7-Eleven Malaysia Holdings Berhad

(Company No. 1058531-W)

Annual Report 2015

Vision

Menjadi peruncit serbaneka yang terbaik

To be the best retailer of convenience

Mission

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

To consistently serve the changing needs of customers for their convenience

& Values

UNDERSTAND

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

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

SIMPLIFY

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

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

SOLVE

Kami sentiasa mencari jalan penyelesaian untuk memberi manfaat kepada semua pihak

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

CONNECT

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

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

CONTENTS

OVERVIEW

7-Eleven Malaysia Holdings Berhad through its wholly-owned subsidiary, 7-Eleven Malaysia Sdn. Bhd. 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 has been a prominent icon for over 30 years.

7-Eleven Malaysia is the single largest convenience store chain with more than 1,900 stores nationwide, serving over 900,000 customers daily.

COMPANY PROFILE

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.

7-Eleven's first convenience outlet was 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 corporate name was changed from The Southland Corporation to 7-Eleven, Inc. in 1999.

7-Eleven Malaysia is the pioneer and the largest 24-hour 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.

Most 7-Eleven stores carry more than 2,200 Stock Keeping Units ("SKUs"), including our proprietary brands such as Slurpee frozen beverages and Big Gulp fountain soft drinks. The variety of services available at 7-Eleven include the bill payment service (TM, Astro, U-Mobile and Syabas), sale of mobile phone reload cards, IDD/STD, Touch 'n Go reload, internet games' starter packs, reloads via MOL Point top-up, MOL Pay, stored value gift cards, parcel lockers, ink cartridge refill, 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 fresh food items sold in 7-Eleven are certified HALAL and undergo stringent quality control to ensure tastefulness and freshness.

Being the premier neighbourhood convenience store, community building is in the heart of 7-Eleven's corporate social responsibility framework. 7-Eleven Community Care is a non-profit entity set up to implement 7-Eleven Malaysia's corporate social responsibility and philanthropic initiatives. We believe in giving back to the society we operate in, with a commitment to support the underprivileged groups and to sustain environmental conservation effort at the local community level across all regions.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Shalet Marian
Chairman
Independent Non-Executive Director

Gary Thomas Brown
Non-Independent Executive Director/
Chief Executive Officer

Ho Meng
Non-Independent Executive Director

Tan U-Ming
Non-Independent Executive Director

Chan Kien Sing
Non-Independent Non-Executive Director

Tan Wai Foon
Non-Independent Non-Executive Director

Muhammad Lukman
Bin Musa @ Hussain
Independent Non-Executive Director

Dato' Mohamed Nazim
Bin Abdul Razak
(Resigned on 31 December 2015)
Independent Non-Executive Director

AUDIT COMMITTEE

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

Shalet Marian
Member
Independent Non-Executive Director

Tan Wai Foon
Member
Non-Independent Non-Executive Director

REMUNERATION COMMITTEE

Tan Wai Foon
Chairman
Non-Independent Non-Executive Director

Shalet Marian
Member
Independent Non-Executive Director

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

NOMINATING COMMITTEE

Shalet Marian
Chairman
Independent Non-Executive Director

Tan Wai Foon
Member
Non-Independent Non-Executive Director

Dato' Mohamed Nazim
Bin Abdul Razak
(Resigned on 31 December 2015)
Member
Independent Non-Executive Director

Muhammad Lukman
Bin Musa @ Hussain
(Appointed on 22 April 2015)
Member
Independent Non-Executive Director

COMPANY SECRETARIES

Chua Siew Chuan (MAICSA 0777689)
Pan Seng Wee (MAICSA 7034299)

REGISTERED OFFICE

Level 7, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur
Malaysia
Tel. No.: +603 2084 9000
Fax No.: +603 2094 9940

HEAD OFFICE

Level 3A, Podium Block
Plaza Berjaya
12, Jalan Imbi
55100 Kuala Lumpur
Malaysia
Tel. No.: +603 2142 1136
Fax No.: +603 2142 0318
Email address:
contactus@7eleven.com.my
Website address:
www.7eleven.com.my

AUDITORS

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

SHARE REGISTRAR

Berjaya Registration Services Sdn. Bhd.
Lot 06-03 Level 6, East Wing
Berjaya Times Square
No. 1, Jalan Imbi
55100 Kuala Lumpur
Malaysia
Tel. No.: +603 2145 0533

PRINCIPAL BANKERS

Malayan Banking Berhad
AmBank (M) Berhad
CIMB 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

Top, from left to right:

1. **SHALET MARIAN**
   Independent Non-Executive Chairman
2. **GARY THOMAS BROWN**
   Non-Independent Executive Director/
   Chief Executive Officer
3. **HO MENG**
   Non-Independent Executive Director
4. **TAN U-MING**
   Non-Independent Executive Director

Bottom, from left to right:

5. **CHAN KIEN SING**
   Non-Independent Non-Executive Director
6. **TAN WAI FOON**
   Non-Independent Non-Executive Director
7. **MUHAMMAD LUKMAN BIN MUSA @ HUSSAIN**
   Independent Non-Executive Director
8. **DATO' MOHAMED NAZIM BIN ABDUL RAZAK**
   Independent Non-Executive Director
   (Resigned on 31 December 2015)

PROFILE OF DIRECTORS

SHALET MARIAN, aged 59, was appointed to our Board as Independent Non-Executive Chairman on 21 August 2013.

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

She was articled with Messrs Peat Marwick Mitchell in 1977 and gained her professional qualification as a chartered accountant in 1982. She served as internal auditor of Arab-Malaysian Merchant Bank (now known as AmInvestment Bank Berhad) in 1984.

She resumed her career as a public accountant in 1985 with KPMG and thereafter specialised in tax from 1988. During the period she helmed Corporate Tax and subsequently Indirect and Transaction Taxes before being appointed as the Country Risk Manager and Head of Ethics and Independences while concurrently serving as Chief Financial and Operating Officer.

She served as advisor to Mustapharaj Sdn. Bhd., a consultancy firm, from 2011 to 31 December 2015. She currently serves as the Non-Executive Chief Operating Officer of Lejadi Foundation.

GARY THOMAS BROWN, aged 57, was appointed to our Board as Non-Independent Executive Director and Chief Executive Officer on 26 August 2014. As Chief Executive Officer, he is primarily responsible for supervising the performance and strategic directions of the 7-Eleven Malaysia Group.

In 1980, he obtained a Certificate in Exporting from the Perth Technical College, Western Australia. Subsequently, in 1981, he obtained a Diploma in Export from the Australian Institute of Export.

Before obtaining his Certificate, he started his career with Metro Meat Ltd. (Perth, Western Australia) as an Export/Shipping Clerk in 1978. Subsequently, in 1980, he joined Dairy Farm group of companies (Perth, Western Australia). During the years from 1980 to 1988, he was transferred to several corporations within the Dairy Farm group of companies in Australia, Brunei and Hong Kong, and held various positions including Wholesale Manager and Marketing Manager.

In 1988, he joined the Sara Lee group of companies ("Sara Lee Group"), as General Manager (Bakery, Asia). During the years from 1988 to 2011, he was transferred to several corporations within the Sara Lee Group in Hong Kong, Malaysia, Singapore, Thailand and the UK where he held various senior designations including, Regional Vice President (Asia Pacific and Africa).

In 2011, he joined Pos Ad Group Sdn. Bhd. as the Group Chief Executive Officer. Nearly two years later, he left Pos Ad Group Sdn. Bhd. and joined Permanis Sdn. Bhd. as a Commercial Consultant.

In October 2013, he joined Berjaya Group Berhad as a Director (Business Development). Later, in December 2013, he left Berjaya Group Berhad and joined 7-Eleven Malaysia Sdn. Bhd. as the Deputy Chief Executive Officer.

HO MENG, aged 56, was appointed to our Board as Non-Independent Executive Director on 21 August 2013.

He is also the Deputy Chief Executive Officer of 7-Eleven Malaysia Sdn Bhd. Prior to his current appointment, he was an Executive Director and then the Managing Director since 2011.

He qualified as a chartered accountant from the Malaysian Institute of Certified Public Accountants and is a member of the Malaysian Institute of Certified Public Accountants and the Malaysian Institute of Accountants and a fellow member of the CPA Australia.

He has over 36 years of working experience, including over 8 years in external and internal auditing since he began his professional career with a public accounting firm in 1979. He has also spent over 28 years in various financial and senior management positions with a number of private and public listed companies.

He was with DiGi Telecommunications Sdn Bhd for almost 10 years after joining in 1995 when its mobile telecommunications service was launched and was the Chief Financial Officer when he left in 2005. Prior to his appointment at 7-Eleven Malaysia Sdn Bhd in 2011, he was the Chief Executive Officer of U Television Sdn Bhd between 2005 and 2010 and has remained as a Director as of to-date. He was appointed as Executive Director of Redtone International Berhad on 30 November 2015.

PROFILE OF DIRECTORS

TAN U-MING, aged 29, was appointed to our Board as Non-Independent Executive Director on 21 August 2013.

He studied in Irvine Valley College, California, US. He attended the franchisee and in-store training courses with 7-Eleven USA in North America and has completed Phase I of Field Consultant Certification Training in Dallas, Texas, US.

In 2008, he was appointed as a Director of 7-Eleven Malaysia Sdn. Bhd. where he was responsible for overseeing merchandising, logistics and distribution as well as procurement and advertising and promotions functions of 7-Eleven Malaysia Sdn. Bhd. In January 2011, he was promoted to the position of Executive Director of 7-Eleven Malaysia Sdn. Bhd.

Currently, he is an Executive Director of Sports Toto Malaysia Sdn. Bhd. and a Director of MOL Global Pte. Ltd.. He also holds directorships in several other private companies.

He is the son of Tan Sri Dato' Seri Vincent Tan Chee Yioun, who is a major shareholder of the Company.

CHAN KIEN SING, aged 59, was appointed to our Board first as Non-Independent Executive Director on 21 August 2013, then was redesignated as Non-Independent Non-Executive Director on 22 April 2015.

He is a member of The Malaysian Institute of Certified Public Accountants and Malaysian Institute of Accountants. Having articled with Messrs Peat Marwick Mitchell (now known as KPMG) from 1975 to 1981, he subsequently joined Arab-Malaysian Merchant Bank Berhad (now known as AmInvestment Bank Berhad) specialising in corporate finance until 1989 when he joined Berjaya Group Berhad.

Currently, he is an Executive Director of Berjaya Corporation Berhad, Berjaya Sports Toto Berhad and Berjaya Media Berhad. He is also the Managing Director of Sun Media Corporation Sdn Bhd and a Director of Berjaya Assets Berhad, Berjaya Capital Berhad, Berjaya Vacation Club Berhad, Berjaya Group Berhad and International Lottery & Totalizator Systems Inc, United States of America. He also holds directorships in several other private limited companies.

TAN WAI FOON, aged 56, was appointed to our Board as Non-Independent Non-Executive Director on 21 August 2013.

She obtained her Bachelor of Arts degree in English from the University of Manitoba (Canada) and her MBA in Finance from the University of San Francisco (USA). She has more than 30 years of experience in the investment management, advisory and stockbroking industry both in Malaysia and overseas.

Currently, she is also the Senior VP and Head of Business Development of Inter-Pacific Securities Sdn. Bhd.

She began her finance career in 1984 as an Investment Analyst and later Portfolio Manager, with NZI Investment Services in Auckland, New Zealand and Singapore respectively. In 1989, she joined Indosuez Asia Investment Services Ltd (Hong Kong) as Senior Investment Manager.

Between 1990 and 1998, she held various positions in stockbroking including Director of Sales and Corporate Broking at Peregrine Securities Limited (Hong Kong and London), Head of Asian Equity Sales at Morgan Grenfell Asia Securities Limited (London), Country Head of Malaysian Equities Product as well as representing Morgan Grenfell Asia Securities Limited (Hong Kong) as Executive Director of K&N Kenanga Sdn. Bhd.

In 1998, she returned to fund management and joined Grand Generale Asset Management Limited ("GGAM") as Senior Investment Manager. In 1999, GGAM was acquired by Fortis and merged as Fortis Investment Management Asia Limited, where she was promoted to Director of Research (Asia). In 2002, she moved to Fortis Investment Management France SA as the Head of Asian Funds and Coordinator of Emerging Market Equities Research.

