet commending the friendly service of an employee at one of our 7-Eleven stores. Co-incidentally, other netizens recognised the employee and shared their positive experiences as well. The tweet quickly went viral, garnering over 7,500 likes.

Customer Engagements: To provide top-notch customer experience, we interact with our customers through different platforms, such as social media, live chat, in person and messaging applications. Through these channels, all customers can make an inquiry, receive information as well as browse products and promotions.

Understanding Customer Preference: We utilise smart maps and analyse various indicators (e.g. demand patterns, population densities, demographics and psychographic) to tailor our products and services specifically for the needs of each store's neighbourhood. Convenience Stores with dining areas cater to locations where fast, convenient food is necessary, such as near offices and schools. By contrast, stores located near affordable restaurants and hawker stalls have a no dine-in concept. Our pharmacies stock medicines and supplements, provide information and personalised services for the local communities in which they serve.

RESPONDING TO THE PANDEMIC

As essential service providers during the various lockdowns, the Group recognises the importance of continuing to support consumers with much needed basic supplies and COVID related necessities. As such, we enacted plans and policies to keep our stores open and we prioritised efforts to ensure that our supplies are not disrupted.

Keeping the Shelves Full: We made sure that our shelves were always adequately stocked when the pandemic struck and we achieved this by learning to adapt and working diligently to address any challenges.

AI-Enabled: Because of the COVID-19 pandemic, we have utilised different ways of reaching our customers, whether they're at home, in transit, over the phone or online. We have transitioned our operations into online platforms to maintain operational viability and reach. This year, we rolled out improvements of our e-shopping features and functionalities and made adjustments to our products and services to deliver more seamless and convenient shopping experience to our customers.

COVID-19 Precautionary Measures: The safety and wellbeing of our customers and employees are of the utmost importantce and we have strictly abided by the Government's guidelines and protocols to curb the spread of the virus. We have executed strict preventive measures across our entire operations, including amongst others, implementing regular sanitisation of our stores and enforcing social distancing and personal hygiene protocols for our employees.

PRODUCT SAFETY, QUALITY AND COMPLIANCE

Buidling and maintaining customer trust and confidence is crucial to the Group's business operations, brand and reputation. Our measures adhere to the highest standards of product quality, safety and hygiene. We also comply with the pertinent regulations and guidelines enforced by the MAL Food Act 1983 (Food Regulation 1985 and Food Hygiene Regulation 2009), the Food Advertisement Regulations 2013 on promotion and product labelling, the National Pharmaceutical Regulatory Agency (NPRA), the Hazard Analysis and Critical Control Point (HACCP), the Good Manufacturing Practice (GMP), and any other applicable laws and regulations.

To comply with the highly regulated medical products and standards, our Pharmaceutical division has established a Listing Committee ("LC"), which consists of members with in-depth pharmaceutical knowledge. Essentially, the LC screens all offered products to ensure compliance and keeps abreast with NPRA regulations.

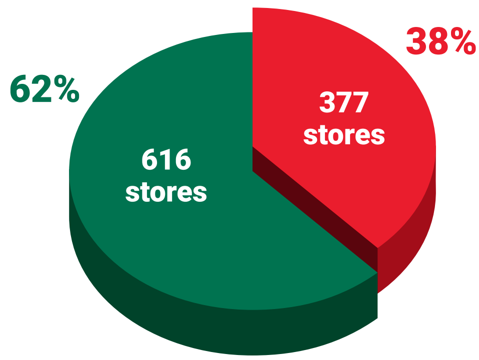
In addition, the marketing department of each business division verifies that all information in product promotions and food advertising is reliable, accurate and truthful. Furthermore, no advertisements should undermine the Malaysian Dietary Guideline.

Quality and Food Safety (Q-FoS)

The Convenience Stores division has established the 7E Quality and Food Safety Standard ("7E Q-FoS"). Our operations team is regularly trained and updated on the 7E Q-FoS Standard requirements to ensure compliance. And to monitor its implementation, a dedicated quality assurance team conducts a Q-FoS Audit every year. The audit team is responsible for reviewing and validating compliance of 7E Q-FoS at stores, including planning, auditing, monitoring and corrective actions.

Our target for 2021 was to audit a total of 964 stores, which cover (a) 377 Fresh Food Stores which are classified as "High-Risk" stores; and (b) 587 Non-Fresh Food Stores, which are considered "Non-High Risk". The table below shows the Q-FoS targets and achievements for our Convenience Stores division for FY2021.

Summary of Q-FoS Audit 2021



High risk stores
Non high risk stores

QUALITY FOOD AND SAFETY AUDIT

2021 Target	:	Audit at least 964 stores
		High risk: 377 (100%)
		Non high risk: 587
Achievement	:	993 stores audited
		High risk: 377
		Non high risk: 616

Top Performance Stores - 2021

Diagram 1 : High Risk Stores

1	86.9%	**#N0333** BTS Ground Floor KL
2	85.8%	**#N2361** Residensi Sultan Ismail KL; **#N1078** BTS 1st Floor West KL
3	85.5%	**#N1710** Solaris Dutamas D2 KL

Diagram 2 : Non High Risk Stores

1	92.6%	**#1833** Tmn Mesra Htn Mlntg Park
2	91.5%	**#1402** Jalan Bandar T. Intan Park
3	90.1%	**#2653** Sadong Jaya Sbh

The 2021 Q-FoS Best Top Performance Stores for "High risk" stores goes to BTS Ground Floor KL, followed closely by Residensi Sultan Ismail and Solaris Dutamas02. Meanwhile the Non high risk category was awarded to Tmn Mesra Htn Mintg Prk, Jalan Bdr. T Intank Prk and Sadong Jaya Sbh.

Supplier Surveillance Audit

Every year, we perform supplier audits to evaluate our supplier performances against the 7E Food Manufacturing Standard, which is adopted from both national and international quality standards. In 2021, the target to audit 16 suppliers was completed successfully, with no significant compliance departure noted.

Data Protection

Technological advances have facilitated digitalisation in retailing but have also given rise to security challenges. At 7-Eleven, cybersecurity and privacy are core elements of customer trust. We abide by the Malaysian Personal Data Protection Act 2010, which mandates the protection of private data. We implement the best practices for privacy and security controls to assure our customers, employees and business partners that their private data are safe and secured.

EMPLOYEES

Positioning ourselves as an employer of choice is fundamental in achieving our vision to become the best retailer of convenience. Our employees are the heart of our business operations and we have continuously focused on improving three (3) employee-associated sustainability matters: (a) Career Development; (b) Occupational Health and Safety; and (c) Diversity and Inclusivity.

At 7-Eleven, we believe that our strength comes from our people. We recognise that each individual has the power to make a difference, and that the collective power of a team can drive long-term competitive advantage. For this reason, we see it as our duty to invest in our people's career development and knowledge growth. We celebrate diversity. We reward good performance. We support the aspirations of our people to achieve both their personal and professional goals.

Ivy Tet Best
Pharmacist

"One of the most satisfying aspects of my job is when the customer returns and provide me with feedback on how their health has improved after taking to heart my recommendation and counselling."

CAREER DEVELOPMENT

The key to attracting talents is to have a strong and reputable brand as an employer of choice. The key to retaining them is to implement an effective learning and development strategy that will increase their organisational capability. We have created specialised human capital development programmes aimed at enhancing the skillsets of our talents, as they climb the corporate ladder.

We have two groups of employees: store-based and store support centre ("SSC") employees. 7-Eleven's business focus (retailing) is different from that of our two subsidiaries. The training programmes of each subsidiary also vary from each other. For example, given their duties and responsibilities, the pharmaceutical division includes more programmes relating to statutory and regulatory requirements.

Total Training Hours:
164,917

Training Investment:
1,681,579

Loss Time Injury Frequency Rate
(LTIFR): **0**

CAREER
Build a Career

BRANDING
Be a part of international brand

BUSINESS
Opportunity to manage a business

STUDY
Opportunity to further studies

Training Programmes

The acquisition of the Pharmaceutical business had resulted in a significant increase in total training hours and investments for the Group.

For the Convenience Stores division, the training programmes cover a wide range of topics, including customer service, food handling, payment system, delivery system and core training (Orientation, Foundation, Intermediate and Advanced). Convenience store employees clocked in a total of 91,632 hours of in-person and e-learning sessions with 7,754 attendees. The Pharmaceutical employees recorded a Total Training Hours of 73,285 with 6,432 attendees. These training programmes are categorised under S level, E level, M level and Senior Management.

Training Hours			Average Training Hours by Employment Type			
Period	Total Training Hrs.	Ave. Training Hrs. / Employee	Senior Management	Management	Executive	Non-Executive
CONVENIENCE STORE TRAINING PROGRAMMES						
2021	91,632	4	1	1	2	4
2020	181,674	8	15	55	24	7
2019	119,607	8	19	12	14	24
PHARMACY						
2021	73,285	11	14	18	19	4
2020	20,813	31	16	33	39	30

CONVENIENCE STORE TRAINING PROGRAMME			
Type of Training	Training Hours/Class	Total Training Hours	Total Participants
Foundation E-learning	23	51,060	2,220
Intermediate E-Learning	19	8,949	471
Advance E-Learning	19	2,223	117
Other Training	136	29,400	4,946
GRAND TOTAL	**197**	**91,632**	**7,754**

Training Investment (RM)	
FY2021 Convenience Store	1,159,464
FY2021 Pharmacy	522,115
TOTAL	**1,681,579**

PHARMACY DIVISION TRAINING PROGRAMME				
Staff Training Level	Type of training	*Total Training hours/training type	Total Participants	**Ave. Training hour/Employee
S level	Virtual product training	12,389	2,901	4
E level	Virtual soft skills training	1,096	191	5
M Level	Virtual knowledge training and soft skills training	58,904	3,230	18
Senior Management	Virtual soft skills training	896	112	8
GRAND TOTAL		**73,285**	**6,434**	**11**

* Total Training hours per training type: Total number of Events (Frequency) x number of hours/session
** Average Training Hours = Total Training Hours/Total Employees Participating X 100

EMPLOYEE SAFETY, HEALTH and WELLBEING

The Group places high value on health, safety and wellbeing of our employees, and we have put in place strategic initiatives that safeguards these priorities.

Occupational Safety and Health (OHS)
We have established the 7-Eleven Safety and Health Policy and the 7-Eleven Crisis Management Manual ("CMM"). We have also adopted the JotForm work inspection platform. Across our entire operation, we strictly comply with the Occupational Safety and Health Act 1994 and Hazard Identification, Risk Assessment and Risk Control ("HIRARC"). We keep track of all accidents or near-miss incidents involving employees, customers and on-the-job contractors through the Accident Escalation Report procedure.

Additionally, we have established the Occupational Safety and Health ("OSH") Committee, which is in charge of formulating mitigation measures and checking compliance with respect to OSH regulatory requirements as well as Group guidelines and procedures.

Formed under this committee is an Emergency Response Team ("ERT"), which is trained to handle different types of emergencies and disasters. At the Pharmaceutical division, standard operating procedures include an earlier closing time for less active stores, so that female employees do not have to go home late.

Lost Time Injury Frequency Rate ("LTIFR")
LTIFR refers to the number of lost time injuries occurring in the workplace per one million man-hours worked. There are no workplace accidents documented for 2021; hence there is no Lost Time Injury ("LTI") and the LTIFR is set to zero "0".

Employee Well-being

COVID-19
The COVID-19 pandemic has presented new challenges in our business operations. We dutifully followed the Government's guidelines to help curb the spread of the virus. The Group has adopted the My Sejahtera App to monitor the COVID-19 outbreak in the country. This application collects valuable data to aid the Group and the Ministry of Health in planning for early and effective countermeasures.

To further strengthen COVID-19 measures, we have also established the 7E Standard Operating Procedures for COVID-19. The flow identifies health and safety practices applicable to our operations, including communication, quarantine procedures, PCR testing and store or office closure.

Working Hours and Work–Life Balance

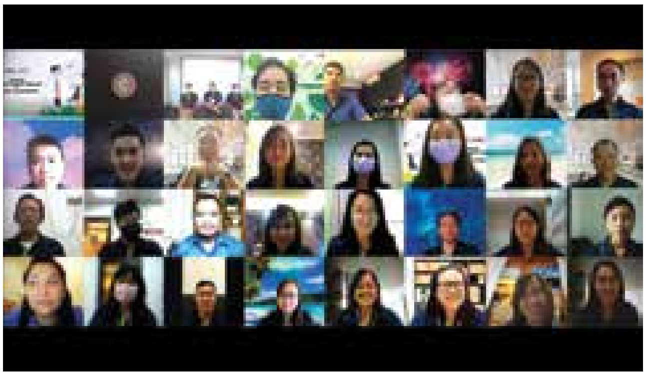
Technological advances and globalisation have exerted both positive and negative effects on the role of work in an employee's life. The socio-economic implications of working excessive hours and wanting to have work–life balance is linked to work-related stress and work satisfaction. Hence, the effectiveness of overtime policies are regularly assessed and updated as necessary. Essentially, the Group's working hours policy is guided by the Malaysia Employment Act 1955, which states that "No employer shall require or permit an employee to work overtime exceeding the limit prescribed."

Flexi Hours

Convenience Store	Pharmacy
8:30 am – 5:30 pm	8:00 am – 5:00pm
9:00 am – 6:00 pm	9:00 am – 6:00pm
9:30 pm – 6:30 pm	10:00 am – 7:00pm

The personal lives of employees are as important as their careers. Thus, we have given our employees the option to choose among three (3) different work-time brackets that best suits their lifestyle. In this way, our employees can have adequate time devoted to leisure and recreation, and employees with children can better manage their role of being a working parent

Leisure, Sports and Celebrations



Many of our employees have missed out on celebrations, leisure and sports activities because of the COVID-19 restrictions. We understand the importance of these events, so we found creative ways to still push through with surprise birthday wishes. We used online platforms to greet our colleagues during holiday festivals and other special occasions.

Workplace group activities, such as weekly badminton games, festival gatherings and company milestone celebrations, had been cancelled the past two (2) years because of COVID-19 restrictions. We are hoping that these social and sports activities can finally return in 2022.

BENEFITS AND REMUNERATION

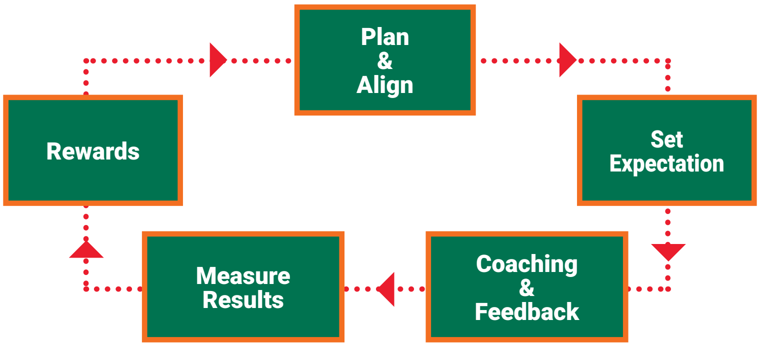
The Group offers competitive remuneration and benefits packages. As our business grows and develops, we regularly review and if needed, update our packages in order to attract talents and more importantly, improve our employee retention rates.

We support fair living wages and equal pay for equal work. We go beyond the government-mandated statutory compensation and benefit requirements. In addition to our fair remuneration, we offer insurance plans for life, hospitalisation, surgery and personal accidents, and education loans. In addition, we apply a higher employer contribution rate to KWSP for employees who have served a certain number of years and we also have book subsidies for our employees' children.

- Mobile Allowance
- Car Park Allocation
- Medical & Insurance Coverage
- Petrol Allowance
- Staff Discount Card within Berjaya Group
- Sports & Recreation Activities

Employee Performance and Review

The Group implements a robust Employee Performance Review Plan, which facilitates the strategic setting of corporate and personal Key Performance Indicators (KPIs) and a corresponding reward scheme which inculcates and rewards the right behaviours, work ethic and increases employee engagement. It also identifies training needs, promotion opportunities and strengthens relationships across the Group.



PROMOTING DIVERSITY and INCLUSIVITY

The Group upholds equal opportunity and forbids harassment of any kind. Employees who are found engaging in activities of harassment or discrimination will be held liable to strict disciplinary action. We empower and nurture our people by respecting their differences in age, gender, ethnicity, religion, disability, education, and nationality. We strongly believe that such diversity and inclusivity will serve to strengthen the Core Values of our the Group.

As shown, our workforce in both divisions consists predominantly of Malays, followed by Chinese, Indian and other ethnic groups. Only a minor percentage of our employees are hired contractually or are part-timers, with 7,520 out of 8,293 convenience store employees and 1,590 out of 1,846 pharmacy employees working permanently.

Our workforce skews young, with the majority of the employees being in the <30 age range for the convenience store division and in the 30–50 range for the pharmacy division. We have an almost equal gender distribution in our convenience store division, and significantly more females are hired in our pharmacy division.

The high employee turnover is generally driven by the highly competitive employment market due to the growth in convenience store retail and seasonality, as well as nature of the convenience store industry where it attracts many short-term employment seekers.

Workforce by Age Composition					
	Convenience Store			Pharmacy	
Age band	2021	2020	2019	2021	2020
>50	116	145	150	626	27
30-50	2,063	2,245	2,478	1,181	509
<30	6,114	6,796	10,783	39	754

Workforce by Gender					
	Convenience Store			Pharmacy	
Gender	2021	2020	2019	2021	2020
Male	4,000	4,534	7,042	409	219
Female	4293	4,652	6,369	1,437	1,071
Total	8,293	9,186	13,411	1,846	1,290

Workforce by Ethnicity				
	Convenience Store		Pharmacy	
Ethnicity	**2021**	**2020**	**2021**	**2020**
Malay	6,920	7,902	808	624
Chinese	207	186	852	518
Indian	416	307	107	80
Other Ethnic Groups	385	387	79	68
Non-Malaysian	865	404	0	0
TOTAL	**8,293**	**9,186**	**1,846**	**1,290**

New Employee Hires at Store			
	Male	**Female**	**Total**
Convenience Store			
2021	1,832	1,799	3,631
2020	5,207	3,979	9,186
2019	6,506	8,223	14,729
Pharmacy			
2021	216	694	910
2020	124	559	683

Boardroom Diversity		
Gender	**2021**	**2020**
Male	7	6
Female	2	3
Ethnicity		
Malay	2	3
Chinese	4	4
Indian	1	1
Non-Malaysian	2	1

Workforce by Employment Contract				
	Convenience Store		Pharmacy	
Employment Type	**2021**	**2020**	**2021**	**2020**
Permanent	7,520	8,402	1,590	1,136
Contractual	413	471	0	0
Part Time	360	313	256	154
Total	8,293	9,186	1,846	1,290

Workforce by Employment Type					
	Convenience Store			Pharmacy	
Employment Category	**2021**	**2020**	**2019**	**2021**	**2020**
Senior Management	53	55	56	76	17
Management	130	119	111	414	272
Executive	469	486	513	178	84
Non-Executive	7,641	8,526	12,731	1,178	917

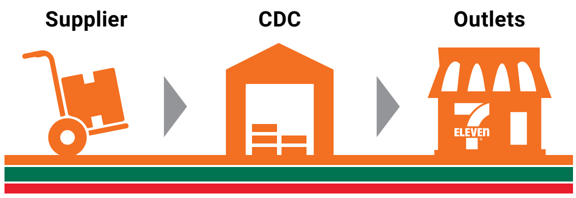
SUSTAINABLE SUPPLY CHAIN

With push for sustainability and EES agenda becoming more relevant and pressing each year, supply chain management has received more scrutiny than ever. Given our pledge "to understand the needs of the stakeholders and the company to make the best (balanced) decisions", our Procurement Department that strive to integrate sustainability best practices into our procurement policies and processes.

ENVIRONMENTALLY FRIENDLY PROCUREMENT

We encourage our suppliers to be environmentally friendly by reducing their energy use and CO_2 emissions to help mitigate climate change. They are also encouraged to minimise their impact on biodiversity, pollution and practise resource waste reduction.

And with our 7E Cross Dock System, suppliers deliver their products to our Centralised Distribution Centre (CDC) for consolidation before being funnelled to the regional Cross Dock Hubs where these products are then broken bulk for delivery to stores. This system eliminates delivery trips to our outlets nationwide, thereby reducing CO_2 emissions. This system also reduces packaging, thereby reducing waste, pollution, and the use of natural resources.



SOCIALLY RESPONSIBLE PROCUREMENT

All our suppliers are assessed on a list of sustainability criteria, which include recognised quality certifications or equivalent quality assurance, health and safety work policies, and measures that ensure the health and safety of employees at the workplace. Suppliers must also exhibit proper professional conduct and settle social obligations in a timely manner.

We expect our suppliers to be in compliant with the relevant employment laws, rules and regulations. They are encouraged to support socially responsible norms and practices. In particular, they shall not engage in child labour, slavery, and forced labour and they must espouse non-discriminatory practices and abide by regulations on working hours and minimum wage.

The Group imposes a *"No Gift Policy"* with all our suppliers and we diligently practice transparency and fair competition where our purchasing officers cannot favour one supplier over another. Open tendering is conducted on applicable contractual services. All employees are prohibited from accepting gifts and freebies from suppliers, and any conflict of interest identified will be reported, with stern ramifications.

ECONOMIC INCLUSION

Localised Sourcing: In line with 7-Eleven's strategy to *"contribute to the community where we operate"*, we source our products/services from local SMEs/contractors as we strive to cultivate sources within the geographical proximity of our operations. For instance, each state has a local maintenance coordinator who sources and invites local contractors to repair, refurbish and service local stores. Aside from generating local income, this setup is also beneficial for the Group as local businesses are easier to coordinate, more reactive and will be able to deliver quicker.

Developing SMEs: The Group is committed to enriching the communities where we operate. To stimulate the local economy, we collaborate with SMEs that could potentially become 7-Eleven private labels or own brand suppliers. To meet the 7-Eleven manufacturing standard, our quality assurance team audits potential suppliers and assists them on corrective actions. As part of the 7E Supplier Management Programme, in 2021 we audited and approved four (4) new local supplier sites for our private label range.

SUPPORTING THE LOCAL COMMUNITY

We demonstrate our gratitude by giving back to the local communities where we operate with a commitment to support the under-privileged groups and to sustain environmental conservation efforts across all regions. By fostering close relationships with them, our aim is to leave a positive and lasting footprint that will lead to their social and economic progress.

One way we accomplish this is by helping the more vulnerable segments of society through our product sourcing, the employment we generate, our supply chain, and the support we grant to charitable causes and institutions.

7-ELEVEN COMMUNITY CARE

7-Eleven Community Care ("7ECC") facilitates our corporate social responsibility ("CSR") and philanthropic initiatives.

The objective of 7ECC is to develop the capabilities and life skills of individuals in order to improve their standard of living and quality of life. Part of our CSR efforts is to provide immediate assistance in cases of natural disasters and support charity homes.

In 2021, we have:

- Conducted 14 Community Engagement Programmes; and
- Collaborated with 421 NGOs on various charitable causes.

Collaborations with Non-Governmental Organisations (NGO) and Non-Profit Organisations (NPO)

Our Convenience Stores division has collaborated with NGOHub and various non-profit foundations/organisations, leveraging on our collective strength in giving back to the community.

Empowerment Programmes

Our empowerment programmes aim to alleviate economic difficulties, bolster the capabilities of beneficiaries and enable them to become financially independent. Through these initiatives, challenged individuals can develop new skills, acquire knowledge and gain access to opportunities.

Community Empowerment

Local Hiring: The pharmaceutical division has a one-year Provisionally Registered Pharmacist ("PRP") and a three-month Marketing Apprenticeship programme in collaboration with local universities. Nineteen (19) pharmaceutical graduates completed the PRP programme in 2021, which enabled them to gain hands-on experience in a regulated manner and become competent registered pharmacists. After completing the PRP training, qualified applicants are offered one-year fixed-term contracts as a Fully Registered Pharmacist (FRP) serving at our stores.

The 7-Eleven P40+ Programme: This programme offers flexible working hours/shifts for early retirees at a higher market average salary and with the opportunity to work at the store nearest to their home.

Women Empowerment

To celebrate International Women's Day, a prenatal yoga session was organised for Rumah Bonda residents. The event doubled as a fundraising initiative to provide refugees in Kuala Lumpur with better access to online education.

In addition, the Convenience Stores division had partnered with Pantai Hospital to hold a cervical awareness seminar.

Support during the COVID-19 Pandemic

The Group is at one with the entire world in the fight against COVID-19. We have sought different ways by which we can help in curbing the spread of the virus and easing the resultant economic hardship experienced by severely impacted communities.

We have supported vaccination programmes. We have also distributed rapid antigen test kits, face masks, hand sanitisers and other COVID prevention products to vulnerable groups and frontline workers. Our pharmacy division regularly provides updates on COVID vaccinations, information and guidelines through its livechat, hotline and YouTube platforms.


Left to right:
4000 boxes of face mask and RM1k cash voucher to Muslim care Society

Customer Donation Programme

To remain true to the spirit of convenience, we have retained our donation drive project. Customers are encouraged to contribute by purchasing necessities and supplies, or by dropping off essential general supplies into the collection boxes. As the tagline *'You Contribute, We Distribute'* suggests, these contributions are distributed by 7-Eleven to various charitable organisations and causes.

"You Contribute, We Distribute"



"Donate at your convenience"

In 2021, we had three (3) customer donations campaigns. The first was 'Semurni Kasih', where we distributed goods to various charity organisations during the holy month of Ramadan. The second was 'Kotak Putih', where we provided assistance to marginalised communities affected by COVID-19. The third was 'Lend a Helping Hand', which was a donation drive for the benefit of frontliners and under-privileged communities. These initiatives collected a total contribution of RM 3,733,248, which was distributed to various charitable organisations and causes.

Initiatives	Contribution Amount (RM)
Semurni Kasih	2,254,506
Kotak Putih	798,138
Lend a Helping Hand	684,604
Total	**3,733,248**

Caring for All Generations

We have allocated resources for the benefit of the under-privileged regardless of their age. We believe that whatever their circumstances may be, all children and young adults deserve to have the opportunity to succeed, and that the elderly must be properly cared for.

Left to right: Victory Children & Youth Home, Bakti Al Kausar Children's Home and Xiao Xin Home for the Aged

Caring for the Physically Challenged

In conjunction with International Autism Day and the holy month of Ramadan, 7-Eleven had placed orders for delicious "breaking of fast" food packs prepared by the Autism Café, which were then distributed to orphanages.

Meanwhile, the Pharmaceutical division donated mooncakes to various homes for the handicapped in celebration of the Lunar Festival.

Natural Disaster Support

We partnered with NGOs and NPOs such as Muslim Care Malaysia and Gurdwara Sahib to provide humanitarian and medical aid to the communities affected by the unprecedented massive flood that occurred towards the year's tail end.

Employee Volunteering Activities

Employee volunteering activities are organised to bolster the Group's community reach and engagement. It encourages our employees to connect, to serve as positive role models, and to make a genuine difference to the lives of communities and organisations in need. In 2021, we had planned to increase the number of employee volunteers; however, this initiative was hampered by the prolonged pandemic.

Flood clean up activity

Period	2021	2020	2019
Total number of employee volunteers	58	70	172

For the year under review, the Group had contributed RM289,830 to various beneficiaries.

Beneficiary	Amount Donated (RM)	Beneficiary	Amount Donated (RM)
Damai Disabled Person Association Malaysia	5,000	Malaysia Crescent Society	2,500
Flood relief donations	95,730	A Shop 1School Programme	13,100
Donation to Myanmar Education Centre	50,000	St Johns Ambulance Foundation, dialysis machine maintenance	50,000
Vaccination programme at shopping malls	72,500	Mooncake distribution to charity homes	1,000
		TOTAL	**289, 830**

HUMAN RIGHTS

The Group abides by all national and local laws and regulations. Our business divisions fully comply with the stipulations on working hours and child labour as prescribed by the Malaysia Employment Act 1955 and the Children and Young Persons (Employment) Act 1966.

We have never been imposed with fines or penalties in our operational activities relating to employees, children and community rights, the environment, and health & safety. More importantly, again, this holds true for the year under review.

ENVIRONMENTAL STEWARDSHIP

The Group remains steadfast and committed to reducing and, if possible, eliminating the negative environmental impacts of our operations, in particular, effects of climate change, waste and resource management and including pollution. Our plan is to identify the ecological implications of our operations and put in place measures that will enhance energy efficiency, reduce waste and pollution, and save natural resources. We will also play an active role in championing environmental awareness to our customers and across our business operations.

STAKEHOLDER COLLABORATION

Environmental protection pertains to managing human activity and its impact on the environment. One way to accomplish this is through stakeholder collaboration. To this end, we collaborated with NGOs and our suppliers to educate our customers on environmental issues and how we can cooperate better in driving sustainability goals.

#TrashtoTreasure campaign

In conjunction with World Nature Conservation Day on 28 July 2021, 7-Eleven had collaborated with Juara Turtle Project and Reef Check Malaysia. As part of the #TrashtoTreasure campaign, 7-Eleven will be selling two (2) types of reusable eco-friendly bags in selected stores across Peninsular Malaysia. The campaign aims to raise environmental awareness amongst Malaysian shoppers by educating them about the ecological damages caused by plastic waste and single-use plastic bags that harm marine life.

Climate Change Project – Green the Earth

Our Pharmaceutical division supports the Climate Change Project – Green the Earth, an initiative by the Malaysian Nature Society to plant 600 mangrove trees. To date, 300 mangroves have been planted by employee volunteers. The activity was postponed in 2021 due to the pandemic but is scheduled to resume in 2022.

Unwanted Medicines Disposal

#SafeDUMPProject #SafeMedicineDisposal #CaringPharmacy Through an initiative in collaboration with the Faculty of Pharmacy, University of Malaya ("**UM**"), consumers can now safely dispose of their unwanted medicines at selected Caring Pharmacy stores.
2020: *6Kg disposed,* ***2021:*** *160kg disposed.*

This initiative started with only three (3) stores but was expanded to 23 locations in 2021 due to its popularity. The Pharmaceutical division has constantly been involved in promoting safe medicine disposal awareness. This include a public webinar conducted in collaboration with UM in September 2021, which engaged with nearly 200 participants.

In the year under review, 160kg of expired and unwanted medicine was disposed of, which was 154kg greater than that of last year. These unwanted medicines are delivered once a month to the Caring Head Office, where they are then arranged for delivery and incineration at UM.

CLIMATE CHANGE

While there are many ways that humans and businesses can aggravate climate change, there are also numerous ways by which they can adjust their behaviour and business practices to mitigate climate change.

Climate Change and Waste Management are also material aspects that are associated with our operations. Thus, we have implemented several initiatives that focus on reducing our waste and mitigating the effects of climate change.

Energy Efficiency

As part of our efficient energy consumption policy, we have begun monitoring and re-configuring our systems to reduce electricity usage across our entire operations.

Logistics

Supply chain sustainability is one of our key corporate sustainability goals. In this regard, we have assessed the journey of our products from storage to delivery to measure their overall environmental impacts.

Since 2017, we have successfully implemented logistics programmes that target energy efficiencies. One such scheme is the 7E Cross Dock System, which has reduced trip frequency by as much as 80%. Despite an increase in the number of stores, we had recorded lower diesel consumption, which consequently generated lower CO2 emission year-on-year.

Cross Dock System Energy Saving Result / Convenience Store Distribution Centre			
Period	**Diesel Consumption: Savings (Litre)**	**CO_2 Emission: Savings (tonne)**	**Number of Convenience Stores**
2021	353,291	1,024	2,427
2020	427,731	1,240	2,413
2019	583,664	1,694	2,411

Stores and Outlets

In 2019, we had completed the conversion of the lighting systems of our stores to LED lights. Our current programme, which commenced in 2020, was to improve the air-conditioning (AC) and chiller efficiency in 800 stores. To date, we have completed the same for 710 stores, which has resulted in a total savings of RM1,728,000.

Period	Programme	Status	Achievement
2020–2024	Convenience store: AC and chiller efficiency for 800 stores.	710 stores completed	FYE2021: Total savings RM 1,728,000
			FYE2020: Total savings of RM 665,000
			FYE2019: Total savings of RM 413,000
2018–2019	All Stores: Convert lighting systems to LED	Completed	Minimised electricity consumption

The reduced energy consumption at 7-Eleven stores was in line with the reduced store operating hours, whilst remote work arrangements at head office ("HQ") and branch office ("BRO") to stem the spread of COVID-19 helped lower energy consumption as well. On the other hand, the visible increase in energy consumption in the Pharmaceutical division is due to the acquisition of TPH and Wellings group of stores, which was completed in early 2021.

CONVENIENCE STORE DIVISION ENERGY CONSUMPTION				
Period	Total Electricity Consumption for All Stores/ KwH	Total Electricity Consumption for HQ/KwH	Total Electricity Consumption for BRO	Number of Stores
2021	210,639,168	656,852	103,389	2,427
2020	215,094,161	740,395	126,721	2,413
2019	240,098,139	737,036	156,118	2,411

PHARMACY DIVISION ENERGY CONSUMPTION			
Period	Total Electricity Consumption for All Stores/ KwH	Total Electricity Consumption for HQ/KwH	Number of Stores
2021	5,102,538	652,010	191
2020	3,567,900	496,800	144

WASTE MANAGEMENT and POLLUTION

Land-based pollution ultimately reaches the bodies of water and contaminates the water sources of plants and animals. Any form of pollution degrades our natural resources. Additionally, the CO_2 released by the wastes to the atmosphere directly contributes to climate change.

Proper waste management dictates the safe collection and disposal of waste and the conservation of resources. For this reason, we have implemented several actions that will reduce or even eliminate waste in our operations.

Sustainable Consumption and Behavioural Change

Successfully addressing the environmental effects of our operations requires the cooperation of our stakeholders to actualise the intended change. In this regard, we have introduced interventions to reinforce behavioural changes that can result in sustainable consumption.

Eco-friendly Consumers

To set the stage for a better understanding of sustainable consumption, we have incorporated sustainability initiatives to educate consumer's behaviour. We have introduced eco-friendly packaging and biodegradable plastic bags, replaced plastic membership cards with mobile apps, and transported the Caring News magazine online. In addition, the use of styrofoam is strictly prohibited in all of our stores.

Eco-friendly Workplace

All employees, regardless of their role or title, have to do their part in creating a greener workplace and minimising greenhouse gas emissions. Reminders about environmental footprint reduction are posted in strategic areas for everyone to see.

Employees are instructed to put in hibernation mode or switch off office equipment and lights that are not in use. Everyone is encouraged to go paperless, and waste segregation for recycling is also implemented. Online meetings should be favoured as much as possible so employees can avoid commuting. Under the Pharmaceutical division's "Go Green Campaign", recycling bins and energy consumption reminders are strategically placed to promote environmentally friendly practices.

Food Waste

Food disposed of in landfills rots and produces methane, which is more potent than carbon dioxide. When food is wasted, all the energy and water resources that were consumed to grow that food also goes to waste. Hence, wasted food is not only a social or humanitarian concern but also an environmental one. Even if we do not influence all sectors within our industry, we serve as a medium between consumers and producers. Therefore, we see it as our responsibility to reduce food waste.

Below are the initiatives that we have enacted:

- Minimising over-stocking;
- Reducing daily wastages particularly for products with short shelf life;
- First-in First-out (FIFO) inventory management; and
- Using temperature control settings to avoid food spoilage.

Recycling and avoiding waste

Period	Recycled Materials at warehouse (Tonnes)	Recycled Materials at warehouse (Tonnes)
2021	691	89
2020	767	62
2019	556	NA

The types of waste being recycled at our CDC,are corrugated carton boxex, mix plastics and plastics. Carton boxes are the most recycled waste in our operations, accounting for up to 90% of the total waste recycled. This is because carton boxes are frequently used in packing, storage and shipment of products from CDC to stores.

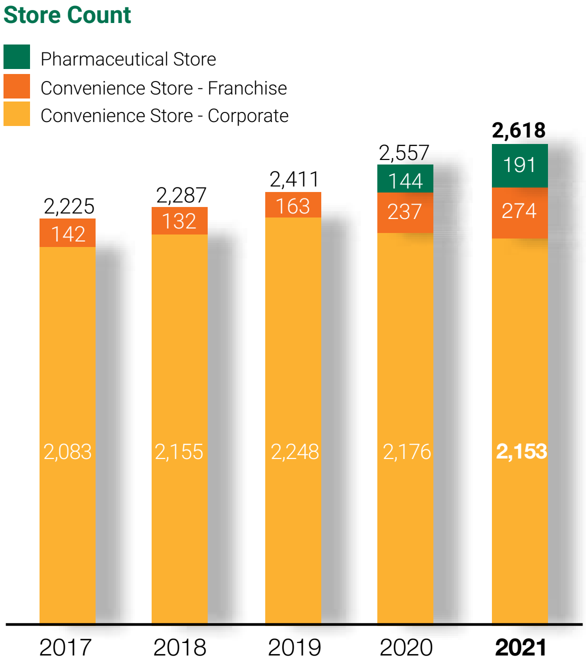
Environmental Compliance

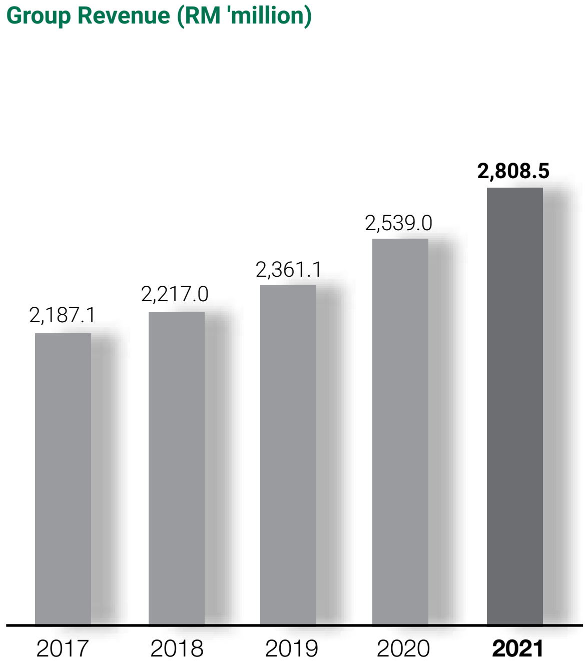
Our business divisions fully comply with all environmental laws and regulations in Malaysia. Since incorporation, we had not yet received any fine or warning from the government and local authorities for non-compliance. This again, holds also true in the year under review.