In 2003, she joined Ward Ferry Management Ltd where she was Senior Investment Manager and left in 2006 to set up WMG Asia Limited as the Chief Portfolio Manager and Managing Director, a position she held until 2015. In 2012, she joined Inter-Pacific Securities Sdn. Bhd.

She currently serves as Chairman and Executive Director of MOL AccessPortal Sdn. Bhd. and as a Chairman of Singer (Malaysia) Sdn. Bhd.

PROFILE OF DIRECTORS

MUHAMMAD LUKMAN BIN MUSA @ HUSSAIN, aged 40, was appointed to our Board as Independent Non-Executive Director on 21 August 2013.

In 1998, he graduated with a Bachelor in Accountancy Studies from University of Portsmouth, UK. Subsequently, in 2003 and 2011, he became a member of the Institute of Chartered Accountants in England and Wales and Malaysian Institute of Accountants respectively. As of to-date, he is also a fellow member of the Institute of Chartered Accountants in England and Wales.

In 1998, he started his career with Andersen & Co (Malaysia) as a Senior Auditor. In January 2002, he left Andersen & Co and joined John Cumming Ross Ltd. as a Senior Auditor in February 2002. Five months later, he left John Cumming Ross Ltd. and joined Habib Bank AG Zurich as an Internal Auditor. In 2003, he left Habib Bank AG Zurich and joined Ernst & Young LLP as a Manager. Subsequently, in 2008, he left Ernst & Young LLP and joined Ernst & Young (Malaysia) as the Audit and Assurance Director. In August 2011, he left Ernst & Young (Malaysia) and joined ECS Solutions Sdn. Bhd. as an Advisor. A year later, he left ECS Solutions Sdn. Bhd. and joined Unitar Capital Sdn. Bhd. as the Chief Operating and Financial Officer.

DATO' MOHAMED NAZIM BIN ABDUL RAZAK, aged 54, was appointed to our Board as Independent Non-Executive Director on 1 October 2013. He resigned from our Board on 31 December 2015.

In 1985, he obtained his Bachelor of Architecture, Royal Institute of British Architects ("RIBA") Part 1 and subsequently graduated with a Master in Architecture, RIBA Part 2 from the Architectural Association, School of Architecture, London in 1987.

In 1987, he started his career with Yorke, Rosenberg & Mardell Architects ("YRMA") in London, a multi-disciplinary building design consultancy as an Assistant Architect. In 1988, he left YRMA and subsequently joined Geoffrey Reid Associates ("GRA") in London as a Project Architect. A year later, he left GRA and joined Biscoe & Stanson Architects ("BSA") in London as a Design Architect. In 1990, Dato' Mohamed Nazim returned to Malaysia and joined Kumpulan Akitek Sdn. Bhd. as an Architect. In 1992, he set up NRY Architects Sdn. Bhd. and has been a principal since then. He has over 28 years of experience in the architectural field.

Dato' Mohamed Nazim is currently an Independent Non-Executive Director of Hong Leong Bank Berhad, Hong Leong Capital Berhad and XiDelang Holdings Ltd, companies listed on the Main Market of Bursa Malaysia Securities Berhad. He also holds directorships in Hong Leong Islamic Bank Berhad and The Legends Golf and Country Resorts Berhad, both are public companies.

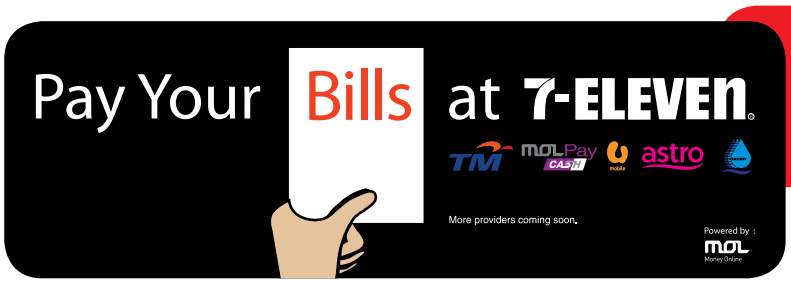
Note:-

1. All Directors are Malaysians except for Mr. Gary Thomas Brown, who is a Permanent Resident of Malaysia/Australian.
2. The details of Board Committees held by the Directors and the number of board meetings attended by them are disclosed in the Statement on Corporate Governance.
3. Save as disclosed above, none of the Director has any family relationship with any Directors and/or major shareholder nor any conflict of interest with the Company.
4. None of the Directors has any conviction for offences within the past 10 years other than traffic offences, if any.

CHAIRMAN'S STATEMENT

Dear Shareholders,

We are very pleased to report that we have continued in growing and expanding our operations in 2015. We have built on the significant achievements we made in the previous year. 2015 has been a year of strong headwinds in the retail operating environment and the Group has not been exempt from its effects. This makes our achievements all the more noteworthy in the midst of the change in the overall Malaysian retail market in 2015.



DELIVERING VALUE TO SHAREHOLDERS

The Board with the help of our outstanding Management team supported by our motivated and dedicated staff have indeed worked hard in delivering value to the shareholders. Today we serve more than 900,000 customers every day.

The Board recognises the commitment and efforts of the team and record our appreciation to them. They serve as the platform towards achieving our vision of being the best retailer of convenience. Our stores are open 24/7 every single day so that we can serve the communities in which we operate and bring true convenience to them. As our tagline says "7-Eleven Always There For You".

During the past year the Group has continued to enhance and improve the shopping experience in 7-Eleven through innovative promotion activity, new and improved merchandise, expansion of our fresh food and beverage offerings, increased store outlet numbers and further additions to our in-store services. All of these initiatives have enabled us to further reinforce that 7-Eleven is the top of mind retailer of true convenience to all of our highly valued customers.

With our strong foundations in management, product mix and an unrivalled store network the Board is delighted to report a strong financial performance by the company. Sales and profits both delivered impressive results despite the difficult retail market environment which was significantly impacted by the introduction of Goods and Services Tax 2014 (GST) for the first time in Malaysia on 1st April 2015. On top of this consumer confidence was measured at a 10 year low level in the 3rd quarter of 2015 which also subsequently impacts consumers spending behaviour.

Our cash flows remain robust at the present time enabling the Board to approve an interim dividend that was paid on 31st March 2016 representing an almost full pay-out of our profits in the year. The dividend pay-out exceeds our projected pay-out of up to 50% of our profits as set out in our prospectus when the company was listed.

The Board remains committed to delivering shareholder value without sacrificing the resilience of the operating framework of the Group.

CHAIRMAN'S STATEMENT

STRENGTHENING, ENHANCING AND EXPANDING OUR OPERATING NETWORK

We finished the year with a network of 1,944 stores operating. We are very excited by the prospect of opening our 2000th 7-Eleven store in Malaysia during the first half of 2016.

During the year we opened 199 net new stores in various locations across the whole of Malaysia including East Malaysia. We continued to implement our Black Wood Grain concept of fit out style to which many customers have responded with positive feed-back. Delivering a wonderful all round shopping experience for our customers including the in-store atmosphere continues to be our ongoing goal. Our plan is to continue to bring 7-Eleven true convenience to more and more customers in Malaysia and as such we expect to expand our store network by approximately 200 new stores in 2016.

Our store refurbishment plan continued during 2015 with more than 200 stores undergoing upgrades and full refurbishments with a similar number planned in 2016.

During the year we continued to implement more innovative and creative promotional campaigns to reward existing customers and attract new customers to our stores. Promotions in 2015 include campaigns such as Bo Boi Boy, Crystal Charms, Supahiro Bears, Massive May Attack, Juicy June, Pesta Merdeka, BYO Slurpee Cup all of which proved to be incredibly popular with our customers and a wonderful way of rewarding and thanking them for shopping at 7-Eleven. Our valued supply partners strongly supported us in these initiatives. We are committed to continuing our plans aimed at changing the way customers view 7-Eleven.

We are proud of our achievement in continuing to be one of the largest channels in the country for mobile phone re-loads.

We are engaged in expanding the range of in-store services which we can provide. We have added further bill payment services in 2015 building on our initial introduction in late 2014. We are pleased that we now cover most major utility and some mobile phone providers. The fast, easy and "convenient" bill payment facilities in all of our stores are proving to be extremely popular with our customers.

We see tremendous growth opportunities for in-store services as a key differentiator for 7-Eleven Malaysia and particularly in the areas of e-commerce and digital programs. We will aggressively expand in these areas.

An example of such an initiative is the provision of parcel lockers. In December 2015 we commenced pilot testing of parcel lockers at our stores whereby customers will be able to opt to have on-line shopping, courier parcels etc to be delivered to their nearest 7-Eleven store for collection.

STRONG FINANCIAL PERFORMANCE

Despite the earlier mentioned headwinds in the total FMCG retail market in 2015 the Company has recorded a strong 6% growth rate in total sales compared to the previous year. Total sales amounted to RM2.006 billion although our same store sales showed a marginal decline of 3.6% as a result of the GST impact on sales values.

Our full year 2015 profit after tax was RM55.8 million. The profits were pressured by a number of factors including the impact on sales of GST and the overall weak retail market along with the costs of on-going store network expansion. However, at the same time through positive management of the merchandise mix and new product introductions we were able to expand our Gross Profit Margin by 1.3 percentage points for the year.

CHAIRMAN'S STATEMENT

KEY ACHIEVEMENTS

We were very pleased to have 328 graduates come through our Apprenticeship program, "The 3rd National Dual Training or SLDN (Skim Latihan Dual Nasional)", which was run in conjunction with Jabatan Pembangunan Kemahiran (JPK). These graduates were honoured and recognised at a ceremony with their families in December 2015.

We also received tremendous accolades and recognition during the year from industry peers and associates which include the BrandLaureate Award for Brand Excellence in Retail Convenience Store, a Silver Putra Brand Award in Retail category, Outstanding Brand Award from the Malaysian Retail Association and a Superbrands Award in retail.

SERVING THE COMMUNITIES IN WHICH WE OPERATE

At 7-Eleven Malaysia we continue to have a high focus on giving back to the community in which we operate. We are very proud of our positive and diverse efforts in 2015 across a range of CSR activities which included our traditional Semurni Kasih campaign, the 7-Eleven & SOLS 24-7 NGO hub, Breast Cancer Awareness campaign in conjunction with Pride Foundation Malaysia on the back of our Crystal Charms promotion and Children's Wish Society of Malaysia using our Supahiro Bear promotion.

OUR PROSPECTS

Despite the current uncertainty and consumer confidence issues which impact our customers and their spending behaviour, I am confident about the future growth prospects for our company as we are resilient and have positioned ourselves to maintain our market leadership position not just in 2016 but for the years beyond.

In closing I would sincerely like to thank all those who helped the company in 2015. This includes our customers for their patronage, our business partners and stakeholders, government offices, franchisees and of course all of our highly valued employees. I would also like to thank my fellow Board members for their tremendous support and contribution during the year.

Shalet Marian
Independent Non-Executive
Chairman

CORPORATE SOCIAL RESPONSIBILITY

AT THE FOREFRONT OF RESPONSIBILITY IN THE SOCIETY, WORKPLACE AND ENVIRONMENT

Responsibility is a guiding light of 7-Eleven Malaysia's business strategy and, as a leader in the Malaysian convenience store chain industry, we demonstrate responsible corporate conduct across all aspects of our operations. Our conduct is as important as our reputation and we believe that growth and productivity are not to be achieved at the expense of responsibility.

We believe in leading responsibly and adding sustainable value to the communities in which we operate.

Elements of Corporate Social Responsibility (CSR) have run in the veins of our Company for a long time. Today, perhaps more so than before, the Company recognized that there is a need to evolve our CSR program, Community Care further as we move towards strengthening responsible behaviour in all our corporate, social and environmental endeavours.

Community Care is integral to our approach in walking the talk as a responsible corporate citizen. We define CSR as multiple processes coming together to produce an overall positive impact on society and stakeholders which encompasses every aspect of how we run our business, from appropriate marketing and consumer information to supporting Government programs, from respecting workplace human rights and reducing our environmental impact as well as contributing back to local communities.

3 GUIDING LIGHTS OF RESPONSIBILITY | SOCIETY | WORKPLACE | ENVIRONMENT

CORPORATE SOCIAL RESPONSIBILITY

Our Community Care program

The 3 Guiding Lights of Responsibility

7-Eleven Malaysia's Corporate Social Responsibility program framework of Society, Workplace and Environment are our guiding lights as a responsible retailer.

1. Society

The Company believes in adding value to the communities in which it operates and ensuring it upholds high standards of behavior and integrity in everything that it undertakes. This extends from supporting pioneering causes by NGO's to reaching out to communities in times of need, such as natural disasters.

2. Workplace

7-Eleven Malaysia works to create an environment where employees feel that they can speak honestly about their company and issues of importance to them through specifically created channels of communication, such as '7-Eleven Wiki' and responds to them by providing a great place to work from aspects like learning and training to rewards.

3. Environment

The Company recognizes Quality, Health, Safety and Environment as some of the key elements that drive leadership and sustainability of its operations. 7-Eleven Malaysia aspires to actively minimize our environmental impacts by embarking on pilot programs such as LED energy efficient lightings and remaining steadfast in our support of other environmental programs such as No Plastic Bag weekends.

AWARDS & RECOGNITIONS

Awarded
"Brand Excellence"
in Retail for 2015 by
The BrandLaureate

Awarded
Best Investor
Relations for an
IPO in 2014

Awarded
"People's Choice Silver"
in Retail for 2015 by
Putra Brands

- Won 1994/95 award for "Anugerah Pengedar Cemerlang" given by Uniphone Kad
- In 1998 won first place in "Gillete Asia Pacific International Golf Tournament" held in France
- In 2005 awarded winner under category "Best Sales Growth" by Malaysian Retailers Chain Association (MRCA)
- In 2006 awarded "Most Popular Franchise International" by Persatuan Franchise Malaysia
- Awarded platinum place in 2007 by MRCA under "National Growth Award" category
- In 2007 won "Outstanding performance for Wrigley's Brand" award
- Awarded platinum place in 2008 by MRCA under "National Growth Award" category
- In 2009 awarded "Pertumbuhan Jualan Terbaik" by Malaysian Franchise Association (MFA)

AWARDS & RECOGNITIONS

Awarded "Outstanding Brand Award" for 2015 by MRCA

Awarded McMillan Woods Global Awards for 2015 (Consumer Goods and Branding Acumen)

Awarded "Superbrand Award" for 2015 by Superbrands Malaysia (Convenience Store Category)

- Awarded "Super Star of 2010 Award", the "Achiever Award" and the "National Sales Growth, Platinum Award" by MRCA
- Awarded "Superbrand Award" in 2011 by Superbrands Malaysia (Convenience Store Category)
- Awarded "National Growth Platinum Award" in 2011 and 2012 by MRCA
- Malaysia Book of Records Award for 2014 (Largest Convenience Store Chain)
- Retail Asia Pacific Top 500 Award for 2014 (Top 10 Retailers - Malaysia)

MILESTONES 2015

January 2015
McMillan Woods Global Awards 2015 - Consumer Goods & Branding Acumen

January 2015
Rilakkuma at 7-Eleven

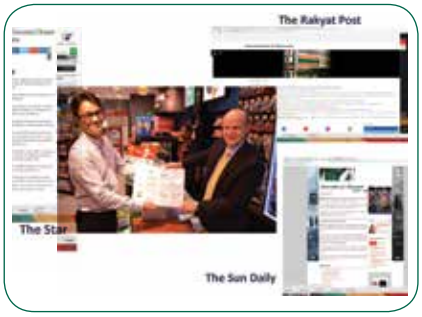
January 2015
Media Visit

February 2015
7-Eleven Partners with GE Lighting Malaysia

February 2015
7-Eleven Partners with Huawei for Gila-Gila with 7-Eleven Contest

February 2015
7-Eleven Store Opening at Gateway@ KLIA2

March 2015
7-Eleven Loyalty Program - BoBoiBoy 3D Puzzle Figurines



May 2015
7-Eleven Provides Bill Payment Service

June 2015
"Best IR for an IPO in 2014" awarded by the Malaysian Investor Relations Association.

June 2015
AGM 2015

July 2015
Snack More Win More Contest

August 2015
Putra Brand Awards - People's Choice Silver in Retail

MILESTONES 2015

August 2015
Semurni Kasih 2015 CSR Initatve

September 2015
Scratch & Win Campaign with LINE

September 2015
7-Eleven Loyalty Program - Crystal Charm Collection

September 2015
The BrandLaureate - Brand Excellence in Retail

September 2015
7-Eleven Store Opening at Caltex Denai Alam

September 2015
2nd place in "Best Senior Management IR Support and Best Strategic CSR" in Alpha Southeast Asia's, Southeast Asia's Institutional Corporate Awards (Malaysia) 2015.

October 2015
MRCA - Outstanding Brand Award

November 2015
Bring Your Own Cup Day 2015 (BYO 2015)

November 2015
Free Photobook Campaign

December 2015
Superbrands Award

December 2015
7-Eleven Loyalty Program - Supahiro Bear

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

7-Eleven Malaysia Holdings Berhad Group is the largest convenience store operator in Malaysia in terms of number of stores, with a market share of 82% of the standalone convenience store segment as of March 2014 according to the independent market research report published in the Company's Initial Public Offering (IPO) prospectus dated 8 May 2014.

We opened our first "7-Eleven" convenience store 30 years ago under the "7-Eleven" brand name and we are the sole operator of "7-Eleven" convenience stores in Malaysia and Brunei.

As at 31 December 2015, we have a total of 1,944 stores serving more than 900,000 customers per day. There were 1,793 or 92.2% corporate owned stores and 151 or 7.8% that were operated by franchisees.

Revenue

The Group's revenue for the financial year ended 31 December 2015 of RM2.006 billion grew RM113.2 million or 6.0% compared to the preceding financial year revenue of RM1.893 billion. The growth in revenue was driven by growth in new stores, improved merchandise mix and consumer promotion activity. This growth was achieved despite on-going retail market negativity caused by Good and Service Tax ("GST') implementation and weak consumer confidence / spending.

In 2015, our store count increased by 199 stores or 11.4 % from 1,745 stores to 1,944 stores. We opened 229 new stores and closed 30 stores for a net increase of 199 stores.

Gross Profit and Gross Profit Margin

Gross profit improved by RM59.9 million or 10.7% compared to the corresponding 12 months in the previous year and this is mainly attributable to the revenue growth of 6.0% and gross margin expansion of 1.3% points.

Margin expansion was mainly attributable to a more favorable product mix and the continued growth of high margin categories such as non-food (Health & Beauty Aid/HABA), fresh food and beverages and in-store services.

Other Operating Income

For the financial year under review, other operating income increased by 2.2% to RM109.7 million as compared to the preceding financial year. The growth was primarily contributed by the increase in our income from display incentives and marketing and promotion activities. The growth was achieved despite the decline in interest income to RM5.3 million for the current financial year from RM8.2 million recorded for the preceding financial year.

MANAGEMENT DISCUSSION AND ANALYSIS

Selling and Distribution Expenses

Selling and distribution expenses for financial year 2015 increased by RM66.7 million or 13.4% year-on-year, mainly caused by higher staff cost, rental cost, store depreciation expense and store maintenance cost which is in tandem with new store expansion. The selling and distribution expenses in the previous financial year were on lower base due to the reversal of double rental for the 34 Shell stores amounting to RM3.5 million ensuing from resolution of the legal case. The increase in the selling and distribution expenses would have been 12.6% instead of 13.4%, if not for the reversal of the double rental in 2014.

Administration and Other Operating Expenses

Administrative and other operating expenses increased by RM10.4 million or 13.6% compared to the corresponding 12 months in the previous year due to higher marketing expenses, staff cost, head office depreciation expense, impairment of capital work in progress and amortisation of intangible assets.

Profit from Operations

Profit from operations of RM78.2 million for the 12 months ended 31 December 2015 declined by 16.0% or RM14.9 million year-on-year which was mainly attributed to lower sales growth due to the impact of GST and low consumer confidence, and higher selling and distribution expenses from new store expansion.

Finance Cost

Finance cost for the current financial year has decreased by RM3.4 million or 91.6% vis-à-vis preceding financial year mainly attributed to savings in interest expenses as a result of the full retirement of short term borrowings on bankers' acceptance and revolving credit.

Profit after Tax

The profit after tax for the financial year ended 2015 was RM55.8 million compared to RM63.1 million recorded for the preceding financial year. The decline in the profit after tax by 11.5% year-on-year was mainly attributed to the reasons mentioned above in the section on Profit from Operations.

Liquidity and Financial Resources

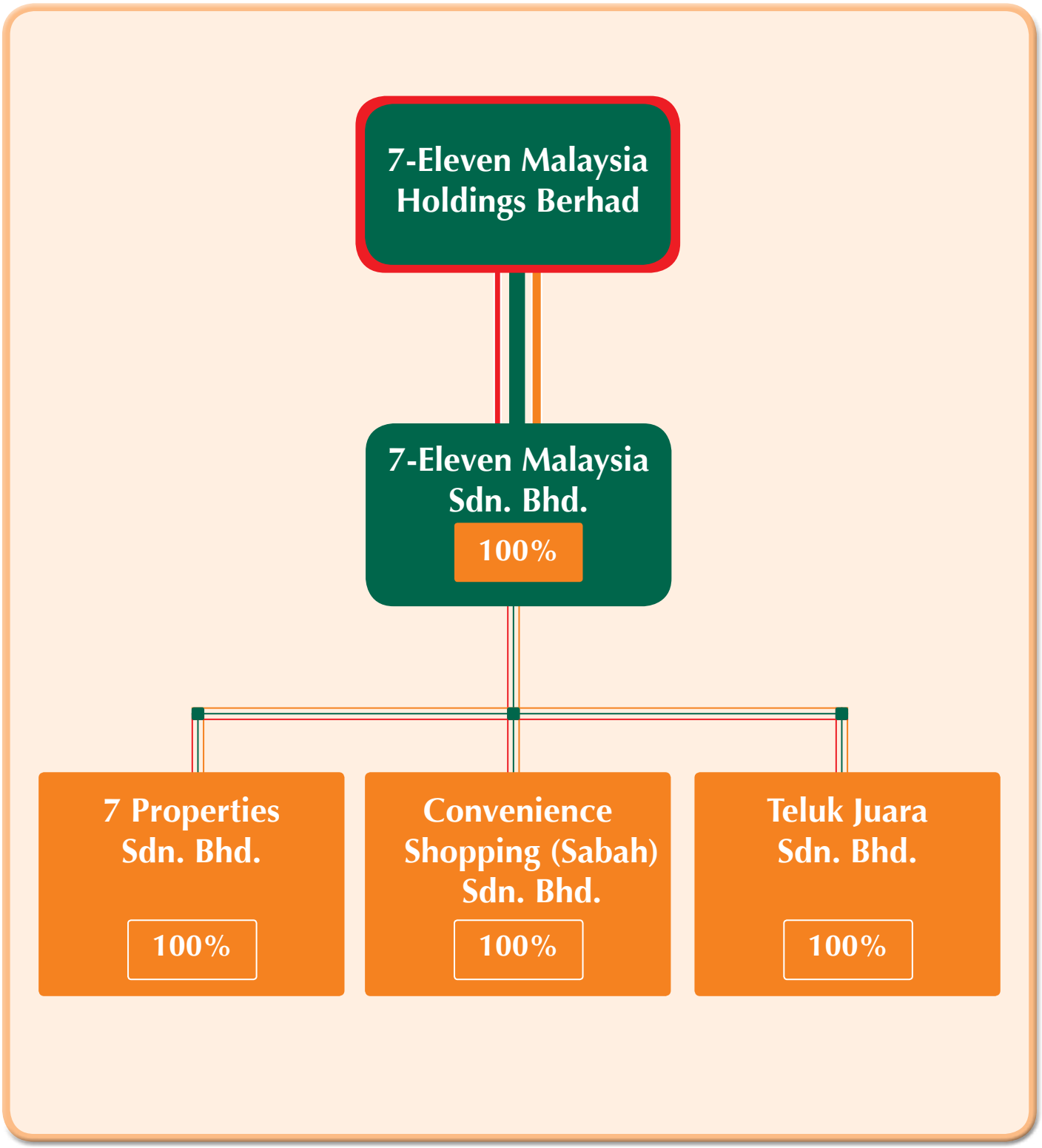
7-Eleven Malaysia Holdings Berhad Group generally has been financing its operations through internally generated funds. As part of the IPO for the Company's listing on Bursa Securities on 30th May 2014, the Company raised gross proceeds of RM250.3 million of which RM219.2 million has been utilised as at 31 December 2015 leaving a balance of RM31.1 million to be utilised in accordance with the utilisation as contained in our IPO prospectus dated 8 May 2014.