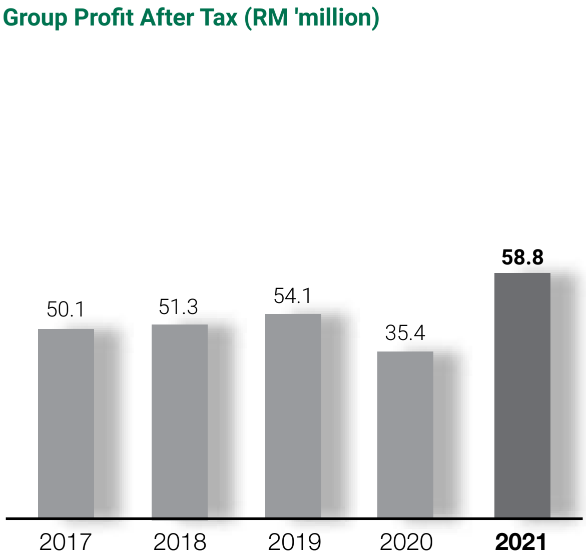
GROUP **FINANCIAL SUMMARY**

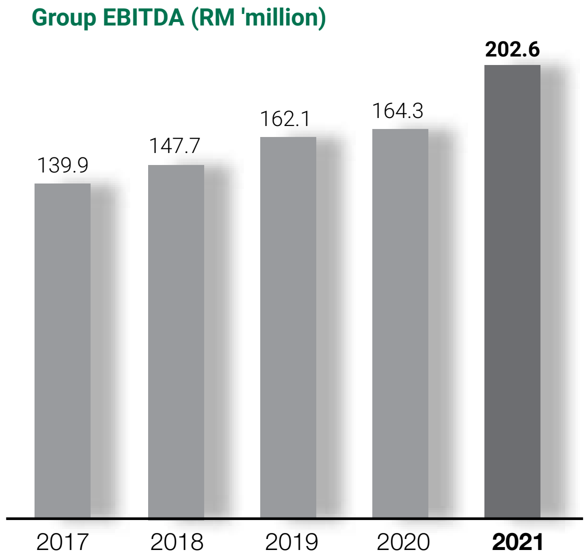
Description	2021 RM'000	2020 RM'000	2019 RM'000	2018 RM'000	2017 RM'000
Revenue	**2,808,500**	2,539,028	2,361,058	2,217,049	2,187,102
Profit Before Tax	**92,429**	62,656	76,653	73,859	70,496
Profit After Tax	**58,840**	35,353	54,084	51,330	50,107
Profit Attributable To Shareholder	**44,348**	29,766	54,058	51,307	50,107
Share Capital	**1,485,138**	1,485,138	1,485,138	1,485,138	1,485,138
Treasury shares	**(161,410)**	(157,243)	(128,928)	(161,941)	(190,625)
Assets Revaluation Reserve	**43,236**	42,214	41,969	41,152	40,784
Reserves	**66,266**	39,899	46,985	71,208	81,985
Capital Reorganisation Deficit	**(1,343,248)**	(1,343,248)	(1,343,248)	(1,343,248)	(1,343,248)
Non-controlling Interest	**92,061**	94,461	195	169	-
Total Equity	**182,043**	161,221	102,111	92,478	74,034
Long Term Liabilities	**1,231,305**	972,933	579,945	72,723	69,236
Current Liabilities	**849,391**	902,695	739,963	584,166	651,698
Total Equity and Liabilities	**2,262,739**	2,036,849	1,422,019	749,367	794,968
Property, Plant & Equipment	**321,045**	346,484	338,129	323,982	350,404
Right-of-use assets	**652,534**	672,881	608,530	-	-
Investment Property	**21,029**	-	-	400	400
Intangible Assets	**478,949**	425,492	29,390	34,289	35,298
Investment and Other Non-Current Asset	**99,559**	25,733	42,533	1	1
Current Assets	**689,623**	566,259	403,437	390,695	408,865
Total Assets	**2,262,739**	2,036,849	1,422,019	749,367	794,968
Net Assets Per Share (sen)	**7.99**	5.91	8.93	8.23	6.67
Basic Earning Per Share (sen)	**3.93**	2.60	4.74	4.57	4.51

GROUP FINANCIAL HIGHLIGHTS









CHARTS ON FINANCIAL HIGHLIGHTS

	2017	2018	2019	2020	2021
Convenience Store - Corporate	2,083	2,155	2,248	2,176	**2,153**
Convenience Store - Franchise	142	132	163	237	**274**
Pharmaceutical Store	-	-	-	144	**191**
Store Count	2,225	2,287	2,411	2,557	**2,618**
Group Revenue (RM'million)	2,187.1	2,217.0	2,361.1	2,539.0	**2,808.5**
Group Profit after Tax (RM'million)	50.1	51.3	54.1	35.4	**58.8**
Group EBITDA (RM'million)	139.9	147.7	162.1	164.3	**202.6**

Notes:
Group EBITDA defined as profit before finance cost, tax, depreciation of assets and exclude impacts from MFRS 16: Leases.

The Board of Directors (the **"Board"**) of 7-Eleven Malaysia Holdings Berhad (**"7-Eleven"** or **"the Company"**) recognises the importance of adopting high corporate governance standards, in compliance with the law, regulatory requirements and rules, and ethically to enhance shareholders' value, besides safeguarding stakeholders' interest. In its application of corporate governance practices, the Board has taken into consideration the enumerations of the Malaysian Code on Corporate Governance (**"MCCG"** or the **"Code"**) and Paragraph 15.25 of the Main Market Listing Requirements (**"Listing Requirements"**) of Bursa Malaysia Securities Berhad (**"Bursa Securities"**).

Detail applications for each practice as set out in the Code is disclosed in the Corporate Governance Report which is available on the Company's corporate website at www.7eleven.com.my/investor-relations.

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS

Part I: Board responsibilities

1) Establishing clear roles and responsibilities of the Board

Board of Directors

The Board recognises the key role it plays in charting the strategic direction of the Company and has assumed the following duties and responsibilities in discharging its fiduciary and leadership functions:

- reviewing, evaluating, adopting and approving the strategic plans and policies of the Company and its subsidiaries (the **"Group"**);
- overseeing and monitoring the conduct of business, financial performance and major capital commitments of the Group;
- reviewing and adopting budgets and financial results of the Group, monitoring compliance with applicable financial reporting standards and the integrity and adequacy of financial information disclosure;
- reviewing and approving any major corporate proposal, new business venture or joint venture of the Group;
- identifying principal risks and deploying appropriate risk management system to manage these risks;
- establishing and overseeing a succession planning programme for the Group, including remuneration policy;
- establishing, reviewing and implementing corporate communication policies with shareholders and investors, other key stakeholders and the public;
- reviewing the adequacy and integrity of the internal control and management information systems of the Group; and
- developing a corporate code of conduct to address, amongst others, any conflict of interest relating to Directors, major shareholders and employees in the Group.

Chairman of the Board

The Chairman, Dato' Sri Robin Tan Yeong Ching is a Non-Independent Non-Executive Director who chairs and lead the Board meetings by encouraging and eliciting the views of all the Board members. He ensures that proper weightage and time are given to issues of corporate governance, business operations and strategies raised in the Board meetings.

The roles of the Chairman are separated from the Co-Chief Executive Officers. The Co-Chief Executive Officers, Mr. Tan U-Ming and Mr. Wong Wai Keong are responsible for the day-to-day operations and management of the business.

There is a clear division of responsibilities between the Chairman of the Board and the Co-Chief Executive Officers to ensure a balance of power and authority. The Chairman is responsible for ensuring the integrity and effectiveness of the governance process of the Board while the Co-Chief Executive Officers holds the primary executive responsibility for the Group's business performance and manages the Group in accordance with the strategies and policies approved by the Board, leading Executive Directors in making and implementing the day-to-day decisions on the business operations.

The Board views that the Chairman of the Board should not be involved in any Board Committees. This is to ensure check and balance as well as the objectivity will not be impaired/influenced by the Chairman of the Board who also sits on Board Committee(s). Therefore, our Chairman of the Board is not a member of any of the Board Committees which is in line with MCCG.

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Part I: Board responsibilities (Cont'd)

1) Establishing clear roles and responsibilities of the Board (Cont'd)

Senior Independent Non-Executive Director ("SINED")

The SINED was appointed in accordance with the Listing Requirements on 20 April 2022.

As a SINED, his responsibilities include:

- acting as a sounding board for the Chairman;
- acting as an intermediary for other Directors and/or Chairman when necessary;
- acting as a point of contact for shareholders and other stakeholders on areas that cannot be resolved through the normal channel of contact with the Chairman or Co-CEOs; and
- to execute such other roles as designated by the Board from time to time.

Qualified Company Secretaries

The Company Secretaries play an advisory role to the Board in relation to the Company's constitution, policies, procedures and compliance with relevant regulatory requirements, code or guidance and legislations.

The Directors have unrestricted access to the advice and services of the Company Secretaries to enable them to discharge their duties effectively and the Board's procedures are adhered to at all times. The Board is regularly updated and advised by the Company Secretaries who are qualified and experienced on statutory and regulatory requirements, and the resultant implications of any change therein to the Group and Directors in relation to their duties and responsibilities.

The Company Secretaries organise and attend all Board meetings including the Annual General Meetings and ensure that all procedures are followed and all the Company's statutory records are updated and maintained accordingly at the Company's registered address.

Directors

The Executive Directors are responsible for providing leadership and overseeing the day-to-day operations and management within their specific areas of expertise or assigned responsibilities.

The Non-Executive Directors, both Independent as well as Non-Independent, are not involved in the day-to-day management of the Company but contribute to the development of the Company's business strategies with the expertise and experience they bring to the Board. The Non-Executive Directors' involvement in, and contribution to, the Board Committees enhances the effectiveness of the Company's governance processes by providing independent judgement and objectivity to the Board's decision.

Access to information and advice

Directors are entitled to unrestricted access to all the Company's information, documents, records and properties, either as a full Board or in their individual capacity in order to better discharge their responsibilities.

To facilitate the Board meetings, notices on agenda together with supporting Board papers are circulated to the Directors in advance of each Board meeting. The Board papers include, amongst others, Quarterly Financial Report, Internal Audit Report, minutes of all Board Committees meetings, list of all announcements made, summary of Directors' dealings, list of all Board Circular Resolutions passed and any other matters requiring the Board's approval. Senior Management, other senior executives or professional advisers are invited to attend the Board meetings to provide additional insights and professional views, advice and explanation on specific items on the Meeting agenda, where necessary.

The Board has adopted a policy enabling the Board Committees and Directors to have access to independent professional advice at the Company's expense as and when considered necessary, in furtherance of their duties. This policy is included in the Board Charter.

Technology is effectively used in the Board and Board Committees' meetings. The agenda and meeting materials are sent online to the Directors before the hardcopy versions of the same. Where the Directors are in remote areas or overseas, they are encouraged to participate in meetings via audio or video conferencing.

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Part I: Board responsibilities (Cont'd)

2) Demarcation of responsibilities

Board Charter

The Company has established and adopted a Board Charter which serves as a reference point for Board activities. The Board Charter provides guidance for Directors and Management regarding the responsibilities of the Board, Board Committees and Senior Management, the requirements of Directors in carrying out their stewardship roles and in discharging their fiduciary duties towards the Company as well as Boardroom activities. The Board Charter is publicly available on the Company's website at www.7eleven.com.my.

The Board has established a formal schedule of matters reserved to the Board for its deliberation and decision in order to enhance the delineation of roles between the Board and Management, as well as to ensure the direction and control of the Group's operations are in the Board's hands.

The Board Charter would be periodically reviewed and updated in accordance with the needs of the Company and any new regulation that may have an impact on the discharge of the Board's responsibilities. Any subsequent amendment to the Board Charter would be approved by the Board.

3) Good business conduct and corporate culture

Code of Ethics

The Board has formalised a Directors' Code of Ethics setting out the standards of ethical business behaviour expected from Directors, and has embedded it in the Board Charter.

While there are individual provisions governing employees' behaviour and conduct, the Company recognises the importance of having in place a formalised Code of Conduct/ Ethics setting out ethical corporate culture, acceptable behaviour, business ethics and conduct for the Group's employees, and steps will be taken to formalise such a Code of Conduct/ Ethics for observance by the Group's employees, including mechanisms to monitor compliance thereof.

Whistle blowing

The Board has established a whistle blowing mechanism, including pertinent policies and procedures, with the aim to provide an avenue for concerns relating to possible breaches of business conduct, non-compliances of laws and regulatory requirements, and other questionable practices to be raised by employees as well as outside parties without fear of reprisals or retaliation by the Company.

The Company's Whistle Blowing Policy which can be viewed in detail at the Company's website at www.7eleven.com.my/corporate-governance outlines the processes and procedures on how to raise a concern properly should there be any breach of ethics, improprieties or irregularities involving any employee, Management or Directors of the Company.

Sustainability

The Board is mindful of its responsibility on the Economy, Environmental and Governance (**"EES"**) aspects of business sustainability. As such, the EES aspects are considered by the Board in its corporate strategies. Cognisant of this responsibility, the Board has adopted a Sustainability Policy that addresses the impact of the Group's businesses on EES elements.

Anti-corruption policies

The Company adopted the Anti Bribery & Anti-Corruption (**"ABAC"**) control framework including delivery of tone at the top messages and awareness campaigns; ABAC risk assessments, undertaking control measures by enhancing our policies and procedures, compliance monitoring and enforcements; and training and communication to address the prevention of bribery and corruption, and the requirements of the Malaysian Anti-Corruption Commission's (**"MACC"**) Adequate Procedures Guidelines.

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Part II: Board composition

1) Strengthening the Board's composition

As of the date of this Statement, the Board consisted of ten (10) members, comprising two (2) Executive Directors, four (4) Non-Independent Non-Executive Directors, one (1) Senior Independent Non-Executive Director and three (3) Independent Non-Executive Directors. This composition fulfils the Listing Requirements, which stipulate that at least three (3) Directors or one-third (1/3) of the Board, whichever is higher, must be independent. The Board took note of the requirement of Practice 5.2 of the MCCG which requires at least half of the Board comprises Independent Directors. However, the Nominating Committee ("NC") is of the view that the current Board size and composition is appropriate and effective taking account the nature of business operations of the Company. The Board is also satisfied with the current board composition, nevertheless, the Board may consider increasing the number of Independent Director should there be a suitable candidate.

The profile of each Director is set out on pages 8 to 12 of this Annual Report. The Directors, with their diverse background and qualifications, collectively bring with them a wide range of experience and expertise in areas such as accounting and auditing, taxation, retail, finance, legal, information technology and investment.

The presence of Independent Non-Executive Directors fulfils the pivotal role in corporate accountability. The role of Independent Non-Executive Directors is particularly important as they provide unbiased and independent views, advices and judgements to take into account of the interest, not only of the Group, but also the stakeholders.

Board Committees

To assist in the discharge of its stewardship role, the Board has established the following Board Committees to examine specific matters within their respective terms of reference, as approved by the Board:

- Audit Committee;
- Nominating Committee;
- Remuneration Committee; and
- Risk Management and Sustainability Committee.

The Board Committees report to the Board on their recommendations, while the ultimate responsibility for decision making lies with the Board.

I. Nominating Committee

The Board has established a Nominating Committee to consider candidates for directorship and Board Committee's membership, and to review the effectiveness of the Board, through performance assessment of the Board, Board Committees, individual Director and individual Audit Committee member. The terms of reference of Nominating Committee is publicly available on the Company's website at www.7eleven.com.my.

The Nominating Committee comprises the following members and their attendance during the financial year ended 31 December 2021 are as follows:

Name of Nominating Committee Member	Meeting attended
Shalet Marian, Chairperson *(Independent Non-Executive Director)*	4/4
Chan Kien Sing, Member *(Non-Independent Non-Executive Director)*	2/2
Muhammad Lukman bin Musa @ Hussain, Member *(Non-Independent Non-Executive Director)*	4/4
Tan Wai Foon, Member *(Non-Independent Non-Executive Director)*	1/1

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Part II: Board composition

1) Strengthening the Board's composition (Cont'd)

I. Nominating Committee (Cont'd)

Note:

1. *Ms. Tan Wai Foon resigned as a member of Nominating Committee on 11 March 2021 while Mr. Chan Kien Sing was appointed as a member of Nominating Committee on 12 March 2021.*
2. *Puan Sri Datuk Seri Rohani Parkash Binti Abdullah was appointed as Chairperson of the Nominating Committee on 11 April 2022.*
3. *Ms. Shalet Marian was redesignated from Chairperson of the Nominating Committee to member of Nominating Committee on 11 April 2022.*
4. *Encik Muhammad Lukman Bin Musa @ Hussain was redesignated as Non-Independent Non-Executive Director on 22 March 2022 and resigned as a member of Nominating Committee on 11 April 2022.*

The Board has entrusted specific terms of reference to the Nominating Committee, which cover, inter-alia, the following salient functions:

- to assist the Board in reviewing, on an annual basis, the required mix of skills, experience and other qualities, including core competencies of Directors;
- to assess and recommend to the Board, candidates for directorship and Board Committee's membership, including chairmanship;
- to establish a mechanism for the formal annual assessment of the effectiveness of the Board, as a whole, and the contribution of each individual Director based on objective performance criteria; and
- to provide adequate training for the Board members and orientation of new Directors with respect to the businesses, structure and management of the Group, enabling the Directors to receive appropriate continuous training in order to keep them apprised of regulatory requirements.

The Board Diversity Policy established by the Company has no specific target on gender, age or ethnicity composition in the Board, as it believes the Company should be appointing Directors who bring with them the requisite skills and experience to enable the Company realises its corporate strategies and objective. Nevertheless, the current composition of the Board represents a diverse mix of Directors of different gender, age and ethnicity, in addition to the blend of background, skills, experience and expertise.

For the financial year ended 31 December 2021, the Nominating Committee carried out, and reported to the Board the outcome of, the following key activities:

- conducted the annual assessment on the effectiveness of the Board, Board Committees and individual Director;
- conducted independence assessment for Independent Non-Executive Directors;
- recommended to the Board, the Directors who are due for re-election by rotation at the Eighth Annual General Meeting ("AGM"); and
- reviewed the term of office and performance of the Audit Committee and each of its members to determine whether such Audit Committee and members have carried out their duties in accordance with their terms of reference.

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Part II: Board composition (Cont'd)

1) Strengthening the Board's composition (Cont'd)

I. Nominating Committee (Cont'd)

A formal performance assessment of the Board, Board Committees and individual Director enables the Board to assess its performance and identify areas for improvement. Such a formal assessment was conducted for the financial year ended 31 December 2021, and was guided by the Corporate Governance Guide - Towards Boardroom Excellence taking into consideration the following key elements for assessment:

- appropriate size, composition, independence, mix of skills and experience within the Board and the Board Committees;
- clear definition of the Board and Board Committees' roles and responsibilities;
- effectiveness of the Board and Board Committees in carrying out their roles and responsibilities as stipulated in the Board Charter and/or terms of reference;
- sufficiency and relevance of knowledge and expertise of individual Director in their respective capacity as members of the Board and Board Committees; and
- Directors' character, experience, competency, integrity, and time commitment to effectively discharge their roles as Directors, including willingness to devote time in performing their roles, apart from attending Board meetings.

Based on the results of the assessment, the Board is satisfied that, the Board as a whole, the Board Committees and each individual Director had performed well and effectively. The overall composition of the Board in terms of size, the mix of skills, experience was also balanced and appropriate. A scoring mechanism was used and each Board member was provided with his/her individual peer aggregate assessment and comments (if any), for personal information and further development. In addition, the Board has obtained the annual declaration of independence from the Independent Directors confirming their independence.

In considering candidates for directorship, the Nominating Committee takes into account the following:

- the candidates' skills, knowledge, expertise, experience;
- professionalism;
- integrity; and
- in the case of candidates for the position of Independent Non-Executive Directors, the candidates' ability to discharge such responsibilities/functions as expected from Independent Non-Executive Directors.

Proposed appointment of member(s) to the Board to fill casual vacancy and proposed re-election of Directors seeking for re-election at the AGM are recommended by the Nominating Committee to the Board for approval and consideration for tabling at the AGM for shareholders' approval, as the case may be.

In accordance with Article 99 of the Company's Constitution, at least one-third (1/3) of the Directors, or the number nearest to one-third (1/3) shall retire from office provided always that all Directors shall retire from office at least once in each three (3) years but shall be eligible for re-election.

Directors who are appointed by the Board to fill a casual vacancy shall hold office until the next following AGM and shall then be eligible for re-election but shall not be taken into account in determining the Directors who are to retire by rotation at the AGM pursuant to Article 105 of the Company's Constitution.

The Company Secretaries ensure that all appointments of Directors are properly made and that all necessary information are obtained from the Directors for the Company's records and for the purposes of meeting statutory obligations as well as obligations arising from the Listing Requirements of Bursa Securities.

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Part II: Board composition (cont'd)

1) Strengthening the Board's composition (cont'd)

II. Remuneration Committee

In order to assist the Board on fair remuneration practices and attracting, retaining and motivating Directors, the Board established a Remuneration Committee to review Directors' remuneration matters and make relevant recommendations to the Board.

The Remuneration Committee comprises the following members and their attendance during the financial year ended 31 December 2021 are as follows:

Name of Remuneration Committee Member	Meeting attended
Chan Kien Sing, Chairman *(Non-Independent Non-Executive Director)*	1/1
Shalet Marian, Member *(Independent Non-Executive Director)*	2/2
Muhammad Lukman bin Musa @ Hussain, Member *(Non-Independent Non-Executive Director)*	2/2
Tan Wai Foon, Chairperson *(Non-Independent Non-Executive Director)*	1/1

Note:
1. *Ms. Tan Wai Foon resigned as the Chairperson of Remuneration Committee on 11 March 2021 while Mr. Chan Kien Sing was appointed as the Chairman of Remuneration Committee on 12 March 2021.*
2. *Puan Sri Datuk Seri Rohani Parkash Binti Abdullah was appointed as member of Remuneration Committee on 11 April 2022.*
3. *Encik Muhammad Lukman Bin Musa @ Hussain was redesignated as Non-Independent Non-Executive Director on 22 March 2022 and resigned as a member of Remuneration Committee on 11 April 2022.*

The Board has stipulated specific terms of reference for the Remuneration Committee, which include the following functions:

- to review and assess the remuneration packages of the Executive Directors in all forms, with or without independent professional advice;
- to ensure the levels of remuneration are sufficiently attractive to retain Directors needed to run the Company successfully;
- to structure the component parts of remuneration so as to link rewards to corporate and individual performance and to assess the needs of the Company for talent at Board level at a particular time; and
- to recommend to the Board of Directors, the policy and framework for Directors' remuneration as well as the remuneration packages and terms of service of Executive Directors.

No Director shall take part in decisions involving his/her own remuneration.

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Part II: Board composition (Cont'd)

1) Strengthening the Board's composition (Cont'd)

III. Risk Management and Sustainability Committee ("RMSC")

To better address risks faced and to develop the Environment, Social and Governance (**"ESG"**) matters of the Company, the Board established a new RMSC on 20 April 2022. The Board is in the opinion that the new changes will be more effective to ensure the Board's role in considering sustainability matters when exercising its duties of developing and implementing company strategies, business plans, major plans of actions and risk management and that adequate resources, systems and process are in place for managing risk management and sustainability matters. The RMSC will assist the Board in overseeing the risk management activities of the Group and approving appropriate risk management policies and risk appetite. The RMSC will review the sustainability reports and emerging issues. The Company will continue to review and enhance key performance indicators (**"KPIs"**) related to risk management and sustainability to further strengthen its governance practices from time to time.

The Risk Management and Sustainability Committee comprises the following members are as follows:

Name of Risk Management and Sustainability Committee Member
Dato' Richard Alexander John Curtis, Chairman *(Senior Independent Non-Executive Director)*
Muhammad Lukman Bin Musa @ Hussain, Member *(Non-Independent Non-Executive Director)*
Dr. Mazatul 'Aini Shahar Binti Abdul Malek Shahar, Member *(Independent Non-Executive Director)*

2) Reinforcing independence

In line with the MCCG, the Board, with the assistance of the Nominating Committee reviews the independence of the Company's Independent Non-Executive Directors on an annual basis. The Board adopts the definition of an 'Independent Non-Executive Director' as provided by the Listing Requirements of Bursa Securities, and such definition is used as criteria for Directors' independence assessment, which has been carried out as at the date of this Statement.

The Company does not have any Independent Non-Executive Director who has served more than nine (9) years as at the date of this Statement.

The Board takes cognisance Practice 5.2 of the MCCG where the Board shall comprise at least half of the Independent Directors, the Board is of the view that the current composition of Independent Non-Executive Directors fairly reflects the interest of minority shareholders of the Company through the Board's representation. The Board is satisfied with the level of independence demonstrated by the Independent Non-Executive Directors and their ability to act in the best interests of the Company.

3) Fostering commitment

The Board meets at least four (4) times annually, with the meetings scheduled well in advance before the end of the preceding financial year to facilitate the Directors in managing their meeting plans. Additional meetings are convened when urgent and important decisions need to be made between scheduled meetings.

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Part II: Board composition (Cont'd)

3) Fostering commitment (Cont'd)

At the quarterly Board meetings, the Board reviews the business performance of the Group and discusses major operational and financial issues. All pertinent issues discussed at Board meetings in arriving at decisions and conclusions are recorded by the Company Secretaries by way of minutes of meetings. During the financial year under review, the number of Board meetings attended by each Director is as follows:

Name of Director	Meeting attended
Dato' Sri Robin Tan Yeong Ching* *(Appointed on 25 November 2021)*	N/A
Dato' Richard Alexander John Curtis* *(Appointed on 25 November 2021)*	N/A
Tan U-Ming	5/5
Wong Wai Keong	5/5
Chan Kien Sing	5/5
Shalet Marian	5/5
Tsai, Tzung-Han	5/5
Muhammad Lukman Bin Musa @ Hussain	5/5
Puan Sri Datuk Seri Rohani Parkash Binti Abdullah	5/5
Dr. Mazatul 'Aini Shahar Binti Abdul Malek Shahar* *(Appointed on 12 April 2022)*	N/A
Tan Sri Dato' Seri Abdull Hamid Bin Embong* *(Resigned on 30 June 2021)*	3/3
Tan Wai Foon* *(Resigned on 9 December 2021)*	5/5

* Reflects the attendance and the number of meetings held during the financial year since the Director held office.

The Board has also stipulated in its Board Charter, the need for Directors to notify the Chairman before accepting new directorships outside the Group and indicating the time that will be spent on the new directorship. Similarly, the Chairman of the Board shall also do likewise, and notify the Board as a whole, before taking up any additional appointment of directorships. This practice is to ensure that Directors devote sufficient time to meet the Company's needs and in the discharge of their fiduciary and leadership roles.

The Board is mindful that continuous education is vital for Board members to gain insight into the state of the economy, technological advances, regulatory updates and management strategies to enhance the Board's skill sets and knowledge in discharging its responsibilities.

All Directors appointed to the Board, apart from attending the Mandatory Accreditation Programme of Bursa Securities, have also attended other relevant trainings, conferences and seminars organised by relevant regulatory and professional bodies to be apprised of latest developments and changes to regulatory requirements that may affect their roles as Directors of the Company.

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Part II: Board composition (Cont'd)

3) Fostering commitment (Cont'd)

The continuous education programmes attended by the Directors as of the date of this Statement, during the financial year ended 31 December 2021 comprise the following:

Name of Director	Continuous education programmes attended in Year 2021
Dato' Sri Robin Tan Yeong Ching	- Forbes Asia CEO Webinar - Developments in ESG and Sustainable Investing
Tan U-Ming	- Harvard Business School - Enhancing engagement in turbulent times - Harvard Business School - Elevating employees in the crisis and beyond - Insead - No Rules: Building a corporate culture that breeds innovation and flexibility - Climate Governance Malaysia - Primer on Climate Change: Director's Duties and Disclosure Obligations - Journey of Humanity - CEO Summit - Transformation Through Innovation - MIA Conference 2021 - Accenture - Leadership Workshop - Global Environmental, Social & Governance (ESG) Global Forum
Wong Wai Keong	- MIA Conference 2021 - EY: Indirect Tax Webinar - AWS: CFO Roundtable: The Finance Leaders' Virtual Masterclass - Questex Asia: CIO-CFO Interface and CFO Resurgence Webinar - Accenture: Leadership Workshop - SEI: Environmental, Social and Governance (ESG) Global Forum
Chan Kien Sing	- The Year Ahead Conference 2021 - Market Outlook 2021: Pathway to Recovery - 2021 Annual Outlook - Sounds Legal: In Conversation with LHAG - Creditors' Voluntary Liquidation: All You Need to Know - Ignorance is not Bliss – Emerging Competition Risks and Compliance - MIA Conference 2021 - Digital Financing: Powering a Cashless Economy - Conduct of Directors and Common Breaches of Listing Requirements
Tsai, Tzung-Han	- Employee Confidentiality Education - Trends and challenges of information security governance training for Board of Directors and Supervisor - Social Engineering training - Introduction to Principles Governing Cross-Border Activities - Occupational safety and health management training - Risk management general training - Personal Information Protection Act & Practice - BCM acknowledge training - Anti-money laundering (AML) and information security training for Board of Directors and Senior Management - Treating customer fairly (TCF) training for Board of Directors, Supervisor and Senior Management - IFRS17 online training - Introduction to Whistle-blowing System

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Part II: Board composition (Cont'd)

3) Fostering commitment (Cont'd)

Name of Director	Continuous education programmes attended in Year 2021
Shalet Marian	- Certificate in Cybersecurity Fundamentals for Finance and Accounting Professionals (AICPA and CIMA) - MIA Conference 2021 - KPMG 2022 Budget Highlights - AMLA 2001: Risk, Challenges, Governance & Transparency in Managing Business & Compliance
Muhammad Lukman Bin Musa @ Hussain	- MIA Conference 2021 - The Malaysian Code of Corporate Governance (Updated 28 April 2021) - Introduction to Sustainability
Puan Sri Datuk Seri Rohani Parkash Binti Abdullah	- Launch of Malaysian Board Diversity Study and index - Conversations on central banking: Digital Technology and Financial Inclusion - Future of Work- Shifts in the Workforce, Workplace and Workday - The Role of HEI Leaders in Promoting Institutional Excellence through Cultural Intelligence - ESG Webinar for FTSE4 Good Bursa Malaysia Index - PEOPLE4.0 event, "SME Connect: Digitalise to Survive". - Workshop @ AstroAwani - Mari Belajar menggunakan Google Ads - Circular economy Conference 2021 - Value Creation Strategies - Connect to Customers on Youtube - APJ FBI 20-year veteran and Veeam: The War on Ransomware Continues: Tips and Best Practices with V11 - Institute of Corporate Directors Malaysia Members' Day Environmental, Social, and Governance
Dato' Richard Alexander John Curtis	- Artificial Intelligence in Financial Services 2021 - Islamic Finance for Board of Directors Programme
Tan Sri Dato' Seri Abdull Hamid Bin Embong	- None
Tan Wai Foon	- ASEAN BAC Business & Investment Roundtable 2021 on Fintech and Financial Literacy - Singapore Week of Innovation and Technology (SWITCH) - She Loves Tech Global Summit - CIMB Islamic Conference 2021 - Paklaunch Conference 2021: Pakistani Startups - The Next Big Thing

Note:
1. *Tan Sri Dato' Seri Abdull Hamid Bin Embong resigned as Director of the Company on 30 June 2021.*
2. *Ms. Tan Wai Foon resigned as Director of the Company on 9 December 2021.*
3. *Dr. Mazatul 'Aini Shahar Binti Abdul Malek Shahar was appointed as Director of the Company on 12 April 2022.*

The Company Secretaries normally circulate the relevant statutory and regulatory requirements from time to time for the Board's reference and brief the Board on the updates, where applicable.

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Part III: Remuneration

1) Directors' remuneration

The Directors' remuneration paid or payable from the Company and its subsidiaries on the named basis during the financial year ended 31 December 2021 categorised into appropriate components are as follows:-

	Company		Group			
Executive Director	**Fee (RM)**	**Meeting Allowance (RM)**	**Salaries and/or Bonus* (RM)**	**Other Emoluments^ (RM)**	**Benefits-in-kind (RM)**	**Total (RM)**
Tan U-Ming	-	-	1,151,163	-	48,900	**1,200,063**
Wong Wai Keong	-	-	1,201,977	36,000	16,000	**1,253,977**
Non-Executive Director						
Dato' Sri Robin Tan Yeong Ching *(Appointed on 25 November 2021)*	6,000	-	-	-	-	**6,000**
Chan Kien Sing	60,000	6,500	8,393	60,000	12,815	**147,708**
Tsai, Tzung-Han	60,000	3,500	-	-	-	**63,500**
Shalet Marian	60,000	9,500	-	-	-	**69,500**
Muhammad Lukman Bin Musa @ Hussain	72,000	9,500	-	-	-	**81,500**
Puan Sri Datuk Seri Rohani Parkash Binti Abdullah	60,000	3,500	-	-	-	**63,500**
Dato' Richard Alexander John Curtis *(Appointed on 25 November 2021)*	6,000	-	-	-	-	**6,000**
Dr. Mazatul 'Aini Shahar Binti Abdul Malek Shahar *(Appointed on 12 April 2022)*	-	-	-	-	-	**-**
Tan Sri Dato' Seri Abdull Hamid Bin Embong *(Resigned on 30 June 2021)*	30,000	2,500	-	-	-	**32,500**
Tan Wai Foon *(Resigned on 9 December 2021)*	56,452	6,000	-	-	16,000	**78,452**
Total	**410,452**	**8,500**	**2,361,533**	**96,000**	**28,815**	**3,002,700**

Notes:-

* *The salaries and/or bonus are inclusive of employer's provident fund contributions.*

^ *The other emoluments inclusive of varies allowances, ex-gratia and leave-pay paid to Directors.*

2) Top five (5) Senior Management's remuneration

Details remuneration of the top five (5) Senior Management are not disclosed as the Board is of the view that it would not be in the best interest of the Company to disclose the aforesaid details in view of the competitiveness in the market for calibre Senior Management staff in the retail industry.

PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT

1) Upholding integrity in financial reporting

It is the Board's commitment to provide and present a clear, balanced and comprehensive assessment of the Group's financial performance and prospects at the end of each reporting period and financial year, primarily through the quarterly announcement of the Group's results to Bursa Securities, the annual audited financial statements of the Group and the Company as well as the reports of the Board and the Co-Chief Executive Officers' review of operations in the Annual Report.

The Board is responsible for ensuring that the financial statements give a true and fair view of the state of affairs of the Group and the Company as at the end of the reporting period and of their results and cash flows for the period then ended.

To assist in the discharge of its duties on financial reporting, the Board has established an Audit Committee, comprising wholly Non-Executive Directors with a majority of Independent Non-Executive Directors, chaired by an Independent Non-Executive Director. The composition of the Audit Committee, including its roles and responsibilities, are set out in the Audit Committee Report on pages 80 to 82 of this Annual Report. One (1) of the key responsibilities of the Audit Committee in its specific terms of reference is to ensure that the financial statements of the Group and the Company comply with the applicable approved financial reporting standards in Malaysia and provisions of the Companies Act 2016. Such financial statements comprise the quarterly financial report announced to Bursa Securities and the annual statutory financial statements.

None of the Audit Committee members was a former key audit partner of the Company and the Board would consider establishing a written policy that requires a former key audit partner to observe a cooling-off period of at least three (3) years before being appointed as a member of the Audit Committee when the Board reviews the term of reference of the Audit Committee in due course.

All members of the Audit Committee have the relevant accounting and/or related financial experience and expertise to effectively discharge their duties. The qualification and experience of the individual Audit Committee member are disclosed in the Directors' Profile in this Annual Report.

The Directors are satisfied that in preparing the financial statements of the Group and the Company for the financial year ended 31 December 2021, the Group has used appropriate accounting policies and applied them consistently. The Directors are also of the view that relevant applicable approved financial reporting standards have been followed in the preparation of these financial statements.

The Board understands its role in upholding the integrity of financial reporting by the Company. Accordingly, the Audit Committee, which assists the Board in overseeing the financial reporting process of the Company, has formalised a Non-Audit Services Policy governing the types of non-audit services permitted to be provided by the External Auditors. To address the threats faced by the External Auditors, including self-review and self-interest threats in relation to the independence and objectivity of the External Auditors, the Non-Audit Services Policy provides for safeguards which may be considered, including having an engagement team different from the External Audit team to provide the non-audit services.

In assessing the independence of External Auditors, the Audit Committee obtains confirmation from the External Auditors, indicating that they are, and have been, independent throughout the conduct of the audit engagement with the Company in accordance with the independence criteria set out by the Malaysian Institute of Accountants.

The Audit Committee, after due deliberation, has recommended the re-appointment of Messrs. Ernst & Young PLT as the External Auditors for the financial year ending 31 December 2022. The Board at its meeting held on 20 April 2022 approved the Audit Committee's recommendation. The re-appointment of Messrs. Ernst & Young PLT will be presented for shareholders' approval at the forthcoming Ninth AGM.

2) Recognising and managing risks

The Board regards risk management and internal controls as an integral part of the overall management processes. As such, the Board has established an Enterprise Risk Management (**"ERM"**) framework to identify and manage significant risks faced in the Group's operations. For the effective implementation of ERM, a Risk Management Committee, headed by the Co-Chief Executive Officers, has been established, comprising key management personnel from the respective divisions. The Risk Management Committee is tasked to report to the Audit Committee on key risks identified and the implementation of action plans to mitigate the risks. The Board is apprised, via the Audit Committee and the Risk Management Committee, of the Group's risk profile, including action plans to address the significant risks. On 20 April 2022, the Group merged the Sustainability Management Committee and Risk Management Committee.

PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

2) Recognising and managing risks (Cont'd)

The Board has outsourced its internal audit function to a professional firm, namely KPMG Management & Risk Consulting Sdn. Bhd. The internal audit function reports directly to the Audit Committee on the adequacy and effectiveness of the system of internal controls. The internal audit function is independent of the Company, Board and Management. The scope of works covered by the internal audit function for the financial year under review is furnished in the Audit Committee Report as set out on pages 80 to 82 of this Annual Report. The internal audit carried out by the internal audit function is guided by internal auditing standards promulgated by the Institute of Internal Auditors Inc., a globally recognised professional body for internal auditors. The cost incurred on the internal audit function for the financial year under review was amounted to approximately RM85,000.00.