As at 31st December 2015, the Group retained strong cash and bank balances of RM126.5 million despite cash outlay for dividend payment for financial year 2014 of RM62.9 million and purchase of treasury shares aggregating RM58.9 million during the year.

Prospects

The Board of Directors is of the view that the trading conditions for 2016 are expected to stay challenging due to general softening in the domestic private consumption since GST implementation and the current macro-economic condition which continue to adversely affect consumer confidence and spending. Despite this latest development, we are positive of holding onto our market leading position while our new store expansion plan remains on track.

CORPORATE STRUCTURE



GROUP FINANCIAL SUMMARY

Description	2015 RM'000	2014 RM'000	2013* RM'000	2012* RM'000	2011* RM'000
Revenue	**2,006,284**	1,893,104	1,672,465	1,579,123	1,462,396
Profit Before Tax	**77,842**	89,314	65,264	56,573	40,474
Profit After Tax	**55,801**	63,074	44,101	40,482	30,145
Profit Attributable To Shareholder	**55,801**	63,074	44,101	40,482	30,145
Share Capital	**123,338**	123,338	105,200	105,200	105,200
Treasury Shares	**(58,913)**	-	-	-	-
Share Premium	**1,361,800**	1,361,800	1,136,160	1,136,160	1,136,160
Reserves	**87,217**	94,319	31,245	104,644	63,686
Capital Reorganisation Deficit	**(1,343,248)**	(1,343,248)	(1,343,248)	(1,343,248)	(1,343,248)
Total Equity	**170,194**	236,209	(70,643)	2,756	(38,202)
Long Term Liabilities	**14,667**	15,638	19,364	25,652	33,938
Current Liabilities	**558,808**	483,303	539,628	489,884	432,261
Total Equity and Liabilities	**743,669**	735,150	488,349	518,292	427,997
Property, Plant & Equipment	**303,608**	242,473	194,787	166,401	175,902
Investment Property	**217**	222	229	236	243
Intangible Assets	**21,232**	11,499	596	596	596
Investment and Other Non-Current Asset	**1**	1	1	1	5,045
Current Assets	**418,611**	480,955	292,736	351,058	246,211
Total Assets	**743,669**	735,150	488,349	518,292	427,997
Net Assets Per Share (sen)	**14.27**	19.15	(6.72)	0.26	(3.63)
Basic Earning Per Share (sen)	**4.55**	5.44	4.19	3.85	2.87

* The comparatives for the financial years ended 31 December 2011 to 2013 have been presented for illustrative purpose only to show the effects of the transactions, as described below, with the assumption that these transactions had taken place as at the earliest date presented. For the financial year ended 31 December 2013, the figures presented above are different from those presented as comparatives to the audited financial statements for the financial year ended 31 December 2014. Those comparatives have not taken up the effects of the acquisition of 7-Eleven Malaysia by 7-Eleven Malaysia Holdings as the acquisition had not taken place as at 31 December 2013.

The acquisition of the entire issued and paid-up share capital of 7-Eleven Malaysia by 7-Eleven Malaysia Holdings for a purchase consideration of RM1,378,247,497 ("The Acquisition") was satisfied in the following manner:

a. Issuance of 1,051,999,980 new shares at an issue price of RM1.18 per share; and

b. Issuance of promissory note amounting to RM136,887,521 in favour of Berjaya Retail Berhad (BRetail). Upon the receipt of the Note, BRetail indorsed without recourse such Note in favour of 7-Eleven Malaysia and delivered the Note duly indorsed to 7-Eleven Malaysia in full settlement of the amount owed by BRetail to 7-Eleven Malaysia, to the extent of the sum of RM136,887,521.

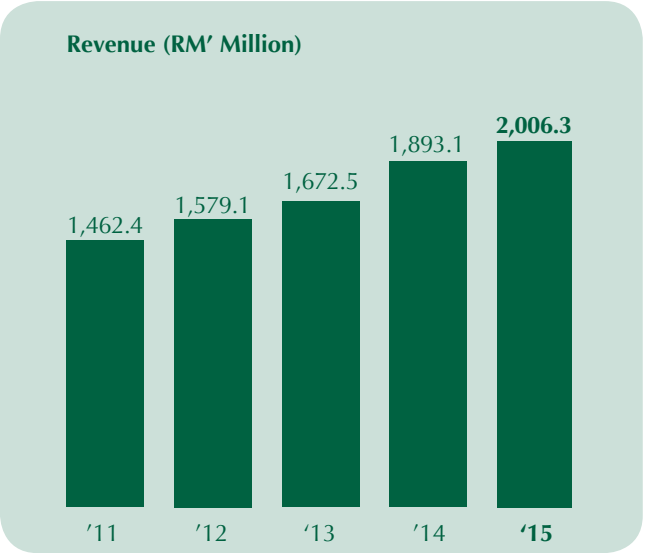
The Acquisition is a reorganisation and does not result in any change of economic substance. Accordingly, the consolidated financial statements of 7-Eleven Malaysia Holdings is a continuation of 7-Eleven Malaysia Group and is accounted for as follows:

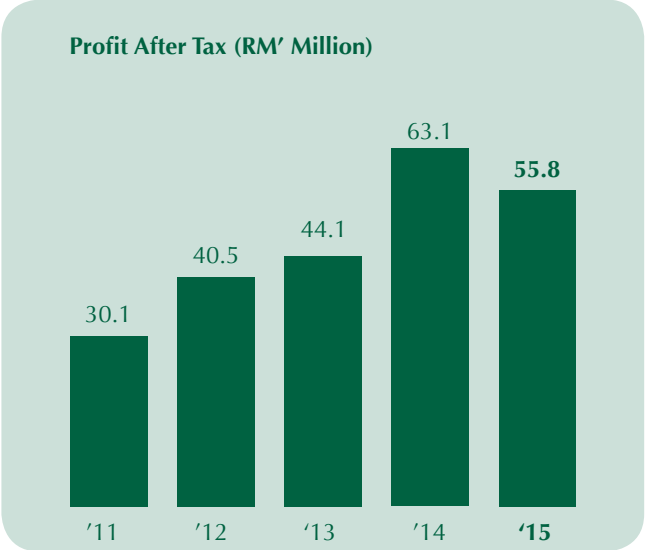
a. The results of entities are presented as if the reorganisation had been effected throughout the current and previous years presented;

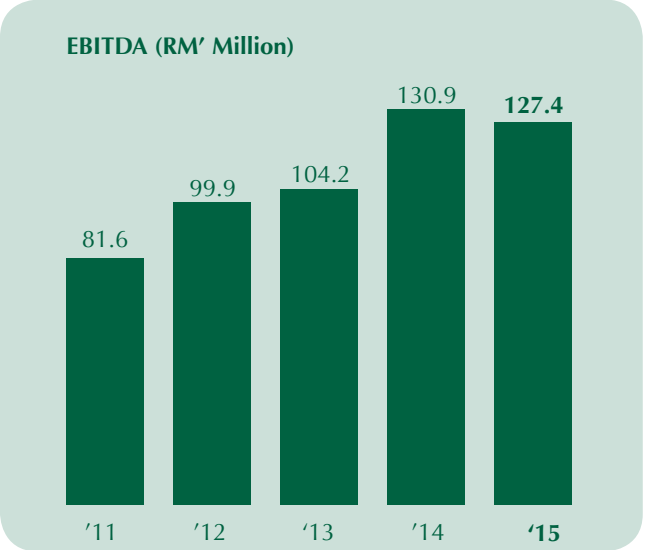
b. 7-Eleven Malaysia Holdings consolidates the assets and liabilities of the 7-Eleven Malaysia Group at their pre-combination carrying amounts. No adjustments are made to reflect fair values, or recognise any new assets or liabilities, at the date of the combination that would otherwise be done under the acquisition method; 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. Difference between the consideration paid/transferred and the equity acquired is reflected within equity.

GROUP FINANCIAL HIGHLIGHTS







CHARTS ON FINANCIAL HIGHLIGHTS

	2011	2012	2013	2014	2015
Corporate Store	1,149	1,235	1,389	1,587	1,793
Franchise Store	179	172	168	158	151
Store Count	1,328	1,407	1,557	1,745	1,944
Revenue (RM'million)	1,462.4	1,579.1	1,672.5	1,893.1	2,006.3
Profit after Tax (RM'milion)	30.1	40.5	44.1	63.1	55.8
EBITDA (RM'million)	81.6	99.9	104.2	130.9	127.4

STATEMENT ON CORPORATE GOVERNANCE

The Board of Directors (the "Board") of 7-Eleven Malaysia Holdings Berhad (the "Company") recognises the importance of adopting high corporate governance standards to enhance shareholder value, besides safeguarding stakeholder interest. In its application of corporate governance practices, the Board has taken into consideration the enumerations of the Malaysian Code on Corporate Governance 2012 ("MCCG 2012" or the "Code") and the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities").

This Corporate Governance Statement (the "Statement") sets out how the Company has applied the eight (8) Principles and observed the 26 Recommendations, including Commentaries, of the MCCG 2012 for the financial year ended 31 December 2015.

PRINCIPLE 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 proposals, new business ventures or joint ventures 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 conflicts of interest relating to Directors, major shareholders and employees in the Group.

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; and
- Remuneration Committee.

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

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 strategy with the expertise and experience they bring to the Board. The Non-Executive Directors' involvement in, and contribution to, Board Committees enhances the effectiveness of the Company's governance processes by providing independent judgment and objectivity to the Board's decision.

STATEMENT ON CORPORATE GOVERNANCE

I. 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.

II. 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.

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 whistle-blowing policy is publicly available on the Company's website at www.7eleven.com.my.

III. Sustainability

The Board is mindful of its responsibility on the Environmental, Social and Governance ("ESG") aspects of business sustainability. As such, the ESG aspects are considered by the Board in its corporate strategies. Cognizant of this responsibility, the Board has adopted a sustainability policy that addresses the impact of the Group's businesses on environmental, governance and social elements.

IV. Access to Information and Advice

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

To facilitate Board meetings, notices on agenda together with supporting Board papers are circulated to Directors in advance of each meeting. Senior Management, other senior executives or professional advisers are invited to attend 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 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.

V. Company Secretaries

Directors have unrestricted access to the advice and services of the Company Secretaries to enable them to discharge their duties effectively and that Board 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 changes therein to the Group and Directors in relation to their duties and responsibilities.

STATEMENT ON CORPORATE GOVERNANCE

PRINCIPLE 2: STRENGTHENING THE BOARD'S COMPOSITION

During the financial year under review, the Board consisted of eight (8) members, comprising three (3) Executive Directors, two (2) Non-Independent Non-Executive Director and three (3) Independent Directors. This composition fulfils the Listing Requirements, which stipulate that at least two (2) Directors or one-third of the Board, whichever is higher, must be Independent. The profile of each Director is set out on pages 6 to 8 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, information technology and investment.

I. Nominating Committee

The Board has established a Nominating Committee to consider candidates for directorship and Board Committee membership, and to review the effectiveness of the Board, through performance assessment of the Board, Board Committees and individual Directors.