PRINCIPLE C - INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

1) Ensuring timely and high quality disclosure

The Board is aware of the need to establish corporate disclosure policies and procedures to enable comprehensive, accurate and timely disclosures relating to the Company and its subsidiaries to be made to the regulators, shareholders and stakeholders. Accordingly, as of the date of this Statement, the Board has formalised pertinent corporate disclosure policies and procedures to streamline information disclosure practices

It is also required of the Directors and employees, who are in possession of price-sensitive information on the Company which are not publicly available, and who deal in the securities of the Company, to notify the Company within a specific timeframe as prescribed by the Listing Requirements of Bursa Securities.

The Company's corporate website at www.7eleven.com.my serves as a key communication channel for shareholders, investors, members of the public and other stakeholders to obtain up-to-date information on the Group's activities, financial results, major strategic developments and other matters affecting stakeholders' interests.

The Board has earmarked a dedicated section for investor relations on the Company's website, where information on the Company's announcements to the regulators, the Board Charter, rights of shareholders, and the Company's Annual Report may be accessed.

2) Strengthening relationship between the Company and its shareholders

The AGM of the Company serves as the principal forum that provides opportunities for shareholders to raise questions pertaining to issues in the Annual Report, audited financial statements, and corporate developments in the Group, the resolutions being proposed and concerns over the Group's businesses, to the Board for clarification. The Chairman as well as the Co-Chief Executive Officers, and the External Auditors, if so required, will respond to shareholders' questions during the AGM.

Pursuant to the Listing Requirements of Bursa Securities, any resolution set out in the notice of any general meeting, or in any notice of resolution which may properly be moved and is intended to be moved at any general meeting, must be voted by poll. Hence, voting for all the resolutions as set out in the forthcoming and future general meetings will be conducted as such. An independent scrutineer will be appointed to validate the votes cast at the general meetings.

Adequate notice period for the AGM of not less than twenty-eight (28) days is communicated to all the shareholders to enable them to go through the Annual Report and papers supporting the resolutions proposed.

The Board recognises the importance of being transparent and accountable to the Company's investors. The Company will hold group and individual discussions with analysts, institutional shareholders, and investment communities, at their request, with the view to fostering greater understanding of the business of the Group. The various channels of communications are through the quarterly announcements on the financial results to Bursa Securities, relevant announcements and circulars, when necessary, the Annual and Extraordinary General Meetings and through the Group's website at www.7eleven.com.my where shareholders can access corporate information, Annual Reports, press releases, minutes of AGMs, financial information, and the Company's announcements. To maintain a high level of transparency and to effectively address any issue or concern, the Group has a dedicated electronic mail, i.e. ir@7eleven.com.my to which stakeholders can direct their queries or concerns.

This Corporate Governance Overview Statement was approved by the Board of Directors of the Company on 20 April 2022.

Statement On Risk Management and **Internal Control**

The Board of Directors (the "Board") of 7-Eleven Malaysia Holdings Berhad ("7-Eleven" or "the Company") is committed to maintaining a sound system of risk management and internal control in the Group (comprising the Company and its subsidiaries) and is pleased to provide the following Risk Management and Internal Control Statement (the "Statement"), which outlines the nature and scope of risk management and internal control of the Group for the financial year ended 31 December 2021. For the purpose of disclosure, the Board has taken into consideration the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers (the "Guidelines"), a publication issued by Bursa Malaysia Securities Berhad ("Bursa Securities") on the issuance of Risk Management and Internal Control Statement pursuant to Paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Securities.

BOARD RESPONSIBILITY

The Board recognises the importance of maintaining a sound system of internal control and the proper identification and management of risks affecting the Group's operations in order to safeguard shareholders' investments. Accordingly, the Board affirms its overall responsibility for the Group's system of risk management and internal control, and for reviewing the adequacy and operating effectiveness of the said system. The system covers not only financial but operational and compliance risks and the relevant controls designed to manage the said risks. In view of the limitations inherent in any system of risk management and internal control, the system is designed to manage, rather than eliminate, the risk of failure to achieve the Group's corporate objectives. The system can, therefore, only provide reasonable, but not absolute assurance, against material misstatement or loss.

RISK MANAGEMENT FRAMEWORK

The Board believes that risk management is vital to the Group's operational sustainability and the enhancement of shareholders' value. The Enterprise Risk Management ("ERM") framework for the Group, focuses on the Group's core business operations and primarily comprised the following:

- A formalised structured process on risk identification, evaluation, controls, monitoring and reporting; and
- Risk management policy and guidelines which have been adopted by the Board.

The Group has established a Risk Management Committee ("RMC"), chaired by the Co-Chief Executive Officers with the following terms of reference:

- communicating the Board's vision, strategy, policy, responsibilities and reporting lines on risk management to the Group's personnel;
- identifying and communicating to the Board, the critical risks the Group faces, their changes and Management's action plans to address the risks;
- performing risk oversight activities and reviewing the risk profile of the Group as well as organisational performance;
- reporting on a quarterly basis to the Board on the risk situations and status;
- setting performance measures for the Group insofar as risk management is concerned; and
- providing guidance to the business divisions on the Group's risk appetite and other criteria which, when exceeded, trigger an obligation to report upward to the RMC and Board.

During the financial year under review, the RMC Meeting held a total of 12 meetings to assess and evaluate risks that may impede the Group from achieving its objectives, as well as develop action plans to mitigate such risks. On a quarterly basis, the RMC will update the Audit Committee and the Board of Directors on the risk management activities.

INTERNAL CONTROL FRAMEWORK

The key elements of the Group's internal control framework are described below:

(a) Limits of authority and responsibility

A process of hierarchical reporting has been established which provides for a documented trail of accountability. This includes clearly defined lines and limits of authority, responsibility and accountability which have been established through the Group's organisational structures and authority limits, including specific matters requiring the Board's approval; and

(b) Planning, monitoring and reporting

The following internal control processes have been established:

- Strategic Business Planning Processes

  Appropriate business plans are developed where the Group's business objectives, strategies and targets are articulated to the Board. Business planning and budgeting are undertaken annually to establish plans and targets against which performance is monitored on an ongoing basis;

- Documented Policies and Procedures

  Internal policies and procedures, which are set out in standard operating manuals, covering core operational areas of the Group, are maintained to streamline activities and are subject to review as considered necessary;

- Performance Monitoring and Reporting

  The Group's management team monitors and reviews the Group's financial and operational performance on a monthly basis, including monitoring and reporting of performance against the operating plans. The management team formulates and communicates action plans to address areas of concern;

- Financial Performance Review

  The quarterly and annual results of the Group are reviewed by the Audit Committee which recommends to the Board for approval before release of the same to the regulators whilst the full year financial statements are audited by the External Auditors before their issuance to the regulators and shareholders;

- Safeguarding of Assets

  Sufficient insurance coverage and physical safeguards over major assets of the Group are in place to ensure that the assets are adequately insured against calamities and/ or theft that may result in material losses to the Group.

This internal control framework has been in place for the financial year under review and up to the date of approval of this Statement for inclusion in the Annual Report of the Company.

INTERNAL AUDIT FUNCTION

The Group outsourced its internal audit function to an independent professional firm, KPMG Management & Risk Consulting Sdn Bhd ("KPMG MRC"), to assess the adequacy and integrity of the Group's system of internal control. The internal auditors execute the internal audit based on a risk-based internal audit plan approved by the Audit Committee before commencement of work. Its scope of work covers the assessment of the adequacy and integrity of the Group's system of internal control for selected processes.

For the financial year under review, the internal auditors conducted two cycles of audit, focusing on key risks and internal controls relating corporate governance and data governance management, and reported directly to the Audit Committee on improvement measures pertaining to internal controls, including follow up on the status of Management's implementation of recommendations raised in previous reports. The reports were tabled to the Audit Committee, who reviewed the observations, including Management's action plans to address the concerns raised by the internal auditors. The lead individual in charge of the engagement is Mohd Khaidzir Shahari, a Certified Internal Auditor ("CIA"), The Institute of Internal Auditors, Inc ("IIA"), Board of Governors, Institute of Internal Auditors Malaysia ("IIA Malaysia"), Chairman of Research and Technical Advisory Committee, IIAM, Professional member, IIA Malaysia, Chartered Accountant, Malaysia Institute of Accountants ("MIA"), Member, Islamic Finance Committee, Certified Global Management Accountant, Chartered Institute of Management Accountant, and Bachelor in Accounting, International Islamic University (Hons), Malaysia. A total of six (6) personnel were deployed by KPMG MRC for the internal audit work during the financial year ended 31 December 2021.

The external auditors' management letters which incorporated Management's comments provided assurance that matters relating to control procedures on financial reporting have been brought to the attention of the Audit Committee.

The Group also has an in-house internal audit team that carries out operational audit to assess the extent of compliance with the Group's operations manual by personnel. Observations raised are reported to the Co-Chief Executive Officers, including action plans devised by operations management.

In addressing the adequacy and operating effectiveness of the Group's system of risk management and internal control, the Audit Committee reports to the Board its activities, significant results, findings and the necessary recommendations for improvement.

ADEQUACY AND EFFECTIVENESS OF THE GROUP'S RISK MANAGEMENT AND INTERNAL CONTROL SYSTEMS

The Board has received assurance in writing from the Executive Director cum Co-Chief Executive Officer and that the Group's risk management and internal control systems are operating adequately and effectively, in all material aspects, for the financial year under review and up to the date of approval of this Statement for inclusion in the Annual Report of the Company.

BOARD'S COMMENTARY ON THE SYSTEM OF RISK MANAGEMENT AND INTERNAL CONTROL

The Board is of the view that there has been no material breakdown or weakness in the system of risk management and internal control of the Group for the financial year ended 31 December 2021 that may result in a significant loss to the Group. The Board continues to take pertinent measures to improve the Group's risk management and internal control system in meeting the Group's strategic objectives.

LIMITED ASSURANCE PROCEDURES PERFORMED ON THE STATEMENT BY EXTERNAL AUDITORS

The external auditors, Messrs. Ernst & Young PLT, have performed limited assurance procedures on this Statement on Risk Management and Internal Control for inclusion in the Annual Report of 7-Eleven for the year ended 31 December 2021 and have reported to the Board that nothing had come to their attention that caused them to believe that this Statement is not prepared, in all material respects, in accordance with the disclosure required by paragraphs 41 and 42 of the *Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers* to be set out, nor is this Statement factually inaccurate.

This Statement is made in accordance with a resolution of the Board dated 20 April 2022.

Audit Committee **Report**

In line with the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities"), the Board has established an Audit Committee to assist the Board in discharging its statutory duties and responsibilities relating to accounting and reporting practices. The terms of reference of Audit Committee is publicly available on the Company's website at www.7eleven.com.my.

COMPOSITION AND MEETING ATTENDANCE

The composition of the Audit Committee and the attendance of its members at the six (6) meetings held during the financial year ended 31 December 2021 are as follows:

Name of Director	Meetings attended
Muhammad Lukman Bin Musa @ Hussain, Chairman (Non-Independent Non-Executive Director)	6/6
Shalet Marian, Member (Independent Non-Executive Director)	6/6
Chan Kien Sing, Member (Non-Independent Non-Executive Director)	4/4
Tan Wai Foon, Member (Non-Independent Non-Executive Director)	2/2

Note:
1. *Ms. Tan Wai Foon resigned as a member of Audit Committee on 11 March 2021.*
2. *Encik Muhammad Lukman Bin Musa @ Hussain was redesignated as a member of Audit Committee on 22 March 2022.*
3. *Ms. Shalet Marian was redesignated as the Chairperson of Audit Committee on 12 April 2022.*
4. *Mr. Chan Kien Sing was appointed as member of Audit Committee on 12 March 2021 and subsequently resigned as a member of Audit Committee on 12 April 2022.*
5. *Dr. Mazatul 'Aini Shahar Binti Abdul Malek Shahar was appointed as a member of Audit Committee on 12 April 2022.*

MEMBERSHIP

The Member of the Audit Committee were appointed by the Board from amongst the Directors and shall comprise no fewer than three (3) members, all of whom must be Non-Executive Directors with a majority of them being Independent Non-Executive Directors.

As at the date of this Report, all the Audit Committee members are the member of the Malaysian Institute of Accountants. This composition fulfills the Listing Requirements, which stipulate that at least one (1) member of the Audit Committee must be a member of the Malaysian Institute of Accountants or, alternatively, a Director who has at least three (3) years working experience and has passed the examinations specified in Part I of the First Schedule of the Accountants Act, 1967 or is a member of one of the associations of accountants specified in Part II of the said Schedule or fulfils such other requirements as prescribed or approved by Bursa Securities. Encik Muhammad Lukman Bin Musa @ Hussain was redesignated from Chairman to Member of the Audit Committee on 22 March 2022, following his redesignation as Non-Independent Non-Executive Director of the Company. Subsequently, the Audit Committee is chaired by Ms. Shalet Marian with effect from 12 April 2022.

During the year under review, the Nominating Committee had reviewed the terms of office and performance of the Audit Committee and each of its members, and was satisfied with the performance of the Audit Committee and noted that each of the members have carried out their duties and responsibilities in accordance with the terms of reference of the Audit Committee.

SUMMARY OF WORK OF AUDIT COMMITTEE

The summary of work carried out by the Audit Committee during the financial year under review is as follows:

(a) Financial Reporting

- reviewed the annual audited financial statements and principal matters arising from audit with the External Auditors. The key areas of focus were as follows:
  - ➢ any change in or implementation of accounting policies and practices;
  - ➢ significant adjustments arising from the audit;
  - ➢ going concern assumption;
  - ➢ compliance with accounting standards and other legal requirements;
  - ➢ significant matters highlighted in the financial statements; and
  - ➢ significant judgements made by the Management.

(a) Financial Reporting (Cont'd)

- reviewed the unaudited quarterly financial results before recommending the same to the Board for consideration and approval for release to Bursa Securities;
- reviewed the Budget for the financial year ended 31 December 2021 and proposed to the Board for approval;
- reviewed the Audit Committee Report and Statement on Risk Management and Internal Control for inclusion into the Annual Report 2020; and
- The dates the Audit Committee meeting held during the financial year to deliberate on financial reporting matters as detailed below:

Date of meeting	Financial Reporting/Statements Reviewed
21 January 2021	Review the Budget of the Group for the financial year ended 31 December 2021
26 February 2021	Unaudited quarterly report on consolidated results of the Company and its Group of Companies for the fourth quarter ended 31 December 2020
15 April 2021	Audited Financial Statements for the financial year ended 31 December 2020, Audit Committee Report and Statement on Risk Management and Internal Control for the Board's approval and disclosure in the Company's Annual Report 2020
27 May 2021	Unaudited quarterly report on consolidated results of the Company and its Group of Companies for the first quarter ended 31 March 2021
26 August 2021	Unaudited quarterly report on consolidated results of the Company and its Group of Companies for the second quarter ended 30 June 2021
25 November 2021	Unaudited quarterly report on consolidated results of the Company and its Group of Companies for the third quarter ended 30 September 2021

(b) External Audit

- reviewed the External Auditors' audit plan for the financial year ended 31 December 2021, including the key areas of audit emphasis, audit approach and their proposed audit fees;
- reviewed, discussed and assessed all significant matters highlighted by the External Auditors on financial reporting and operation issues;
- met with the External Auditors without the presence of Executive Directors and Management on 26 February 2021 and 25 November 2021; and
- reviewed the independence and effectiveness of the External Auditors and recommended to the Board to propose to shareholders on the re-appointment of the External Auditors at the Annual General Meeting of the Company.

(c) Internal Audit

The internal audit function is outsourced to an independent professional firm, namely KPMG Management & Risk Consulting Sdn. Bhd., which reports directly to the Audit Committee. The internal audit function carried out its work, taking into consideration the International Standards for the Professional Practice of Internal Auditing as promulgated by the Institute of Internal Auditors, Inc.

During the year, the Audit Committee had undertaken the following in respect of internal audit:

- reviewed all internal audit reports, including Management's responses to the observations raised by the Internal Auditors, and action plans to be implemented by the Management on the issues reported;
- reviewed the outcome of follow-up audits to ascertain the status of implementation by Management on the recommended action plans highlighted in the previous internal audit reports;
- receipt of the updates on the risk management activities carried out by the Risk Management Committee, including the Group's risk profile for identification, evaluation and control of principal business risks faced by the Group in operations to ensure risks are being managed to acceptable levels based on the risk appetite of the Board;
- reviewed the Anti-Bribery and Anti-Corruption Risk assessment;
- reviewed the incidents of whistleblowing; and
- reviewed the theft by employee cases of above RM10,000 per incident.

(c) Internal Audit (Cont'd)

For the financial year ended 31 December 2021, the internal audit function had covered the area of key risks and internal controls relating corporate governance and data governance management and follow up on findings of previous internal audit report. The following activities were carried out:

- tabled for the Audit Committee's consideration and approval of the internal audit plan and the underlying scope of work before commencement of internal audit;
- carried out internal audit testing on the Group's compliance with its policies and procedures as well as relevant rules and regulations;
- reviewed and assessed the adequacy of internal controls deployed by Management on the area of coverage in the internal audit;
- reported the outcome of the internal audit by way of a formal internal audit report, highlighting the observations and recommendations for Management's consideration in improving the Group's internal control system; and
- followed up and reported the status of implementation by Management on recommendations highlighted in the previous internal audit reports.

The costs incurred for the internal audit function in respect of the financial year ended 31 December 2021 amounted to approximately RM85,000.

(d) Related Party Transactions

- reviewed all recurrent and related party transactions within the Group to ensure these transactions were at arm's length basis and in the ordinary course of business; on terms not more favourable than those generally available to the public; and in accordance with the mandate approved by the shareholders;
- reviewed the procedures for recurrent related party transactions to ensure that the process and controls were in place; and
- reviewed the circular to shareholders in relation to the proposed renewal of and new shareholders' mandate for recurrent related party transactions of a revenue or trading nature.

Directors' Responsibility **Statement**

On Preparation of Annual Financial Statements

In preparing the annual financial statements of the Group and of the Company, the Directors are collectively responsible to ensure that these financial statements have been prepared to give a true and fair view of the state of affairs of the Group and of the Company as at the end of the financial year and the results and cash flows of the Group and the Company in accordance with applicable approved accounting standards in Malaysia, the provisions of the Companies Act 2016 and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

In preparing the financial statements for the financial year ended 31 December 2021 set out on pages 102 to 221 of this Annual Report, the Directors have applied appropriate accounting policies on a consistent basis (except as disclosed in Note 2.2 of the Financial Statements) and made judgments and estimates that are reasonable and prudent. The Board also considers that relevant approved accounting standards have been followed and confirmed that the financial statements have been prepared on a going concern basis.

The Directors are responsibility for ensuring that proper accounting records are kept which disclose with reasonable accuracy the financial position of the Group and of the Company and which enable them to ensure that the financial statements comply with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

The Directors have overall responsibility for taking such steps that are reasonably open to them to safeguard the assets of the Group to prevent and detect fraud and irregularities.

FINANCIAL STATEMENTS

Directors' report

The Directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2021.

Principal activities

The principal activity of the Company is investment holding.

The principal activities of the subsidiaries and the changes in group structure are described in Note 13 to the financial statements.

Results

	Group RM'000	Company RM'000
Net profit for the financial year	58,840	35,532
Profit attributable to:		
Equity holders of the Company	44,348	35,532
Non-controlling interest	14,492	-
	58,840	35,532

There were no material transfers to or from reserves or provisions during the financial year other than as disclosed in the statements of changes in equity.

In the opinion of the Directors, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature other than the matters as disclosed in Note 13 to the financial statements.

Dividends

The amount of dividends paid by the Company since 31 December 2020 were as follows:

	RM'000
In respect of the financial year ended 31 December 2021	
Interim single-tier cash dividend of 1.6% on 1,126,320,000# ordinary shares, declared on 15 April 2021 and paid on 21 May 2021	18,021

Dividends were distributed to the holders of ordinary shares of the Company in issue as at 6 May 2021 (being the entitlement date), net of 107,065,000 treasury shares.

Dividends (cont'd.)

On 20 April 2022, the Board of Directors has declared a single-tier dividend of 2.6 sen per ordinary share on 1,126,320,000^ ordinary shares with voting rights.

^ Number of shares is net of 107,065,000 treasury shares.

The entitlement date has been fixed on 11 May 2022 and payable on 27 May 2022.

These dividends will be accounted for in the equity as an appropriation of retained profits in the financial year ending 31 December 2022.

The Board of Directors do not propose any final dividend for the financial year ended 31 December 2021.

Directors

The names of the Directors of the Company in office since the beginning of the financial year to the date of this report are:

Puan Sri Datuk Seri Rohani Parkash Binti Abdullah	
Chan Kien Sing	
Muhammad Lukman Bin Musa @ Hussain	
Shalet Marian	
Tan U-Ming*	
Tsai, Tzung-Han	
Wong Wai Keong*	
Dato' Sri Robin Tan Yeong Ching	(appointed on 25 November 2021)
Dato' Richard Alexander John Curtis	(appointed on 25 November 2021)
Dr Mazatul ‘Aini Shahar Binti Abdul Malek Shahar	(appointed on 12 April 2022)
Tan Sri Dato Seri Abdul Hamid Bin Embong	(resigned on 30 June 2021)
Tan Wai Foon	(resigned on 9 December 2021)

* These Directors are also directors of the Company’s subsidiaries.

In accordance with Article 99 and Article 105 of the Company's Constitution, the following Directors will be retire at the forthcoming Annual General Meeting, and being eligible, offered themselves for re-election:

Dato' Sri Robin Tan Yeong Ching
Dato' Richard Alexander John Curtis
Dr Mazatul ‘Aini Shahar Binti Abdul Malek Shahar
Muhammad Lukman Bin Musa @ Hussain
Tsai, Tzung-Han

Directors (cont'd.)

The names of the Directors of the Company's subsidiaries in office since the beginning of the financial year to the date of this report (not including those Directors listed above) are (cont'd.):

Tan Sri Dato' Seri Vincent Tan Chee Yioun
Dato' Seri Mohd Annuar Bin Zaini
Dato’ Sri Lai Kock Poh
Datin Sri Yong Mee Yam
Aaron Ng Wei Ee
Ang Hooi Hoon
Ang Khoon Lim
Ang Swee Lim
Beh Siew Lian
Chan Chia Huoi
Chan Yin Mei
Chang, Chien-Tai
Chia Muan Muan
Ch'ng Haw Chong
Chong Yeow Siang
Chow Ching Yei
Chua Qi Yun
Christopher Michael Lower
Derek Chin Chee Seng
Derek Moon Weng Chee
Elaine Poon Siew Yan
Foong Jeng Yew
Goh Seong Por
Goo Yuan Tieh
Gooi Chean Keong
Gwee Xin Yun
Kang Pei Joul
Khor Yong Xin
Koh Pei Ying
Kuan Mun Ni
Lai Kok Yoong
Lau Yee Voon
Lee Sze Wei
Lee Wei Phang
Lee Yoon Leong
Lee Yu Ren
Ler Yong Ta
Liam Kah Thiam
Liew Pooi Cheng
Lim Chee Mun
Lim Kah Kiat
Lim Kok Kit
Loh Paik Yoong
Loo Chuan Yen

Directors (cont'd.)

The names of the Directors of the Company's subsidiaries in office since the beginning of the financial year to the date of this report (not including those Directors listed above) are (cont'd.):

Loo Jooi Leng
Low Yuen Ker
Lye Chu Siang
Mah Choon Leng
Nah Bee Chyi
Ng Cheah Phing
Ng Ming Kiat
Ng Yee Choung
Ng Yi Chan
Ng Wei Ping
Ong Chin Yee
Ong It Seang
Ooi Jin Yi
Ooi Pei Lin
Ooi Thean Thean
Ooi Yi Zhi
Seow Fue Chin
Sharon Lai Wai Ling
Siew Ben Jern
Siow Cheuk Ching
Song Yick Yuan
Soo Chan Chiew
Soo Wai Han
Tan Chai Choo
Tan Fei Wun
Tan Lay Ean
Tan Lean Boon
Tan Pik Seng
Tan Teck Koon
Tan Thien Thien
Tan Wei Sheng
Tan Yee May
Tan Yi Hui
Tan Zhen Yao
Tang Guang Hui
Tengku Muzzammil Bin Tengku Makram
Tee Phaik Kien
Tey Lu Ping
Tung Kean Seng
Wong Kait Chon
Wong Mei Fong
Wong Shin Yi
Yap Sze Yin

Directors (cont'd.)

The names of the Directors of the Company's subsidiaries in office since the beginning of the financial year to the date of this report (not including those Directors listed above) are (cont'd.):

Yeow Shin Yi	
Ong Hoay Ling	(alternate director to Liam Kah Thiam)
Joshua Ng Zheng Yong	(appointed on 25 October 2021)
Rachel Lau Jean Mei	(appointed on 1 July 2021)
Voon Hui Shun	(appointed on 15 September 2021)
Tan Sri Dato' Haji Mohd Ariffin Bin Mohd Yusuf	(resigned on 31 December 2021)
Datin Sunita Mei-Lin Rajakumar	(resigned on 1 June 2021)
Choong Li Dong	(resigned on 4 March 2021)
Khoo Sze Ling	(resigned on 4 March 2021)
Kristy Ting Mei Ling	(resigned on 19 August 2021)
Lim Kelvin	(resigned on 4 March 2021)
Nerine Tan Sheik Ping	(resigned on 1 November 2021)
See Choon Keong	(resigned on 15 February 2022)

Directors' benefits

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the Directors might acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the Directors or the fixed salary of a full-time employee of the Company or its related corporations as shown in Note 6(b) to the financial statements) by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member, or with a company in which he has a substantial financial interest, except as disclosed in Note 31 to the financial statements.

During the financial year, the total amount of indemnity coverage and insurance premium paid for the Directors and officers of the Group and of the Company are RM30,000,000 and RM43,073 respectively.

Directors' interests

According to the register of Directors' shareholdings, the interests of Directors in office at the end of the financial year in shares in the Company or its related corporations during the financial year were as follows:

	←	Number of ordinary shares		→
Name of director	**1.1.2021**	**Acquired**	**Sold**	**31.12.2021**
Direct interest:				
Ordinary shares of the Company				
Shalet Marian	207,169	-	-	207,169
Chan Kien Sing	103,584	-	-	103,584
Tan U-Ming	621,509	-	-	621,509
Muhammad Lukman Bin Musa @ Hussain	102,801	-	(71,000)	31,801
Indirect interest:				
Ordinary shares of the Company				
Tsai, Tzung-Han	231,396,226	-	-	231,396,226

Other than as disclosed above, the other Directors in office at the end of the financial year had no interest in shares in the Company or its related corporations during the financial year.

Treasury shares

The number and carrying amount of treasury shares as at 31 December 2021 were as follows:

	Average price per share (RM)	Number of shares	Amount RM'000
Balance as at 1 January 2021	1.51	104,134,924	157,243
Acquisition of treasury shares	1.42	2,930,000	4,167
Total treasury shares as at 31 December 2021	1.51	107,064,924	161,410

As at 31 December 2021, the issued ordinary share capital of the Company with voting rights was 1,126,320,000 (2020: 1,129,250,000) ordinary shares.

Other statutory information

(a) Before the statements of comprehensive income and statements of financial position of the Group and of the Company were made out, the Directors took reasonable steps:

(i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and

(ii) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.

(b) At the date of this report, the Directors are not aware of any circumstances which would render:

(i) the amount written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; and

(ii) the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

(c) At the date of this report, the Directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

(d) At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

(e) At the date of this report, there does not exist:

(i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or

(ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.

Other statutory information (cont'd.)

(f) In the opinion of the Directors:

(i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet its obligations when they fall due; and

(ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

Significant events and subsequent events

In addition to significant events and subsequent events disclosed elsewhere in this report, other significant events and subsequent events are disclosed in Note 39 and 40 to the financial statements.

Auditors

The auditors, Ernst & Young PLT, have expressed their willingness to continue in office.

Auditors' remuneration is as follows:

	Group RM'000	Company RM'000
Ernst & Young PLT	765	99
Other auditors	277	-
	1,042	99

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young PLT, as part of the terms of its audit engagement against claims by third parties arising from the audit for an unspecified amount. No payment has been made to indemnify Ernst & Young PLT for the financial year ended 31 December 2021.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 20 April 2022.

Tan U-Ming

Wong Wai Keong

Statement by Directors

Pursuant to Section 251(2) of the Companies Act 2016

We, Tan U-Ming and Wong Wai Keong, being two of the Directors of 7-Eleven Malaysia Holdings Berhad, do hereby state that, in the opinion of the Directors, the accompanying financial statements set out on pages 102 to 221 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2021 and of their financial performance and cash flows for the year then ended.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 20 April 2022.

Tan U-Ming

Wong Wai Keong

Statutory declaration
Pursuant to Section 251(1)(b) of the Companies Act 2016

I, Wong Wai Keong (MIA membership number: 16386), being the director primarily responsible for the financial management of 7-Eleven Malaysia Holdings Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 102 to 221 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by
the abovenamed Wong Wai Keong at
Kuala Lumpur in the Federal Territory
on 20 April 2022.

Wong Wai Keong

Before me,

Independent Auditors' **Report**

To the Members of 7-Eleven Malaysia Holdings Berhad (Incorporated in Malaysia)

Report on the audit of the financial statements

Opinion

We have audited the financial statements of 7-Eleven Malaysia Holdings Berhad, which comprise the statements of financial position as at 31 December 2021 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 102 to 221.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2021, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the financial statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence and other ethical responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. We have determined that there is no key audit matter to communicate in our report on the financial statements of the Company. The key audit matters for the audit of the financial statements of the Group is described below. These matters were addressed in the context of our audit of the financial statements of the Group as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

Key audit matters (cont'd.)

We have fulfilled the responsibilities described in the *Auditors' responsibilities for the audit of the financial statements* section of our report, including in relation to the matters described below. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis of our audit opinion on the accompanying financial statements.

<u>Recognition of rebates and incentives income from vendors</u>

(Refer to Notes 2.24(g), 3(b)(i) and 16 to the financial statements)

The Group receives various types of allowance in the form of rebates and incentives from its vendors in connection with the purchase of goods from those vendors. These allowances contribute significantly to the Group's profit before tax. During the financial year ended 31 December 2021, the Group has recognised rebates and incentives income amounting to RM265,260,000 of which majority has been received and the balance of RM39,335,000 is receivable as at 31 December 2021. Recognition of rebates and incentives income required the Group's fulfilment of its obligations under contractual arrangement with vendors. We focused on this area because the recognition of rebates and incentives income requires, to some extent, judgement from management concerning the nature and level of fulfilment of the Group's obligations under the vendor agreements.

Our procedures to address this area of focus include, amongst others, the following:

- understand and tested management's controls around the completeness and accuracy of the source data required for the computation of these rebates and incentives;
- involved our information technology specialists to test the operating effectiveness of automated controls over the processing and recording of rebates and incentives as well as assessed the accuracy of data interface between the Rebate system and the general ledger;
- reviewed and assessed the appropriateness of management's computation of rebates and incentives income for unsold inventories for financial year ended 31 December 2021;
- reviewed and assessed the appropriateness of management's assessment on each type of rebates and incentives received from vendors i.e. whether they are distinct services and separate performance obligation as well as the classification in the statement of comprehensive income in accordance to MFRS 15; and
- reviewed and agreed the rebates and incentives during the year to contractual evidence on a sample basis. For the rebates and incentives receivable as at 31 December 2021, amounts are either recalculated by us based on contractual terms confirmed by vendors or reconciled to post year-end settlements with vendors.

Key audit matters (cont'd.)

Revenue from contracts with customers and cost of sales

(Refer to Notes 2.24 and 4 to the financial statements)

The Group relies heavily on information technology systems for the processing and recording of revenue from sale of merchandise goods and the related cost of sales. The information technology systems process large volumes of data which consists of individually low value transactions. Accordingly, we identified the recognition of revenue and cost of sales to be areas of audit focus as the magnitude and the high volume of transactions may give rise to a higher risk of material misstatement relating to timing and the amount of revenue and cost of sales recognised.

Our procedures to address this area of focus include, amongst others, the following:

- obtained an understanding of the relevant internal controls over the revenue and cost of sales recognition process and tested the operating effectiveness of these controls;
- involved our information technology specialists to test the operating effectiveness of automated controls over the processing and recording of revenue and cost of sales;
- assessed the accuracy of data interface between the Point of Sales system and the general ledger, including the updating of approved product price changes in the system;
- assessed the information technology-dependent manual (“ITDM”) and manual controls in place to ensure the completeness and accuracy of revenue and cost of sales recognised;
- performed detailed review of Information Produced by Entity (“IPE”) for revenue by performing procedures to corroborate the occurrence of revenue by tracing samples of cash receipts to the settlement reports from financial institutions;
- performed substantive procedures which includes the use of data analytics to perform correlation analysis between revenue, trade receivables and cash and bank balances; and
- performed cut-off procedures to determine if revenue is recorded in the correct accounting period.

Impairment assessment of goodwill and trademarks

(Refer to Notes 2.6, 3.(b)(iv) and 12 to the financial statements)

Goodwill and trademarks arising from the acquisition of Caring Pharmacy Group Berhad (“Caring”), The Pill House Pharmacy Sdn Bhd ("TPH") and Wellings Pharmacy Sdn Bhd ("Wellings") and others of RM200,702,000 and RM243,387,000 formed 28% and 20% of non-current assets and total assets of the Group as at 31 December 2021, respectively.

Key audit matters (cont'd.)

Impairment assessment of goodwill and trademarks (cont'd.)

Goodwill and trademarks are subject to an annual impairment test. The Group estimates the recoverable amount of the cash generating unit ("CGU") based on value-in-use ("VIU"). Estimating the VIU of the CGU involves assumptions made by the management relating to the future cash inflows and outflows that will be derived from the CGU, and discounting them at an appropriate rate. The cash flow forecasts, which have been approved by the Board of Directors, contain a number of significant judgements and estimates including estimates on revenue growth rate, discount rate and terminal growth rate.

We consider this to be an area of focus for our audit as the amount involved is significant and the impairment assessment is complex and involves significant judgements about future market and economic conditions.

Our procedures to address this area of focus include, amongst others, the following:

- obtained obtained an understanding of the relevant internal controls over the process of estimating the recoverable amounts of the CGUs;
- evaluated the appropriateness of the methodology and approach applied, and consider whether it is commonly used in the industry;
- checked the basis of preparing the cash flow forecasts by taking into consideration the assessment of management's historical budgeting accuracy;
- challenged whether key assumptions relating to revenue growth rate and terminal growth rate are reasonable by making comparisons to historical trends, taking into consideration the current and expected outlook of economic growth in Malaysia;
- involved our internal valuation specialists to evaluate whether the rate used in discounting the future cash flows to its present value was appropriate;
- analysed the sensitivity of the key assumptions by assessing the impact of changes to the key assumptions to the recoverable amount; and
- evaluated the adequacy of the disclosures concerning those key assumptions to which the outcome of the impairment test is most sensitive.

Information other than the financial statements and auditors' report thereon

The Directors of the Company are responsible for the other information. The other information comprises the Directors' Report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon, which we obtained prior to the date of this auditors' report, and the annual report which is expected to be made available to us after the date of this auditors' report.

Information other than the financial statements and auditors' report thereon (cont'd.)

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors of the Company and take appropriate action.

Responsibilities of directors for the financial statements

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud of error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

Auditors' responsibilities for the audit of the financial statements (cont'd.)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also: (cont'd.)

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Ernst & Young PLT
202006000003 (LLP0022760-LCA) & AF 0039
Chartered Accountants

Hoh Yoon Hoong
No. 02990/08/2022 J
Chartered Accountant

Kuala Lumpur, Malaysia
20 April 2022

Statements of **Comprehensive Income**

For the Financial Year Ended 31 December 2021

	Note	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Revenue	4	2,808,500	2,539,028	60,903	80,525
Cost of sales		(2,049,503)	(1,817,141)	-	-
Gross profit		758,997	721,887	60,903	80,525
Other operating income		172,830	168,143	-	-
Selling and distribution expenses		(621,850)	(616,565)	-	-
Administrative and other operating expenses		(156,090)	(155,569)	(3,007)	(8,954)
Profit from operations	5	153,887	117,896	57,896	71,571
Finance costs	7	(61,458)	(54,274)	(21,203)	(17,112)
Share of results of an associate		-	(966)		-
Profit before tax		92,429	62,656	36,693	54,459
Income tax expense	8	(33,589)	(27,303)	(1,161)	(11)
Profit after tax		58,840	35,353	35,532	54,448
Other comprehensive income not to be reclassified to profit or loss in subsequent year:					
Revaluation of land and buildings	9, 10	1,372	337	-	-
Taxation	27	(133)	(92)	-	-
Total other comprehensive income (net of taxation)		1,239	245	-	-
Total comprehensive income for the financial year		60,079	35,598	35,532	54,448
Profit after tax attributable to:					
Equity holders of the Company		44,348	29,766	35,532	54,448
Non-controlling interest		14,492	5,587	-	-
		58,840	35,353	35,532	54,448
Total comprehensive income attributable to:					
Equity holders of the Company		45,370	30,011	35,532	54,448
Non-controlling interest		14,709	5,587	-	-
		60,079	35,598	35,532	54,448
Basic/diluted earnings per share (sen)	38	3.93	2.60		

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statements of **Financial Position**

As at 31 December 2021

	Note	Group 2021 RM'000	Group 2020 RM'000
Assets			
Non-current assets			
Property, plant and equipment	9	321,045	346,484
Right-of-use assets	10(a)	652,534	672,881
Investment properties	11	21,029	-
Intangible assets	12	478,949	425,492
Other investment	14	72,801	5,174
Trade and other receivables	16	24,666	13,782
Deferred tax assets	27	2,092	6,777
		1,573,116	1,470,590
Current assets			
Inventories	17	384,061	288,947
Trade and other receivables	16	101,561	96,183
Other investment	14	41,527	46,149
Tax recoverable		3,726	-
Cash and bank balances	18	158,748	134,980
		689,623	566,259
Total assets		2,262,739	2,036,849
Equity and liabilities			
Equity attributable to equity holders of the Company			
Share capital	19	1,485,138	1,485,138
Treasury shares	20	(161,410)	(157,243)
Capital reorganisation deficit	21	(1,343,248)	(1,343,248)
Assets revaluation reserve	22	43,236	42,214
Retained profits	23	66,266	39,899
		89,982	66,760
Non-controlling interest		92,061	94,461
Total equity		182,043	161,221

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statements of **Financial Position**

As at 31 December 2021

	Note	Group 2021 RM'000	Group 2020 RM'000
Non-current liabilities			
Provisions	24	10,774	9,572
Borrowings	25	555,363	331,710
Lease liabilities	10(b)	553,087	559,833
Contract liabilities	29	12,816	10,563
Contingent consideration	26	36,083	-
Deferred tax liabilities	27	63,182	61,255
		1,231,305	972,933
Current liabilities			
Provisions	24	1,074	1,936
Borrowings	25	84,874	201,365
Lease liabilities	10(b)	103,307	100,016
Trade payables	28	517,864	441,498
Other payables	29	134,160	143,481
Contract liabilities	29	8,112	3,981
Taxation		-	10,418
		849,391	902,695
Total liabilities		2,080,696	1,875,628
Total equity and liabilities		2,262,739	2,036,849

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statements of **Financial Position**

As at 31 December 2021

	Note	Company 2021 RM'000	Company 2020 RM'000
Assets			
Non-current asset			
Investments in subsidiary companies, representing total non-current asset	13	1,402,539	1,402,539
Current assets			
Trade and other receivables	16	468,463	383,496
Tax recoverable		127	145
Cash and bank balances	18	1,135	15,045
		469,725	398,686
Total assets		1,872,264	1,801,225
Equity and liability			
Equity attributable to equity holders of the Company			
Share capital	19	1,485,138	1,485,138
Treasury shares	20	(161,410)	(157,243)
Retained profits	23	48,477	30,966
Total equity		1,372,205	1,358,861
Non-current liability			
Borrowings	25	500,000	320,450
Current liability			
Borrowings	25	-	37,700
Other payables	29	59	84,214
		59	121,914
Total liabilities		500,059	442,364
Total equity and liability		1,872,264	1,801,225

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statements of **Changes In Equity**

For the Financial Year Ended 31 December 2021

	Attributable to equity holders of the Company							
	Non-distributable				Distributable			
	Share capital RM'000 (Note 19)	Treasury shares RM'000 (Note 20)	Capital reorganisation deficit RM'000 (Note 21)	Assets revaluation reserve RM'000 (Note 22)	Retained profits RM'000 (Note 23)	Total RM'000	Non-controlling interest RM'000	Total equity RM'000
Group								
At 1 January 2021	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 for the year	-	-	-	1,022	44,348	45,370	14,709	60,079
Transaction with owners:								
Dividends on ordinary shares (Note 30), representing total transaction with owners	-	-	-	-	(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
At 31 December 2021	1,485,138	(161,410)	(1,343,248)	43,236	66,266	89,982	92,061	182,043

Statements of **Changes In Equity**

For the Financial Year Ended 31 December 2021

	Attributable to equity holders of the Company							
	Non-distributable				Distributable			
	Share capital RM'000 (Note 19)	Treasury shares RM'000 (Note 20)	Capital reorganisation deficit RM'000 (Note 21)	Assets revaluation reserve RM'000 (Note 22)	Retained profits RM'000 (Note 23)	Total RM'000	Non-controlling interest RM'000	Total equity RM'000
Group								
At 1 January 2020	1,485,138	(128,928)	(1,343,248)	41,969	46,985	101,916	195	102,111
Acquisition of a subsidiary	-	-	-	-	-	-	95,197	95,197
Acquisition of treasury shares	-	(28,315)	-	-	-	(28,315)	-	(28,315)
Changes in subsidiary's ownership interests that do not result in a loss of control	-	-	-	-	(10,398)	(10,398)	(2,394)	(12,792)
Total comprehensive income						-		-
for the year	-	-	-	245	29,766	30,011	5,587	35,598
Transaction with owners:								
Dividends on ordinary shares (Note 30), representing total transaction with owners	-	-	-	-	(26,454)	(26,454)	-	(26,454)
Dividends paid to non-controlling interests	-	-	-	-	-	-	(4,124)	(4,124)
At 31 December 2020	1,485,138	(157,243)	(1,343,248)	42,214	39,899	66,760	94,461	161,221

Statements of **Changes In Equity**

For the Financial Year Ended 31 December 2021

	Share capital RM'000 (Note 19)	Treasury shares RM'000 (Note 20)	Retained profits RM'000 (Note 23)	Total equity RM'000
	Attributable to equity holders of the Company			
	Non-distributable		Distributable	
Company				
At 1 January 2021	1,485,138	(157,243)	30,966	1,358,861
Acquisition of treasury shares	-	(4,167)	-	(4,167)
Total comprehensive income for the year	-	-	35,532	35,532
Transaction with owners				
Dividends on ordinary shares (Note 30), representing total transaction with owners	-	-	(18,021)	(18,021)
At 31 December 2021	1,485,138	(161,410)	48,477	1,372,205
At 1 January 2020	1,485,138	(128,928)	2,972	1,359,182
Acquisition of treasury shares	-	(28,315)	-	(28,315)
Total comprehensive income for the year	-	-	54,448	54,448
Transaction with owners				
Dividends on ordinary shares (Note 30), representing total transaction with owners	-	-	(26,454)	(26,454)
At 31 December 2020	1,485,138	(157,243)	30,966	1,358,861

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statements of **Cash Flows**

As at 31 December 2021

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Cash flows from operating activities				
Cash receipts from customers and other receivables	3,041,354	2,755,429	116	15
Cash paid to suppliers and employees	(2,705,035)	(2,466,631)	(3,105)	(8,936)
Movement in intercompany balances	-	-	(6,079)	(28,832)
Cash generated from/(used in) operations	336,319	288,798	(9,068)	(37,753)
Interest paid	(25,319)	(19,638)	(21,203)	(17,112)
Tax paid	(47,422)	(33,571)	(1,143)	(17)
Tax refund	40	631	-	-
Net cash generated from/(used in) operating activities	263,618	236,220	(31,414)	(54,882)
Cash flows from investing activities				
Purchase of property, plant and equipment and right of use assets	(44,466)	(68,302)	-	-
Proceeds from disposal of property, plant and equipment and investment property	2,975	131	-	-
Proceeds from disposal of quoted shares	-	3,336	-	-
Acquisition of intangible assets	(6,507)	-	-	-
Acquisition of other investments	(67,714)	(2,848)	-	-
Acquisition of subsidiary companies (Note 13)	(30,825)	(336,076)	-	-
Acquisition of an associate	-	(7,512)	-	-
Changes in subsidiaries' ownership interests that do not result in a loss of control	(163)	(5,843)	-	-
Dividend income received	106	44	40,000	48,000
Net change in short term funds	4,622	23,013	-	-
Increase in pledged fixed deposits with licensed bank	(61)	-	-	-
Interest received	2,340	2,009	20,903	6,525
Net cash (used in)/generated from investing activities	(139,693)	(392,048)	60,903	54,525

Statements of **Cash Flows**

As at 31 December 2021

	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Cash flows from financing activities				
Dividends paid on ordinary shares	(18,021)	(26,454)	(18,021)	(26,454)
Dividends paid to non-controlling interests	(19,513)	(4,124)	-	-
Acquisition of treasury shares	(4,167)	(28,315)	(4,167)	(28,315)
Advances to subsidiaries	-	-	(162,000)	(289,160)
Proceeds from banker's acceptances	228,500	320,340	-	-
Proceeds from medium term notes	498,939	-	498,939	-
Repayment of banker's acceptances	(304,440)	(282,400)	-	-
Proceeds from issuance of shares	131	-	-	-
Proceeds from term loan	43,730	377,000	-	377,000
Proceeds from revolving credit	20,000	-	-	-
Repayment of term loans	(386,566)	(39,123)	(358,150)	(18,850)
Repayment of revolving credit	(20,000)	-	-	-
Payment of principal portion of lease liabilities	(137,580)	(122,448)	-	-
Repayment of hire purchase and finance lease liabilities	(531)	(82)	-	-
Net cash (used in)/generated from financing activities	(99,518)	194,394	(43,399)	14,221
Net increase/(decrease) in cash and cash equivalents	24,407	38,566	(13,910)	13,864
Cash and cash equivalents at 1 January	134,773	96,207	15,045	1,181
Cash and cash equivalents at 31 December (Note 18)	159,180	134,773	1,135	15,045

Cash and cash equivalents at the end of the financial period comprises the following:-

	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Cash and bank balances	156,009	134,649	1,036	15,045
Fixed deposits with licensed banks	2,739	331	99	-
	158,748	134,980	1,135	15,045
Fixed deposit pledged to license bank	(268)	(207)	-	-
	158,480	134,773	1,135	15,045

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

1. Corporate information

7-Eleven Malaysia Holdings Berhad ("the Company") is a public limited liability company, incorporated and domiciled in Malaysia. The registered office of the Company is located at 12th Floor, Menara Symphony, No.5, Jalan Prof. Khoo Kay Kim, Seksyen 13, Petaling Jaya, 46200 Selangor Darul Ehsan. The principal place of business of the Company is located at Level 3A, Podium Block, Plaza Berjaya, No.12, Jalan Imbi, 55100 Kuala Lumpur, Wilayah Persekutuan.

The principal activity of the Company is investment holding.

The principal activities of the subsidiaries and the changes in group structure are described in Note 13 to the financial statements.

There have been no significant changes in the nature of these activities during the financial year, except the changes in group structure are described in Note 13 to the financial statements.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 20 April 2022.

2. Summary of significant accounting policies

2.1 Basis of preparation

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS") as issued by the Malaysian Accounting Standards Board, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

The financial statements have been prepared on historical cost basis except as disclosed in the accounting policies below.

The financial statements of the Group and of the Company are presented in Ringgit Malaysia ("RM") and all values are rounded to the nearest thousand ("RM'000") except when otherwise indicated.

2. Summary of significant accounting policies (cont'd.)

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except on 1 January 2021, the Group and of the Company adopted the following new and amendments to MFRSs and IC Interpretation mandatory for annual financial periods beginning on or after 1 January 2021.

Description	**Effective for annual financial periods beginning on or after**
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 *and MFRS 16 :Interest Rate Benchmark Reform- Phase 2*	1 January 2021
MFRS 16: Covid-19 Related Rent Concessions beyond 30 June 2021 (Amendments to MFRS 16 Leases)	1 April 2021

The adoption of the above pronouncements did not have any significant financial impact to the Group and the Company other than impact of rent concession as disclosed in Note 10.

2.3 Standards issued but not yet effective

The standards and interpretations that are issued but not yet effective up to the date of issuance of the Group's and the Company's financial statements are disclosed below. The Group and the Company intend to adopt these standards, if applicable, when they become effective.

Description	**Effective for annual financial periods beginning on or after**
Amendments to MFRS 116 Property, Plant and Equipment: *Proceeds before Intended Use*	1 January 2022
Amendments to MFRS 137 Provisions, Contingent Liabilities and Contingent Assets	1 January 2022
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
Annual improvements to MFRS Standards 2018 - 2020 Cycle	
(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 141: Agriculture	1 January 2022

2. Summary of significant accounting policies (cont'd.)

2.3 Standards issued but not yet effective (cont'd.)

The standards and interpretations that are issued but not yet effective up to the date of issuance of the Group's and the Company's financial statements are disclosed below. The Group and the Company intend to adopt these standards, if applicable, when they become effective.

Description	**Effective for annual financial periods beginning on or after**
MFRS 101: Disclosure of Accounting Policies (Amendments to MFRS 101)	1 January 2023
Amendments to MFRS 101 Presentation of Financial Statements: *Classification of Liabilities as Current or Non-current*	1 January 2023
MFRS 108: Definition of Accounting Estimates (Amendments to MFRS 108)	1 January 2023
MFRS 17: Insurance Contracts	1 January 2023
Amendments to MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to MFRS 10 and MFRS 128)	Deferred

The adoption of the above standards and interpretations are not expected to have a material impact on the financial statements in the period of application.

2.4 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the reporting date. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied for like transactions and events in similar circumstances.

The Company controls an investee if and only if the Company has all the following:

(i) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);

(ii) Exposure, or rights, to variable returns from its investment with the investee; and

(iii) The ability to use its power over the investee to affect its returns.

2. Summary of significant accounting policies (cont'd.)

2.4 Basis of consolidation (cont'd.)

Subsidiaries are consolidated when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. The resulting difference is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets and liabilities of the subsidiary and any non-controlling interest, is recognised in profit or loss. The subsidiary's cumulative gain or loss which has been recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss or where applicable, transferred directly to retained profits. The fair value of any investment retained in the former subsidiary at the date control is lost is regarded as the cost on initial recognition of the investment.

Reorganisation

Acquisition of entities under a reorganisation scheme does not result in any change in economic substance. Accordingly, the consolidated financial statements of the Company is a continuation of the acquired entities and is accounted for as follows:

(a) The results of entities are presented as if the reorganisation occurred from the beginning of the earliest period presented in the financial statements;

(b) The Company will consolidate the assets and liabilities of the acquired entities 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 reorganisation that would otherwise be done under the acquisition method; and

(c) 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. Any difference between the consideration paid/transferred and the equity acquired is reflected within equity as capital reorganisation reserve or deficit.

2. Summary of significant accounting policies (cont'd.)

2.4 Basis of consolidation (cont'd.)

Business combination

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as equity is not measured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of MFRS 9 *Financial Instruments* , is measured at fair value with the changes in fair value recognised in the statement of profit or loss in accordance with MFRS 9. Other contingent consideration that is not within the scope of MFRS 9 is measured at fair value at each reporting date with changes in fair value recognised in profit or loss.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

The accounting policy for goodwill is detailed in Note 2.6(a).

Acquisition of non-controlling interests

The Group accounts for all changes in its ownership interest in a subsidiary that do not result in a loss of control as equity transactions between the Group and its non-controlling interest holders. Any difference between the Group’s share of net assets before and after the change, and any consideration received or paid, is adjusted to or against Group reserves.

2. Summary of significant accounting policies (cont'd.)

2.5 Subsidiaries

A subsidiary is an entity over which the Group has all the following:

(i) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);

(ii) Exposure, or rights, to variable returns from its investment with the investee; and

(iii) The ability to use its power over the investee to affect its returns.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

2.6 Intangible assets

(a) Goodwill

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less accumulated impairment losses. For the purpose of impairment testing, goodwill acquired is allocated, from the acquisition date, to each of the Group's cash-generating units that are expected to benefit from the synergies of the combination.

The cash-generating unit to which goodwill has been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired, by comparing the carrying amount of the cash-generating unit, including the allocated goodwill, with the recoverable amount of the cash-generating unit. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in profit or loss. Impairment losses recognised for goodwill are not reversed in subsequent periods.

Where goodwill forms part of a cash-generating unit and part of the operation within that cash-generating unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative fair values of the operations disposed of and the portion of the cash-generating unit retained.

2. Summary of significant accounting policies (cont'd.)

2.6 Intangible assets (cont'd.)

(b) Trademarks

The cost of trademarks acquired represents its fair value as at the date of acquisition. Following the initial recognition, trademarks are carried at cost less any accumulated impairment losses. Trademarks, which are considered to have indefinite useful lives, are not amortised but tested for impairment, annually or more frequently when indicators of impairment are identified. The useful lives of trademarks are reviewed annually to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis.

(c) Dealership rights

The cost of dealership rights acquired in a business combination is at their fair value at the date of acquisition. Following the initial recognition, the dealership rights are carried at cost less any accumulated impairment losses. The dealership rights are assessed and recognised based on the dealership agreements signed with the selected brand that satisfied the criterion to be separately identified as intangible assets and highly likely to contribute significant future economic benefits. The dealership rights are with finite lives which are amortised on a straight-line basis over their useful economic lives, 3 to 10 years.

(d) Computer software

Computer software acquired separately are measured initially at cost. Following initial acquisition, computer software are measured at cost less any accumulated amortisation and accumulated impairment losses.

Computer software-in-development are not depreciated as these assets are not available for use. Computer software are amortised on a straight-line basis over the estimated useful lives of 10 years when the assets are available for use. Computer software are assessed for impairment whenever there is an indication that the computer software may be impaired. The amortisation period and the amortisation method are reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodies in the assets is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on computer software is recognised in profit or loss.

2. Summary of significant accounting policies (cont'd.)

2.6 Intangible assets (cont'd.)

(d) Computer software (cont'd.)

Gain or loss from derecognition of computer software are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the assets are derecognised.

2.7 Property, plant and equipment and depreciation

All items of property, plant and equipment are initially recorded at cost. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with them will flow to the Group, and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Subsequent to recognition, all items of property, plant and equipment are stated at cost less accumulated depreciation, except for land and properties, and any accumulated impairment losses.

Land and buildings are measured at fair value less accumulated depreciation and accumulated impairment losses recognised at the date of revaluation. Valuations are performed with sufficient frequency to ensure that the carrying amount of a revalued asset does not differ materially from its fair value.

A revaluation surplus is recognised in other comprehensive income and credited to the asset revaluation reserve in equity. However, to the extent that it reverses a revaluation deficit of the same asset previously recognised in profit or loss, the increase is recognised in profit or loss. A revaluation deficit is recognised in the statement of profit or loss, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation reserve.

Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred to retained profits.

Freehold land has an unlimited useful life and therefore is not depreciated. Capital work-in-progress are also not depreciated as these assets are not available for use. Depreciation of other property, plant and equipment is provided for on a straight-line basis over its estimated useful lives.

2. Summary of significant accounting policies (cont'd.)

2.7 Property, plant and equipment and depreciation (cont'd.)

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets, as follows:

Buildings	50 years or the duration of the lease, whichever is shorter
Long-term leasehold land	The duration of the lease of 99 years
Computer equipment	5 to 10 years
Other equipment	7 years
Motor vehicles	5 years
Furniture and fittings and renovation	10 years or the duration of the lease, whichever is shorter

The residual values, useful life and depreciation method are reviewed at each reporting date to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any, and the net carrying amount is recognised in profit or loss.

2.8 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(a) As lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

2. Summary of significant accounting policies (cont'd.)

2.8 Leases (cont'd.)

(a) As lessee (cont'd.)

(i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Property	1 to 15 years
Leasehold properties	50 to 99 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in Note 2.10.

(ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

2. Summary of significant accounting policies (cont'd.)

2.8 Leases (cont'd.)

(a) As lessee (cont'd.)

(ii) Lease liabilities (cont'd.)

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments such as changes to future payments resulting from a change in an index or rate used to determine such lease payments or a change in the assessment of an option to purchase the underlying asset.

The Group's lease liabilities are included in financial liabilities in Note 10.

(iii Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases such as those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. The assessment of whether an underlying asset is of low value is performed on an absolute basis and is not affected by the size, nature or circumstances of the lessee. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

(b) As lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of comprehensive income due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

2. Summary of significant accounting policies (cont'd.)

2.9 Investment property

Investment property is land or building held by the Group or held under a finance lease, to earn rental income or for capital appreciation or both. Investment property is measured initially at cost, including transaction cost. Subsequent to initial recognition, investment property is stated at fair value, to reflect market conditions at the reporting date. Gain or loss arising from change in the fair value of investment property is included in profit or loss in the period in which they arise, including the corresponding tax effect. Fair value is determined based on annual evaluation performed by an accredited external independent valuer.

Investment property is derecognised either when it has been disposed of or when it is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceed and the carrying amount of the asset is recognised in profit and loss in the period of derecognition.

When an indication of impairment exists, the carrying amount of the asset is written down immediately to its recoverable value. The policy for the recognition and measurement of impairment losses is in accordance with Note 2.10.

2.10 Impairment of non-financial assets

The Group and the Company assess at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units ("CGU")).

In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

Impairment losses are recognised in profit or loss.

2. Summary of significant accounting policies (cont'd.)

2.10 Impairment of non-financial assets (cont'd.)

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

2.11 Financial assets

(a) Initial recognition and measurement

Financial assets are classified, at initial recognition, and subsequently measured at amortised cost, fair value through other comprehensive income ("OCI"), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under MFRS 15. Refer to the accounting policies in Note 2.24 for Revenue from contracts with customers.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

The Group determined the classification of their financial assets as financial assets at amortised cost (debt instruments) at its initial recognition.

2. Summary of significant accounting policies (cont'd.)

2.11 Financial assets (cont'd.)

(b) Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)

- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)

- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)

- Financial assets at fair value through profit of loss

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group’s and the Company's financial assets at amortised cost includes trade and other receivables (excluding prepayments) and cash and bank balances.

(c) Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

(i) The rights to receive cash flows from the asset have expired; or

(ii) The Group and the Company have transferred their rights to receive cash flows from the asset or have assumed an obligation to pay the received cash flows in full without material delay to a third party under a ‘pass-through’ arrangement; and either:

(a) the Group and the Company has transferred substantially all the risks and rewards of the asset, or

(b) the Group and the Company have neither transferred nor retained substantially all the risks and rewards of the asset, but have transferred control of the asset.

2. Summary of significant accounting policies (cont'd.)

2.11 Financial assets (cont'd.)

(c) Derecognition (cont'd.)

When the Group and the Company have transferred their rights to receive cash flows from an asset or has entered into a pass-through arrangement, the Group and the Company evaluate if, and to what extent, the Group and the Company have retained the risks and rewards of ownership. When the Group and the Company have neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group and the Company continue to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group and the Company also recognise an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group and the Company have retained.

2.12 Impairment of financial assets

The Group and the Company recognise an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group and the Company expect to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables, the Group and the Company apply a simplified approach in calculating ECLs. Therefore, the Group and the Company do not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

The Group and the Company consider factors if a financial asset in default such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments that indicate that the Group and the Company are unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group and the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2. Summary of significant accounting policies (cont'd.)

2.13 Inventories

Inventories comprise trading goods and consumables and are stated at the lower of cost (determined on the weighted average basis) and net realisable value. Cost comprises the invoiced value of the inventories and incidental expenses. Net realisable value represents the estimated selling price less estimated costs necessary to make the

2.14 Cash and cash equivalents

Cash and cash equivalents include cash on hand and at banks and demand deposits at call which are subject to an insignificant risk of changes in value. Short term funds include money market instruments held for investment purposes, which does not form part of cash and cash equivalents.

For the purpose of the statements of cash flows, cash and cash equivalents consist of unrestricted cash and bank balances, net of outstanding bank overdrafts, if any, as they are considered an integral part of the Group’s and of the Company's cash management.

2.15 Financial liabilities

(a) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, and loans and borrowings including bank overdrafts. The Group measures its financial liabilities as loans and borrowings.

(b) Subsequent measurement

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective-interest-rate ("EIR") method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

This category generally applies to interest-bearing loans and borrowings.

2. Summary of significant accounting policies (cont'd.)

2.15 Financial liabilities (cont'd.)

(c) Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

2.16 Segment reporting

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Group who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosure of each of these segments are shown in Note 37, including the factors used to identify the reportable segments and the measurement basis of segment information.

2.17 Share capital and share issuance expenses

An equity instrument is any contract that evidences a residual interest in the assets of the Group and the Company after deducting all of its liabilities. Ordinary shares are equity instruments.

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

2.18 Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period they are incurred. Borrowing costs consist of interest and other costs that the Group incurred in connection with the borrowing of funds.

2. Summary of significant accounting policies (cont'd.)

2.19 Taxation

Income tax on the profit or loss for the year comprises current and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted or substantively enacted at the reporting date.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

Deferred tax is provided for, using the liability method. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. Deferred tax is not recognised if the temporary difference arises from goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the reporting date. Deferred tax is recognised as income or an expense and included in profit or loss for the period, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also recognised directly in equity, or when it arises from a business combination that is an acquisition, in which case the deferred tax is included in the resulting goodwill or the amount of any excess of the acquirer’s interest in the net fair value of the acquiree’s identifiable assets, liabilities and contingent liabilities over the cost of the combination.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

As the land and buildings held under property, plant and equipment of the Group is carried at fair value, the revaluation of the asset does not affect taxable profit in the period of the revaluation and, consequently, the tax base of the asset is not adjusted. Nevertheless, the future recovery of the carrying amount will result in taxable flow of economic benefits to the Group and the amount that will be deductible for tax purposes will differ from the amount of those economic benefits. The difference between the carrying amount of a revalued asset and its tax base is a temporary difference and gives rise to a deferred tax liability.

2. Summary of significant accounting policies (cont'd.)

2.19 Taxation (cont'd.)

Sales and services tax ("SST") incurred in purchase of assets or services is not recoverable from the taxation authority, hence SST is recognised as part of the cost of acquisition of the asset or part of the expense item as applicable.

Receivables and payables are stated with the amount of SST. The payable amount of SST to the taxation authority is included as part of payables in the statement of financial position.

2.20 Provisions

Provisions for liabilities are recognised when the Group has present obligations as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.21 Employee benefits

(a) Short term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the period in which the associated services are rendered by employees of the Group and the Company. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

(b) Defined contribution plans

As required by law, the Group makes contributions to the state pension scheme, the Employees Provident Fund ("EPF"). Such contributions are recognised as an expense in profit or loss as incurred.

2. Summary of significant accounting policies (cont'd.)

2.22 Foreign currency

(a) Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency.

(b) Foreign currency transactions

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiary companies and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting date.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting date are recognised in profit or loss.

2.23 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

(a) In the principal market for the asset or liability, or

(b) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

2. Summary of significant accounting policies (cont'd.)

2.23 Fair value measurement (cont'd.)

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

(a) Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

(b) Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

(c) Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

2.24 Revenue from contracts with customers and other operating income

Revenue from contracts with customers and other operating income is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements, except for the agency services for provision of in-store services, because it typically controls the goods or services before transferring them to the customer.

(a) Sale of goods

Revenue from sale of general merchandise is recognised at the point in time when control of the asset is transferred to the customer. These are in cash consideration.

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g. customer loyalty points).

(b) Provision of in-store services income

The Group acts as an agent in providing in-store services to its customers.

When another party is involved in providing services to its customers, the Group determines whether it is a principal or an agent in these transactions by evaluating the nature of its promise to the customer. When the Group's role is only to arrange for another entity to provide the services, then the Group is an agent and will need to record revenue at the net amount that it retains for its agency services.

2. Summary of significant accounting policies (cont'd.)

2.24 Revenue from contracts with customers (cont'd.)

(c) Rental income

Income from the rental of property is recognised on an accrual basis in accordance with the terms of the agreements.

(d) Interest income

Interest income is recognised on an accrual basis using the effective interest method.

(e) Franchise income

Initial franchise fee

Initial franchise fee is recognised on a straight-line basis over the term of the franchise agreement. The transaction price for franchise agreement is discounted, using the rate that would be reflected in a separate financing transaction between the Group and its customers at contract inception, to take into consideration the significant financing component.

(f) Dividend income

Dividend income is recognised when the Group's right to receive payment is established.

(g) Rebates and incentives income

The Group receives incentives and rebates from suppliers for various programs, primarily volume incentives, prompt payment discounts and central distribution centre rebates ("CDC rebates"). Rebates are recognised to statements of comprehensive income when the Group achieved the volume-purchase targets, the performance obligations for central distribution arrangement, and promotional programs have been fulfilled by the Group in accordance with the terms as stipulated in the trade agreements with vendors. These rebates and discounts are recognised as deduction against costs of goods sold when the goods are sold and for the CDC rebates only, when goods are delivered to the stores. Rebates and discounts for unsold goods and CDC rebates in respect of goods not delivered to the stores yet, are deducted against inventories and shall be recognised to the statements of comprehensive income when the goods are subsequently sold or delivered to respective stores.

2. Summary of significant accounting policies (cont'd.)

2.24 Revenue from contracts with customers (cont'd.)

(g) Rebates and incentives income (cont'd.)

Other incentives mainly comprised in-store displays and promotions and advertisements for specific products. Incentives are recognised to the statements of comprehensive income when the performance obligations have been fulfilled by the Group in accordance with the terms as stipulated in the agreements with vendors. These incentives are recognised as other operating income in the statements of comprehensive income.

(h) Customer loyalty programme

The Group's loyalty programme allows the customers to collect award credits when specified sales terms were fulfilled by the customers. The customers can then redeem the gifts once the specified number of award credits have been collected.

The Group accounts for the award credits as separately identifiable component of the initial sales transactions. The fair value of the consideration received or receivable in respect of the initial sales is allocated between the fair value of the award credits and the other components of the sale.

The consideration allocated to the award credits is deferred and subsequently recognised as revenue when the award credits are redeemed. The deferral is treated as a deduction from revenue. The fair value of the award credits is determined with reference to the fair value of the gift to the customer and considers the redemption rate for the award credits.

2.25 Contract balances

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

The Group recognises contract assets for rebates and incentives income receivable.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

2. Summary of significant accounting policies (cont'd.)

2.26 Treasury shares

Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised in equity.

2.27 Current versus non-current classification

The Group and the Company present assets and liabilities in the statements of financial position based on current/non-current classification.

An asset is classified as current when:

(i) it is expected to be realised or intended to be sold or consumed in normal operating cycle;

(ii) it is held primarily for the purpose of trading;

(iii) it is expected to be realised within twelve months after the reporting period; or

(iv) cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

(i) it is expected to be settled in normal operating cycle;

(ii) it is held primarily for the purpose of trading;

(iii) it is due to be settled within twelve months after the reporting period; or

(iv) there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group and the Company classify all other liabilities as non-current.

Deferred tax liabilities are classified as non-current assets and liabilities.

3. Significant accounting estimates and judgements

The preparation of the Group's financial statements in accordance with MFRS requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

(a) Critical judgements made in applying accounting policies

In the process of applying the Group's and the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

(i) Determining the lease term of contracts with renewal and termination options as lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassess the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate such as the construction of significant leasehold improvements or significant customisation to the leased asset.

The Group included the renewal period as part of the lease term for leases with shorter non-cancellable period such as three to five years. The Group typically exercise its option to renew for these leases because there will be a significant negative effect on production if a replacement asset is not readily available.

3. Significant accounting estimates and judgements (cont'd)

(b) Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are described below:

(i) Recognition of incentives and rebates

The Group receives rebates and incentives from suppliers for various programs, primarily volume incentives, display and promotional incentives, prompt payment discounts and warehouse rebates.

Certain incentives and rebates recognised in profit or loss were estimated based on terms and rates in trade agreements entered into with suppliers. Actual amounts received from suppliers could differ from the amounts initially estimated. As at the reporting date, the Group has recognised incentives and rebates receivable of RM39,335,000 (2020: RM44,260,000).

(ii) Revaluation of property, plant and equipment

The Group carries its freehold and leasehold land and buildings at fair value, with changes in fair value being recognised in other comprehensive income. The Group engaged an independent valuation specialist to assess fair value as at 31 December 2021 and 31 December 2020.

The freehold and leasehold land and buildings were valued by reference to market-based evidence, using comparable price adjusted for specific market factors such as nature, location and condition of the properties.

Fair value adjustments and the key assumptions used to determine the fair value of the properties and sensitivity analysis are provided in Note 9 for freehold properties and Note 10 for leasehold properties.

3. Significant accounting estimates and judgements (cont'd.)

(b) Key sources of estimation uncertainty (cont'd.)

(iii) Estimating the incremental borrowing rate to measure lease liabilities

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate ("IBR") to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs such as market interest rates when available and is required to make certain entity-specific estimates.

(iv) Impairment on goodwill and trademarks

The Group determines whether the goodwill which has indefinite useful lives, are tested for impairment either annually or on a more frequent interval, depending on events or changes in circumstances that indicate the carrying value may be impaired. This requires an estimation of the value in use of the CGU to which the goodwill belongs to.

In assessing value in use, the management is required to make an estimate of the expected future cash flows from the CGU and also to choose a suitable discount rate in order to calculate to their present value of those cash flows. Further details of the carrying value, the key assumptions applied in the impairment assessment of goodwill and sensitivity analysis to changes in the assumptions are as disclosed in Note 12.

(v) Impairment of property, plant and equipment and right-of-use ("ROU") assets

During the current financial year, the Group recognised impairment losses in respect of certain subsidiary companies' property, plant and equipment and ROU assets. The Group carried out the impairment test based on a variety of estimation including the VIU of the CGU to which the property, plant and equipment and ROU assets are allocated. Estimating the VIU requires the Group to make an estimate of the expected future cash flows from the CGU and also to choose a suitable discount rate in order to calculate the present value of those cash flows. Further details of the impairment losses recognised are disclosed in Notes 9 and 10.

4. Revenue from contracts with customers

	Group		Company	
	2021	**2020**	**2021**	**2020**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Type of goods or services				
Sale of merchandise goods	2,737,534	2,468,864	-	-
Provision of in-store services				
- Commission income	64,677	65,603	-	-
Dividend income from				
a subsidiary	-	-	40,000	74,000
Loyalty fees	4,256	2,914	-	-
Franchise income	1,856	1,464		-
Interest income	-	-	20,903	6,525
Rental income	177	183	-	-
	2,808,500	2,539,028	60,903	80,525
Timing of revenue recognition				
Goods or services				
- transferred at a point in time	2,806,467	2,537,381	40,000	74,000
- transferred over time	2,033	1,647	20,903	6,525
	2,808,500	2,539,028	60,903	80,525

5. Profit from operations

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

	Group		Company	
	2021	**2020**	**2021**	**2020**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Auditors' remuneration				
- Statutory audit				
- Ernst & Young PLT	752	641	86	88
- Other auditors	245	57	-	-
- Non-audit related services				
- Ernst & Young PLT	13	13	13	13
- Other auditors	32	-	-	-
Depreciation of property,				
plant and equipment	68,825	66,806	-	-
Depreciation of right-of-use				
assets	120,592	110,510	-	-
Amortisation of intangible				
assets	8,175	6,260	-	-
Property, plant and equipment				
written off	1,419	7,427	-	-

5. Profit from operations (cont'd.)

Profit from operations is arrived at after charging/(crediting): (cont'd.)

	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Bad debts written off for receivables	18	8	-	-
Inventories written off	12,882	19,146	-	-
Impairment loss on:-				
- Investment in an associate	-	6,546	-	-
- Property, plant and equipment	337	648	-	-
- Receivables (Note 16)	125	250	-	-
- Right-of-use assets	3,368	3,844	-	-
Short term lease expense/ rental of premises	7,092	7,330	-	-
Royalty	18,123	20,633	-	-
Employee benefits expense (Note 6(a))	329,737	332,028	-	-
Directors' benefits (Note 6(b))	6,547	8,169	451	514
(Gain)/loss on disposal of property, plant and equipment and investment property	(145)	874	-	-
Realised loss/(gain) on foreign exchange translation differences	10	(39)	-	-
Dividend income	(106)	(44)	40,000	74,000
Interest income				
- fixed deposits and overnight placements	(380)	(525)	(24)	(9)
- short term funds	(1,631)	(1,210)	-	-
- others	(329)	(274)	-	(48)
- subsidiaries	-	-	(20,879)	(6,468)
Fair value changes of FVTPL				
- Investment properties	26	-	-	-
- Investments in quoted shares	87	(1,362)	-	-
Realised gain on disposal of quoted shares	-	(974)	-	-
Fair value gain on short term funds	(30)	(109)	-	-
Rental income	(1,145)	(301)	-	-
Reversal of impairment loss of other receivables (Note 16)	(10)	-	-	-
Transaction costs on business combinations	606	7,509	-	-
Waiver of loans from non-controlling shareholder	-	(198)	-	-

6. Employee benefits expense and directors' remuneration

(a) Employee benefits expense

	Group	
	2021	**2020**
	RM'000	**RM'000**
Wages, salaries and other emoluments	275,866	283,824
Pension costs - defined contribution plans	34,712	33,277
Social security costs and employees insurance	5,071	5,421
Other staff benefits	14,088	9,506
	329,737	332,028

(b) Directors' benefits

The Directors' remuneration paid or payable from the Company and its subsidiaries during the financial year ended 31 December 2021 categorised into appropriate components are as follows:

	Group		Company	
	2021	**2020**	**2021**	**2020**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Salaries, allowance and other emoluments	4,109	5,612	41	43
Fees	713	983	410	432
Bonus	802	713	-	-
Defined contribution plan	763	741	-	-
Estimated money value of benefits-in-kind	94	28	-	-
Insurance effected to indemnify directors	66	92	-	39
	6,547	8,169	451	514

7. Finance costs

	Group		Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Interest expense on:				
Lease liabilities	36,139	34,636	-	-
Hire purchase liabilities	34	18	-	-
Bankers' acceptances	1,950	2,030	-	-
Revolving credit	2,128	2,475	-	-
Term loans	10,300	15,088	7,614	13,319
Medium term notes	10,856	-	10,856	-
Amount due to a subsidiary company	-	-	2,733	3,793
Others	51	27	-	-
	61,458	54,274	21,203	17,112

8. Income tax expense/(credit)

(a) Income statements

	Group		Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Income tax:				
Current year	36,699	35,542	960	-
(Over)/under provision in prior year	(3,793)	3,130	201	11
	32,906	38,672	1,161	11
Deferred tax (Note 27):				
Relating to origination and reversal of temporary differences	(3,696)	(8,702)	-	-
Under/(over) provision in prior year	4,379	(2,667)	-	-
	683	(11,369)	-	-
	33,589	27,303	1,161	11

Income tax is calculated at the Malaysian statutory tax rate of 24% (2020: 24%) of the estimated assessable profit for the year.

8. Income tax expense/(credit) (cont'd.)

(a) Income statements (cont'd.)