The Nominating Committee comprises the following members and their attendance during the financial year ended 31 December 2015 are as follows:

Name of Director	Meeting attended
Shalet Marian, Chairperson *(Independent Non-Executive Director)*	1/1
Tan Wai Foon, member *(Non-Independent Non-Executive Director)*	1/1
Dato' Mohamed Nazim bin Abdul Razak, member *(Independent Non-Executive Director)* *(Resigned on 31 December 2015)*	1/1
Muhammad Lukman bin Musa @ Hussain, member *(Independent Non-Executive Director)* *(Appointed on 22 April 2015)*	N/A

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 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 for adequate training for Board members and orientation of new Directors with respect to the business, 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 realise 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 2015, 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 Directors;
- conducted independence assessment for Independent Directors; and
- recommended the directors who are due for re-election by rotation at the Second Annual General Meeting ("AGM").

STATEMENT ON CORPORATE GOVERNANCE

A formal performance assessment of the Board, Board Committees and individual Directors 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 2015, 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 Directors 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.

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/re-appointment of Directors seeking re-election/re-appointment at the Annual General Meeting are recommended by the Nominating Committee for the Board' approval or Board's consideration for tabling at the Annual General Meeting for shareholders' approval, as the case may be.

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

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 2015 are as follows:

Name of Director	Meeting attended
Tan Wai Foon, Chairperson *(Non-Independent Non-Executive Director)*	2/2
Shalet Marian, member *(Independent Non-Executive Director)*	2/2
Muhammad Lukman bin Musa @ Hussain, member *(Independent Non-Executive Director)*	2/2

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.

STATEMENT ON CORPORATE GOVERNANCE

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

The number of Directors of the Company, whose remuneration levels fall within successive bands of RM50,000, is as follows:

Range of remuneration	Executive Directors	Non-Executive Directors
RM50,001 – RM100,000	-	3
RM200,001 – RM250,000	-	1
RM400,000 – RM450,000	-	1
RM600,001 – RM650,000	1	-
RM900,001 – RM950,000	1	-
RM1,350,001 – RM1,400,000	1	-
Total	**3**	**5**

Note: Successive bands of RM50,000 are not shown entirely as they are not represented.

The aggregate Directors' remuneration paid or payable to the Directors of the Company in office during the financial year by the Group categorised into appropriate components for the financial year ended 31 December 2015 are as follows:-

	Executive Directors (RM'000)	Non-Executive Directors (RM'000)	Total (RM'000)
Fees	-	240	**240**
Salaries	2,254	300	**2,554**
Other emoluments	311	240	**551**
Bonus	331	63	**394**
Benefits-in-kind	54	-	**54**
Total	**2,950**	**843**	**3,793**

PRINCIPLE 3: REINFORCING INDEPENDENCE

In line with Principle 3 of the MCCG 2012, the Board, with the assistance of the Nominating Committee, is required to review 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, and such definition is used as criteria for Directors' independence assessment, which has been carried out at the date of this Statement.

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

There is a clear division of responsibilities between the Chairman of the Board and the Chief Executive Officer 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 Chief Executive Officer 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.

PRINCIPLE 4: FOSTERING COMMITMENT

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

STATEMENT ON CORPORATE GOVERNANCE

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 of Directors' meeting attended by each Director is as follows:

Name of Director	Meetings attended
Shalet Marian	5/5
Gary Thomas Brown	5/5
Chan Kien Sing	5/5
Ho Meng	5/5
Tan U-Ming	5/5
Tan Wai Foon	5/5
Muhammad Lukman bin Musa @ Hussain	5/5
Dato' Mohamed Nazim bin Abdul Razak *(Resigned on 31 December 2015)*	2/5

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.

The continuous education programmes attended by the Directors during the financial year ended 31 December 2015 comprise the following:

Name of Director	Continuous education programmes attended
Shalet Marian	- Training on GST Compliant Software for Mixed Supplier organised by UBS - Board Chairman Series Part 2 - Leadership Excellence from the Chair by Bursa Malaysia and ICLIFF Leadership and Governance Centre - Malaysian Private Entities Reporting Standard Conference 2015 organised by Malaysian Institute of Accountants
Gary Thomas Brown	- KPMG Risk Moderation Workshop - Cap 10, ASEAN Capital Market CEO Summit - Bursa Malaysia, In The Spotlight Profiling Forum - Retail Congress Asia Pacific - National Association of Convenience Stores Global Conference - UBS ASEAN Consumer Conference - CLSA Investor Forum - 7-Eleven Global CEO Summit - 7-Eleven Japan Winter Trade Show
Chan Kien Sing	- Advocacy Session on Management Discussion & Analysis for CEO and CFO - MIA Conference 2015

STATEMENT ON CORPORATE GOVERNANCE

Name of Director	Continuous education programmes attended
Ho Meng	- GST - Dialog Session with Consultant - Nomura IPO Series - JP Morgan Asia Rising Dragon Forum - UBS Asian Consumer Forum - Advocacy Session on Management Discussion & Analysis for CEO and CFO - CG breakfast series with Directors - "The Board's Response in Light of Rising Shareholder Engagements" - UBS Asean Conference - Risk Management and Internal Control workshop - "Is our line of defence adequate and effective" - CG breakfast series with Directors - "How to maximize Internal Audit" - 22nd CLSA Investor's Forum - CG breakfast series with Directors - "Future of Auditor Reporting - The Game Changer for Boardroom" - Sustainability Symposium - 2016 Budget & Tax Conference
Tan U-Ming	- "In The Spotlight" Profiling Event by Bursa Malaysia, MIRA and Aquilas Advisory - 7-Eleven CEO Best Practice Sharing Summit 2015 - Enhanced Understanding of Risk Management and Internal Controls
Tan Wai Foon	- UBS ASEAN Conference - Bursa Malaysia CG Breakfast Series with Directors - "How to Maximise Internal Audit" - Nominating Committee Programme 2 : Effective Board Evaluations
Muhammad Lukman bin Musa @ Hussain	- CFO Breakfast Disclosure - "Financial Reporting Standard 2015/2016" - Audit Oversight Board briefing to Audit Committee - Malaysian Institute of Accountants Conference 2015 - C-Suite Tax briefing - "Budget 2016"

Although Dato' Mohamed Nazim bin Abdul Razak has not been able to attend a structured training programme during the financial year under review due to work commitments, he continued to gain updates through the briefings by the Company Secretary, Internal and External Auditors during the quarterly meetings, communications with other Directors as well as the daily work exposure.

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 5: 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 financial statements of the Group and Company as well as the reports of the Board of Directors and the Chief Executive Officer's 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 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 34 to 36 of this Annual Report. One 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 Company comply with applicable approved financial reporting standards in Malaysia and provisions of the Companies Act, 1965. Such financial statements comprise the quarterly financial report announced to Bursa Securities and the annual statutory financial statements.

The Directors are satisfied that in preparing the financial statements of the Group and of the Company for the financial year ended 31 December 2015, 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.

STATEMENT ON CORPORATE GOVERNANCE

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 International Federation of Accountants and the Malaysian Institute of Accountants.

PRINCIPLE 6: 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 Chief Executive Officer, 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 significant risks.

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 Company, Board and Management. The scope of work covered by the internal audit function for the financial year under review is furnished in the Audit Committee Report as set out on pages 34 to 36 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 recognized professional body for internal auditors. The cost incurred on the internal audit function for the financial year under review amounted to approximately RM66,000.

PRINCIPLE 7: 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 is 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.

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 development and other matters affecting stakeholders' interests.

The Board has earmarked a dedicated section for corporate governance 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.

PRINCIPLE 8: STRENGTHENING RELATIONSHIP BETWEEN THE COMPANY AND ITS SHAREHOLDERS

The Annual General Meeting ("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 Chief Executive Officer, and the External Auditors, if so required, will respond to shareholders' questions during the meeting. At the forthcoming AGM of the Company, the Board Chairman will inform those present at the meeting of their rights to demand a poll, apart from voting by a show of hands, for resolutions to be tabled. However, the right for poll will accord with the Company's Articles of Association.

The Notice of AGM is circulated to shareholders at least twenty-one (21) days before the date of the meeting 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 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, financial information, and Company announcements. To maintain a high level of transparency and to effectively address any issues or concerns, the Group has a dedicated electronic mail, i.e. ir@7eleven.com.my to which stakeholders can direct their queries or concerns.

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 2015. 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.

During the financial year under review, a Risk Management Committee ("RMC"), chaired by the Chief Executive Officer with the following terms of reference, has been established:

- 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.

The RMC is scheduled to meet at least on a quarterly basis to assess and evaluate risks that may impede the Group from achieving its objectives, as well as develop action plans to mitigate such risks. The first Risk Management Committee Meeting was held in April 2015. On a quarterly basis, the RMC will update the Audit Committee and the Board of Directors on the risk management activities.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

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.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTERNAL AUDIT FUNCTION

The Group outsourced its internal audit function to an independent professional firm to assess the adequacy and integrity of the Group's system of risk management and internal control. The internal auditors report directly, and provide assurance, to the Audit Committee through the execution of 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 the financial year under review, the internal auditors conducted two cycles of audit 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. 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 Chief Executive Officer, 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 Chief Executive Officer and Executive Director 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 2015 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, 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 2015 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 14 April 2016.

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.

COMPOSITION AND MEETING ATTENDANCE

The composition of the Audit Committee and the attendance of its members at the five (5) meetings held during the financial year ended 31 December 2015 are as follows:

Name of Director	Meetings attended
Mohammad Lukman bin Musa @ Hussain, Chairman *(Independent Non-Executive Director)*	5/5
Shalet Marian, member *(Independent Non-Executive Director)*	5/5
Tan Wai Foon, member *(Non-Independent Non-Executive Director)*	4/5

MEMBERSHIP

The Audit Committee shall be 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.

The Audit Committee shall include at least one (1) Director who is 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 examination specified in Part I of the First Schedule of the Accountants Act, 1967 or is a member of one of the associations specified in Part II of the said Schedule or fulfils such other requirements as prescribed or approved by Bursa Securities. The members of the Audit Committee shall elect a chairman from amongst their number who shall be an Independent Non-Executive Director.

In the event of any vacancy in the Audit Committee which results in a breach in the Listing Requirements, the vacancy must be filled within three (3) months. The terms of office and performance of the Audit Committee and each of its members shall be reviewed by the Board at least once every three (3) years to determine whether such Audit Committee and members have carried out their duties in accordance with their terms of reference.

CONDUCT OF MEETINGS

The Audit Committee shall meet regularly, with due notice of issues to be discussed, and shall record its conclusions in discharging its duties and responsibilities. In addition, the Chairman may call, and any member of the Audit Committee may requisite, for additional meetings at any time at the Chairman's discretion.

Upon the request of the External Auditors, the Chairman of the Audit Committee shall convene a meeting of the Audit Committee to consider any matters the External Auditors believe should be brought to the attention of the Directors or shareholders.

The Chairman of the Audit Committee shall engage on a continuous basis with the Chairman of the Board, Senior Management, such as the Chief Executive Officer and Executive Directors, the internal auditors and the External Auditors in order to be kept informed of matters affecting the Company.

The Chief Executive Officer and the Executive Directors, and representatives of the internal and External Auditors normally attend meetings at the invitation of the Audit Committee. Other Board members and employees may also attend meetings upon the invitation of the Audit Committee. However, the Audit Committee shall meet with the External Auditors without the presence of executive Board members and Management, at least twice a year and whenever deemed necessary.

Questions arising at any meeting of the Audit Committee shall be decided by a majority of votes of the members present, and in the case of equality of votes, the Chairman of the Audit Committee shall have a second or casting vote.

MINUTES

Minutes of each meeting shall be kept at the registered office and distributed to each member of the Audit Committee and also to the other members of the Board. The Audit Committee Chairman shall report on the proceedings of each meeting to the Board.

The minutes of the Audit Committee meeting shall be signed by the Chairman of the meeting at which the proceedings were held or by the Chairman of the next succeeding meeting.

AUDIT COMMITTEE REPORT

QUORUM

The quorum for the Audit Committee meeting shall be the majority of members present, including those who participate by way of video or teleconferencing, who must be Independent Non-Executive Directors.