A reconciliation of income tax expense applicable to profit before tax at the statutory income tax rate to income tax expense at the effective tax rate of the Group and of the Company is as follows:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Profit before tax	92,429	62,656	36,693	54,459
Taxation at Malaysian statutory tax rate of 24% (2020: 24%)	22,183	15,037	8,806	13,070
Expenses not deductible under tax legislation	12,212	12,285	1,754	4,690
Income not subject to tax	(1,450)	(847)	(9,600)	(17,760)
Deferred tax assets not recognised during the financial year	58	365	-	-
(Over)/under provision of income tax in prior year	(3,793)	3,130	201	11
Under/(over) provision of deferred tax in prior year	4,379	(2,667)	-	-
Tax expense for the year	33,589	27,303	1,161	11

(b) Other comprehensive income

	Group	
	2021 RM'000	2020 RM'000
Deferred tax related to item recognised in other comprehensive income during the year:		
Deferred tax liability recognised in respect of net gain on revaluation of land and buildings	133	92

9. Property, plant and equipment

	At valuation		At cost			
	Land and buildings* RM'000	**Asset-in-progress RM'000**	**Furniture, fittings, computer equipment and other equipment RM'000**	**Motor vehicles RM'000**	**Renovations RM'000**	**Total RM'000**
Group						
At 31 December 2021						
At 1 January 2021	77,619	-	598,982	1,398	217,879	895,878
Additions	87	-	29,475	197	10,404	40,163
Disposals	-	-	(1,346)	(1,124)	-	(2,470)
Revaluation adjustment recognised in other comprehensive income (Note 9 (d))	1,042	-	-	-	-	1,042
Transfer^	(244)	-	-	-	-	(244)
Acquisition of subsidiary companies (Note 13)	3,290	1,750	3,058	820	1,805	10,723
Write-offs	-	-	(5,901)		(2,605)	(8,506)
Reclassification (Note 10 & 12)	-	-	(9,956)	(747)	-	(10,703)
At 31 December 2021	81,794	1,750	614,312	544	227,483	925,883

9. Property, plant and equipment (cont'd.)

	At valuation		At cost			
	Land and buildings* RM'000	Asset-in-progress RM'000	Furniture, fittings, computer equipment and other equipment RM'000	Motor vehicles RM'000	Renovations RM'000	Total RM'000
Group (cont'd.)						
Accumulated depreciation and impairment losses						
At 1 January 2021	121	-	411,936	570	136,767	549,394
Depreciation charge for the year	375	-	52,182	524	15,744	68,825
Disposals	-	-	(1,218)	(902)	-	(2,120)
Impairment losses			59	-	278	337
Transfer^	(244)	-	-	-	-	(244)
Write-offs			(5,317)	-	(1,770)	(7,087)
Reclassification (Note 10 & 12)	-	-	(3,978)	(289)	-	(4,267)
At 31 December 2021	252	-	453,664	(97)	151,019	604,838
Net carrying amount						
At 31 December 2021	81,542	1,750	160,648	641	76,464	321,045

9. Property, plant and equipment (cont'd.)

	At valuation	← At cost →			
	Land and buildings* RM'000	Furniture, fittings, computer equipment and other equipment RM'000	Motor vehicles RM'000	Renovations RM'000	Total RM'000
Group					
At 31 December 2020					
At 1 January 2020	68,289	576,534	456	209,449	854,728
Additions	4,550	45,458	42	18,252	68,302
Disposals	-	(6,483)	-	(155)	(6,638)
Revaluation adjustment recognised in other comprehensive income (Note 9 (d))	158	-	-	-	158
Transfer^	(238)	-	-	-	(238)
Acquisition of subsidiary companies	4,860	7,062	900	2,959	15,781
Write-offs	-	(23,589)	-	(12,626)	(36,215)
At 31 December 2020	77,619	598,982	1,398	217,879	895,878

9. **Property, plant and equipment (cont'd.)**

Group (cont'd.)	At valuation Land and buildings* RM'000	At cost Furniture, fittings, computer equipment and other equipment RM'000	Motor vehicles RM'000	Renovations RM'000	Total RM'000
Accumulated depreciation					
At 1 January 2020	-	386,012	327	130,260	516,599
Depreciation charge for the year	359	50,784	243	15,420	66,806
Disposals	-	(5,572)	-	(61)	(5,633)
Impairment losses	-	303	-	345	648
Transfer^	(238)	-	-	-	(238)
Write-offs	-	(19,591)	-	(9,197)	(28,788)
At 31 December 2020	121	411,936	570	136,767	549,394
Net carrying amount					
At 31 December 2020	77,498	187,046	828	81,112	346,484

^ Transfer relates to the accumulated depreciation as at the revaluation date that was eliminated against the gross carrying amount of the revalued asset.

9. Property, plant and equipment (cont'd.)

***Land and buildings**

	Freehold land RM'000	Buildings RM'000	Total RM'000
Group			
At 31 December 2021			
Valuation			
At 1 January 2021	65,756	11,863	77,619
Additions		87	87
Revaluation adjustment recognised in other comprehensive income (Note 9 (d))	850	192	1,042
Transfer^	-	(244)	(244)
Acquisition of subsidiary companies (Note 13)	-	3,290	3,290
At 31 December 2021	66,606	15,188	81,794
Accumulated depreciation			
At 1 January 2021	-	121	121
Depreciation charge for the year	-	375	375
Transfer^	-	(244)	(244)
At 31 December 2021	-	252	252
Net carrying amount			
At 31 December 2021	66,606	14,936	81,542

9. Property, plant and equipment (cont'd.)

***Land and buildings (cont'd.)**

	Freehold land RM'000	Buildings RM'000	Total RM'000
Group			
At 31 December 2020			
Valuation			
At 1 January 2020	59,885	8,404	68,289
Additions	3,590	960	4,550
Revaluation adjustment recognised in other comprehensive income (Note 9 (d))	(80)	238	158
Transfer^	-	(238)	(238)
Acquisition of subsidiary companies	2,361	2,499	4,860
At 31 December 2020	65,756	11,863	77,619
Accumulated depreciation			
At 1 January 2020	-	-	-
Depreciation charge for the year	-	359	359
Transfer^	-	(238)	(238)
At 31 December 2020	-	121	121
Net carrying amount			
At 31 December 2020	65,756	11,742	77,498

(a) Included in property, plant and equipment of the Group are fully depreciated property, plant and equipment which are still in use costing RM386,299,070 (2020: RM320,481,103).

(b) During the financial year, the Group acquired property, plant and equipment by the following means:

	Group 2021 RM'000	Group 2020 RM'000
Cash	40,163	68,302

9. Property, plant and equipment (cont'd.)

(c) The carrying amount of certain properties pledged to licensed bank as security for bank facilities granted to the Group as disclosed in Note 25 to the financial statements are as follows:

	Group	
	2021	**2020**
	RM'000	**RM'000**
Freehold land	1,310	2,194
Buildings	5,504	583
	6,814	2,777

(d) Management determined that the land and buildings constitutes a separate class of asset under MFRS 13 Fair Value Measurements, based on the nature, characteristics and risks of the properties.

Fair value of the land and buildings was determined using the market comparable method. This means that valuations performed by the valuer are based on active market prices, adjusted for differences in the nature, location or condition of the specific land and buildings. As at the date of revaluations on 31 December 2021, the land and buildings' fair value is based on valuations performed by independent professional valuers specialising in valuing land and buildings of similar nature. A net gain of RM1,042,000 (2020: RM158,000) was recognised in other comprehensive income for the financial year ended 31 December 2021, as a result of these revaluations.

Fair value measurement disclosures for the revalued land and buildings are provided in Note 34.

Significant unobservable valuation input:

	Group	
	2021	**2020**
	RM	**RM**
Price per square foot for freehold land and buildings	200 - 4,840	200 - 4,840

Significant increase/(decrease) in estimated price per square foot would result in a significantly higher/(lower) fair value on a linear basis.

9. Property, plant and equipment (cont'd.)

(d) (cont'd.)

Reconciliation of carrying amount:

	Group	
	2021	**2020**
	RM'000	**RM'000**
Carrying amount and fair value as at 1 January	77,498	68,289
Acquisition of subsidiary companies	3,290	4,860
Additions	87	4,550
Depreciation for the year	(375)	(359)
Level 3 revaluation gain on revaluation as at 31 December	1,042	158
Carrying amount and fair value as at 31 December	81,542	77,498

* The Group changed its accounting policy with respect to the measurement of land and buildings as at 1 January 2017 on a prospective basis. Therefore, the fair value of the land and buildings were not measured at 1 January 2017.

If the properties were measured using the cost model, the carrying amounts would be, as follows:

	Group	
	2021	**2020**
	RM'000	**RM'000**
Cost	46,602	41,321
Accumulated depreciation	(3,492)	(2,996)
Net carrying amount	43,110	38,325

(e) Impairment assessment

Impairment losses on property, plant and equipment amounting to RM337,514 (2020: RM647,634) have been recognised during the financial year due to recoverable amounts of property, plant and equipment in the CGU, which are determined based on cash flow projections, are lower than their carrying amounts.

10. Right-of-use assets and lease liabilities

Group as a Lessee

The Group has lease contracts for various items of plant, property and equipment used in its operations. Leases of property generally have lease terms between 1 and 15 years, while leasehold property generally have lease terms between 50 and 99 years. The Group’s obligations under its leases are secured by the lessor’s title to the leased assets. There are several lease contracts that include extension and termination options and variable lease payments, which are further discussed below.

10. Right-of-use assets and lease liabilities (cont'd.)

Group as a Lessee (cont'd.)

The Group also has certain leases of equipment with lease terms of 12 months or less and leases of office equipment with low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

During the year, the Group had adopted Amendments to MFRS 16: COVID-19 Related Rent Concessions Beyond 30 June 2021 as disclosed in Note 2.2. The Group has recognised an income of RM9,215,000 (2020: RM11,852,000) as a result of the COVID-19 pandemic.

(a) Right-of-use assets

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year:

Group	Properties RM'000	Renovations and others RM'000	At fair value: Leasehold properties* RM'000	At fair value: Investment property RM'000	Total RM'000
At 1 January 2021	612,022	19,579	40,880	400	672,881
Additions	112,089	164	4,303	-	116,556
Acquisition of subsidiary companies (Note 13)	7,116	-	-	-	7,116
Revaluation adjustment recognised in other comprehensive income (Note 10(a)(i))	-	-	350	(20)	330
Disposals	(11,748)	(45)	-	-	(11,793)
Depreciation expense	(118,973)	(760)	(859)	-	(120,592)
Impairment losses (Note 10(a)(i))	(646)	(2,722)	-	-	(3,368)
Unwinding of discount on sundry receivables	-	(9,054)	-	-	(9,054)
Reclassification (Note 9)	-	458	-	-	458
At 31 December 2021	599,860	7,620	44,674	380	652,534

10. Right-of-use assets and lease liabilities (cont'd.)

Group as a Lessee (cont'd.)

(a) Right-of-use assets (cont'd.)

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the prior year (cont'd.):

Group	Properties RM'000	Renovations and others RM'000	At fair value: Leasehold properties* RM'000	At fair value: Investment property RM'000	Total RM'000
At 1 January 2020	572,462	22,818	12,850	400	608,530
Additions	108,411	395	-	-	108,806
Acquisition of subsidiary companies	63,409	-	28,440	-	91,849
Revaluation adjustment recognised in other comprehensive income (Note 10(a)(i))	-	-	179	-	179
Disposals	(22,017)	(112)	-	-	(22,129)
Depreciation expense	(109,116)	(805)	(589)	-	(110,510)
Impairment losses (Note 10(a)(i))	(1,127)	(2,717)	-	-	(3,844)
At 31 December 2020	612,022	19,579	40,880	400	672,881

10. Right-of-use assets and lease liabilities (cont'd.)

Group as a Lessee (cont'd.)

(a) Right-of-use assets (cont'd.)

(i) Management determined that the land and buildings constitutes a separate class of asset under MFRS 13 Fair Value Measurements, based on the nature, characteristics and risks of the properties.

Fair value of the leasehold properties and investment property were determined using the market comparable method. This means that valuations performed by the valuer are based on active market prices, significantly adjusted for differences in the nature, location or condition of the specific properties. As at the date of revaluation on 31 December 2021 and 31 December 2020, the leasehold properties' fair values are based on valuations performed by independent professional valuers specialising in valuing land and buildings of similar nature. A net gain of RM330,000 (2020: RM179,000) was recognised in other comprehensive income for the financial year ended 31 December 2021, as a result of these revaluations.

Fair value measurement disclosures for the revalued leasehold properties and investment property are provided in Note 34.

Significant unobservable valuation input:

	Group	
	2021	**2020**
	RM	**RM**
Price per square foot for:		
- Leasehold land and buildings	437 - 2,489	216 - 2,490
- Investment property	272	286

Significant increase/(decrease) in estimated price per square foot would result in a significant higher/(lower) fair value.

10. Right-of-use assets and lease liabilities (cont'd.)

Group as a Lessee (cont'd.)

(a) Right-of-use assets (cont'd.)

(i) Leasehold properties

Reconciliation of carrying amount:

	Group 2021 RM'000	Group 2020 RM'000
Carrying amount and fair value as at 1 January	40,880	12,850
Additions	4,303	-
Acquisition of subsidiary companies	-	28,440
Depreciation for the year	(859)	(589)
Level 3 revaluation gain on revaluation as at 31 December	350	179
Carrying amount and fair value as at 31 December	44,674	40,880

* If the properties were measured using the cost model, the carrying amounts would be, as follows:

	Group 2021 RM'000	Group 2020 RM'000
Cost	38,698	34,395
Accumulated depreciation	(5,329)	(4,695)
Net carrying amount	33,369	29,700

During the financial year, the Group acquired leasehold properties by the following means:

	Group 2021 RM'000	Group 2020 RM'000
Cash	4,303	-

Investment property

The Group's investment property consists of one commercial property.

As at 31 December 2021 and 31 December 2020, the fair value of the investment property is based on a valuation performed by independent professional valuers specialising in valuing these type of investment properties.

10. Right-of-use assets and lease liabilities (cont'd.)

Group as a Lessee (cont'd.)

(a) Right-of-use assets (cont'd.)

(i) Leasehold properties (cont'd.)

Investment property (cont'd.)

Fair value of the investment property was determined using the market comparison method. This means that valuation performed by the valuer is based on active market prices, adjusted for differences in the nature, location or condition of the specific property.

Profit arising from leasehold property carried at fair value is as follow:

	Group	
	2021	**2020**
	RM'000	**RM'000**
Rental income derived from leasehold property	7	7
Direct operating expenses generating rental income (included in other operating expenses)	(1)	-
Profit arising from investment property carried at fair value	6	7

The Group has no restrictions on the realisability of its investment property and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

(ii) The carrying amount of certain properties pledged to licensed bank as security for bank facilities granted to the Group as disclosed in Note 25 to the financial statements are as follows:

	Group	
	2021	**2020**
	RM'000	**RM'000**
Leasehold building	19,560	19,540

(iii) Impairment losses on right-of-use assets amounting to RM3,368,157 (2020: RM3,844,121) have been recognised during the financial year due to recoverable amounts of right-of-use assets in the CGU, which are determined based on cash flow projections, are lower than their carrying amounts.

10. Right-of-use assets and lease liabilities (cont'd.)

Group as a Lessee (cont'd.)

(b) Lease liabilities

Set out below are the carrying amounts of property and hire purchase and the movements during the year:

	Property RM'000	Hire purchase RM'000	Total RM'000
At 1 January 2021	659,620	229	659,849
Acquisition of subsidiary companies	7,259	649	7,908
Additions	112,089	262	112,351
Disposal	(12,527)	-	(12,527)
Interest expense (Note 7)	36,139	-	36,139
Lease concession	(9,215)	-	(9,215)
Payment of principal	(137,580)	(531)	(138,111)
At 31 December 2021	655,785	609	656,394

	Property RM'000	Hire purchase RM'000	Total RM'000
At 1 January 2020	606,801	311	607,112
Acquisition of subsidiary companies	67,248	-	67,248
Additions	108,411	-	108,411
Disposal	(23,176)	-	(23,176)
Interest expense (Note 7)	34,636	-	34,636
Lease concession	(11,852)	-	(11,852)
Payment of principal	(122,448)	(82)	(122,530)
At 31 December 2020	659,620	229	659,849

The maturity analysis of lease liabilities are disclosed in Note 35 (c).

	2021 RM'000	2020 RM'000
Current liabilities	103,307	100,016
Non-current liabilities	553,087	559,833
	656,394	659,849

10. Right-of-use assets and lease liabilities (cont'd.)

Group as a Lessee (cont'd.)

(b) Lease liabilities (cont'd.)

Hire purchase

	Group 2021 RM'000	Group 2020 RM'000
Future minimum lease payments:		
Not later than 1 year	234	86
Later than 1 year and not later than 2 years	219	60
Later than 2 years and not later than 5 years	201	97
Later than 5 years	-	10
	654	253
Less: Future finance charges	(45)	(24)
	609	229
Analysis of present value of finance lease payables:		
Current	180	75
Non-current:		
Later than 1 year and not later than 2 years	257	154
Later than 2 year and not later than 5 years	172	-
	429	154
	609	229

Hire purchase and finance lease liabilities

Charge over a subsidiary's equipment and motor vehicles of RM569,000 (2020: RM240,000) acquired by means of hire purchase and finance lease liabilities.

Property

The following are the amounts recognised in profit or loss:

	2021 RM'000	2020 RM'000
Depreciation expense of right-of-use assets	120,592	110,510
Interest expense on lease liabilities	36,139	34,636
Variable lease payments	(146,795)	(134,300)
Short term lease expense/ rental of premises	7,092	7,330
Total amount recognised in profit or loss	17,028	18,176

The future cash outflows relating to leases that have not yet commenced are disclosed in Note 32(b).

11. Investment properties

	Group 2021 RM'000
At fair value	
At 1 January	-
Acquisition of subsidiaries	23,150
Additions	333
Fair value changes at FVTPL on investment properties (Note 5)	26
Disposal	(2,480)
As at 31 December	21,029

The Group's investment properties consist of 7 residential and commercial properties.

Profit arising from investment properties carried at fair value is as follow:

	Group 2021 RM'000
Rental income derived from investment properties	449
Direct operating expenses generating rental income (included in other operating expenses)	(55)
Profit arising from investment property carried at fair value	394

The Group has no restrictions on the realisability of its investment property and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

* If the properties were measured using the cost model, the carrying amounts would be, as follows:

	Group 2021 RM'000
Cost	21,077
Accumulated depreciation	(1,269)
Net carrying amount	19,808

Significant unobservable valuation input:

	Group 2021 RM
Price per square foot for investment properties	319 - 2880

Significant increase/(decrease) in estimated price per square foot would result in a significantly higher/(lower) fair value on a linear basis.

12. Intangible assets

	Goodwill on consolidation RM'000	Trademarks RM'000	Dealership rights RM'000	Computer software RM'000	Total RM'000
Group					
At 31 December 2021					
Cost					
At 1 January 2021	168,512	222,756	11,475	46,012	448,755
Additions	-	-	-	2,452	2,452
Effect of business combination					
- TPH and Wellings (Note 13)	28,744	20,514	-	-	49,258
- Others	3,827	117	-	-	3,944
Reclassification (Note 9)	-	-	-	9,956	9,956
At 31 December	201,083	243,387	11,475	58,420	514,365
Accumulated amortisation and impairment					
At 1 January 2021	381	-	1,692	21,190	23,263
Amortisation (Note 5)	-	-	2,256	5,919	8,175
Reclassification (Note 9)	-	-	-	3,978	3,978
At 31 December 2021	381	-	3,948	31,087	35,416
Net carrying amount					
At 31 December 2021	200,702	243,387	7,527	27,333	478,949

12. Intangible assets

Group (cont'd.)	Goodwill on consolidation RM'000	Trademarks RM'000	Dealership rights RM'000	Computer software RM'000	Total RM'000
At 31 December 2020					
Cost					
At 1 January 2020	381	-	-	46,012	46,393
Effect of business combination (Note 13)	168,131	222,756	11,475	-	402,362
At 31 December	168,512	222,756	11,475	46,012	448,755
Accumulated amortisation and impairment					
At 1 January 2020	381	-	-	16,622	17,003
Amortisation (Note 5)	-	-	1,692	4,568	6,260
At 31 December 2020	381	-	1,692	21,190	23,263
Net carrying amount					
At 31 December 2020	168,131	222,756	9,783	24,822	425,492

12. **Intangible assets (cont'd.)**

(a) Goodwill and trademarks

The carrying amounts of goodwill and trademarks have been allocated to the Caring Group's CGU identified from the pharmaceutical segment.

The recoverable amount of the CGU has been determined using the value in use ("VIU") calculations using cash flow projections based on financial budget approved by the Board of Directors covering a 10-year period. The following describes each key assumption on which management based its cash flow projections for VIU calculations of CGUs to undertake impairment test on goodwill and trademarks:

(i) Budgeted revenue and gross profit margin

The basis used to determine the value assigned to the budgeted revenue gross margin are the historical sales and average gross margin achieved in the financial year immediately before the budgeted year adjusted for expected efficiency improvements, market and economic conditions, internal resource efficiency and the supply and demand factors, where applicable.

(ii) Discount rate

The discount rate used for identified CGU reflect the specific risks relating to the pharmaceutical segment. The post-tax discount rate, applied to post-tax cash flows, used for identified CGU is at 10% (2020: 10%).

(iii) Terminal growth rate

Terminal growth rate used was based on the average anticipated growth rate of the respective economies. The terminal growth rate used is 1% (2020: 1%).

Sensitivity to changes in assumptions

With regard to the assessment of VIU for the pharmaceutical segment, management believes that no reasonably possible change in any of the above key assumptions would cause the carrying amount to materially exceed its recoverable amount.

(b) Dealership rights

The dealership rights represents exclusive rights to distribute certain products that has been capitalised and have remaining amortisation period of 2 to 9 years.

13. Investments in subsidiary companies

	Company 2021 RM'000	Company 2020 RM'000
Unquoted shares, at cost		
As at 1 January/ 31 December	1,402,539	1,402,539

(i) Business combination

Acquisition in 2021

On 2 February 2021, Convenience Shopping (Sabah) Sdn. Bhd. ("CSSSB"), a wholly-owned subsidiary of the Company, acquired 6 ordinary shares representing 60% equity interest of QVI Foods Sdn. Bhd. ("QVI") for a consideration of RM6. Consequent thereon, QVI become a 60% owned subsidiary of CSSSB.

On 23 February 2021, the Company acquired 2 ordinary shares representing the entire paid-up share capital of SEM Infra Sdn. Bhd. ("SISB") for a consideration of RM1. Consequent thereon, SISB become a wholly-owned subsidiary of the Company.

On 7 July 2021, the Company acquired 2 ordinary shares representing the entire paid-up share capital of Digital Flow Sdn. Bhd. ("DFSB") for a consideration of RM1. Consequent thereon, DFSB become a wholly-owned subsidiary of the Company.

On 13 October 2021, SEM Infra Sdn. Bhd. ("SISB"), a wholly-owned subsidiary of the Company acquired 600 ordinary shares representing the 60% equity interest of SEM ALP Logistic Solutions Sdn. Bhd. ("SALSSB") for a consideration of RM600. Consequent thereon, SALSSB become a 60% owned subsidiary of SISB.

On 29 January 2021, Caring Pharmacy Retail Management Sdn. Bhd. ("CPRM"), a subsidiary of the Group had acquired:-

(i) 67% equity interest in The Pill House Pharmacy Sdn. Bhd. (“TPH”) for a cash consideration of about RM25.26 million;

(ii) 60% equity interest in Wellings Pharmacy Sdn. Bhd. (“Wellings”) for a cash consideration of RM17.94 million;

(iii) business assets in three (3) pharmacy outlets held by Farmasi Sri Nibong Sdn. Bhd. for a cash consideration of RM3.00 million; and

(iv) business assets in one (1) pharmacy outlet held by Farmasi Sri Nibong (Pekaka) Sdn. Bhd. for a cash consideration of RM0.45 million.

The acquisition also includes a put and call option agreement with the seller for the remaining 33% and 40% stake in TPH and Wellings, respectively. This option, which effectively gives CPRM a present ownership interest of 100% in both TPH and Wellings, is treated as deferred contingent consideration of the acquisition.

13. Investments in subsidiary companies (cont'd.)

(i) Business combination (cont'd.)

Acquisition in 2021 (cont'd.)

Acquisition of TPH and Wellings

The fair values of the identifiable assets and liabilities of TPH and Wellings as at the date of acquisition were:

	Fair value recognised on acquisition RM'000
Property, plant and equipment (Note 9)	10,723
Right of use assets (Note 10)	7,116
Investment properties (Note 11)	23,150
Trademarks	20,514
Receivables	8,018
Inventories	38,602
Short term funds	11,039
Fixed deposits with licensed banks	1,410
Cash and bank balances	12,978
Deferred tax liabilities	(5,796)
Borrowings (Note 25)	(25,938)
Payables	(40,082)
Provision for tax	440
Contract liabilities	(1,075)
Provisions	(175)
Lease liabilities	(7,908)
Non-controlling interest	(2,480)
Total identifiable net assets at fair value	50,536
Goodwill arising on acquisition (Note 12)	28,744
Purchase consideration transferred	79,280

From the date of acquisition, TPH and Wellings contributed RM305,925,000 of revenue and RM14,316,000 to profit before tax from continuing operations of the Group. If the combination had taken place at the beginning of the year, revenue from continuing operations would have been RM320,238,000 and profit before tax continuing operations for the Group would have been RM17,068,000.

	RM'000
Purchase consideration satisfied by cash during the year	43,197
Deferred contingent consideration payable	36,083
	79,280

13. Investments in subsidiary companies (cont'd.)

(i) Business combination (cont'd.)

Acquisition in 2021 (cont'd.)

	RM'000
Analysis of cash flows on acquisition:	
Transaction costs of the acquisition	(606)
Purchase consideration satisfied by cash	(43,197)
Cash and bank balances of subsidiary company acquired	12,978
Net cash outflow on acquisition of subsidiary company	(30,825)

Transaction costs of RM606,000 were expensed and are included in administrative expenses.

Acquisition in 2020

On 28 November 2019, Convenience Shopping (Sabah) Sdn. Bhd. ("CSSSB"), a wholly-owned subsidiary of 7-Eleven Malaysia Holdings Berhad had entered into a conditional share sale agreement (“SSA”) with Motivasi Optima Sdn Bhd for the acquisition of 55,198,000 ordinary shares in Caring Pharmacy Group Berhad (“Caring”) (“Caring Shares”), representing approximately 25.35% equity interest in Caring.

The SSA became unconditional on 14 February 2020 and as such, RHB Investment Bank Berhad, on behalf of CSSSB, served a notice of unconditional mandatory take-over offer on the board of directors of Caring in accordance with Paragraph 9.01(1) of the Rules, to acquire all the remaining Caring Shares not already held by CSSSB, SEM and the PACs for the Offer Price (“Offer”).

On 25 March 2020, CSSSB received valid acceptances in respect of the Caring Shares pursuant to the Offer which allows CSSSB to compulsorily acquire all the remaining Caring Shares for which valid acceptances have not been received on or prior to the closing date of the Offer (“Compulsory Acquisition”). Consequently, Caring is deemed a subsidiary company of the Group, through CSSSB, with equity interest of 73.74% for a total consideration of RM417,406,000. Subsequently, the Group has further increased its equity interest in Caring to 75% with a total consideration of RM423,232,892 as at 9 June 2020.

13. Investments in subsidiary companies (cont'd.)

(i) Business combination (cont'd.)

Acquisition in 2020 (cont'd.)

The fair values of the identifiable assets and liabilities of Caring Group as at the date of acquisition were:

	Fair value recognised on acquisition RM'000
Property, plant and equipment (Note 9)	15,781
Right of use assets (Note 10)	91,849
Trademarks	222,756
Dealership rights	11,475
Deferred tax assets	2,094
Receivables	14,570
Inventories	146,800
Short term funds	69,162
Cash and bank balances	71,491
Deferred tax liabilities	(57,977)
Borrowings (Note 25)	(7,858)
Payables	(165,938)
Provision for tax	(1,262)
Contract liabilities	(1,223)
Lease liabilities	(67,248)
Non-controlling interest	(6,435)
Total identifiable net assets at fair value	338,037
Non-controlling interest measured at fair value	(88,762)
Goodwill arising on acquisition (Note 12)	168,131
Purchase consideration transferred	417,406

From the date of acquisition, Caring Pharmacy Group Berhad contributed RM475,476,000 of revenue and RM27,038,000 to profit before tax from continuing operations of the Group. If the combination had taken place at the beginning of the year, revenue from continuing operations would have been RM666,670,000 and profit before tax from continuing operations for the Group would have been RM48,766,000.

	RM'000
Purchase consideration satisfied by cash during the year	392,732
Classified from investment in quoted shares in prior year	24,471
Fair value adjustment on investment in quoted shares prior to reclassification	203
Purchase consideration transferred	417,406

13. Investments in subsidiary companies (cont'd.)

(i) Business combination (cont'd.)

Acquisition in 2020 (cont'd.)

Analysis of cash flows on acquisition:

	RM'000
Transaction costs of the acquisition	(7,509)
Purchase consideration satisfied by cash	(392,732)
Cash and bank balances of subsidiary company acquired	71,288
Acquisition of additional interest in subsidiary company	(7,123)
Net cash outflow on acquisition of subsidiary company	(336,076)

Transaction costs of RM7,509,000 were expensed and are included in administrative expenses.

(ii) Changes in the group structure in the current financial year

(a) On 21 May 2021, The Pill House Pharmacy Sdn. Bhd. ("TPH"), a wholly-owned subsidiary of Caring Pharmacy Group Berhad ("CARING") had incorporated a subsidiary, Healthy Care Pharmacy Sdn. Bhd., with 2 ordinary shares and subscriptions of 50,998 new ordinary shares for a total consideration of RM51,000.

(b) On 1 August 2021, CPRM had disposed 80,000 additional number of ordinary shares in Caring Pharmacy (ABM) Sdn Bhd for a consideration of RM80,000 at the issue price of RM1.00 per ordinary share. This subscription had decreased the controlling interest of the respective subsidiary from 100% to 80%.

(c) On 20 August 2021, CPRM had acquired 30,000 additional number of ordinary shares in Victorie Caring Sdn. Bhd. for a total purchase consideration of RM140,000. This subscription had increased the controlling interest of the respective subsidiary from 70% to 85%.

(d) On 25 October 2021, CPRM had disposed 30,000 additional number of ordinary shares in Stay Caring Sdn. Bhd. for a consideration of RM30,000 at the issue price of RM1.00 per ordinary share. This subscription had decreased the controlling interest of the respective subsidiary from 100% to 70%.

(iii) Subsidiary companies with material non-controlling interests

Summarised financial information of subsidiaries which have non-controlling interests that are material to the Group are set out below. The summarised financial information below are the amount before inter-company elimination.

13. Investments in subsidiary companies (cont'd.)

(iii) Subsidiary companies with material non-controlling interests (cont'd.)

Group

Statements of financial position	**Caring**	
	2021	**2020**
At 31 December 2021	**RM'000**	**RM'000**
Non-current assets	224,099	120,997
Current assets	319,922	247,054
Non-current liabilities	(159,815)	(53,567)
Current liabilities	(223,198)	(136,230)
Net assets	161,008	178,254
Equity attributable to equity holders of the parent	152,107	173,871
Non-controlling interests	8,901	4,383
Total equity	161,008	178,254

Statements of comprehensive income	**Caring**	
	2021	**2020**
Year ended 31 December 2021	**RM'000**	**RM'000**
Revenue	997,868	475,476
Profit for the year	41,959	21,112
Other comprehensive income	869	-
Total comprehensive income for the year	42,828	21,112
Profit for the year		
- Owners of the parent	34,841	18,665
- Non-controlling interests	7,118	2,447
	41,959	21,112
Total comprehensive income attributable to:		
- Owners of the parent	35,710	18,665
- Non-controlling interests	7,118	2,447
	42,828	21,112

13. Investments in subsidiary companies (cont'd.)

(iii) Subsidiary companies with material non-controlling interests (cont'd.)

Group (cont'd.)

Statements of cash flows	**Caring**	
Year ended 31 December 2021	**2021 RM'000**	**2020 RM'000**
Net cash generated from/(used in):		
Operating activities	87,324	1,566
Investing activities	(34,613)	30,409
Financing activities	(56,298)	(23,789)
Net change in cash and cash equivalents	(3,587)	8,186
Dividends paid to non-controlling interests	(4,716)	(4,124)

Details of the subsidiary companies are as follows:

Name of company	**Country of incorporation**	**Equity interest 2021**	**2020**	**Principal activity**
Held by the Company:				
7-Eleven Malaysia Sdn. Bhd.	Malaysia	100%	100%	Operating and franchising of convenience stores under the "7-Eleven" brand name
Convenience Shopping (Sabah) Sdn. Bhd.	Malaysia	100%	100%	Investment holding company
7 Properties Sdn. Bhd.	Malaysia	70%	70%	Real property investments
Teluk Juara Sdn. Bhd.	Malaysia	83.3%	83.3%	Real property investments
SEM Infra Sdn. Bhd.	Malaysia	100.0%	0%	Investment holding company
Digital Flow Sdn. Bhd.	Malaysia	100.0%	0%	Provision of information technology solution, technical and maintenance support service and software solution

13. Investments in subsidiary companies (cont'd.)

Details of the subsidiary companies are as follows (cont'd.):

Name of company	Country of incorporation	Equity interest 2021	Equity interest 2020	Principal activity
Held through 7-Eleven Malaysia Sdn. Bhd.:				
7 Properties Sdn. Bhd.	Malaysia	30%	30%	Real property investments
Teluk Juara Sdn. Bhd.	Malaysia	16.7%	16.7%	Real property investments
Held through Convenience Shopping (Sabah) Sdn. Bhd.:				
Café Decoral Sdn. Bhd.^	Malaysia	60%	60%	Supply food stuff
Caring Pharmacy Group Berhad	Malaysia	75%	75%	Investment holding company
QVI Foods Sdn. Bhd.^	Malaysia	60%	0%	Manufacture of prepared meals and dishes
Held through SEM Infra Sdn. Bhd.:				
SEM ALP Logistic Solutions Sdn. Bhd.	Malaysia	60%	0%	Integrated logistics solutions and warehousing provider
Held through Caring Pharmacy Group Berhad:				
Caring Pharmacy Retail Management Sdn. Bhd.	Malaysia	100%	100%	Investment holding company, provision of management services and central warehousing and distribution of pharmaceutical, healthcare and personal care products

13. Investments in subsidiary companies (cont'd.)

Details of the subsidiary companies are as follows (cont'd.):

Name of company	Country of incorporation	Equity interest 2021	Equity interest 2020	Principal activity
Held through Caring Pharmacy Retail Management Sdn. Bhd. (cont'd.):				
Caring Pharmacy Sdn. Bhd.	Malaysia	100%	100%	Operation of community pharmacy including retailing of pharmaceutical, healthcare and personal care products
Caring Estore Sdn. Bhd.	Malaysia	100%	100%	Internet and warehouse sales of healthcare and personal care products
Caring Pharmacy (Kinrara) Sdn. Bhd.	Malaysia	100%	100%	Investment holding company and property investment
Caring Pharmacy (RS) Sdn. Bhd.	Malaysia	100%	100%	Operation of community pharmacy including retailing of pharmaceutical, healthcare and personal care products
Viva Caring Sdn. Bhd.	Malaysia	60%	60%	Operation of community pharmacy including retailing of pharmaceutical, healthcare and personal care products
Caring Belle Sdn. Bhd.	Malaysia	100%	100%	Operation of community pharmacy including retailing of pharmaceutical, healthcare and personal care products
Sterling Pharmacy Sdn. Bhd.	Malaysia	51%	51%	Operation of community pharmacy including retailing of pharmaceutical, healthcare and personal care products

13. Investments in subsidiary companies (cont'd.)

Details of the subsidiary companies are as follows (cont'd.):

Name of company	Country of incorporation	Equity interest 2021	Equity interest 2020	Principal activity
Held through Caring Pharmacy Retail Management Sdn. Bhd. (cont'd.):				
Be Caring Sdn. Bhd.	Malaysia	76%	76%	Operation of community pharmacy including retailing of pharmaceutical, healthcare and personal care products
MN Pharmacy Sdn. Bhd.	Malaysia	60%	60%	Operation of community pharmacy including retailing of pharmaceutical, healthcare and personal care products
Stay Caring Sdn. Bhd.	Malaysia	70%	100%	Operation of community pharmacy including retailing of pharmaceutical, healthcare and personal care products
Caring Health Solution Sdn.	Malaysia	100%	100%	Operation of community pharmacy including retailing of pharmaceutical, healthcare and personal care products
Caring Pharmacy (KLP) Sdn. Bhd.	Malaysia	80%	80%	Operation of community pharmacy including retailing of pharmaceutical, healthcare and personal care products
Caring 'N' You Pharmacy Sdn. Bhd.	Malaysia	60%	60%	Operation of community pharmacy including retailing of pharmaceutical, healthcare and personal care products

13. Investments in subsidiary companies (cont'd.)

Details of the subsidiary companies are as follows (cont'd.):

Name of company	Country of incorporation	Equity interest 2021	Equity interest 2020	Principal activity
Held through Caring Pharmacy Retail Management Sdn. Bhd. (cont'd.):				
Ace Caring Pharmacy Sdn. Bhd.	Malaysia	76%	76%	Operation of community pharmacy including retailing of pharmaceutical, healthcare and personal care products
Caring Pharmacy (Ampang) Sdn. Bhd.	Malaysia	100%	100%	Operation of community pharmacy including retailing of pharmaceutical, healthcare and personal care products
Vertex Pharmacy Sdn. Bhd.	Malaysia	76%	76%	Operation of community pharmacy including retailing of pharmaceutical, healthcare and personal care products
Preciouslife Pharmacy Sdn. Bhd.	Malaysia	70%	70%	Operation of community pharmacy including retailing of pharmaceutical, healthcare and personal care products
WM Caring Pharmacy Sdn. Bhd.	Malaysia	80%	80%	Operation of community pharmacy including retailing of pharmaceutical, healthcare and personal care products
Tonic Pharma Sdn. Bhd.	Malaysia	100%	100%	Operation of community pharmacy including retailing of pharmaceutical, healthcare and personal care products

13. Investments in subsidiary companies (cont'd.)

Details of the subsidiary companies are as follows (cont'd.):

Name of company	Country of incorporation	Equity interest 2021	Equity interest 2020	Principal activity
Held through Caring Pharmacy Retail Management Sdn. Bhd. (cont'd.):				
Caring Pharmacy (MPLS) Sdn. Bhd.	Malaysia	60%	60%	Operation of community pharmacy including retailing of pharmaceutical, healthcare and personal care products
Caring Pharmacy (SW) Sdn. Bhd.	Malaysia	51%	51%	Operation of community pharmacy including retailing of pharmaceutical, healthcare and personal care products
Caring Pharmacy (ABM) Sdn. Bhd.	Malaysia	80%	100%	Operation of community pharmacy including retailing of pharmaceutical, healthcare and personal care products
My Caring Pharmacy Sdn. Bhd.	Malaysia	60%	60%	Operation of community pharmacy including retailing of pharmaceutical, healthcare and personal care products
Victorie Caring Sdn. Bhd.	Malaysia	85%	70%	Operation of community pharmacy including retailing of pharmaceutical, healthcare and personal care products
One Caring Pharmacy Sdn. Bhd.	Malaysia	60%	60%	Operation of community pharmacy including retailing of pharmaceutical, healthcare and personal care products

13. Investments in subsidiary companies (cont'd.)

Details of the subsidiary companies are as follows (cont'd.):

Name of company	Country of incorporation	Equity interest 2021	Equity interest 2020	Principal activity
Held through Caring Pharmacy Retail Management Sdn. Bhd. (cont'd.):				
Caring Pharmacy Always Sdn. Bhd.	Malaysia	100%	100%	Operation of community pharmacy including retailing of pharmaceutical, healthcare and personal care products
Green Surge Sdn. Bhd.	Malaysia	60%	60%	Operation of community pharmacy including retailing of pharmaceutical, healthcare and personal care products
Caring Pharmacy (JB Molek) Sdn. Bhd.	Malaysia	60%	60%	Operation of community pharmacy including retailing of pharmaceutical, healthcare and personal care products
Caring Pharmacy (Shah Alam) Sdn. Bhd.	Malaysia	85%	85%	Operation of community pharmacy including retailing of pharmaceutical, healthcare and personal care products
Caring Pharmacy (SK) Sdn. Bhd.	Malaysia	100%	100%	Operation of community pharmacy including retailing of pharmaceutical, healthcare and personal care products
Caring Pharmacy (IDR) Sdn. Bhd.	Malaysia	68%	68%	Operation of community pharmacy including retailing of pharmaceutical, healthcare and personal care products

13. Investments in subsidiary companies (cont'd.)

Details of the subsidiary companies are as follows (cont'd.):

Name of company	Country of incorporation	Equity interest 2021	Equity interest 2020	Principal activity
Held through Caring Pharmacy Retail Management Sdn. Bhd. (cont'd.):				
Living Glory Sdn. Bhd.	Malaysia	100%	100%	Operation of community pharmacy including retailing of pharmaceutical, healthcare and personal care products
Caring Pharmacy Paradise Sdn. Bhd.	Malaysia	100%	100%	Operation of community pharmacy including retailing of pharmaceutical, healthcare and personal care products
Caring Trio Sdn. Bhd.	Malaysia	60%	60%	Operation of community pharmacy including retailing of pharmaceutical, healthcare and personal care products
Mega Caring Sdn. Bhd.	Malaysia	60%	60%	Operation of community pharmacy including retailing of pharmaceutical, healthcare and personal care products
Caring Abundance Sdn. Bhd. (f.k.a. Cosy Vision Sdn Bhd)	Malaysia	60%	60%	Operation of community pharmacy including retailing of pharmaceutical, healthcare and personal care products
Fuji Acre Sdn. Bhd.	Malaysia	87%	87%	Operation of community pharmacy including retailing of pharmaceutical, healthcare and personal care products

13. Investments in subsidiary companies (cont'd.)

Details of the subsidiary companies are as follows (cont'd.):

Name of company	Country of incorporation	Equity interest 2021	Equity interest 2020	Principal activity
Held through Caring Pharmacy Retail Management Sdn. Bhd. (cont'd.):				
Caring Pharmacy Rising Sdn. Bhd.	Malaysia	100%	100%	Operation of community pharmacy including retailing of pharmaceutical, healthcare and personal care products
Caring Trinity Sdn. Bhd.	Malaysia	60%	60%	Operation of community pharmacy including retailing of pharmaceutical, healthcare and personal care products
Caring Clover Sdn. Bhd.	Malaysia	60%	60%	Operation of community pharmacy including retailing of pharmaceutical, healthcare and personal care products
Caring Healthmark Sdn. Bhd.	Malaysia	75%	75%	Operation of community pharmacy including retailing of pharmaceutical, healthcare and personal care products
Caring Evergreen Sdn. Bhd.	Malaysia	70%	70%	Operation of community pharmacy including retailing of pharmaceutical, healthcare and personal care products
Caring Pharmacy Ascend Sdn. Bhd.	Malaysia	60%	60%	Operation of community pharmacy including retailing of pharmaceutical, healthcare and personal care products

13. Investments in subsidiary companies (cont'd.)

Details of the subsidiary companies are as follows (cont'd.):

Name of company	Country of incorporation	Equity interest 2021	Equity interest 2020	Principal activity
Held through Caring Pharmacy Retail Management Sdn. Bhd. (cont'd.):				
Caring Empire Sdn. Bhd.	Malaysia	60%	60%	Dormant
Caring T&T Sdn. Bhd.	Malaysia	60%	60%	Operation of community pharmacy including retailing of pharmaceutical, healthcare and personal care products
Caring Link Sdn. Bhd.	Malaysia	60%	60%	Operation of community pharmacy including retailing of pharmaceutical, healthcare and personal care products
Caring Alliance Sdn. Bhd.	Malaysia	60%	60%	Operation of community pharmacy including retailing of pharmaceutical, healthcare and personal care products
The Pill House Pharmacy Sdn. Bhd. ^	Malaysia	67%	0%	Stores specialised in retail sale of pharmaceuticals, medical and orthopaedic goods
Wellings Pharmacy Sdn. Bhd. ^	Malaysia	60%	0%	Wholesale of pharmaceutical and medical goods

13. Investments in subsidiary companies (cont'd.)

Details of the subsidiary companies are as follows (cont'd.):

Name of company	Country of incorporation	Equity interest 2021	Equity interest 2020	Principal activity
Held through The Pill House Pharmacy Sdn. Bhd.:				
Wellings Pill House Sdn. Bhd. ^	Malaysia	100%	0%	Warehouse supplies and warehouse management of pharmaceuticals products
Wellings Pill House (TG) Pharmacy Sdn. Bhd. ^	Malaysia	100%	0%	Dealer in pharmaceutical products
Blooming Health Pharmacy Sdn. Bhd. ^	Malaysia	100%	0%	Dealer in pharmaceutical products
Realcare Pharmacy (K) Sdn. Bhd. ^	Malaysia	100%	0%	Dealer in pharmaceutical products
Health Town Pharmacy Sdn. Bhd. ^	Malaysia	100%	0%	Dealer in pharmaceutical products
Green Trees Pharmacy Sdn. Bhd. ^	Malaysia	51%	0%	Dealer in pharmaceutical products
Realcare Baby And Organic Sdn. Bhd. ^	Malaysia	100%	0%	Dealer in pharmaceutical products
Nutrilife Pharmacy Sdn. Bhd. ^	Malaysia	100%	0%	Dealer in pharmaceutical products
Pure Health Pharmacy Sdn. Bhd. ^	Malaysia	100%	0%	Dealer in pharmaceutical products
Sharing Pharmacy Sdn. Bhd. ^	Malaysia	51%	0%	Dealer in pharmaceutical products

13. Investments in subsidiary companies (cont'd.)

Details of the subsidiary companies are as follows (cont'd.):

Name of company	Country of incorporation	Equity interest 2021	Equity interest 2020	Principal activity
Held through The Pill House Pharmacy Sdn. Bhd. (cont'd.):				
Simple Life Pharmacy Sdn. Bhd. ^	Malaysia	51%	0%	Dealer in pharmaceutical products
Langkawi Pharmacy Sdn. Bhd. ^	Malaysia	60%	0%	Dealer in pharmaceutical products
Amazinglife Pharmacy Sdn. Bhd. ^	Malaysia	51%	0%	Dealer in pharmaceutical products
Pharmfresh Pharmacy Sdn. Bhd. ^	Malaysia	51%	0%	Dealer in pharmaceutical products
Nutricient RX Sdn. Bhd. ^	Malaysia	51%	0%	Dealer in pharmaceutical products
Super Health Sdn. Bhd. ^	Malaysia	51%	0%	Dealer in pharmaceutical products
Healthy Care Pharmacy Sdn. Bhd. ^	Malaysia	51%	0%	Dealer in pharmaceutical products
Held through Wellings Pharmacy Sdn. Bhd.:				
Masons Health Sdn. Bhd. ^	Malaysia	100%	0%	Dormant

^ Audited by a firm other than Ernst & Young PLT, Malaysia

14. Other investment

	Group 2021 RM'000	Group 2020 RM'000
Financial asset at fair value through profit or loss		
Non-current		
Unquoted shares in Malaysia		
At 1 January/31 December	1	1
Quoted shares in Malaysia (Note (a))		
At 1 January	5,173	27,999
Additions	4,714	395,580
Disposal	-	(2,362)
Purchase consideration transferred (Note 13)	-	(417,406)
Fair value changes of FVTPL for investments in quoted shares	(87)	1,362
At 31 December	9,800	5,173
At fair value through other comprehensive income ("FVTOCI") - Investment funds	63,000	-
Current		
Short term funds (Note (b))	41,527	46,149
	114,328	51,323
Analysed as:		
Total current	41,527	46,149
Total non-current	72,801	5,174

(a) Included in other investments are investments in Berjaya Food Berhad, Berjaya Corporation Berhad and IPAM Investment Funds, at fair value of RM6,450,000, RM3,350,000 and RM63,000,000 as at 31 December 2021, respectively.

(b) The funds invest mainly into money market instruments held for investment purposes, which does not form part of cash and cash equivalents.

There is no maturity period for the money market funds as these money are callable on demand.

Information on the fair value hierarchy is disclosed in Note 34(c) to the financial statements.

15. Investment in an associate

	Group 2020 RM'000
At cost	
Unquoted shares in Malaysia	
At 1 January	-
Additions	7,512
Share of results	(966)
Impairment losses	(6,546)
At 31 December	-

On 27 December 2019, 7-Eleven Malaysia Sdn. Bhd. ("7EMSB"), a subsidiary of 7-Eleven Malaysia Holdings Berhad ("SEM") had entered into a subscription agreement for the subscription of 490,030 new ordinary shares ("Subscription Shares") representing about 46.45% equity interest in the enlarged issued share capital of Dego Malaysia Sdn. Bhd. ("DEGO") for a cash consideration of RM7,512,160. The Subscription has been completed on 3 January 2020.

The cost of investment was fully impaired in the previous financial year and for further details refer Note 33(b)(iii).

16. Trade and other receivables

	Group	
	2021 RM'000	2020 RM'000
Trade receivables	1,323	612
Allowance of impairment loss:		
At 1 January	-	-
Acquisition of subsidiary companies	-	8
Written off	-	(8)
At 31 December	-	-
	-	-
	1,323	612

The Group's sales are normally conducted on cash basis. The trade receivables represent amount owing from transactions conducted with business associates and credit terms are assessed and approved on case-by-case basis.

16. Trade and other receivables (cont'd.)

Receivables that are impaired

The receivables of the Group's that are impaired at the reporting date and the movement of the allowance accounts used to record the impairment are as follows:

	Group	
	2021	**2020**
	RM'000	**RM'000**
Individually impaired		
Trade receivables - nominal amounts	-	-
Less: Allowance for impairment	-	-
	-	-
Movement in allowance accounts:		
At 1 January		
Acquisition of subsidiary companies	-	8
Written off	-	(8)
At 31 December	-	-

Trade receivables that are individually determined to be impaired at the reporting date relate to debtors that are in significant financial difficulties and have defaulted on payments.

16. Trade and other receivables (cont'd.)

Other receivables

	Group		Company	
	2021	**2020**	**2021**	**2020**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Non-current				
Other receivables	24,666	13,782	-	-
Current				
Other receivables	63,083	52,928	1	1
Deposits	26,312	25,212	5	5
Prepayments	8,670	13,579	968	22
Amount due from subsidiaries	-	-	467,489	383,468
Due from other related parties	2,964	4,546	-	-
Less: Allowance for impairment on other receivables	(791)	(694)	-	-
Total current other receivables	100,238	95,571	468,463	383,496
Total non-current and current trade and other receivables	126,227	109,965	468,463	383,496
Less: Prepayments	(8,670)	(13,579)	(968)	(22)
	117,557	96,386	467,495	383,474
Add: Cash and bank balances (Note 18)	158,748	134,980	1,135	15,045
Financial assets at amortised cost	**276,305**	**231,366**	**468,630**	**398,519**
Analysed as:				
Total current	101,561	96,183	468,463	383,496
Total non-current	24,666	13,782	-	-

Included in other receivables is an amount of RM39,335,000 (2020: RM44,260,000), comprising of rebates and incentives income receivable from vendors. These rebates and incentives have been estimated based on terms in trade agreements entered into with vendors.

(a) Receivables

Receivables, other than amounts due from a subsidiary company, are unsecured, non-interest bearing and repayable upon demand. They are recognised at their original amounts which represent their fair values on initial recognition.

16. Trade and other receivables (cont'd.)

Other receivables (cont'd.)

(a) Receivables (cont'd.)

Receivables that are impaired

The receivables of the Group's that are impaired at the reporting date and the movement of the allowance accounts used to record the impairment are as follows:

	Group 2021 RM'000	Group 2020 RM'000
Individually impaired		
Other receivables - nominal amounts	791	694
Less: Allowance for impairment	(791)	(694)
	-	-
Movement in allowance accounts:		
At 1 January	694	444
Charge for the financial year	125	250
Written off	(18)	-
Reversal of impairment losses	(10)	-
At 31 December	791	694

Other receivables that are individually determined to be impaired at the reporting date relate to debtors that are in significant financial difficulties and have defaulted on payments.

(b) Due from other related parties

Amounts due from other related parties are unsecured, non-interest bearing and are repayable upon demand. Included in amount due from other related parties are as follow:

	Group 2021 RM'000	Group 2020 RM'000
Refundable deposits (Non-trade in nature)	2,217	1,692
Deposit for acquisition of property (Non-trade in nature)	-	2,853
Render of accounting service	6	1

16. Trade and other receivables (cont'd.)

Other receivables (cont'd.)

(c) Deposits

In the previous financial year, included in deposits is an amount of RM4,886,350 in respect of deposits paid to execute share sales and business assets agreements relating to the partial sum of consideration to acquire the equity interests in retail pharmacies.

(d) Amount due from subsidiaries

Amount due from subsidiaries is unsecured, interest bearing at 5.1% (2020: 5.1%) and is repayable upon demand.

17. Inventories

	Group	
	2021	2020
	RM'000	RM'000
At cost:		
General merchandise held for resale	381,273	286,659
Consumables	2,788	2,288
	384,061	288,947
Cost of inventories recognised as an expense during the financial year	2,049,503	1,817,141

18. Cash and bank balances

	Group		Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Cash on hand and at banks	147,267	127,864	1,036	15,045
Cash pledged on term loan (Note 25)	8,742	6,785	-	-
Fixed deposits with licensed banks	2,739	331	99	-
	158,748	134,980	1,135	15,045
Less: Pledged deposits	(268)	(207)	-	-
Cash and cash equivalents	158,480	134,773	1,135	15,045

18. Cash and bank balances (cont'd.)

Included in cash on hand and at banks of the Group are overnight placements with licensed banks amounted to RM37,997,388 (2020: RM3,896,461), with interest ranging from 0.25% to 1.75% (2020: 0.25% to 1.75%) per annum.

As at the reporting date, the interest rate of fixed term deposits of the Group and the Company was 1.71% to 1.73% (2020: 1.70%) per annum.

Included in the fixed deposits with licensed banks of the Group at the end of reporting year is an amount of RM268,000 (2020: RM207,000), which has been pledged to a licensed bank for bank guarantee granted to a subsidiary.

Included in cash and bank of the Group are amounts of RM8,741,514 (2020: RM6,785,035) pledged on term loan on the property loan's linked current account under full flexi loan arrangement. The Group has placed excess cash equal to the term loan balances hence there is no interest charged for the financial period. The cash pledge on term loan are readily convertible to know amounts of cash and subject to an insignificant risk of change in value.

The remaining days to maturity of deposits as at the end of the financial year were as follows:

	Group		Company	
	2021	**2020**	**2021**	**2020**
	Days	**Days**	**Days**	**Days**
Deposits with licensed banks	30 - 90	30	90	-

Short term funds invest mainly into highly liquid money market instruments, which are readily convertible to known amounts of cash and are subject to an insignificant risk of change in value. There is no maturity period for the money market funds as these money are callable on demand.

19. Share capital

	Group and Company			
	2021		**2020**	
	Number of ordinary shares '000	**Amount RM'000**	**Number of ordinary shares '000**	**Amount RM'000**
Issued and fully paid up				
At 1 January/31 December	1,233,385	1,485,138	1,233,385	1,485,138

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares, net of treasury shares, carry one vote per share without restrictions and rank equally with regard to the Company's residual assets.

20. Treasury shares

	Group and Company			
	2021		2020	
	Number of ordinary shares '000	Amount RM'000	Number of ordinary shares '000	Amount RM'000
At 1 January	104,135	157,243	83,195	128,928
Shares bought back	2,930	4,167	20,940	28,315
At 31 December	107,065	161,410	104,135	157,243

Treasury shares relate to ordinary shares of the Company that are held by the Company. The amount consists of the acquisition costs of treasury shares.

The Directors of the Company are committed to enhance the value of the Company for its shareholders and believe that the repurchase plan can be applied in the best interests of the Company and its shareholders. The repurchase transactions were financed by internally generated funds and held as treasury shares.

The Company bought back 2,930,000 (2020: 20,940,000) shares from the open market for RM4,167,000 (2020: RM28,315,000) or at an average price of RM1.42 (2020: RM1.35) per share. The shares bought back are held as treasury shares and none of the shares were cancelled during the financial year.

The details of the shares bought back during the financial year are as follows:

	Price per share (RM)			Number of	Total
Month	Lowest	Highest	Average	shares '000	consideration RM'000
Mar 2021	1.36	1.40	1.38	600	831
Apr 2021	1.42	1.44	1.43	2,330	3,336
				2,930	4,167

21. Capital reorganisation deficit

	Group	
	2021 RM'000	2020 RM'000
Capital reorganisation deficit		
At 1 January/31 December	(1,343,248)	(1,343,248)

21. Capital reorganisation deficit (cont'd.)

Capital reorganisation deficit represents the difference between the purchase consideration paid to acquire 7-Eleven Malaysia Sdn. Bhd. (“7EMSB”) and the equity interest of 7EMSB being acquired.

22. Assets revaluation reserve

The asset revaluation reserve represents increases in the fair value of land and buildings, net of tax.

	Group	
	2021	**2020**
	RM'000	**RM'000**
Revaluation of land and buildings classified as property, plant and equipment and right-of-use assets (Note 9 & Note 10)		
As 1 January	48,856	48,519
Increase in fair value	1,155	337
At 31 December	50,011	48,856
Deferred taxation		
As 1 January	(6,642)	(6,550)
Provision during the year (Note 27)	(133)	(92)
At 31 December	(6,775)	(6,642)
Total asset revaluation reserve, net of tax	43,236	42,214

23. Retained profits

The Company may distribute dividends out of its entire retained profits under the single tier system.

24. Provisions

	Group	
	2021	**2020**
	RM'000	**RM'000**
At 1 January	11,508	10,333
Acquisition of subsidiary companies	175	1,040
Provisions during the year	439	600
Utilised during the year	(219)	(365)
Reversal of provision for restoration costs	(55)	(100)
At 31 December	11,848	11,508

24. Provisions (cont'd.)

	Group 2021 RM'000	Group 2020 RM'000
At 31 December		
Current	1,074	1,936
Non-current:		
Later than 1 year but not later than 2 years	1,368	542
Later than 2 years but not later than 5 years	3,096	2,917
Later than 5 years	6,310	6,113
	10,774	9,572
	11,848	11,508

Provisions mainly represent the estimated costs of dismantlement, removal or restoration of property, plant and equipment arising from the use of such assets, which are capitalised and included in the right-of-use assets.

25. Borrowings

		Group		Company	
		2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Current					
Secured:					
Term loan		11,874	39,225	-	37,700
Unsecured:					
Bankers' acceptances		7,000	82,940	-	-
Term loan		6,000	19,200	-	-
Revolving credit		60,000	60,000	-	-
		73,000	162,140	-	-
Total current borrowings		84,874	201,365	-	37,700
Non-current					
Secured:					
Term loan		55,363	325,710	-	320,450
Unsecured:					
Term loan		-	6,000	-	-
Medium term notes	(a)	500,000	-	500,000	-
		500,000	6,000	500,000	-
Total non-current borrowings		555,363	331,710	500,000	320,450

25. Borrowings (cont'd.)

	Group		Company	
	2021	**2020**	**2021**	**2020**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Total borrowings				
Bankers' acceptances	7,000	82,940	-	-
Term loan	73,237	390,135	-	358,150
Revolving credit	60,000	60,000	-	-
Medium term notes	500,000	-	500,000	-
Total current and non-current borrowings	640,237	533,075	500,000	358,150

(a) Medium term notes

The Company has established a 15-year medium term notes ("MTN") programme of RM600 million in nominal value ("MTN Programme"), which was lodged with the Securities Commission Malaysia ("SC") on 15 April 2021 in accordance with the SC's Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework. On 28 June 2021, the Company has completed its maiden MTN issuance of RM500 million ("Series 1 MTN") under the MTN Programme. The tenure is up to 15 years from the date of the first issuance of MTN.

The remaining maturities of the borrowings as at 31 December 2021 and 31 December 2020, other than hire purchase and finance lease liabilities as disclosed in Note 10, are as follows:

	Group		Company	
	2021	**2020**	**2021**	**2020**
	RM'000	**RM'000**	**RM'000**	**RM'000**
At 31 December				
Current:				
Not later than 1 year	84,874	201,365	-	37,700
Non-current:				
Later than 1 year but not later than 2 years	12,012	64,121	-	56,550
Later than 2 years but not later than 5 years	426,977	267,062	400,000	263,900
Later than 5 years	116,374	527	100,000	-
	555,363	331,710	500,000	320,450
	640,237	533,075	500,000	358,150

25. Borrowings (cont'd.)

Changes in liabilities arising from financing activities:

Group	At 1 January 2021 RM'000	Acquisition of subsidiary companies RM'000	Drawdown RM'000	Repayment RM'000	At 31 December 2021 RM'000
Bankers' acceptances	82,940	-	228,500	(304,440)	7,000
Term loan	390,135	25,938	43,730	(386,566)	73,237
Revolving credit	60,000	-	20,000	(20,000)	60,000
Medium term notes	-	-	500,000	-	500,000
	533,075	25,938	792,230	(711,006)	640,237

Group	At 1 January 2020 RM'000	Acquisition of subsidiary companies RM'000	Drawdown RM'000	Repayment RM'000	At 31 December 2020 RM'000
Bankers' acceptances	45,000	-	320,340	(282,400)	82,940
Term loan	44,400	7,858	377,000	(39,123)	390,135
Revolving credit	60,000	-	-	-	60,000
	149,400	7,858	697,340	(321,523)	533,075

Notes to the Financial Statements

31 December 2021

25. Borrowings (cont'd.)

Changes in liabilities arising from financing activities: (cont'd.)

Company	At 1 January 2021 RM'000	Drawdown RM'000	Repayment RM'000	At 31 December 2021 RM'000
Term loan	358,150	-	(358,150)	-
Medium term notes	-	500,000	-	500,000
	358,150	500,000	(358,150)	500,000

Company	At 1 January 2020 RM'000	Drawdown RM'000	Repayment RM'000	At 31 December 2020 RM'000
Term loan	-	377,000	(18,850)	358,150

25. Borrowings (cont'd.)

Borrowings are secured by the following:

(i) Legal charge over the Group's properties as disclosed in Notes 9 and 10 to the financial statements.

(ii) Legal charge over all the ordinary shares of Caring already acquired and held by the Group

(iii) Other information on financial risks of borrowings are disclosed in Note 35(b).

26. Contingent consideration

The contingent consideration represents the fair value of the remaining purchase consideration payable to the vendors in FY2025 in relation to the acquisition of TPH and Wellings as disclosed in Note 13.

27. Deferred tax liabilities/(assets)

	Group 2021 RM'000	Group 2020 RM'000
As at 1 January	54,478	9,872
Acquisition of subsidiary companies	5,796	55,883
Recognised in profit or loss (Note 8(a))	683	(11,369)
Recognised in other comprehensive income (Note 8(b))	133	92
As at 31 December	61,090	54,478

Presented after appropriate offsetting as follows:

	Group 2021 RM'000	Group 2020 RM'000
Deferred tax asset	(2,092)	(6,777)
Deferred tax liabilities	63,182	61,255
	61,090	54,478

The components and movements of deferred tax asset and liabilities during the financial year prior to offsetting are as follows:

Deferred tax asset

	At 1 January 2021 RM'000	Acquisition of subsidiary RM'000	Recognised in profit or loss RM'000	At 31 December 2021 RM'000
Group				
Right-of-use assets	(11,106)	-	(2,102)	(13,208)
Property, plant and equipment	(194)	-	405	211
Provisions	(13,456)	-	1,192	(12,264)
Unabsorbed tax losses	(257)	-	261	4
	(25,013)	-	(244)	(25,257)
Less: Set off deferred tax liabilities				23,165
As at 31 December 2021				(2,092)

27. Deferred tax liabilities/(assets) (cont'd.)

Deferred tax asset (cont'd.)

	At 1 January 2020 RM'000	Acquisition of subsidiary RM'000	Recognised in profit or loss RM'000	At 31 December 2020 RM'000
Group				
Right-of-use assets	(8,365)	(745)	(1,996)	(11,106)
Property, plant and equipment	-	(138)	(56)	(194)
Provisions	(3,936)	(874)	(8,646)	(13,456)
Unabsorbed tax losses	-	(337)	80	(257)
	(12,301)	(2,094)	(10,618)	(25,013)
Less: Set off deferred tax liabilities				18,236
As at 31 December 2020				(6,777)

Deferred tax liabilities

	At 1 January 2021 RM'000	Acquisition of subsidiary companies RM'000	Recognised in profit or loss RM'000	Recognised in other comprehensive income RM'000	At 31 December 2021 RM'000
Group					
Property, plant and equipment	16,412	654	1,402	11	18,479
Right-of-use assets	(43)	-	-	-	(43)
Intangible assets	57,780	4,923	-	47	62,750
Revaluation of land and buildings to fair value	6,583	-	-	127	6,710
Fair value of investment	105	-	-	(5)	100
Other temporary differences	(1,346)	219	(522)		(1,649)
	79,491	5,796	880	180	86,347
Less: Set off deferred tax assets					(23,165)
As at 31 December 2021					63,182

27. Deferred tax liabilities/(assets) (cont'd.)

Deferred tax liabilities (cont'd.)

	At 1 January 2020 RM'000	Acquisition of subsidiary companies RM'000	Recognised in profit or loss RM'000	Recognised in other comprehensive income RM'000	At 31 December companies RM'000
Group					
Property, plant and equipment	15,577	215	620	-	16,412
Right-of-use assets	-	(24)	(19)	-	(43)
Intangible assets	-	57,780	-	-	57,780
Revaluation of land and buildings to fair value	6,550	-	-	33	- 6,583
Fair value of investment property	46	-	-	59	105
Other temporary differences	-	6	(1,352)	-	- (1,346)
	22,173	57,977	(751)	92	79,491
Less: Set off deferred tax assets					(18,236)
As at 31 December 2020					61,255

The amounts of temporary differences for which no deferred tax assets have been recognised in the statements of financial position are as follows:

	Group 2021 RM'000	2020 RM'000
Unabsorbed tax losses	4,680	4,680
Unutilised capital allowances	265	265
Other temporary differences	990	749
	5,935	5,694

The unabsorbed tax losses and unutilised capital allowances of the Group are available for offsetting against future taxable profits subject to the Income Tax Act, 1967 and guidelines issued by the tax authority. The Ministry of Finance via Finance Bill 2021 announced that the unused tax losses carried forward shall be extended from a maximum period of 7 to 10 consecutive years of assessment. This amendment is deemed to have effect for the year of assessment 2019 and subsequent years of assessment.

28. Trade payables

	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Current				
Third parties (a)				
Merchandise suppliers	437,454	352,931	-	-
Phone reload coupon and in-store services suppliers	55,281	49,325	-	-
Related parties (b)				
Merchandise suppliers	3,696	2,635	-	-
Phone reload coupon and in-store services suppliers	21,433	36,607	-	-
Total trade payables	517,864	441,498	-	-
Total trade payables	517,864	441,498	-	-
Add:				
Lease liabilities (Note 10(b))	656,394	659,849	-	-
Other payables (Note 29)	134,160	143,481	59	84,214
Borrowings (Note 25)	640,237	533,075	500,000	358,150
Total financial liabilities, carried at amortised cost	1,948,655	1,777,903	500,059	442,364

(a) Third parties

The normal trade credit terms granted to the Group are as follows:

	Group 2021 RM'000	Group 2020 RM'000
Merchandise suppliers	30 - 120	30 - 120
Phone reload coupon and in-store services suppliers	7 - 60	7 - 60

The normal trade credit terms granted to the Group ranged from 7 to 120 (2020: 7 to 120) days. However, suppliers will generally extend their credit terms to 90 (2020: 90) days upon request by the Group.

(b) Related parties

As at 31 December 2021, related party refers to companies in which Tan Sri Vincent Tan Chee Yioun ("TSVT") are deemed to have an interest. The trade credit term granted ranged from 7 to 60 (2020: 7 to 60) days.

29. Other payables and contract liabilities

	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Other payables:				
Current				
Sundry payables	35,285	59,725	-	-
Accruals	65,191	54,681	59	157
Refundable deposits	28,053	24,803	-	-
Due to non-controlling shareholders	3,962	2,473	-	-
Due to related parties	1,669	1,799	-	-
Due to a subsidiary company	-	-	-	84,057
Total other payables	134,160	143,481	59	84,214
Contract liabilities:				
Current and non-current				
Initial franchise fees	14,590	11,946	-	-
Loyalty points programme	6,338	2,598	-	-
Total contract liabilities	20,928	14,544	-	-

The current and non-current portions of contract liabilities are as below:

	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Current	8,112	3,981	-	-
Non-current	12,816	10,563	-	-
	20,928	14,544	-	-

(a) Payables

Payables, other than amounts due to a subsidiary company, are unsecured, non-interest bearing and are normally settled on 30 to 60 (2020: 30 to 60) days terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Included in sundry payables are balances in respect of transactions with a company in which TSVT is deemed interested:

	Type of transaction	Group 2021 RM'000	Group 2020 RM'000
Securexpress Services Sdn. Bhd.	Transportation costs	821	1,331

29. Other payables and contract liabilities (cont'd.)

(b) Refundable deposits

Refundable deposits comprised security deposits, change fund deposits and rental deposits. These deposits are refundable upon the termination by notice as per the franchise or tenancy agreements, or the expiration of the respective agreement.

(c) Due to a subsidiary company

In the previous financial year, the amount due to a subsidiary company, refers to amount due to 7-Eleven Malaysia Sdn. Bhd. This amount is unsecured, bore interest at 5.1% per annum and is repayable on demand.

(d) Due to non-controlling shareholders

As at 31 December 2021, the amount due to a non-controlling shareholders of a subsidiary is unsecured, bore floating interest rate ranging from 1.82% to 1.88% (2020: 1.86% to 3.22%) per annum and is repayable on demand. The amounts are to be settled in cash.

(e) Contract liabilities

Contract liabilities comprised deferred revenue from initial franchise fees and loyalty points not yet redeemed.

30. Dividends

	Group and Company			
	2021		2020	
	Amount, net of tax RM'000	Net dividend per ordinary share Sen	Amount, net of tax RM'000	Net dividend per ordinary share Sen
Dividend for the financial year ended 31 December 2021				
Interim single-tier cash dividend of 1.6% on 1,126,320,000# ordinary shares, declared on 15 April 2021 and paid on 21 May 2021	18,021	1.6	-	-
Dividend for the financial year ended 31 December 2020				
Interim single-tier cash dividend of 2.3% on 1,150,189,924^ ordinary shares, declared on 22 April 2020 and paid on 28 May 2020	-	-	26,454	2.3
	18,021	1.6	26,454	2.3

\# Dividends were distributed to the holders of ordinary shares of the Company in issue as at 6 May 2021 (being the entitlement date), net of 107,065,000 treasury shares.

^ Dividends were distributed to the holders of ordinary shares of the Company in issue as at 13 May 2020 (being the entitlement date), net of 83,195,000 treasury shares.

31. Significant related party transactions

(a) Significant related party transactions

	Type of transaction	Company 2021 RM'000	Company 2020 RM'000
With a subsidiary company			
Held by the Company:			
7-Eleven Malaysia Sdn. Bhd. ("7EMSB")	Dividend income from 7EMSB	40,000	74,000
	Net advances (to)/from 7EMSB	(149,933)	35,682
	Interest income on advances to 7EMSB	858	-
	Interest expense payable to 7EMSB	(2,733)	(3,793)
Convenience Shopping (Sabah) Sdn. Bhd. ("CSSSB")	Advances to CSSSB	-	(377,000)
	Interest income on advances to CSSSB	20,021	6,468
With companies in which TSVT is deemed interested*			
U Mobile Sdn. Bhd. ("U Mobile")	Receipts from U Mobile for commission on sale of mobile phone reloads	9,797	13,360
	Payments to U Mobile for transaction values reload for sale of mobile phone reloads	(157,173)	(211,369)
	Receipts from U Mobile for advertisement placement fees	9,423	8,928

31. Significant related party transactions (cont'd.)

(a) Significant related party transactions (cont'd.)

	Type of transaction	Group 2021 RM'000	Group 2020 RM'000
With companies in which TSVT is deemed interested* (cont'd.)			
Sun Media Corporation Sdn. Bhd.	Advertising fees on placement of advertisement in The Sun newspaper	(874)	(1,258)
	Display fees from placement of The Sun newspaper in 7-Eleven's stores	(720)	(720)
Securexpress Services Sdn. Bhd. ("Securexpress")	Payment to Securexpress for transportation fees on delivery of merchandise goods to stores	(6,411)	(7,783)
Berjaya Food Trading Sdn Bhd ("B Food")	Payment to B Food for purchase of beverages	(4,950)	(2,993)
Nural Enterprise Sdn. Bhd. ("NESB")	Payment to NESB for rental of property	(1,500)	(1,358)
Berjaya Times Square Sdn. Bhd. ("BTSB")	Payment to BTSB for rental of property	(1,202)	(1,216)

31. Significant related party transactions (cont'd.)

(a) Significant related party transactions (cont'd.)

	Type of transaction	Group 2021 RM'000	Group 2020 RM'000
With companies in which TSVT is deemed interested* (cont'd.)			
Razer Pay Holdings Pte. Ltd. and its subsidiary companies ("Razer")	Receipt of commission by 7-Eleven for in-store services such as reloads of mobile phone, TNG and online games, gift cards and bill payments	36,747	33,328
	Transaction values paid by 7-Eleven for in-store services such as reloads of mobile phones, TNG and online games, gift cards and bill payments	(3,988,170)	(2,739,994)
	Transaction value receivable by 7-Eleven for e-wallet transactions	289,043	144,991
With companies in which Director of a subsidiary is deemed interested			
Ken Prima Cosmeceuticals Sdn. Bhd. ("KEN")	Purchase of personal care products by Caring	(1,080)	(550)
Bioscenergy International Sdn. Bhd. ("BIO")	Purchase of healthcare products by Caring	(1,390)	-

* TSVT is a substantial shareholder of the Company.

31. Significant related party transactions (cont'd.)

(a) Significant related party transactions (cont'd.)

The Directors are of the opinion that all the transactions above have been entered into in the normal course of business and have been established on negotiated terms and conditions.

Information regarding outstanding balances arising from related party transactions as at 31 December 2021 and 2020 are disclosed in Notes 16, 28 and 29.

(b) Compensation of key management personnel

The remuneration of directors and members of key management during the financial year was as follows:

	Group		Company	
	2021	**2020**	**2021**	**2020**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Short-term employee benefits	13,264	16,188	451	514
Post-employment benefits:				
Defined contribution plan	1,882	1,279	-	-
	15,146	17,467	451	514
Included in the total key management personnel are:				
Directors' benefits (Note 6(b))	6,547	8,169	451	514

32. Commitments

(a) Capital commitments

	Group	
	2021	**2020**
	RM'000	**RM'000**
Property, plant and equipment		
- approved and contracted for	9,141	9,492
- approved but not contracted for	238,108	116,252
	247,249	125,744

32. Commitments (cont'd.)

(b) Operating lease commitments - as lessor

The Group has entered into commercial property leases on their properties. These non-cancellable leases have an average lease terms of 3 years. All leases include a clause to enable upward revision of the rental charge upon renewal of the leases based on prevailing market conditions.

The future minimum rentals receivable under non-cancellable operating leases at the reporting date are as follows:

	Group	
	2021 RM'000	2020 RM'000
Not later than 1 year	865	295
Later than 1 year but not later than 5 years	676	120
	1,541	415

33. Contingent liabilities

(a) Bank guarantee

The Group has bank guarantees of RM9,018,534 as at 31 December 2021 (2020: RM9,114,563) as security deposits in favour of various government bodies, private companies and landlord of the tenancies.

The bank guarantee facilities are granted to 7-Eleven Malaysia Sdn. Bhd. and Caring Phamacy Retail Management Sdn. Bhd. on a clean basis.

(b) Material litigation

(i) E-Apaci Sdn. Bhd. (“EASB”)

On 29 November 2019, EASB filed a claim against 7-Eleven Malaysia Sdn. Bhd. ("7EMSB"), a wholly owned subsidiary of the Company, for specific performance to execute the energy saving contract and loss and damages for an alleged breach of contract and/or loss of contract amounting to RM8,785,720 and RM1,343,817, respectively. 7EMSB has filed its Defence in the Court on 8 January 2020. Full trial of the matter was concluded on 7 October 2021, where the High Court held that there was a concluded contract and award nominal damages of RM10,000 and costs of RM40,000 to EASB.

33. Contingent liabilities (cont'd.)

(b) Material litigation (cont'd.)

(i) E-Apaci Sdn. Bhd. (“EASB”) (cont'd.)

As at reporting date, EASB filed an appeal to the Court of Appeal against part of the High Court’s decision dismissing its claims for damages. Case management of the appeal is fixed on 14 June 2022 for EASB to file the Record of Appeal. The outcome cannot be determined at this juncture. The Directors of 7EMSB are of the opinion that there is a fair chance of succeeding in resisting the appeal. Accordingly, no provision for any liability has been made in the financial statements.