AUTHORITY

The Audit Committee shall, in accordance with a procedure to be determined by the Board and at the expense of the Company:

- have explicit authority to investigate any activity within its terms of reference. All employees shall be directed to co-operate as requested by members of the Audit Committee;
- have full and unlimited or unrestricted access to all information and documents, including resources, which are required to perform its duties as well as to the internal and External Auditors and Senior Management of the Company and the Group;
- obtain other independent professional advice or other advice and to secure the attendance of outsiders with relevant experience and expertise if it considers necessary;
- have direct communication channels with the internal and External Auditors and person(s) carrying out the internal audit function or activity and be able to convene meetings with these parties without Management's presence; and
- where the Audit Committee is of the view that the matter reported by it to the Board has not been satisfactorily resolved resulting in a breach of the Listing Requirements, the Audit Committee shall promptly report such matter to Bursa Securities.

DUTIES AND RESPONSIBILITIES

The duties and responsibilities of the Audit Committee are as follows:

- to consider and recommend the appointment of the External Auditors, the audit fee and any question of resignation or dismissal, taking into consideration the External Auditors' independence, experience and qualification;
- to establish policies governing the circumstances under which contracts for the provision of non-audit service can be entered into and procedures that must be followed by the External Auditors;
- to discuss with the External Auditors before the audit commences, the nature and scope of the audit, including the audit plan, and ensure co-ordination where more than one audit firm is involved;
- to review with the External Auditors, the evaluation of the system of internal controls and the audit report as well as assistance given by Management to the External Auditors;
- to review the quarterly and year-end financial statements of the Company and Group before its recommendation of the same to the Board, focusing particularly on:
  - any change in accounting policies and practices;
  - significant and unusual events;
  - significant adjustments arising from the audit;
  - the going concern assumption;
  - compliance with applicable financial reporting standards and other legal requirements;
- to discuss problems and reservations arising from the interim and final audits, and any matter the External Auditors may wish to discuss (in the absence of Management, where necessary);
- to review the External Auditors' management letter and Management's response;
- to do the following, in relation to the internal audit function:
  - review the adequacy of the scope, functions, competency and resource of the internal audit function, and that it has the necessary authority to carry out its work;
  - review the internal audit programme and results of the internal audit process and, where necessary, ensure that appropriate actions are taken on the recommendations of the internal audit function;
  - review the internal audit plan, consider the internal audit reports and findings of the internal auditors, fraud investigations and actions and steps taken by Management in response to audit findings;
  - review any appraisal or assessment of the performance of members of the internal audit function;
  - approve any appointment or termination of internal auditors;
- to consider any related party transactions and conflict of interest situation that may arise within the Company or the Group including any transaction, procedure or course of conduct that raises questions of management integrity;
- to report its findings on the financial and management performance, and other significant matters to the Board;
- to consider the major findings of internal investigations and Management's response;
- to monitor the integrity of the Company's financial statements;
- to monitor the performance of the internal audit function;

AUDIT COMMITTEE REPORT

- to monitor the Company's compliance with relevant laws, regulations and code of conduct;
- to review the adequacy and effectiveness of risk management, internal control and governance systems;
- to review the Company's procedures for detecting fraud and whistle blowing;
- to consider and examine such other matters as the Audit Committee considers appropriate; and
- to consider any other matters as delegated by the Board.

SUMMARY OF ACTIVITIES OF AUDIT COMMITTEE

The activities of the Audit Committee carried out, during the financial year and up to the date of this Report, in relation to its duties and responsibilities are as follows:

- reviewed the audit plan with the External Auditors;
- reviewed the annual audited financial statements and principal matters arising from audit with the External Auditors;
- reviewed the quarterly financial results before recommending of the same to the Board for consideration and approval for release to Bursa Securities;
- reviewed the risk assessment report prepared by KPMG Management & Risk Consulting Sdn. Bhd. ("KPMG") and receipt of the update 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 in the Group's operation for onward reporting to and monitoring by the Audit Committee and the Board such that risks are being managed to acceptable levels based on the risk appetite of the Board;
- reviewed internal audit report and including Management's response to the observations raised by the internal audit function, including action plans to be implemented by Management on the issues reported;
- reviewed related party transactions of the Group;
- met up with the External Auditors twice without the presence of Executive Directors and management
- reviewed the Audit Committee Report in respect of the financial years ended 31 December 2014 and 2015;
- reviewed and adopted of the Policy on the Provision of Non-Audit Services;
- reviewed the Circular to Shareholders in relation to the Proposed Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading nature; and
- reviewed the independence and effectiveness of External Auditors for reappointment for the financial year ended 31 December 2015.

SUMMARY OF INTERNAL AUDIT ACTIVITIES

The internal audit function is outsourced to an independent professional firm, namely KPMG, 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.

At the date of this Report, the internal audit function has carried out the following activities for the financial year ended 31 December 2015:

- 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 selected store operation, real estate, supply chain and information technology processes; 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.

DIRECTORS' RESPONSIBILITY STATEMENT

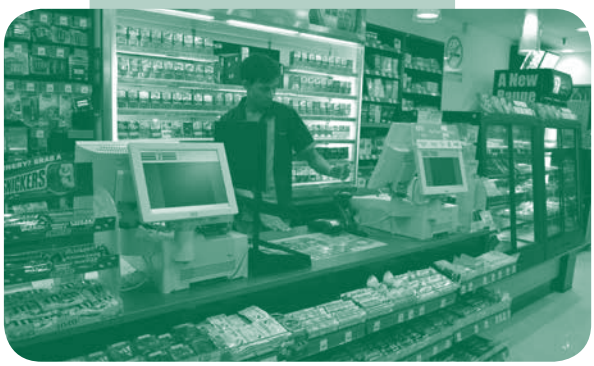
ON PREPARATION OF ANNUAL FINANCIAL STATEMENTS

The Directors are required by the Companies Act, 1965 to prepare financial statements for each financial year which provide a true and fair view of the state of affairs of the Group and of the Company at the end of the financial year, and of the results and cash flow of the Group and of the Company for the financial year.

The Board, after due consideration, is satisfied that the financial statements for the financial year ended 31 December 2015 has been prepared adopting appropriate accounting policies and applied them consistently and made judgement and estimation that are reasonable and prudent. The Board also considers that relevant approved accounting standards have been followed and confirms that the financial statements have been prepared on a going concern basis.

The Directors also have responsibility to ensure that the Company keeps accounting records which disclose reasonable accuracy at any time of the financial position of the Group and of the Company and which enable them to ensure that the financial statements comply with the provisions of the Companies Act, 1965 and Financial Reporting Standards in Malaysia.

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 2015.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding.

The principal activities of the subsidiaries are described in Note 12 to the financial statements.

There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	Group RM'000	Company RM'000
Net profit for the financial year	**55,801**	**58,600**
Profit attributable to:		
Equity holders of the Company	**55,801**	**58,600**

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

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.

DIVIDENDS

The amount of dividends declared and paid by the Company since 31 December 2014 were as follows:

	RM'000
In respect of the financial year ended 31 December 2015	
Interim single-tier dividend of 2.3% on 1,180,145,000# ordinary shares, declared on 25 February 2016 and paid on 31 March 2016	27,143
Special single-tier dividend of 2.4% on 1,180,145,000# ordinary shares, declared on 25 February 2016 and paid on 31 March 2016	28,323
	55,466

Dividends are distributable to the holders of ordinary shares of the Company in issue as at 17 March 2016 (being the entitlement date), net of 53,240,000 treasury shares.

The financial statements for the current year do not reflect the above mentioned dividends. These said dividends will be accounted for in equity as an appropriation of retained profits in the financial year ending 31 December 2016.

The directors do not recommend the payment of any final dividend in respect of the current financial year ended 31 December 2015.

DIRECTORS' REPORT

DIRECTORS

The names of the directors of the Company in office since the date of the last report and at the date of this report are:

Shalet Marian
Chan Kien Sing
Ho Meng
Tan U-Ming
Tan Wai Foon
Muhammad Lukman bin Musa @Hussain
Gary Thomas Brown
Dato' Mohamed Nazim bin Abdul Razak (resigned on 31 December 2015)

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 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 29 to the financial statements.

DIRECTORS' INTERESTS

According to the register of directors' shareholdings required to be kept under Section 134 of the Companies Act, 1965, 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:

Name of director	Number of ordinary shares of RM0.10 each			
	1.1.2015	Acquired	Sold	31.12.2015
Direct interest:				
Ordinary shares of the Company				
Shalet Marian	200,000	-	-	**200,000**
Chan Kien Sing	100,000	-	-	**100,000**
Ho Meng	90,000	-	-	**90,000**
Tan U-Ming	100,000	-	-	**100,000**
Muhammad Lukman bin Musa @ Hussain	140,000	-	(20,000)	**120,000**
Gary Thomas Brown	100,000	-	-	**100,000**

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

TREASURY SHARES

During the financial year, the Company purchased 40,500,000 of its issued ordinary shares from the open market at Bursa Malaysia Securities Berhad at an average price of RM1.45 per share. The total consideration paid for the acquisition including transaction costs was RM58,913,000. The shares purchased are being held as treasury shares in accordance with Section 67A of the Companies Act, 1965. Further details on treasury shares are as disclosed in Note 19 to the financial statements.

DIRECTORS' REPORT

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 there were no known bad debts 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) it necessary to write off any bad debts or the amount of the provision for doubtful debts 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.

(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 their 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 AND SUBSEQUENT EVENTS DURING THE FINANCIAL YEAR

Significant and subsequent events during the financial year are as disclosed in Note 19 to the financial statements.

AUDITORS

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

Signed on behalf of the Board in accordance with a resolution of the directors dated 14 April 2016.

Gary Thomas Brown **Ho Meng**

STATEMENT BY DIRECTORS

PURSUANT TO SECTION 169(15) OF THE COMPANIES ACT, 1965

We, Gary Thomas Brown and Ho Meng, 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 45 to 95 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 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 2015 and of their financial performance and cash flows for the year then ended.

In the opinion of the directors, the information set out in Note 39 to the financial statements on page 96 has been prepared in accordance with the Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants and the directive of Bursa Malaysia Securities Berhad.

Signed on behalf of the Board in accordance with a resolution of the directors dated 14 April 2016.

Gary Thomas Brown **Ho Meng**

STATUTORY DECLARATION

PURSUANT TO SECTION 169(16) OF THE COMPANIES ACT, 1965

I, Lim Heng Seong, being the officer 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 45 to 96 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 Lim Heng Seong at
Kuala Lumpur in the Wilayah Persekutuan
on 14 April 2016

Lim Heng Seong

Before me,

Ooi Ah Bah (W152)
Commissioner for Oaths
Kuala Lumpur

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF 7-ELEVEN MALAYSIA HOLDINGS BERHAD (INCORPORATED IN MALAYSIA)

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of 7-Eleven Malaysia Holdings Berhad, which comprise the statements of financial position as at 31 December 2015 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 year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 45 to 95.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2015 and of their financial performance and cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act, 1965 ("the Act") in Malaysia, we also report the following:

(a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries have been properly kept in accordance with the provisions of the Act.

(b) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the financial statements of the Company are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.