(ii) Purnama Resources (M) Sdn. Bhd. (“Purnama”)

On 24 September 2019, Purnama filed a claim for loss and damages against 7EMSB for a purported wrongful termination of contract amounting to RM1,913,194. On 11 November 2019, Purnama obtained a Judgement in Default (“JID”) against the Company. On 17 January 2020, the Company applied to set aside the JID and for leave to defend against the claim. A case management is fixed on 13 April 2020 for parties to furnish hardcopies of written submission to court and to fix a hearing date. On 21 January 2020, 7EMSB filed an Originating Summons along with a Notice of Application (Ex-Parte) seeking for a Fortuna Injunction to restrain Purnama from, amongst others, presenting a winding-up petition. On 24 January 2020, the Court granted the Company with the Fortuna Injunction Order on an ex-parte basis. On 14 February 2020, by consent, 7EMSB obtained the Injunction Order sought under the Originating Summons. On 31 December 2020, the Court set aside the JID. 7EMSB filed its Defence in Court on 12 January 2021 and Purnama filed its Reply to 7EMSB's Defence on 24 February 2021. Upon negotiation, parties agreed to settle the matter amicably. Purnama filed its Notice of Discontinuance dated 20 May 2021 in court discountinuing the claim against 7EMSB without liberty to file afresh. As at reporting date, the claim has been discontinued against 7EMSB, hence the matter is now concluded.

(iii) Dego Malaysia Sdn. Bhd. (“Dego”)

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 Dego for respective claims arising from a Subscription Agreement dated 27 December 2019 made between 7EMSB, Encik Nabil and Dego (“SA”) and a Share Sales Agreement dated 11 September 2019 made between Qinetics and Nabil (“the HC Suit”).

33. Contingent liabilities (cont'd.)

(b) Material litigation (cont'd.)

(iii) Dego Malaysia Sdn Bhd ("Dego") (cont'd.)

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 Dego 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 Dego 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 ended 31 December 2021.

(iv) A former employee of 7EMSB

On 26 October 2021, a former employee of 7EMSB commenced an action against 7EMSB alleging, amongst others, breach of employment agreement, negligence and harassment. She is claiming damages in the sum of over RM96,032,956 as well as general damages to be assessed by the Court. 7EMSB applied for the claim to be struck out, however the High Court dismissed the striking out application and directed the Plaintiff to file an amended Statement of Claim. The Plaintiff served her application to amend the Statement of Claim on 7EMSB on 11 April 2022, wherein the Plaintiff has proposed for her claim amount be amended to RM6,032,956 only and damages to be assessed by the Court.

The Plaintiff's application to amend the Statement of Claim is fixed for case management on 21 April 2022. In the meantime, 7EMSB has filed its appeal against the dismissal of the striking out application in the Court of Appeal and the same is fixed for case management on 26 May 2022. The Directors of 7EMSB are of the opinion that there is a fair chance of succeeding in their defence over the disputed claim. Accordingly, no provision for any liability has been made in the financial statements.

34. Fair value of financial instruments

A. Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value

	Group			
	2021 RM'000		2020 RM'000	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial liabilities:				
- Lease liabilities (Note 10 (b))	656,394	656,439	659,849	659,873

B. Determination of fair value

Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

The following are classes of financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value:

	Note
Trade and other receivables (current)	16
Trade and other payables (current)	28, 29
Borrowings (current and non-current)	25

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the reporting date.

The carrying amounts of the current and non-current portion of borrowings are reasonable approximation of fair values due to the insignificant impact of discounting.

The fair values of current and non-current borrowings are estimated by discounting expected future cash flows at market incremental lending rate for similar types of lending, borrowings or leasing arrangements at the reporting date.

34. Fair value of financial instruments (cont'd.)

C. Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities.

Quantitative disclosures fair value measurement hierarchy for assets and liabilities:

	Fair value measurement using			
	Total RM'000	Quoted prices in active markets (Level 1) RM'000	Significant observable inputs (Level 2) RM'000	Significant un-observable inputs (Level 3) RM'000
Group				
31 December 2021				
Assets carried at fair value:				
Land and buildings classified as property, plant and equipment (Note 9(d))	81,542	-	-	81,542
Asset-in-progress classified as property, plant and equipment (Note 9)	1,750	-	-	1,750
Land and buildings classified as right-of-use assets (Note 10(a))	44,674	-	-	44,674
Investment property classified as right-of-use assets (Note 10(a))	380	-	-	380
Investment properties (Note 11)	21,029	-	-	21,029
Other investment (Note 14)	72,801	72,800	-	1
Short term funds (Note 14)	41,527	41,527	-	-
Liabilities for which fair values are disclosed				
- Lease liabilities (Note 34.A)	656,439	-	-	656,439

34. Fair value of financial instruments (cont'd.)

C. Fair value hierarchy (cont'd.)

	Fair value measurement using			
	Total RM'000	**Quoted prices in active markets (Level 1) RM'000**	**Significant observable inputs (Level 2) RM'000**	**Significant un-observable inputs (Level 3) RM'000**
Group				
31 December 2020				
Assets carried at fair value:				
Land and buildings classified as property, plant and equipment (Note 9)	77,498	-	-	77,498
Land and buildings classified as right-of-use assets (Note 10(a))	40,880	-	-	40,880
Investment property classified as right-of-use assets (Note 10(a))	400	-	-	400
Other investment (Note 14)	5,174	5,173	-	1
Short term funds (Note 14)	46,149	46,149	-	-
Liabilities for which fair values are disclosed				
- Lease liabilities (Note 34.A)	659,873	-	-	659,873

There have been no transfers between Level 1 and Level 2 during the year.

35. Financial risk management objectives and policies

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, interest rate risk, liquidity risk and foreign currency risk.

The Board of Directors reviews and agrees the policies and procedures for the management of these risks, in order to minimise the effects of the unpredictability of the financial markets on the performance of the Group and of the Company, which are executed by the senior management of the Company.

35. Financial risk management objectives and policies (cont'd.)

It is the Group's policy that no derivatives shall be undertaken except for the use as hedging instruments where appropriate and cost-efficient. The Group and the Company do not apply hedge accounting.

The following sections provide details regarding the Group's and the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and sundry receivables. For other financial assets (including cash and bank balances), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

The Group uses aging analysis to monitor the credit quality of trade receivables. Any receivables having significant balances past due or more than 60 days, which are deemed to have higher credit risk, are monitored individually.

The Group's objective is to seek continual growth while minimising losses incurred due to increased credit risk exposure. Receivable balances are monitored on an ongoing basis.

<u>Credit risk concentration profile</u>

The Group does not have any major concentration of credit risk related to any individual customer or counterparty.

<u>Exposure to credit risk</u>

At the reporting date, the Group's and the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

<u>Amounts due from related companies, subsidiaries and other related parties</u>

There is minimal risk of default as these related companies holds substantial amount of properties; while the other related parties and subsidiary company are prospectively profitable. The credit standing of these related companies are periodically monitored and reviewed.

35. Financial risk management objectives and policies (cont'd.)

(a) Credit risk (cont'd.)

Ageing analysis

	Gross carrying amount RM'000	Total allowance RM'000	Balance as at 31 Dec 2021 RM'000
Neither past due nor impaired	539	-	539
Past due, not impaired			
- 1 to 30 days	520	-	520
- 31 to 60 days	24	-	24
- 61 to 90 days	136	-	136
- More than 90 days	104	-	104
	1,323	-	1,323

(b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates.

The interest bearing assets made up of deposits with licensed banks. The Group and the Company manage the interest rate risk of their deposits with licensed banks by placing them at the most competitive interest rates obtainable, which yield better returns than cash at bank.

Borrowings at floating rates expose the Group and the Company to cash flow interest rate risk. Borrowings obtained at fixed rate expose the Group and the Company to fair value interest rate risk. The Group and the Company manage their interest rate exposure by maintaining a mix of fixed and floating rate borrowings.

35. Financial risk management objectives and policies (cont'd.)

(b) Interest rate risk (cont'd.)

Sensitivity analysis for interest rate risk

At the reporting date, if interest rates had been 50 basis points higher/lower, with all other variables held constant, the Group's profit net of tax would have been RM4,772,000 (2020: RM4,517,000) lower/higher, arising mainly as a result of higher/lower interest income on deposits with licensed banks and interest expenses on borrowings.

At the reporting date, if interest rates had been 50 basis points higher/lower, with all other variables held constant, the Company's profit net of tax would have been RM123,000 (2020: RM223,000) lower/higher, arising mainly as a result of higher/lower interest income on deposit with licensed banks and interest expenses on borrowings and amount due from a subsidiary company.

The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment. The carrying amounts, the range of applicable interest rates as at the reporting date and the remaining maturities of the Group's financial instruments that are exposed to interest rate risk are disclosed in Notes 10, 24 and 25 and the table below:

	Note	Range of interest %	Within 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000	Total RM'000
At 31 December 2021						
Group						
Fixed rate						
Hire purchase and finance lease	10(b)	2.2 - 6.3	180	257	172	609
Medium term notes	25	4.0 - 4.7	-	-	500,000	500,000
Variable rate						
Lease liabilities	10(b)	3.34 - 5.8	103,123	98,473	454,189	655,785
Bankers' acceptances	25	3.0 - 3.8	7,000	-	-	7,000
Term loans	25	2.3 - 8.1	17,874	12,012	43,351	73,237
Revolving credit	25	3.5 - 3.7	60,000	-	-	60,000
Amount owing to non-controlling shareholders	29	1.8 - 1.9	3,962	-	-	3,962
Company						
Fixed rate						
Medium term notes	25	4.0 - 4.7	-	-	500,000	500,000

35. Financial risk management objectives and policies (cont'd.)

(b) Interest rate risk (cont'd.)

	Note	Range of interest rate %	Within 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000	Total RM'000
At 31 December 2020						
Group						
Fixed rate						
Hire purchase and finance lease	10(b)	3.5 - 6.3	75	54	100	229
Variable rate						
Lease liabilities	10(b)	3.3 - 5.8	99,941	91,599	468,080	659,620
Bankers' acceptances	25	3.0 - 3.3	82,940	-	-	82,940
Term loans	25	3.9 - 5.4	58,425	64,121	267,589	390,135
Revolving credit	25	3.5 - 3.7	60,000	-	-	60,000
Amount owing to non-controlling shareholders	29	1.9 - 3.2	2,473	-	-	2,473

35. Financial risk management objectives and policies (cont'd.)

(c) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

The Group actively manages its operating cash flows and the availability of funding so as to ensure that all funding needs are met. As part of its overall prudent liquidity management, the Group maintains the availability of funding through adequate amount of committed credit facilities.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and the Company's liabilities at the reporting date based on contractual undiscounted repayment obligations.

	2021			
	On demand or within 1 year RM'000	**1 to 5 years RM'000**	**Over 5 years RM'000**	**Total RM'000**
Group				
Financial liabilities:				
Lease liabilities	137,968	450,903	219,166	808,037
Trade payables	517,864	-	-	517,864
Other payables	134,210	-	-	134,210
Borrowings	107,985	512,102	119,097	739,184
Total undiscounted financial liabilities	898,027	963,005	338,263	2,199,295

	On demand or within 1 year RM'000	**1 to 5 years RM'000**	**Over 5 years RM'000**	**Total RM'000**
Company				
Financial liabilities:				
Trade and other payables	59	-	-	59
Borrowings	21,430	470,077	102,372	593,879
Total undiscounted financial liabilities	21,489	470,077	102,372	593,938

35. Financial risk management objectives and policies (cont'd.)

(c) Liquidity risk (cont'd.)

Analysis of financial instruments by remaining contractual maturities (cont'd.)

	2020			
	On demand or within 1 year RM'000	**1 to 5 years RM'000**	**Over 5 years RM'000**	**Total RM'000**
Group				
Financial liabilities:				
Lease liabilities	133,981	451,529	243,787	829,297
Trade payables	441,498	-	-	441,498
Other payables	143,527	-	-	143,527
Borrowings	202,454	331,909	425	534,788
Total undiscounted financial liabilities	921,460	783,438	244,212	1,949,110

	On demand or within 1 year RM'000	**1 to 5 years RM'000**	**Over 5 years RM'000**	**Total RM'000**
Company				
Financial liabilities:				
Trade and other payables	88,501	-	-	-
Borrowings	37,700	320,450	-	358,150
Total undiscounted financial liabilities	126,201	320,450	-	358,150

(d) Foreign currency risk

The Group is exposed to foreign currency risk as a result of its normal operating activities, where the currency denomination differs from the functional currency, Ringgit Malaysia. The currency giving rise to this risk is primarily US Dollar. Foreign exchange exposures are kept to an acceptable level.

The net unhedged financial liabilities of the Group and the Company that are not denominated in their functional currency are as follows:

	Group	
	2021 RM'000	**2020 RM'000**
Payables		
US Dollar	-	130

35. Financial risk management objectives and policies (cont'd.)

(d) Foreign currency risk (cont'd.)

Sensitivity analysis for foreign currency risk

At the reporting date, the impact to the Group's profit net of tax would be minimal, if US Dollar exchange rate had strengthened/weakened by 10%, with all other variables held constant.

36. Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the financial years ended 31 December 2021 and 2020.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital. The Group's policy is to keep the gearing ratio of less than 1.80 times. The Group includes within net debt, loans and borrowings, less cash and bank balances. Capital represent total equity excluding treasury shares.

		Group		Company	
	Note	**2021 RM'000**	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**
Borrowings	25	640,237	533,075	500,000	358,150
Due to a subsidiary	29	-	-	-	84,057
Less: Cash and bank balances	18	(158,748)	(134,980)	(1,135)	(15,045)
Net debt		481,489	398,095	498,865	427,162
Total capital as defined above		343,453	318,464	1,533,615	1,516,104
Gearing ratio		1.40	1.25	0.33	0.28

The gearing ratio is not governed by the MFRS and its definition and calculation may vary from one group/company to another.

37. Segment information

The Group is essentially involved in operation of convenience stores, pharmaceutical, investment holding and real property investments. Operating segments of the Group are best segregated as follows:

(a) Convenience stores

The convenience stores segment is the operating and franchising of convenience stores under the "7-Eleven" brand name, which offers a range of grocery and food items including hot food and beverages and manages the distribution of reloads of mobile phone, Touch 'n Go and online game and bill payment services.

(b) Pharmaceutical

The pharmaceutical segment is the operating chain of pharmacies under the "Caring", "Pill House" and "Wellings" brand name, which retailing of pharmaceutical, healthcare and personal care products.

(c) Others

The other segments consist of investment holding and real property investments.

All inter-segment transactions were carried out in the normal course of business and established under negotiated terms.

		Group	
Revenue	**External RM'000**	**Inter-segment RM'000**	**Total RM'000**
For the financial year ended 31 December 2021			
Convenience stores	1,810,455	-	1,810,455
Pharmaceutical	997,868	-	997,868
Others	177	680	857
Inter-segment elimination	-	(680)	(680)
	2,808,500	-	2,808,500
For the financial year ended 31 December 2020			
Convenience stores	2,063,369	-	2,063,369
Pharmaceutical	475,476	-	475,476
Others	183	690	873
Inter-segment elimination	-	(690)	(690)
	2,539,028	-	2,539,028

37. Segment information (cont'd.)

Results

	Group 2021 RM'000	Group 2020 RM'000
Profit from operations:		
Convenience stores	98,694	100,644
Pharmaceutical	57,766	26,577
Others	(4,913)	(11,334)
	151,547	115,887
Interest income	2,340	2,009
Share of results of an associate	-	(966)
Finance costs	(61,458)	(54,274)
Profit before tax	92,429	62,656
Income tax expense	(33,589)	(27,303)
Net profit for the year	58,840	35,353

Assets and liabilities

	Group			
	Assets		Liabilities	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Convenience stores	1,288,916	1,367,664	1,212,072	1,270,012
Pharmaceutical	544,021	368,051	383,013	189,797
Others	429,802	301,134	485,611	415,819
	2,262,739	2,036,849	2,080,696	1,875,628

Other information

	Group			
	Capital expenditure RM'000	Depreciation and amortisation RM'000	Impairment loss/ written-off RM'000	Other non-cash expenses RM'000
For the financial year ended 31 December 2021				
Convenience stores	37,174	164,374	17,152	-
Pharmaceutical	7,292	33,218	1,090	-
	44,466	197,592	18,242	-

37. Segment information (cont'd.)

Other information (cont'd.)

	Group			
	Capital expenditure RM'000	**Depreciation and amortisation RM'000**	**Impairment loss/ written-off RM'000**	**Other non-cash expenses RM'000**
For the financial year ended 31 December 2020				
Convenience stores	56,052	163,020	36,345	-
Pharmaceutical	12,250	20,556	1,524	-
	68,302	183,576	37,869	-

All revenue and non-current assets are earned and held in Malaysia.

38. Earnings per share

Basic earnings per share amounts are calculated by dividing profit for the financial year (net of tax) attributable to equity holders of the Company, by the weighted average number of ordinary shares outstanding during the financial year.

The Company has no potential ordinary shares and therefore, diluted earnings per share is the same as basic earnings per share. The following reflect the profit and share data used in the computation of basic earnings per share for the years ended 31 December:

	Group	
	2021	**2020**
Net profit attributable to equity holders of the Company (RM'000)	44,348	29,766
Weighted average number of ordinary shares in issue ('000)	1,127,043	1,144,404
Basic/diluted earnings per ordinary share (sen)	3.93	2.60

39. Significant events disclosure

Following the unprecedented COVID-19 outbreak in 2020, trading conditions in 2021 remained volatile with the seemingly endless threat of the pandemic. The emergence of new variants of concern saw cases surging and consequently, the Government had re-introduced various lockdowns throughout the first half of 2021, including a nationwide third Movement Control Order on 12 May 2021 – all of which took a toll on retail activity and dampened consumer sentiments.

That said, the Government had on 15 June 2021, unveiled the National Recovery Plan (“NRP”), entailing a four-phase strategy to exit from the COVID-19 pandemic properly and safely. In this regard, the whole country had in January 2022, successfully transitioned into phase four of the NRP, where most economic sectors re-opened and social activities including inter-state travel allowed; granted with proper social distancing policies and vaccination requirement.

On a more progressive note, with nearly 80% of Malaysia’s total population being fully vaccinated, and with 64% of Malaysian adults having taken a booster dose, the Government had on 1 April 2022 re-opened its borders to international visitors, allowing travellers who are fully vaccinated against COVID-19 to enter the country without the need for quarantine.

At the date of this report, the country has effectively entered the "transition to endemic" phase, where there will no longer be limits on business operating hours or to the capacity of both commercial and social premises. In relation thereto, the Group is optimistic on this gradual path of recovery and essentially, the Group’s priority is to retain its competitiveness by closely monitoring consumer behaviours and competitive trends, managing costs and working capital effectively, while streamlining and simplifying work processes to improve store operations and product offerings.

40. Subsequent event disclosure

On 1 April 2022, Caring Pharmacy Retail Management Sdn. Bhd. ("Caring"), an indirect 75%-owned subsidiary of 7-Eleven Malaysia Holdings Berhad ("SEM"), completed the joint venture with PT Era Prima Indonesia ("EPI") to establish pharmaceutical business in Indonesia via the following:

(i) establishment of PT Era Caring Indonesia, a joint-venture company which undertakes the distribution business of pharmaceutical products; and

(ii) subscription of convertible bonds in PT Era Farma Indonesia, a subsidiary of EPI which undertakes the retailing business of pharmaceutical products.

List of **Properties**

As at 31 December 2021

No.	Location	Description of Properties	Existing Use	Estimated Age of Building (Years)	Approximate Area / Size (sq ft)	Tenure	Date of Acquisition	Net Book Value (RM)
1	Lot 3, Persiaran Gerbang Utama, Bukit Jelutong Industrial Park, 40150 Shah Alam, Selangor Darul Ehsan.	A Parcel of Industrial Land	Vacant / Not Applicable	-	174,182 (4 acres)	Freehold	12 May 2009	34,800,000
2	No.49, Jalan Sultan Ismail, 50250 Kuala Lumpur.	A Commercial Land	Ground floor as 7-Eleven Convenience Store and other floors for rental purpose	64	Land Area : 1,302 Build-up : 3,750	Freehold	28 May 2004	5,200,000
3	No. 2, Jalan Hang Lekiu, 50100 Kuala Lumpur.	Corner Unit Four (4) Storey Shop Office	Ground floor as 7-Eleven Convenience Store and other floors for rental purpose	23	Land Area : 1,033 Build-up : 4,113	Freehold	3 Oct 2005	5,000,000
4	No. 1, Block 6, Jalil Link, Jalan Jalil Jaya 7, Bukit Jalil, 57000 Kuala Lumpur.	Corner Unit Four (4) Storey Shop Office	Ground floor as 7-Eleven Convenience Store and other floors for rental purpose	12	Land Area : 1,787 Build-up : 7,140	Freehold	25 Sep 2007	5,600,000
5	No. 58, Jalan PJS 11/28A, Sunway Metro, Bandar Sunway, 46150 Petaling Jaya, Selangor Darul Ehsan.	Intermediate Unit Four (4) Storey Shop Office	Ground floor as 7-Eleven Convenience Store and other floors for rental purpose	25	Land Area : 1,647 Build-up : 6,584	Leasehold (99-Year) Expiring Date : 28 Dec 2092 (H.S.(D) 85458) 11 Mar 2095 (H.S.(M) 9321)	11 May 2006	4,100,000
6	No. 211, Jalan Perkasa 1, Taman Maluri, 55100 Kuala Lumpur.	Corner Unit Four (4) Storey Shop Office	Ground floor as 7-Eleven Convenience Store and other floors for rental purpose	38	Land Area : 2,208 Build-up : 8,654	Leasehold (99-Year)	6 Oct 2004	5,600,000
7	No. 213, Jalan Perkasa 1, Taman Maluri, 55100 Kuala Lumpur.	Intermediate Unit Four (4) Storey Shop Office	Ground floor as 7-Eleven Convenience Store and other floors for rental purpose	38	Land Area : 1,760 Build-up : 6,864	Expiring Date : 24 May 2076	6 Oct 2004	
8	No. 10, Jalan Tiara 2, Bandar Baru Klang, 41150 Klang, Selangor Darul Ehsan.	Intermediate Unit Four (4) Storey Shop Office	Ground floor as 7-Eleven Convenience Store and other floors for rental purpose	29	Land Area : 1,647 Build-up : 6,402	Leasehold (99-Year) Expiring Date : 8 May 2093	24 Aug 2004	1,500,000
9	Lot No.G-17 & G18, Ground Floor, Wisma Cosway, Jalan Raja Chulan, 50200 Kuala Lumpur.	Two (2) adjoining Ground Floor strata Shop Lot	As 7-Eleven Convenience Store	38	Land Area : - Build-up : 602.78	Freehold	30 Sep 2009	1,440,000
10	No. 46, Jalan Permas 10, Bandar Baru Permas Jaya, 81750 Masai, Johor Darul Takzim.	Corner Unit Four (4) Storey Shop Office	Ground floor as 7-Eleven Convenience Store and other floors for rental purpose	26	Land Area : 2,583 Build-up : 10,332	Freehold	9 Dec 2008	2,300,000
11	No. 2, Jalan Impian Mahkota 1, Taman Saujana Impian, 43000 Kajang, Selangor Darul Ehsan.	Intermediate Unit Three (3) Storey Shop Office	Lower Ground Floor used as car park and other floors for rental purpose	14	Land Area : 1,604 Build-up : 5,003	Freehold	25 Jan 2006	1,450,000

List of Properties

As at 31 December 2021

No.	Location	Description of Properties	Existing Use	Estimated Age of Building (Years)	Approximate Area / Size (sq ft)	Tenure	Date of Acquisition	Net Book Value (RM)
12	No. 20, Jalan Tun Abdul Razak, Susur 6, Taman Suria Muafakat, 80200 Johor Bahru, Johor Darul Takzim.	Intermediate Stratified Unit Three (3) Storey Shop Office	Ground floor as 7-Eleven Convenience Store and other floors for rental purpose	11	Land Area : 1,701 Build-up : 4,620	Leasehold (99-Year) Expiring Date : 23 May 2105	11 Dec 2008	1,500,000
13	No. 1, Lorong Sungai Emas, Eden Square, Batu Ferringhi, 11100 Pulau Pinang.	Corner Unit Three (3) Storey Shop Office	Ground floor as 7-Eleven Convenience Store and other floors for rental purpose	18	Land Area : 1,604 Build-up : 4,516	Freehold	16 May 1997	1,350,000
14	No. 65, Jalan Badik 1, Taman Sri Tebrau, 80050 Johor Bahru, Johor Darul Takzim.	Intermediate Unit Two (2) Storey Terraced Shop Office	Ground floor as 7-Eleven Convenience Store and other floors for rental purpose	45	Land Area : 1,760 Build-up : 2,916	Freehold	27 Apr 2006	1,500,000
15	No. 7, Jalan SS 12/1B, Subang Jaya, 47500 Petaling Jaya, Selangor Darul Ehsan.	Intermediate Unit Two (2) Storey Shop Office	Ground floor as 7-Eleven Convenience Store and other floors for rental purpose	31	Land Area : 1,324 Build-up : 2,408	Freehold	22 Jan 1998	2,100,000
16	No. A-G-08, Block A , Jalan PJU 1A/41B, Diaman Crimson (Pusat Dagangan NZX), 47301 Petaling Jaya, Selangor Darul Ehsan.	Intermediate Unit Ground Floor Shop	As 7-Eleven Convenience Store	14	Land Area : - Build-up : 1,711	Freehold	10 Mar 2005	1,250,000
17	No. 30, Jalan Setia Tropika 1/24, Taman Setia Tropika, Kempas, 81200 Johor Bahru, Johor Darul Takzim.	End Unit Three (3) Storey Shop Office	Ground floor as 7-Eleven Convenience Store and other floors for rental purpose	13	Land Area : 1,680 Build-up : 5,040	Freehold	25 Mar 2008	1,800,000
18	No. 1, Jalan Kesidang 3/11, Melaka Mall, Off Jalan Tun Perak, 75300 Melaka.	End Unit Four (4) Storey Shop Office	Ground floor as 7-Eleven Convenience Store and other floors for rental purpose	29	Land Area : 2,271 Build-up : 7,928	Freehold	25 Aug 2007	850,000
19	No. 47, Jalan Yang Kalsom, 30250 Ipoh, Perak Darul Ridzuan.	Intermediate Unit Two (2) Storey Shop Office	Ground floor as 7-Eleven Convenience Store and other floors for rental purpose	72	Land Area : 1,740 Build-up : 3,040	Freehold	15 Jun 2007	700,000
20	No. D-0-5 & D-0-6, Block D, Ground Floor, Arena Green Apartment, Jalan 1/155A, Bukit Jalil, 57000 Kuala Lumpur.	Two (2) adjoining Ground Floor strata Shop Lot	As 7-Eleven Convenience Store	19	Land Area : - Build-up : 1,378	Freehold	14 April 2009	690,000
21	No.31, Jalan Utama 44, Mutiara Square, Mutiara Rini, 81300 Skudai, Johor Bahru, Johor Darul Takzim.	Intermediate Unit Two (2) Storey Shop Office	Ground floor as 7-Eleven Convenience Store and other floors for rental purpose	14	Land Area : 1,647 Build-up : 3,124	Leasehold (991-Year) Expiring Date : 4 Sep 2911	14 May 2009	720,000
22	19, Jalan Sungai Damansara B 32/B, Berjaya Park, Seksyen 32, 40460 Shah Alam, Selangor Darul Ehsan.	Corner Unit Single Storey Shop	As 7-Eleven Convenience Store	16	Land Area : 1,647 Build-up : 1,640	Freehold	17 Aug 2007	470,000
23	No 47, Jalan TTJS/A, Taman Tuanku Jaafar, 71450 Seremban, Negeri Sembilan Darul Khusus.	Corner Unit Two (2) Storey Shop Office	Ground floor as 7-Eleven Convenience Store and other floors for rental purpose	22	Land Area : 1,991 Build-up : 3,851	Freehold	22 Apr 1996	520,000

List of **Properties**

As at 31 December 2021

No.	Location	Description of Properties	Existing Use	Estimated Age of Building (Years)	Approximate Area / Size (sq ft)	Tenure	Date of Acquisition	Net Book Value (RM)
24	No 422, Jalan Cenderawasih 2, Taman Paroi Jaya, 70400 Seremban, Negeri Sembilan Darul Khusus.	Intermediate Unit Two (2) Storey Shop Office	Ground floor as 7-Eleven Convenience Store and other floors for rental purpose	38	Land Area : 1,755 Build-up : 3,515	Freehold	29 Sep 2008	380,000
25	No 155, Jalan Bandar Senawang 8, Pusat Bandar Senawang, 70450 Seremban, Negeri Sembilan Darul Khusus.	Intermediate Unit Two (2) Storey Shop Office	For rental purpose	19	Land Area : 1,399 Build-up : 2,800	Leasehold (99-Year) Expiring Date : 4 Dec 2088	21 Jun 1997	380,000
26	No. 2-G &2-1 , Jalan Aman Sinaria 9, Bandar Tropicana Aman, 42500 Telok Panglima Garang, Selangor Darul Ehsan	Corner Unit Two (2) Storey Shop Office	Vacant / For rental purpose	2	Land Area : 2,626 Build-up : 5,246	Leasehold (91-Year) Expiring Date: 9 Nov 2110	26 Mar 2021	2,850,000
27	No. 18, Jalan Sembilang, Taman Tenaga, Off Jalan Cheras, 56000 Kuala Lumpur	Intermediate Unit Four (4) Storey Shop Office	Ground floor as 'CARiNG' outlet and other floors for rental purpose	38	Land Area : 1,615 Build-up : 6,967	Leasehold (99-Year) Expiring Date: 18 Apr 2076	2 Mar 2012	1,330,000
28	No. 22-1, 22-2, 22-3, Jalan Radin Anum 1, Taman Sri Petaling, 57000 Kuala Lumpur	Corner Unit Three (3) Storey Shop Office	Ground floor as 'CARiNG' outlet and other floors for rental purpose	38	Land Area : 2,476 Build-up : 7,225	Leasehold (99-Year) Expiring Date: 5 Apr 2078	26 Aug 2008	2,960,000
29	No. 19, Jalan TK, 1/11B, No. 19A, 19B & 19C, Jalan TK 1/11A, Taman Kinrara, Seksyen 1, Batu 7, ½, Jalan Puchong, 58200 Kuala Lumpur	Intermediate Unit Four (4) Storey Shop Office	Ground floor as 'CARiNG' outlet and other floors for rental purpose	24	Land Area : 1,650 Build-up : 5,916	Leasehold (99-Year) Expiring Date: 27 Aug 2088	26 Nov 2007	1,580,000
30	No. 1, Jalan 51/203A, Kawasan Perindustrian Tiong Nam, Seksyen 51, 46050 Petaling Jaya Selangor Darul Ehsan	Four (4) Storey Detached Factory	Headquarter and warehouse	7	Land Area : 33,778 Build-up : 68,000	Leasehold (99-Year) Expiring Date: 13 Aug 2114	28 Dec 2011	19,560,000
31	No. 22, Jalan Manis 4, Taman Segar, 56100 Kuala Lumpur	Intermediate Unit Three (3) Storey Shop Office	Ground floor as 'CARiNG' outlet and other floors for rental purpose	38	Land Area : 1,679 Build-up : 4,002	Leasehold (99-Year) Expiring Date: 10 Dec 2077	18 Feb 2013	2,520,000
32	15, Jalan USJ 2/2C, 47600 Subang Jaya, Selangor Darul Ehsan	Intermediate Unit One and A Half (1.5) Storey Shop Office	As 'CARiNG' outlet	12	Land Area : 1,302 Build-up : 1,953	Freehold	30 Nov 2016	1,240,000
33	No. 32G, 32-01, 32-02, Jalan Bestari 2/2, Taman Nusa Bestari, Iskandar Puteri, 81300 Skudai, Johore	Intermediate Unit Three (3) Storey Shop Office	Ground floor as 'CARiNG' outlet and other floors for internal training purpose	10	Land Area : 1,550 Build-up : 4,650	Freehold	22 Feb 2018	1,800,000
34	R-G-23, R-01-23 Bell Avenue, Jalan Sunsuria, 43900 Sepang, Selangor Darul Ehsan.	Intermediate Unit Two (2) Storey Shop Office	Vacant	3	Land Area : 2,282 Build-up : 4,392	Freehold	25 Mar 2016	1,830,000

List of Properties

As at 31 December 2021

No.	Location	Description of Properties	Existing Use	Estimated Age of Building (Years)	Approximate Area / Size (sq ft)	Tenure	Date of Acquisition	Net Book Value (RM)
35	No. 94, Jalan Burhanuddin Helmi, Taman Tun Dr Ismail, 60000 Kuala Lumpur.	Intermediate Unit Three (3) Storey Shop Office	Ground floor as 'CARiNG' outlet and other floors for rental purpose	17	Land Area : 1,873 Build-up : 5,382	Freehold	24 Aug 2020	5,060,000
36	No. 25, Jalan KPJ 2/1, Kompleks Perniagaan Jitra 2, 06000 Jitra, Kedah	Corner Unit Two (2) Storey Shop Office	Ground floor as 'Georgetown' outlet and other floor for store purpose	2	Land Area : 5,016 Build-up : 8,517	Freehold	22 Apr 2019	1,790,000
37	B-19-5, Residensi Continew, No. 315 Jalan Tun Razak, 50400 Kuala Lumpur	Serviced Apartment	Vacant	0	Land Area : - Build-up : 1,184	Freehold	17 May 2017	920,000
38	No. 368-2-1, Bellisa Row, Jalan Burma, 10350 Pulau Pinang	Corner Unit Second Floor Shop Office	Headquarter	24	Land Area : - Build-up : 2,702	Freehold	27 Apr 2016	1,500,000
39	166-28-3A, Gurney Park Condominium, Persiaran Gurney, 10250 Pulau Pinang	Condominium	For rental purpose	22	Land Area : - Build-up : 883	Freehold	06 Dec 2017	725,000
40	No. 598-GF-08, Menara Asas, Jalan Tanjung Bungah, 11200 Pulau Pinang	Corner Unit Ground Floor strata Shop Lot	As 'Georgetown' outlet	26	Land Area : - Build-up : 2,982	Freehold	05 Sep 2011	950,000
41	1E-6-11, Quayside Condominium, Seri Tanjung Pinang, Tanjung Tokong, 10470 Pulau Pinang	Condominium	Vacant	8	Land Area : - Build-up : 1,371	Freehold	26 Jul 2010	625,000
42	No. 218C-01-08, Tropicana 218 Macalister, Jalan Macalister, 10400 George Town, Pulau Pinang	Intermediate Unit Ground Floor strata Shop Lot	For rental purpose	3	Land Area : - Build-up : 1,442	Freehold	31 Mar 2015	1,450,000
43	No. 368-1-1, Bellisa Row, Jalan Burma, 10350 Pulau Pinang	Corner Unit Ground Floor Shop Lot	For rental purpose	24	Land Area : - Build-up : 1,389	Freehold	26 Oct 2019	4,000,000
44	No. 368-1-15, 16 & 17, Bellisa Row, Jalan Burma, 10350 Pulau Pinang	Three (3) adjoining Ground Floor strata Shop Lot	For rental purpose	24	Land Area : - Build-up : 4,253	Freehold	01 Apr 2019	12,000,000

Additional Compliance **Information**

1. Audit and Non-Audit Fees

The amounts of audit and non-audit fees paid to the External Auditors or a firm affiliated to the External Auditors by the Company and the Group for the financial year ended 31 December 2021 are as follows:-

	Group (RM)	Company (RM)
Audit	997,040	86,000
Non-Audit	44,700	13,000

2. Material Contracts

Save as disclosed below, neither 7-Eleven Malaysia Holdings Berhad nor any of its subsidiary companies have entered into any contract which is or may be material (not being contracts entered into in the ordinary course of business of the Company or any of its subsidiary companies) for the financial year ended 31 December 2021:

(a) Acquisitions by its 75%-owned subsidiary, Caring Pharmacy Retail Management Sdn Bhd of equity interests in pharmacy companies as well as business assets:

(i) A share sale agreement dated 5 October 2020 entered into between Caring Pharmacy Retail Management Sdn Bhd **("CPRM")**, an indirect 75%-owned subsidiary of the Company and various vendors including Farmasi Sri Nibong Sdn Bhd **("FSN")**, Farmasi Sri Nibong (Pekaka) Sdn Bhd **("FSNP")** and Wellings Pharmacy Sdn Bhd ("Wellings") for the acquisition of 67% equity interest in The Pill House Pharmacy Sdn Bhd **("TPH")** for a cash consideration of about RM25.51 million **("SSA")**. The cash consideration was eventually revised to about RM24.94 million pursuant to the terms and conditions of the SSA;

(ii) A share sale agreement dated 5 October 2020 entered into between CPRM, FSN and Mah Choon Leng for the acquisition of 60% equity interest in Wellings for a cash consideration of RM19.90 million;

(iii) A sale of business agreement dated 5 October 2020 entered into between CPRM, TPH and FSN for the acquisition by TPH of certain business assets in three (3) pharmacy outlets held by FSN for a total cash consideration of RM3.00 million; and

(iv) A sale of business agreement dated 5 October 2020 entered into between CPRM, TPH and FSNP for the acquisition by TPH of certain business assets in one (1) pharmacy outlet held by FSNP for a total cash consideration of RM0.45 million.

The abovementioned acquisitions were completed on 29 January 2021.

(b) Joint Venture between CPRM and PT Era Prima Indonesia ("EPI") to establish pharmaceutical business in Indonesia:

(i) a shareholders' agreement ("SHA") with EPI to facilitate the establishment of a new company in Indonesia under the name PT Era Caring Indonesia or such other name to be mutually agreed ("DistributionCo") which CPRM subscribes for 50.1% stake in the DistributionCo for a cash subscription of Indonesian Rupiah ("IDR") 5.03 billion (about RM1.48 million) to undertake the distribution business of pharmaceutical products which will include medicine, vitamins, supplements, cosmetics, personal care, health food and beverages and baby products ("Products") in the Republic of Indonesia ("Proposed JV"); and

(ii) a mandatory convertible bond subscription agreement ("BSA") with EPI and its 98.46%-owned subsidiary, PT Era Farma Indonesia ("RetailCo") for the proposed cash subscription of principal amount of IDR23.95 billion (about RM7.07 million) unsecured mandatory convertible interest-bearing bonds ("Bond") in RetailCo, which will undertake the retailing business of the Products under the brand name of "Wellings" in the Republic of Indonesia ("Proposed Bond Subscription").

The abovementioned transactions were completed on 1 April 2022.

3. Recurrent Related Party Transactions

At the AGM held on 27 May 2021, the Company has obtained shareholder's mandate to allow the Company and its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature ("RRPT Mandate") which are necessary for the day-to-day operations of the Group and in the ordinary course of business, with related parties.

3. Recurrent Related Party Transactions (cont'd)

The RRPT Mandate is valid until the conclusion of the forthcoming Ninth Annual General Meeting of the Company to be held on 26 May 2022. The Company proposes to seek renewal of the existing and new RRPT Mandate at its forthcoming Ninth Annual General Meeting. The renewal of the existing and new RRPT Mandate, if approved by the shareholders, will be valid until the conclusion of the Company's next Annual General Meeting. Details of the RRPT Mandate being sought is provided in the Circular to Shareholders dated 28 April 2022 sent together with this Annual Report.

Pursuant to paragraph 10.09(2)(b) and paragraph 3.1.5 of Practice Note 12 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, details of the recurrent related party transactions of a revenue or trading nature entered into during the financial year ended 31 December 2021 by the Company and Group are as follows:-

Related Party	Nature of Transaction	Value of Transaction RM'000
Razer Pay Holdings Pte. Ltd. and its subsidiary companies	Transaction value paid	3,988,170
Razer Pay Holdings Pte. Ltd. and its subsidiary companies	Commission from in-store services	36,747
Razer Pay Holdings Pte. Ltd. and its subsidiary companies	Transaction value received for e-wallet transactions	289,043
Razer Pay Holdings Pte. Ltd. and its subsidiary companies	Commission paid for e-wallet transactions	164
Razer Pay Holdings Pte. Ltd. and its subsidiary companies	Thermal paper charges	288
U Mobile Sdn Bhd	Transaction value paid	157,173
U Mobile Sdn Bhd	Commission from in-store services	9,797
U Mobile Sdn Bhd	Advertisement placement fees	9,423
U Mobile Sdn Bhd	Prepaid incentive receivable	360
Securexpress Services Sdn Bhd	Transportation services for delivery of merchandise to 7-Eleven stores	6,411
Berjaya Food Trading Sdn Bhd	Purchase of goods	4,950
Nural Enterprise Sdn Bhd	Rental of properties	1,500
Sun Media Corporation Sdn Bhd	Advertisement placement fees	874
Sun Media Corporation Sdn Bhd	Display incentives received	720
Berjaya Times Square Sdn Bhd	Rental of properties	1,202
Ansa Hotel Sdn Bhd	Rental of property	503
Angsana Gemilang Sdn Bhd	Rental of property	156
Sparkling Hallmark Sdn Bhd	Rental of properties	295
Cempaka Properties Sdn Bhd	Rental of property	197
BTS Carpark Sdn Bhd	Parking fees	168
Wangsa Tetap Sdn Bhd	Rental of property	101
TREC Holdings Sdn Bhd	Rental of property	78
BLoyalty Sdn Bhd	Loyalty reward fees	111
Qinetics Services Sdn Bhd	Purchase of IT infrastructure and management services fees	50
Berjaya Sompo Insurance Berhad	Rental of property	49
Berjaya Registration Services Sdn Bhd	Share Registration and related services	31
Berjaya Hartanah Berhad	Rental of property	25
Berjaya Waterfront Sdn Bhd	Rental of property	16
EVA Management Sdn Bhd	Human resources management services	5
Berjaya Hills Resort Berhad	Rental of property	33
Tan Tee Ming & Nerine Tan Sheik Ping	Rental of property	48
Tropicana Indah Sdn Bhd	Rental of property	197
Singer (Malaysia) Sdn Bhd	Purchase Chest Freezer & Microwave	331
Aces Parking Sdn Bhd	Parking fees	499
Jejari Artistik Sdn Bhd	Rental income	17

3. Recurrent Related Party Transactions (cont'd)

Related Party	Nature of Transaction	Value of Transaction RM'000
Ken Prima Cosmeceuticals Sdn Bhd	Purchase of personal care products	1,080
TDR Jaya Sdn Bhd	Rental income	17
Zenzari World Sdn Bhd	Rental income	10
Zenzari World Sdn Bhd	Purchase of personal care products	274
Motivasi Optima Sdn Bhd	Accounting service fee	6
Bioscenergy International Sdn Bhd	Purchase of healthcare products	1,390
Caring Pharmacy Holdings Sdn Bhd	Rental fee	64
Caring Pharmacy Holdings Sdn Bhd	Accounting service fee	6
Pharm D Sdn Bhd	Purchase of healthcare products	18

These transactions are based on normal commercial terms that are not more favourable to its related parties than those generally available to the public.

4. Status of Utilization of Proceeds

The Company has established a 15-year medium term notes ("MTN") programme of RM600.0 million in nominal value ("MTN Programme"), which was lodged with the Securities Commission Malaysia ("SC") on 15 April 2021 in accordance with the SC's Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework. On 28 June 2021, the Company has completed its maiden MTN issuance of RM500.0 million ("Series 1 MTN") under the MTN Programme.

As at 31 December 2021, the Company has utilised the proceeds from the Series 1 MTN as follows:

Details of utilisation	RM'000
Repayment of borrowings	341,324
Defray expenses for the issuance of MTN	981
Working capital	156,634

Statistics of **Shareholdings**

As at 31 March 2022

Total Number of Issued Shares	:	1,126,320,000 (excluding treasury shares of 107,065,000)
Class of Shares	:	Ordinary shares
Voting Rights	:	One vote per ordinary share

ANALYSIS OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares Held	%
Less than 100	415	25.41	11,186	0.00
100 – 1,000	327	20.02	98,963	0.01
1,001 – 10,000	603	36.93	2,028,833	0.18
10,001 – 100,000	190	11.64	4,871,488	0.43
100,001 – 56,315,999	95	5.82	553,835,423	49.17
56,316,000 and above	3	0.18	565,474,107	50.21
TOTAL	1,633	100.00	1,126,320,000	100.00

SUBSTANTIAL SHAREHOLDERS

The substantial shareholders of 7-Eleven Malaysia Holdings Berhad based on the Register of Substantial Shareholders of the Company and their respective shareholdings as at 31 March 2022 are as follows:-

Substantial Shareholders	Direct	%	Indirect	%
Tan Sri Dato' Seri Vincent Tan Chee Yioun	274,788,605	24.40	228,911,855 (1)	20.32
True Ascend Sdn Bhd	95,632,160	8.49	-	-
Classic Union Group Ltd	231,396,226	20.54	-	-
Berjaya Corporation Berhad	13,910,000	1.23	82,158,369 (2)	7.29
Berjaya Group Berhad			82,158,369 (3)	7.29
Berjaya Land Berhad	35,843,000	3.18	26,065,369 (4)	2.31
Teras Mewah Sdn Bhd			61,908,369 (5)	5.50
Juara Sejati Sdn Bhd			78,958,369 (6)	7.01
Berjaya Retail Sdn Bhd	16,427,614	1.46	95,632,160 (7)	8.49
Intan Utilities Sdn Bhd			113,159,774 (8)	10.05
Vista Meranti Sdn Bhd			113,159,774 (9)	10.05
Premier Merchandise Sdn Bhd			112,059,774 (10)	9.95
HQZ Credit Sdn Bhd			113,159,774 (11)	10.05
Tsai, Tzung-Han			231,396,226 (12)	20.54
Tsai, Hong-Tu			231,396,226 (12)	20.54

Notes:

(1) *Deemed interested by virtue of his interests in the following companies:-*
- *HQZ Credit Sdn Bhd, the ultimate holding company of Berjaya Retail Sdn Bhd, True Ascend Sdn Bhd and Berjaya Infrastructure Sdn Bhd;*
- *Berjaya Assets Berhad, the holding company of Berjaya Bright Sdn Bhd;*
- *Berjaya Corporation Berhad, the ultimate holding company of Berjaya Philippines Inc., Bukit Kiara Resort Berhad, KDE Recreation Berhad, Nural Enterprise Sdn Bhd, Berjaya Land Berhad, Inter-Pacific Asset Management Sdn Bhd, Inter-Pacific Capital Sdn Bhd, REDtone Digital Berhad and Wangsa Tegap Sdn Bhd;*
- *Berjaya Corporation Berhad;*
- *U Telemedia Sdn Bhd;*
- *Hotel Resort Enterprise Sdn Bhd; and*
- *B & B Enterprise Sdn Bhd.*

Notes:

(2) *Deemed interested by virtue of its interest in the following companies:-*
- *Berjaya Sports Toto Berhad, the holding company of Berjaya Philippines Inc.;*
- *Berjaya Group Berhad, the holding company of Bukit Kiara Resort Berhad, KDE Recreation Berhad, Nural Enterprise Sdn Bhd, Berjaya Land Berhad, Inter-Pacific Asset Management Sdn Bhd, Inter-Pacific Capital Sdn Bhd and Wangsa Tegap Sdn Bhd; and*
- *REDtone Digital Berhad.*

(3) *Deemed interested by virtue of its interest in the following companies:-*
- *Berjaya Sports Toto Berhad, the holding company of Berjaya Philippines Inc.;*
- *Berjaya Land Berhad, the holding company of Bukit Kiara Resort Berhad, KDE Recreation Berhad and Nural Enterprise Sdn Bhd;*
- *Berjaya Capital Berhad, the holding company of Inter-Pacific Asset Management Sdn Bhd and Inter-Pacific Capital Sdn Bhd;*
- *REDtone Digital Berhad; and*
- *Wangsa Tegap Sdn Bhd.*

(4) *Deemed interested by virtue of its interest in the following companies:-*
- *Berjaya Philippines Inc., Bukit Kiara Resort Berhad, KDE Recreation Berhad and Nural Enterprise Sdn Bhd.*

(5) *Deemed interested by virtue of its interest in the following companies:-*
- *Berjaya Land Berhad, the holding company of Berjaya Philippines Inc., Bukit Kiara Resort Berhad, KDE Recreation Berhad and Nural Enterprise Sdn Bhd.*

(6) *Deemed interested by virtue of its interest in the following companies:-*
- *Berjaya Land Berhad, the holding company of Berjaya Philippines Inc., Bukit Kiara Resort Berhad, KDE Recreation Berhad and Nural Enterprise Sdn Bhd;*
- *Berjaya Capital Berhad, the holding company of Inter-Pacific Asset Management Sdn Bhd and Inter-Pacific Capital Sdn Bhd; and*
- *REDtone Digital Berhad.*

(7) *Deemed interested by virtue of its interest in the following companies:-*
- *Singer (Malaysia) Sdn Bhd, the holding company of True Ascend Sdn Bhd.*

(8) *Deemed interested by virtue of its interest in the following companies:-*
- *Premier Merchandise Sdn Bhd, the holding company of Berjaya Retail Sdn Bhd and True Ascend Sdn Bhd; and*
- *Berjaya Infrastructure Sdn Bhd.*

(9) *Deemed interested by virtue of its interest in the following companies:-*
- *Intan Utilities Sdn Bhd, the intermmediate holding company of Berjaya Retail Sdn Bhd and True Ascend Sdn Bhd; and*
- *Berjaya Infrastructure Sdn Bhd, the holding company of Intan Utilities Sdn Bhd.*

(10) *Deemed interested by virtue of its interest in the following companies:-*
- *Berjaya Retail Sdn Bhd, the holding company of True Ascend Sdn Bhd.*

(11) *Deemed interested by virtue of its interest in the following companies:-*
- *Vista Meranti Sdn Bhd, the penultimate holding company of Berjaya Retail Sdn Bhd and True Ascend Sdn Bhd and Berjaya Infrastructure Sdn Bhd.*

(12) *Deemed interested by virtue of his interest in Classic Union Group Ltd.*

Statistics of **Shareholdings**

As at 31 March 2022

DIRECTORS' INTERESTS

The Directors' interests based on the Register of Directors' Shareholdings of the Company as at 31 March 2022 are as follows:-

Number of ordinary shares

	Direct Interest		Indirect Interest	
Directors	No. of Shares Held	%	No. of Shares Held	%
Dato' Sri Robin Tan Yeong Ching	-	-	-	-
Dato' Richard Alexander John Curtis	-	-	-	-
Chan Kien Sing	103,584	0.01	-	-
Puan Sri Datuk Seri Rohani Parkash Binti Abdullah	-	-	-	-
Shalet Marian	207,169	0.02	-	-
Muhammad Lukman Bin Musa @ Hussain	30,801	0.00	-	-
Tan U-Ming	621,509	0.06	-	-
Tsai, Tzung-Han	-	-	231,396,226[(1)]	20.54
Wong Wai Keong	-	-	-	-

Notes:-

(1) *Deemed interested by virtue of his interests in Classic Union Group Ltd.*

LIST OF THIRTY (30) LARGEST SHAREHOLDERS
AS AT 31 MARCH 2022
(without aggregating the securities from different securities accounts belonging to the same registered holder)

No.	Name of Shareholders	No. of Shareholding	% of Issued Capital
1.	**AMSEC Nominees (Tempatan) Sdn Bhd** *Pledged Securities Account - AmBank (M) Berhad For Vincent Tan Chee Yioun*	237,676,000	21.10
2.	**HSBC Nominees (Asing) Sdn. Bhd.** *Exempt An For JPMorgan Chase Bank, National Association (SingaporeJPMPB)*	232,165,947	20.61
3.	**Amanahraya Trustees Berhad** *As Beneficial Owner (TASB-T1)*	95,632,160	8.49
4.	**Pertubuhan Keselamatan Sosial**	51,000,000	4.53
5.	**Inter-Pacific Equity Nominees (Tempatan) Sdn Bhd** *Exempt An For Inter-Pacific Asset Management Sdn Bhd*	50,800,000	4.51
6.	**CIMB Group Nominees (Tempatan) Sdn Bhd** *Pembangunan Sumber Manusia Berhad*	50,000,000	4.44
7.	**Cimsec Nominees (Tempatan) Sdn Bhd** *CIMB For Lim Wee Chai (PB)*	44,304,619	3.93
8.	**Amsec Nominees (Tempatan) Sdn Bhd** *RCE Factoring Sdn Bhd For Kong Hon Kong*	43,100,000	3.83
9.	**Inter-Pacific Equity Nominees (Tempatan) Sdn Bhd** *Inter-Pacific Asset Management Sdn Bhd For Koperasi Angkatan Tentera Malaysia Berhad*	36,764,000	3.26
10.	**CIMB Group Nominees (Tempatan) Sdn Bhd** *Pledged Securities Account For Berjaya Land Berhad (GB-RC3-Conglo2)*	29,000,000	2.57

Statistics of **Shareholdings**

As at 31 March 2022

LIST OF THIRTY (30) LARGEST SHAREHOLDERS (CONT'D)
AS AT 31 MARCH 2022
(Without aggregating the securities from different securities accounts belonging to the same registered holder)

No.	Name of Shareholders	No. of Shareholding	% of Issued Capital
11.	**RHB Capital Nominees (Tempatan) Sdn Bhd** *Pledged Securities Account For Vincent Tan Chee Yioun*	17,703,035	1.57
12.	**SJ Sec Nominees (Tempatan) Sdn Bhd** *Pledged Securities Account - Al Rajhi Bank For Nural Enterprise Sdn Bhd*	15,200,000	1.35
13.	**Casi Management Sdn Bhd**	13,776,791	1.22
14.	**Citigroup Nominees (Tempatan) Sdn Bhd** *Employees Provident Fund Board (Affin-Hwg)*	11,547,392	1.03
15.	**Amsec Nominees (Tempatan) Sdn Bhd** *Pledged Securities Account For Vincent Tan Chee Yioun (MX3977)*	10,440,000	0.93
16.	**RHB Nominees (Tempatan) Sdn Bhd** *Bank Of China (Malaysia) Berhad Pledged Securites Account For Inter-Pacific Capital Sdn. Bhd.*	10,000,000	0.89
17.	**Motivasi Optima Sdn Bhd**	9,700,000	0.86
18.	**CGS-CIMB Nominees (Tempatan) Sdn Bhd** *Pledged Securities Account for Berjaya Retail Sdn. Bhd. (M3764B)*	8,753,772	0.78
19.	**Teoh Ewe Jin**	8,500,000	0.75
20.	**Inter-Pacific Equity Nominees (Asing) Sdn Bhd** *Berjaya Philippines Inc*	7,892,175	0.70
21.	**CIMB Group Nominees (Tempatan) Sdn Bhd** *Pledged Securities Account For Berjaya Retail Sdn Bhd (TSVT-RC CBM)*	7,435,251	0.66
22.	**HSBC Nominees (Asing) Sdn Bhd** *Banque De Luxembourg For BL-Emerging Markets*	7,376,354	0.65
23.	**RHB Nominees (Tempatan) Sdn Bhd** *Pledged Securities Account For Lim Wee Chai*	7,250,942	0.64
24.	**CIMB Group Nominees (Tempatan) Sdn Bhd** *Pledged Securities Account For Berjaya Land Berhad (BLB-RC4-Conglo)*	6,733,018	0.60
25.	**Koon Poh Keong**	6,422,263	0.57
26.	**MIDF Amanah Investment Nominees (Tempatan) Sdn Bhd** *Pledged Securities Account For U Telemedia Sdn Bhd (MGN-UTS0001M)*	6,005,507	0.53
27.	**Amsec Nominees (Tempatan) Sdn Bhd** *Pledged Securities Account – Ambank (M) Berhad For Berjaya Corporation Berhad*	5,990,000	0.53
28.	**RHB Nominees (Tempatan) Sdn Bhd** *Pledged Securities Account For Regional Equities Sdn Bhd*	5,570,100	0.49
29.	**HLIB Nominees (Tempatan) Sdn Bhd** *Pledged Securities Account For Berjaya Corporation Berhad*	5,410,000	0.48
30.	**Redtone Digital Berhad**	4,800,000	0.43
		1,046,949,326	**92.95**

Notice of Ninth **Annual General Meeting**

NOTICE IS HEREBY GIVEN THAT the Ninth Annual General Meeting of 7-Eleven Malaysia Holdings Berhad ("the Company") will be conducted virtually for the purpose of considering and if thought fit, passing with or without modifications the resolutions setting out in this notice.

Day and Date	:	Thursday, 26 May 2022
Time	:	10.00 a.m.
Broadcast Venue	:	Manhattan VI, Level 14, Berjaya Times Square Hotel Kuala Lumpur, No. 1, Jalan Imbi, 55100 Kuala Lumpur, Malaysia
Mode of Communication	:	1) Typed text in the Meeting Platform Mode of Communication 2) E-mail questions to ir@7eleven.com.my prior to Meeting.

AGENDA

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 December 2021 together with the Reports of the Directors and the Auditors' thereon. [Please refer to Explanatory Note (i)]

2. To approve the payment of Directors' fees for an amount up to RM574,000/- payable to the Non-Executive Directors of the Company on a monthly basis for the period from 27 May 2022 until the next Annual General Meeting of the Company to be held in year 2023. **Resolution 1**

3. To approve the benefits payable to the Non-Executive Directors for an amount of up to RM50,000/- for the period from 27 May 2022 until the next Annual General Meeting of the Company to be held in year 2023. **Resolution 2**

4. To re-elect the following Directors who retire in accordance with Article 99 of the Company's Constitution and being eligible, have offered themselves for re-election:-

   (1) Muhammad Lukman Bin Musa @ Hussain **Resolution 3**
   (2) Tsai, Tzung-Han **Resolution 4**

5. To re-elect the following Directors who retire in accordance with Article 105 of the Company's Constitution and being eligible, have offered themselves for re-election:-

   (1) Dato' Sri Robin Tan Yeong Ching **Resolution 5**
   (2) Dato' Richard Alexander John Curtis **Resolution 6**
   (3) Dr. Mazatul 'Aini Shahar Binti Abdul Malek Shahar **Resolution 7**

6. To re-appoint Messrs. Ernst & Young PLT as the Company's Auditors for the ensuing year and to authorise the Board of Directors to fix their remuneration. **Resolution 8**

AS SPECIAL BUSINESS

To consider and, if thought fit, with or without any modification, to pass the following Ordinary Resolutions:-

7. **ORDINARY RESOLUTION** **Resolution 9**
   - AUTHORITY TO ISSUE SHARES PURSUANT TO THE COMPANIES ACT 2016

   "**THAT**, subject always to the Companies Act 2016, the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad **("Bursa Securities")** and the approvals of the relevant governmental/ regulatory authorities, if applicable, the Directors be and are hereby empowered, pursuant to the Companies Act 2016, to issue shares in the capital of the Company at any time to such persons and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion deem fit, provided that the aggregate number of shares to be issued pursuant to this Resolution does not exceed ten per centum (10%) of the total number of issued shares of the Company for the time being; **AND THAT** the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Securities; **AND FURTHER THAT** such authority shall commence immediately upon passing of this Resolution and continue to be in force until the conclusion of the next Annual General Meeting of the Company."

8. **ORDINARY RESOLUTION** **Resolution 10**
- PROPOSED RENEWAL OF EXISTING AND NEW SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

"**THAT**, subject to the provisions of the Bursa Malaysia Securities Berhad's Main Market Listing Requirements, approval be and is hereby given for the Company and its subsidiary companies, to enter into recurrent related party transactions of a revenue or trading nature with the related parties as specified in Section 2.3 of the Circular/Statement to Shareholders dated 28 April 2022 **("Proposed Mandate")** which are necessary for the day-to-day operations and/or in the ordinary course of business of the Company and its subsidiary companies on terms not more favourable to the related parties than those generally available to the public and are not detrimental to the minority shareholders of the Company and that such approval shall continue to be in force until":-

(a) the conclusion of the next Annual General Meeting **("AGM")** of the Company following the general meeting at which such ordinary resolution for the Proposed Mandate was passed, at which time it will lapse, unless by ordinary resolution passed at that general meeting, the authority is renewed;

(b) the expiration of the period within which the next AGM of the Company after the date it is required to be held pursuant to Section 340(2) of the Companies Act 2016 **("the Act")** (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or

(c) revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting;

whichever is the earlier;

AND FURTHER THAT authority be and is hereby given to the Directors of the Company and its subsidiary companies to complete and do all such acts and things (including executing such documents as may be required) as they may consider expedient or necessary to give effect to such transactions as authorised by this Resolution."

9. **ORDINARY RESOLUTION** **Resolution 11**
- PROPOSED RENEWAL OF AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN SHARES

"**THAT**, subject always to the Companies Act 2016 ("the Act"), rules, regulations and orders made pursuant to the Act, provisions of the Company's Constitution and the requirements of Bursa Malaysia Securities Berhad **("Exchange")** and any other relevant authority, the Directors of the Company be and are hereby authorised to purchase such number of ordinary shares in the Company **("7-Eleven Holdings Shares")** through the Exchange and to take all such steps as are necessary (including the opening and maintaining of central depositories accounts under the Securities Industry (Central Depositories) Act, 1991) and enter into any agreement, arrangement and guarantee with any party or parties to implement, finalise and give full effect to the aforesaid purchase with full powers to assent to any condition, modification, revaluation, variation and/or amendment (if any) as may be imposed by the relevant authorities from time to time and to do all such acts and things in the best interests of the Company, subject further to the following:-

1. the maximum number of ordinary shares which may be purchased and held by the Company shall be equivalent to ten per centum (10%) of the existing total number of issued shares in the ordinary share capital of the Company;

2. the maximum funds to be allocated by the Company for the purpose of purchasing the ordinary shares shall not exceed the total retained profits of the Company;

3. the authority shall commence immediately upon passing of this ordinary resolution until:-

   (a) the conclusion of the next Annual General Meeting **("AGM")** of the Company following the AGM at which such resolution was passed, at which time it will lapse unless by ordinary resolution passed at that general meeting, the authority is renewed, either unconditionally or subject to conditions; or

   (b) the expiration of the period within which the next AGM after that date it is required by law to be held; or

   (c) revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting;

whichever occurs first.

AND THAT upon completion of the purchase(s) of the 7-Eleven Holdings Shares or any part thereof by the Company, the Directors of the Company be and are hereby authorised to deal with any 7-Eleven Holdings Shares so purchased by the Company in the following manner:-

(a) cancel all the 7-Eleven Holdings Shares so purchased; or

(b) retain all the 7-Eleven Holdings Shares as treasury shares for future resale or for distribution as dividends to the shareholders of the Company; or

(c) retain part thereof as treasury shares and subsequently cancelling the balance; or

(d) in any other manner as prescribed by the Act, rules, regulations and orders made pursuant to the Act and the requirements of the Exchange and any other relevant authority for the time being in force."

10. To transact any other business of which due notice shall have been given.

BY ORDER OF THE BOARD

TAI YIT CHAN (SSM PC No. 202008001023) (MAICSA 7009143)
TIA HWEI PING (SSM PC No. 202008001687) (MAICSA 7057636)
Company Secretaries

Selangor Darul Ehsan
28 April 2022

NOTES:

Proxy

1. As part of the initiatives to curb the spread of coronavirus disease ("Covid-19"), the Company will conduct the Ninth AGM entirely via remote participation and electronic voting facilities. Kindly refer to the attached Administrative Details for the Ninth AGM for more information.

2. The only venue involved is the broadcast venue for the compliance with Section 327(2) of the Companies Act 2016 that the Chairman of the Meeting shall be present at the main venue of the AGM. No shareholder or proxy from the public should be physically present nor admitted at the broadcast venue on the day of the AGM.

3. As the Ninth AGM will be conducted via a virtual meeting, a member who is not able to participate in the AGM may appoint the Chairman of the Meeting as his/her proxy and indicate the voting instruction in the Form of Proxy.

4. In respect of deposited securities, only members whose names appear in the Record of Depositors on 19 May 2022 shall be eligible to attend the Meeting.

5. A member entitled to attend and vote at the Meeting is entitled to appoint a proxy or proxies to attend and vote on his behalf. A proxy may but need not be a member of the Company and a member may appoint any person to be his proxy without limitation save that the proxy must be of full age.

6. A member shall be entitled to appoint not more than two (2) proxies to attend and vote at the same meeting. Where a member appoints more than one (1) proxy, he shall specify the proportion of his holdings to be represented by each proxy, failing which the appointment shall be invalid.

7. Where a member is an authorised nominee as defined under the Central Depositories Act, it may appoint one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.

8. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("Omnibus Account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds.

9. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or if the appointor is a corporation either under its common seal, or the hand of its officer or its duly authorised attorney.

10. The instrument appointing a proxy together with the power of attorney (if any) or a certified copy thereof must be deposited at the Share Registrar' office, Berjaya Registration Services Sdn. Bhd. at Lot 10-04A & 10-04B, Level 10, West, Berjaya Times Square, No. 1, Jalan Imbi, 55100 Kuala Lumpur, Wilayah Persekutuan, Malaysia, not less than forty-eight (48) hours before the time for holding the meeting PROVIDED THAT in the event the member(s) duly executes the form of proxy but does not name any proxy, such member(s) shall be deemed to have appointed the Chairman of the meeting as his/her proxy, PROVIDED ALWAYS THAT the rest of the proxy form, other than the particulars of the proxy have been duly completed by member(s). Alternatively, the proxy form can be electronically lodge via Boardroom Smart Investor Portal at https://investor.boardroomlimited.com. Please refer to the Administrative Guide for further information on submission via Boardroom Smart Investor Portal.

11. The Board wishes to highlight that the Ninth AGM may be re-scheduled and/or adjourned subject to the development of the Covid-19 pandemic and the Malaysian Government's announcements or guidelines to be issued from time to time. Rest assured, all participants including invitees shall be kept informed of any unexpected changes.

Explanatory Notes on Ordinary and Special Business

(i) Item 1 of the Agenda

This Agenda item is meant for discussion only, as the provision of Section 340(1)(a) of the Companies Act 2016 does not require a formal approval of the shareholders for the Audited Financial Statements. Hence, this Agenda item is not put forward for voting.

(ii) Item 2 of the Agenda - Payment of Directors' fees for the period from 27 May 2022 until the next Annual General Meeting of the Company to be held in year 2023

There has been no increase in Directors' fees payable to each Non-Executive Directors since the previous shareholders' approval obtained at the Eighth Annual General Meeting of the Company held on 27 May 2021.

(iii) Item 3 of the Agenda - Benefits payable to the Non-Executive Directors

The proposed Directors' benefits comprise meeting allowance payable to the Non-Executive Directors.

(iv) Items 4 and 5 of the Agenda - Re-election of Directors

The profiles of the Directors who are standing for re-election as per Agenda item no. 4 and 5 are set out in the Board of Directors' profile of the Annual Report 2021.

Based on the recommendation of the Nominating Committee, the Board is satisfied with the performance and contributions of the following Directors and supports the re-election based on the following justifications:-

(a) Ordinary Resolution 3 - Re-election of Muhammad Lukman Bin Musa @ Hussain as Non-Independent Non-Executive Director

Muhammad Lukman Bin Musa @ Hussain was redesignated as Non-Independent Non-Executive Director on 22 March 2022 due to his appointment as Director/Chief Executive Officer of Berjaya Capital Berhad. Prior to his redesignation as Non-Independent Non-Executive Director, he has demonstrated his independence through his engagement in the meetings by proactively giving valuable insights to the Management in developing the Group's business strategies. He also exercised his due care and carried out his professional duties proficiently during his tenure as an Independent Non-Executive Director of the Company.

(b) Ordinary Resolution 4 - Re-election of Tsai, Tzung-Han as Non-Independent Non-Executive Director

Tsai, Tzung-Han has vast experience in investment and business development in the finance industry. He has also exercised his due care and carried out his professional duties proficiently during his tenure as Non-Independent Non-Executive Director of the Company.

(c) Ordinary Resolution 5 - Re-election of Dato’ Sri Robin Tan Yeong Ching as Non-Independent Non-Executive Director

Dato’ Sri Robin Tan Yeong Ching was appointed to our Board as Chairman, Non-Independent Non-Executive Director on 25 November 2021. He exercised his due care and carried out his professional duties proficiently during his tenure as Chairman, Non-Independent Non-Executive Director of the Company.

(d) Ordinary Resolution 6 - Re-election of Dato’ Richard Alexander John Curtis as Senior Independent Non-Executive Director

Dato' Richard Alexander John Curtis was appointed to our Board as Deputy Chairman, Independent Non-Executive Director on 25 November 2021. He was subsequently redesignated as Senior Independent Non-Executive Director on 20 April 2022. He demonstrated his independence through his engagement in the meetings by providing external perspectives on the business and constructively feedback to the Company in developing the Group’s business strategies. He has also exercised his due care and carried out his professional duties proficiently during his tenure as the Deputy Chairman, Independent Non-Executive Director of the Company.

(e) Ordinary Resolution 7 - Re-election of Dr. Mazatul 'Aini Shahar Binti Abdul Malek Shahar as Independent Non-Executive Director

Dr. Mazatul 'Aini Shahar Binti Abdul Malek Shahar was appointed to our Board as Independent Non-Executive Director on 12 April 2022. She has vast experience in Islamic banking & finance, fund-raising, transformation management, corporate finance and advisory works.

(v) Item 7 of the Agenda – Authority to Issue Shares pursuant to the Companies Act 2016

The Company wishes to renew the mandate on the authority to issue shares pursuant to the Companies Act 2016 at the Ninth Annual General Meeting of the Company (hereinafter referred to as the “General Mandate”).

The Company had been granted a general mandate by its shareholders at the Eighth Annual General Meeting of the Company held on 27 May 2021 (hereinafter referred to as the “Previous Mandate”).

As at the date of this Notice, the Company has not issued any new ordinary shares pursuant to the Previous Mandate granted by the shareholders and hence, no proceeds were raised therefrom.

The proposed resolution, if passed, will provide flexibility to the Directors of the Company to undertake any possible fund raising activities, including but not limited to placement of shares for the purpose of funding Company’s future investment projects, working capital, acquisitions and/or such other purposes to such persons at any time as the Directors may deem fit, without having to convene a general meeting, provided that the aggregate number of shares issued pursuant to the General Mandate does not exceed 10% of the total number of issued shares of the Company. This authority, unless revoked or varied by the Company in a general meeting, will expire at the conclusion of the next Annual General Meeting of the Company.

(vi) Item 8 of the Agenda - Proposed Renewal of Existing and New Shareholders’ Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

The proposed resolution, if passed, will allow the Group to enter into Recurrent Related Party Transactions of a revenue or trading nature pursuant to the provisions of Bursa Malaysia Securities Berhad Main Market Listing Requirements.

Please refer to the Circular/Statement to Shareholders dated 28 April 2022 for further information.

(vii) Item 9 of the Agenda - Proposed Renewal of Authority for the Company to purchase its own shares

The proposed resolution, if passed, will allow the Company to purchase its own shares up to 10% of the total issued share capital of the Company by utilising the funds allocated which shall not be exceed the total retained profits of the Company.

Please refer to the Circular/Statement to Shareholders dated 28 April 2022 for further information.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Ninth Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Ninth Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Ninth Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

7-ELEVEN MALAYSIA HOLDINGS BERHAD
[Registration No. 201301028701 (1058531-W)]
(Incorporated in Malaysia)

Form of Proxy

CDS Account No.

Number of ordinary shares

I/We ______________________ NRIC No./Passport No./Company No. ______________________

of ______________________

being a member/members of 7-Eleven Malaysia Holdings Berhad ("the Company") hereby appoint Mr/Ms ______________________

______________________ NRIC No./Passport No. ______________________

of ______________________

and him/her, Mr/Ms ______________________ NRIC No./Passport No. ______________________

of ______________________

or failing him/her, the Chairman of the Meeting as *my/*our proxy to vote for *me/*us and on *my/*our behalf at the Ninth Annual General Meeting of the Company to be held as a virtual meeting at broadcast venue at Manhattan VI, Level 14, Berjaya Times Square Hotel Kuala Lumpur, No. 1 Jalan Imbi, 55100 Kuala Lumpur, Malaysia on Thursday, 26 May 2022 at 10.00 a.m. and at any adjournment thereof.

The Proportion of *my/*our holding to be represented by *my/*our proxies are as follows:

Proxy 1	%	Proxy 2	%	100%

Please indicate with an "X" in the spaces provided below on how you wish your vote to be casted. If no specific direction as to voting is given, the proxy shall vote as he/she thinks fit or, at his/her discretion, abstain from voting.

Item	Agenda			
1.	To receive the Audited Financial Statements for the financial year ended 31 December 2021 together with the Reports of the Directors and the Auditors thereon.			
Ordinary Business		**Resolution**	**For**	**Against**
2.	To approve the payment of Directors' fees for an amount of up to RM574,000/- payable to the Non-Executive Directors of the Company on a monthly basis for the period from 27 May 2022 until the next Annual General Meeting of the Company to be held in year 2023.	1		
3.	To approve the benefits payable to the Non-Executive Directors for an amount of up to RM50,000/- for the period from 27 May 2022 until the next Annual General Meeting of the Company to be held in year 2023.	2		
4.	To re-elect Muhammad Lukman Bin Musa @ Hussain who retires by rotation in accordance with Article 99 of the Company's Constitution and who being eligible, offers himself for re-election.	3		
5.	To re-elect Tsai, Tzung-Han who retires by rotation in accordance with Article 99 of the Company's Constitution and who being eligible, offers himself for re-election.	4		
6.	To re-elect Dato' Sri Robin Tan Yeong Ching who retires by rotation in accordance with Article 105 of the Company's Constitution and who being eligible, offers himself for re-election.	5		
7.	To re-elect Dato' Richard Alexander John Curtis who retires by rotation in accordance with Article 105 of the Company's Constitution and who being eligible, offers himself for re-election.	6		
8.	To re-elect Dr. Mazatul 'Aini Shahar Binti Abdul Malek Shahar who retires by rotation in accordance with Article 105 of the Company's Constitution and who being eligible, offers herself for re-election.	7		
9.	To re-appoint Messrs. Ernst & Young PLT as the Company's Auditors for the ensuing year and to authorise the Board of Directors to fix their remuneration.	8		
Special Business				
10.	Authority to Issue Shares pursuant to the Companies Act 2016	9		
11.	Proposed Renewal of Existing and New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature.	10		
12.	Proposed Renewal of Authority for the Company to Purchase its own Shares.	11		

Dated this day ____________ of ______________________ 2022

____
Signature/Common Seal of Shareholder
[*Delete if not applicable]

Notes:-

1. As part of the initiatives to curb the spread of coronavirus disease **("Covid-19")**, the Company will conduct the Ninth AGM entirely via remote participation and electronic voting facilities **("RPV")**. Kindly refer to the attached Administrative Details for the Ninth AGM for more information.
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7. Where a member is an authorised nominee as defined under the Central Depositories Act, it may appoint one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
8. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account **("Omnibus Account")**, there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds.
9. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or if the appointor is a corporation either under its common seal, or the hand of its officer or its duly authorised attorney.
10. To be valid, this form, duly completed must be deposited at the Share Registrar' office, Berjaya Registration Services Sdn. Bhd. at Lot 10-04A & 10-04B, Level 10, West, Berjaya Times Square, No. 1, Jalan Imbi, 55100 Kuala Lumpur, Wilayah Persekutuan, Malaysia, not less than forty-eight (48) hours before the time for holding the meeting PROVIDED THAT in the event the member(s) duly executes the form of proxy but does not name any proxy, such member(s) shall be deemed to have appointed the Chairman of the meeting as his/her proxy, PROVIDED ALWAYS THAT the rest of the proxy form, other than the particulars of the proxy have been duly completed by member(s). Alternatively, the proxy form can be electronically lodge via Boardroom Smart Investor Portal at https://investor.boardroomlimited.com. Please refer to the Administrative Guide for further information on submission via Boardroom Smart Investor Portal.
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PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and /or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of the Ninth AGM dated 28 April 2022.

Fold this flap for sealing

AFFIX
STAMP

7-ELEVEN MALAYSIA HOLDINGS BERHAD
Registration No. 201301028701 (1058531-W)

c/o Berjaya Registration Services Sdn. Bhd.
Registration No. 199401008064 (293743-X)
Lot 10-04A & 10-04B, Level 10, West,
Berjaya Times Square, No.1 Jalan Imbi,
55100 Kuala Lumpur,
Wilayah Persekutuan, Malaysia

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1st fold here