(c) The auditors' reports on the financial statements of the subsidiaries were not subject to any qualification and did not include any adverse comment required to be made under Section 174(3) of the Act.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF 7-ELEVEN MALAYSIA HOLDINGS BERHAD (INCORPORATED IN MALAYSIA)

OTHER MATTERS

The supplementary information set out in Note 39 on page 96 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

ERNST & YOUNG
AF: 0039
Chartered Accountants

TEOH SOO HOCK
No. 2477/10/17(J)
Chartered Accountant

Kuala Lumpur, Malaysia
14 April 2016

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

	Note	Group 2015 RM'000	Group 2014 RM'000	Company 2015 RM'000	Company 2014 RM'000
Revenue	4	**2,006,284**	1,893,104	**59,191**	78,916
Cost of sales		**(1,387,965)**	(1,334,660)	**-**	-
Gross profit		**618,319**	558,444	**59,191**	78,916
Other operating income		**109,675**	107,340	**1,374**	-
Selling and distribution expenses		**(563,382)**	(496,649)	**-**	-
Administrative and other operating expenses		**(86,457)**	(76,097)	**(746)**	(564)
Profit from operations	5	**78,155**	93,038	**59,819**	78,352
Finance costs	7	**(313)**	(3,724)	**(127)**	(490)
Profit before tax		**77,842**	89,314	**59,692**	77,862
Income tax expense	8	**(22,041)**	(26,240)	**(1,092)**	(404)
Net profit for the financial year, representing total comprehensive income for the financial year		**55,801**	63,074	**58,600**	77,458
Profit attributable to:					
Equity holders of the Company		**55,801**	63,074	**58,600**	77,458
Basic/diluted earnings per share (sen)	36	**4.55**	5.44		

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

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2015

	Note	Group 2015 RM'000	Group 2014 RM'000	Company 2015 RM'000	Company 2014 RM'000
Assets					
Non-current assets					
Property, plant and equipment	9	**303,608**	242,473	**-**	-
Investment property	10	**217**	222	**-**	-
Intangible assets	11	**21,232**	11,499	**-**	-
Investments in subsidiary companies	12	**-**	-	**1,378,248**	1,378,248
Other investments	13	**1**	1	**-**	-
		325,058	254,195	**1,378,248**	1,378,248
Current assets					
Inventories	14	**180,705**	148,898	**-**	-
Sundry receivables	15	**105,814**	85,527	**73,691**	77,204
Tax recoverable		**5,605**	2,420	**253**	-
Cash and bank balances	16	**126,487**	244,110	**43,339**	99,774
		418,611	480,955	**117,283**	176,978
Total assets		**743,669**	735,150	**1,495,531**	1,555,226
Equity and liabilities					
Equity attributable to equity holders of the Company					
Share capital	17	**123,338**	123,338	**123,338**	123,338
Share premium	18	**1,361,800**	1,361,800	**1,361,800**	1,361,800
Treasury shares	19	**(58,913)**	-	**(58,913)**	-
Capital reorganisation deficit	20	**(1,343,248)**	(1,343,248)	**-**	-
Retained profits	21	**87,217**	94,319	**65,478**	69,781
Total equity		**170,194**	236,209	**1,491,703**	1,554,919
Non-current liabilities					
Provisions	22	**5,775**	5,254	**-**	-
Borrowings	23	**132**	2,061	**-**	-
Deferred tax liability	25	**8,760**	8,323	**-**	-
		14,667	15,638	**-**	-
Current liabilities					
Provisions	22	**701**	745	**-**	-
Borrowings	23	**1,946**	5,355	**-**	-
Trade payables	26	**410,980**	369,154	**-**	-
Other payables	27	**145,161**	108,013	**3,828**	291
Taxation		**20**	36	**-**	16
		558,808	483,303	**3,828**	307
Total liabilities		**573,475**	498,941	**3,828**	307
Total equity and liabilities		**743,669**	735,150	**1,495,531**	1,555,226

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 2015

	Attributable to equity holders of the Company					
					Distributable	
Group	Share capital RM'000 (Note 17)	Share premium RM'000 (Note 18)	Treasury shares RM'000 (Note 19)	Capital reorganisation reserve/(deficit) RM'000 (Note 20)	Retained profits RM'000	Total equity RM'000
At 1 January 2014	#	-	-	35,000	31,245	66,245
Total comprehensive income	-	-	-	-	63,074	63,074
Transactions with owners (Note 37)						
Issuance of shares to acquire the entire issued and paid-up share capital of 7-Eleven Malaysia Sdn. Bhd.	105,200	1,136,160	-	(1,378,248)	-	(136,888)
Public issue of shares	18,138	232,173	-	-	-	250,311
Share issue expenses	-	(6,533)	-	-	-	(6,533)
Total transactions with owners	123,338	1,361,800	-	(1,378,248)	-	106,890
At 31 December 2014	123,338	1,361,800	-	(1,343,248)	94,319	236,209
At 1 January 2015	123,338	1,361,800	-	(1,343,248)	94,319	236,209
Total comprehensive income	-	-	-	-	55,801	55,801
Transactions with owners						
Acquisition of treasury shares	-	-	(58,913)	-	-	(58,913)
Dividends on ordinary shares (Note 28)	-	-	-	-	(62,903)	(62,903)
Total transactions with owners	-	-	(58,913)	-	(62,903)	(121,816)
At 31 December 2015	**123,338**	**1,361,800**	**(58,913)**	**(1,343,248)**	**87,217**	**170,194**

Represents RM2

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

	Attributable to equity holders of the Company				
Company	Share capital RM'000 (Note 17)	Share premium RM'000 (Note 18)	Treasury shares RM'000 (Note 19)	(Accumulated loss)/ Retained profits^ RM'000	Total equity RM'000
At 1 January 2014	#	-	-	(7,677)	(7,677)
Total comprehensive income	-	-	-	77,458	77,458
Transaction with owners (Note 37)					
Issuance of shares, representing total transactions with owners	123,338	1,361,800	-	-	1,485,138
At 31 December 2014	123,338	1,361,800	-	69,781	1,554,919
At 1 January 2015	123,338	1,361,800	-	69,781	1,554,919
Total comprehensive income	-	-	-	58,600	58,600
Transactions with owners					
Acquisition of treasury shares	-	-	(58,913)	-	(58,913)
Dividends on ordinary shares (Note 28)	-	-	-	(62,903)	(62,903)
Total transactions with owners	-	-	(58,913)	(62,903)	(121,816)
At 31 December 2015	**123,338**	**1,361,800**	**(58,913)**	**65,478**	**1,491,703**

Represents RM2
^ Distributable

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Cash flows from operating activities				
Cash receipts from customers and other receivables	**2,090,548**	2,020,013	**-**	-
Cash paid to suppliers and employees	**(1,938,583)**	(1,867,140)	**(782)**	(256)
Cash generated from/(used in) operations	**151,965**	152,873	**(782)**	(256)
Interest paid	**(313)**	(3,724)	**(127)**	(490)
Tax paid	**(24,805)**	(27,379)	**(1,361)**	(388)
Net cash generated from/(used in) operating activities	**126,847**	121,770	**(2,270)**	(1,134)
Cash flows from investing activities				
Purchase of property, plant and equipment	**(114,633)**	(83,684)	**-**	-
Purchase of intangible assets	**(10,943)**	(10,903)	**-**	-
Proceeds from disposal of property, plant and equipment	**2,955**	47	**-**	-
Acquisition of a subsidiary	**-**	-	**-**	(136,888)
Movement in intercompany balances	**-**	43,151	**(12,285)**	(5,344)
Dividend income received	**-**	-	**77,000**	-
Interest received	**5,305**	4,880	**2,936**	1,916
Net cash (used in)/generated from investing activities	**(117,316)**	(46,509)	**67,651**	(140,316)
Cash flows from financing activities				
Dividends paid on ordinary shares	**(62,903)**	-	**(62,903)**	-
Acquisition of treasury shares	**(58,913)**	-	**(58,913)**	-
Proceeds from issuance of shares to the public pursuant to the Initial Public Offering ("IPO") exercise	**-**	250,311	**-**	250,311
Payment of IPO exercise expenses	**-**	(9,087)	**-**	(9,087)
Proceeds from banker's acceptance	**-**	191,952	**-**	-
Repayment of banker's acceptance	**-**	(303,452)	**-**	-
Repayment of term loans	**(819)**	(2,180)	**-**	-
Repayment of hire purchase and finance lease liabilities	**(4,519)**	(6,535)	**-**	-
Net cash (used in)/generated from financing activities	**(127,154)**	121,009	**(121,816)**	241,224
Net (decrease)/increase in cash and cash equivalents	**(117,623)**	196,270	**(56,435)**	99,774
Cash and cash equivalents at 1 January	**244,110**	47,840	**99,774**	#
Cash and cash equivalents at 31 December (Note 16)	**126,487**	244,110	**43,339**	99,774

Represents RM2

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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2015

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 Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur. The principal place of business of the Company is located at Level 3A, Podium Block, Plaza Berjaya, No.12, Jalan Imbi, 55100 Kuala Lumpur.

The principal activity of the Company is investment holding.

The principal activities of the subsidiaries are described in Note 12.

There have been no significant changes in the nature of these activities during the financial year.

The immediate and ultimate holding companies are Berjaya Retail Berhad ("BRetail") and HQZ Credit Sdn. Bhd. ("HQZ") respectively, both of which are incorporated in Malaysia.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 14 April 2016.

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, 1965 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.

2.2 CHANGES IN ACCOUNTING POLICIES

The accounting policies adopted are consistent with those of the previous financial year except as follows:

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

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

Adoption of the above standard did not have any effect on the financial performance or position of the Group and the Company.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 STANDARDS ISSUED BUT NOT YET EFFECTIVE

The standards 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
Annual Improvements to MFRSs 2012 - 2014 Cycle	1 January 2016
Amendments to MFRS 116 and MFRS 138 : *Clarification of Acceptable Methods of Depreciation and Amortisation*	1 January 2016
Amendments to MFRS 116 and MFRS 141 : *Agriculture - Bearer Plants*	1 January 2016
Amendments to MFRS 10 and MFRS 128 : *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	Deferred
Amendments to MFRS 11 : *Accounting for Acquisitions of Interests in Joint Operations*	1 January 2016
Amendments to MFRS 127 : *Equity Method in Separate Financial Statements*	1 January 2016
Amendments to MFRS 101 : *Disclosure Initiatives*	1 January 2016
Amendments to MFRS 10, MFRS 12 and MFRS 128 : *Investment Entities: Applying the Consolidation Exception*	1 January 2016
MFRS 14 : *Regulatory Deferral Accounts*	1 January 2016
MFRS 15 : *Revenue from Contracts with Customers*	1 January 2018
MFRS 9 : *Financial Instruments*	1 January 2018

The Directors expect that the adoption of the above standards will not have any material impact on the financial statements in the period of initial application except as discussed below:

(i) Amendments to MFRS 101 : Disclosure initiatives

The amendments to MFRS 101 include narrow-focus improvements in the following five areas:

- Materiality
- Disaggregation and subtotals
- Notes structure
- Disclosure of accounting policies
- Presentation of items of other comprehensive income arising from equity accounted investments

The Directors of the Company do not anticipate that the application of these amendments will have a material impact on the Group's and the Company's financial statements.

(ii) MFRS 15 : Revenue from Contracts with Customers

MFRS 15 establishes a new five-step model that will apply to revenue arising from contracts with customers. MFRS 15 will supersede the current revenue recognition guidance including MFRS 118 Revenue, MFRS 111 Construction Contracts and the related interpretations when it becomes effective.

The core principle of MFRS 15 is that an entity should recognise revenue which depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Under MFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 STANDARDS ISSUED BUT NOT YET EFFECTIVE (CONT'D)

(ii) MFRS 15 : Revenue from Contracts with Customers (Cont'd)

Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2018 with early adoption permitted. The directors do not anticipate that the application of these amendments will have a material impact on the Group's and the Company's financial statements.

(iii) MFRS 9 : Financial Instruments

In November 2014, MASB issued the final version of MFRS 9 Financial Instruments which reflects all phases of the financial instruments project and replaces MFRS 139 Financial Instruments: Recognition and Measurement and all previous versions of MFRS 9. The standard introduces new requirements for classification and measurement, impairment and hedge accounting. MFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory. The adoption of MFRS 9 will have an effect on the classification and measurement of the Group's financial assets, but no impact on the classification and measurement of the Group's financial liabilities.

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 BASIS OF CONSOLIDATION (CONT'D)

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.

Business combination

Acquisition of subsidiaries under business combination are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. The Group elects on a transaction-by-transaction basis whether to measure the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Transaction costs incurred are expensed and included in administrative expenses.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes in the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in accordance with MFRS 139 either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it will not be remeasured. Subsequent settlement is accounted for within equity. In instances where the contingent consideration does not fall within the scope of MFRS 139, it is measured in accordance with the appropriate MFRS.

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.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through 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 over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss. The accounting policy for goodwill is set out in Note 2.6(a).

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2015

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.

(b) 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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 freehold land, and any accumulated impairment losses.

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.

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 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 stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation of investment property is provided for on a straight line basis to write off the cost to its residual value over its estimated useful life at the following periods:

Building	Over 50 years or the duration of the lease, whichever is shorter

Upon the disposal of an item of investment property, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss.

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 2.9.

2.9 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.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.9 IMPAIRMENT OF NON-FINANCIAL ASSETS (CONT'D)

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.

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.

2.10 FINANCIAL ASSETS

Financial assets are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

The Group and the Company determine the classification of their financial assets at initial recognition, and the categories include loans and receivables and available-for-sale financial assets.

(a) Loans and receivables

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables.

Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

Loans and receivables are classified as current assets, except for those having maturity dates later than 12 months after the reporting date which are classified as non-current.

(b) Available-for-sale financial assets

Available-for-sale financial assets are financial assets that are designated as available for sale or are not classified as financial assets at fair value through profit or loss, loans and receivables or held-to-maturity investments.

After initial recognition, available-for-sale financial assets are measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised. Interest income calculated using the effective interest method is recognised in profit or loss. Dividends on an available-for-sale equity instrument are recognised in profit or loss when the Group's and the Company's rights to receive payment is established.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.10 FINANCIAL ASSETS (CONT'D)

(b) Available-for-sale financial assets (Cont'd)

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less impairment loss.

Available-for-sale financial assets are classified as non-current assets unless they are expected to be realised within 12 months after the reporting date.

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

2.11 IMPAIRMENT OF FINANCIAL ASSETS

The Group and the Company assess at each reporting date whether there is any objective evidence that a financial asset is impaired.

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group and the Company consider factors such as probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments. Objective evidence of impairment for a portfolio of receivables could include the Group's and the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period and observable changes in national or local economic conditions that correlate with default on receivables.

If any such evidence exists, the amount of impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The impairment loss is recognised in profit or loss.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of receivables, where the carrying amount is reduced through the use of an allowance account. When a receivable becomes uncollectible, it is written off against the allowance account.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

2.12 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 sale.

2.13 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.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.14 FINANCIAL LIABILITIES

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

Financial liabilities, within the scope of MFRS 139, are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

Payables are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Loans and borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

A financial liability is derecognised when the obligation under the liability is extinguished. 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 a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

2.15 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 35, including the factors used to identify the reportable segments and the measurement basis of segment information.

2.16 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.

2.17 LEASES

(a) As lessee

Finance leases, which transfer to the Group substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.17 LEASES (CONT'D)

(a) As lessee (Cont'd)

Leased assets are depreciated over the estimated useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life and the lease term.

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit or incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

(b) As lessor

Leases where the Group retains substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating and operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income.

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.

2.19 INCOME TAX

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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.

2.22 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.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.23 FAIR VALUE MEASUREMENT (CONT'D)

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.

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 RECOGNITION

Revenue is recognised to the extent that probable economic benefits will flow to the Group and the amount of revenue can be reliably measured. The following specific recognition criteria must be met before revenue is recognised:

(a) Sale of goods

Revenue is recognised when significant risks and rewards of ownership of the general merchandise have been passed to the customers. Revenue relating to sale of general merchandise is recognised net of discounts and returns.

(b) Commission income

Commission earned from services is recognised when the services are performed.

(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

Gross revenue from franchised convenience stores under the "7-Eleven" brand name operated by franchisees are recognised in the period the gross sales are earned. The Group expensed the franchisees' share of revenue to selling and distribution expenses. Franchisees' share of revenue is computed based on agreed percentage as stipulated in the respective franchise agreement.

Initial fees are recognised upon granting of a new franchise term, which is when the Group has performed substantially all initial services required by the franchise arrangement.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.24 REVENUE RECOGNITION (CONT'D)

(f) Dividend income

Dividend income is recognised when the Group's right to receive payment is established.

2.25 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.

2.26 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 Group's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised in equity.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

3.1 JUDGEMENTS MADE IN APPLYING ACCOUNTING POLICIES

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

(a) Classification between investment properties and property, plant and equipment

The Group has developed certain criteria based on MFRS 140 in making judgement whether a property qualifies as an investment property. Investment property is a property held to earn rental income or for capital appreciation or both.

Some properties comprise a portion that is held to earn rental income or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately (or leased out separately under a finance lease), the Group would account for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as investment property.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2015

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

3.1 JUDGEMENTS MADE IN APPLYING ACCOUNTING POLICIES (CONT'D)

(a) Classification between investment properties and property, plant and equipment (Cont'd)

As at 31 December 2015, the carrying amounts of the land and buildings of the Group classified as property, plant and equipment and investment property are disclosed in Notes 9 and 10.

(b) Classification between property, plant and equipment and intangible assets

An intangible asset is an identifiable non-monetary asset without physical substance.

Some intangible assets may be contained in or on a physical substance such as a compact disc (in the case of computer software) and legal documentation (in the case of a licence). In determining whether an asset that incorporates both intangible and tangible elements should be treated under MFRS 116 Property, Plant and Equipment or as an intangible asset under MFRS 138 Intangible Assets, the Group uses judgement to assess which element is more significant.

The Group treats computer software for a computer-controlled machine tool that cannot operate without that specific software as an integral part of the related hardware and classifies the software as property, plant and equipment. When the software is not an integral part of the related hardware, the Group classifies the computer software as an intangible asset.

As at 31 December 2015, the carrying amount of computer equipment classified as property, plant and equipment is RM28,054,000 and the carrying amount of computer software classified as intangible asset is RM21,232,000.

(c) Depreciation of intangible assets

Amortisation of an intangible asset shall begin when the asset is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

As at 31 December 2015, the Group is in the midst of developing and implementing an integrated retail information system ("IRIS") and management has estimated 40% of the IRIS to be available for use. The cost of the IRIS available for use amounted to RM8,189,000 as disclosed in Note 11.

The Group amortised computer software available for use over its useful life of 10 years. For the financial year ended 31 December 2015, amortisation expense on computer software amounting to RM614,000 has been expensed to the statement of comprehensive income.

3.2 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 discussed below:

(a) Depreciation of property, plant and equipment and computer software

Property, plant and equipment and computer software are depreciated or amortised on a straight-line basis over their useful lives based on management's estimates of the period over which the assets will generate revenue (not to exceed lease term plus options for leased property). The useful lives are estimated based on historical experience with similar assets, taking into account anticipated technological or other changes. The Group periodically reviews these useful lives relative to physical factors, economic factors and industry trends. If there are changes in the planned use of property, plant and equipment, or if technological changes occur more rapidly than anticipated, the useful lives assigned to these assets may need to be shortened, resulting in the recognition of increased depreciation and amortisation expense or write-offs in future periods.

The carrying amounts of the Group's property, plant and equipment and computer software as at the reporting date are disclosed in Notes 9 and 11.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2015

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

3.2 KEY SOURCES OF ESTIMATION UNCERTAINTY (CONT'D)

(b) Impairment of loans and receivables

The Group and the Company assess at each reporting date whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Group and the Company consider factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Where there is objective evidence of impairment, the amount of impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows. Management estimated the amount and timing of the future cash flows of its loans and receivables based on past experience of cash flows received. The carrying amounts of the Group's and the Company's loans and receivables at the reporting date are disclosed in Note 15.

(c) Provision for restoration costs

The Group leases convenience stores under operating leases. The Group provides for an estimate of restoration costs expense at the lease inception date for operating leases with requirements to remove leasehold improvements at the end of the lease term.

Estimating restoration costs involves subjective assumptions regarding both the amount and timing of actual future restoration costs. Actual future costs could differ significantly from amounts initially estimated. The Group's provision for restoration costs as at the reporting date are disclosed in Note 22.

(d) Provision for inventory losses

Provision for inventory losses is estimated based on the best available facts and circumstances. The provision is re-evaluated and adjusted as additional information received affects the amount estimated. The carrying amounts of the Group's inventories as of 31 December 2015 were RM180,705,000 (2014: RM148,898,000).

4. REVENUE

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Merchandise sales	**1,937,578**	1,828,637	**-**	-
Commissions	**68,429**	64,176	**-**	-
Dividend income	**-**	-	**56,000**	77,000
Interest income	**-**	-	**3,191**	1,916
Rental income	**277**	291	**-**	-
	2,006,284	1,893,104	**59,191**	78,916

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2015

5. PROFIT FROM OPERATIONS

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

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Auditors' remuneration				
Statutory audit				
- current	**438**	368	**68**	68
Other services	**100**	12	**12**	12
Depreciation of property, plant and equipment	**48,622**	37,884	**-**	-
Amortisation charge for investment property	**5**	7	**-**	-
Amortisation of intangible assets	**614**	-	**-**	-
Property, plant and equipment written off	**2,302**	878	**-**	-
Impairment loss on intangible assets (Note 11)	**596**	-	**-**	-
Impairment loss on sundry receivables (Note 15)	**559**	13	**-**	-
Write off of sundry receivables	**-**	126	**-**	-
Write off of inventories	**4,479**	2,082	**-**	-
Rental of premises	**89,730**	79,349	**-**	-
Royalty	**20,058**	18,928	**-**	-
Employee benefits expense (Note 6(a))	**265,401**	239,461	**-**	-
Non-executive directors' remuneration (Note 6(b)(ii))	**930**	330	**264**	208
Initial Public Offering ("IPO") expenses	**-**	1,884	**-**	1,884
Overprovision of IPO expenses in respect of prior year	**-**	(2,261)	**-**	(2,261)
Loss/(gain) on disposal of property, plant and equipment	**201**	(25)	**-**	-
Interest income				
- fixed deposits and ovenight placements	**(5,305)**	(4,880)	**(3,189)**	-
- advances to immediate holding company	**-**	(3,304)	**-**	-
- advances to a subsidiary company	**-**	-	**(1,374)**	-
Write back of rental of premises	**-**	(3,475)	**-**	-
Rental income	**(375)**	(737)	**-**	-
Franchise income				
- initial fees	**(195)**	-	**-**	-
Loss on foreign exchange translation differences	**186**	50	**-**	-

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2015

6. EMPLOYEE BENEFITS EXPENSE AND DIRECTORS' REMUNERATION

(a) Employee benefits expense

	Group 2015 RM'000	2014 RM'000
Wages, salaries and other emoluments	**224,938**	201,463
Pension costs - defined contribution plans	**22,799**	20,877
Social security costs and employees insurance	**3,894**	3,519
Other staff benefits	**13,770**	13,602
	265,401	239,461

Included in employee benefits expense of the Group is executive directors' remuneration amounting to RM2,948,000 (2014: RM2,225,000), as disclosed in Note (6(b)(i)).

(b) Directors' remuneration

	Group 2015 RM'000	Group 2014 RM'000	Company 2015 RM'000	Company 2014 RM'000
(i) **Executive directors' remuneration:**				
Salaries	**2,254**	1,392	**-**	-
Other emoluments	**694**	833	**-**	-
Total executive directors' remuneration (excluding benefits-in-kind) (Note 6(a))	**2,948**	2,225	**-**	-
Estimated money value of benefits-in-kind	**54**	43	**-**	-
Total executive directors' remuneration (including benefits-in-kind)	**3,002**	2,268	**-**	-
(ii) **Non-executive directors' remuneration:**				
Fees	**240**	200	**240**	200
Allowances	**690**	130	**24**	8
Total non-executive directors' remuneration	**930**	330	**264**	208
Total directors' remuneration (Note 29(b))	**3,932**	2,598	**264**	208

The number of directors of the Company whose total remuneration during the financial year fell within the following bands is analysed below:

	2015 RM'000	2014 RM'000
Executive directors:		
RM150,001 - RM200,000	**-**	1
RM550,001 - RM600,000	**-**	1
RM600,001 - RM650,000	**1**	1
RM900,001 - RM950,000	**1**	1
RM1,350,001 - RM1,400,000	**1**	-
Non-Executive directors:		
RM50,001 - RM100,000	**3**	4
RM200,001 - RM250,000	**1**	-
RM400,001 - RM450,000	**1**	-

NOTES TO THE FINANCIAL STATEMENTS

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7. FINANCE COSTS

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Interest expense on:				
Hire purchase and lease liabilities	**310**	720	**-**	-
Bankers' acceptance	**-**	2,717	**-**	-
Term loans	**3**	105	**-**	-
Amount due to a related company	**-**	-	**127**	490
Amount due to immediate holding company	**-**	182	**-**	-
	313	3,724	**127**	490

8. INCOME TAX EXPENSE

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Income tax:				
Current year	**22,478**	26,343	**1,023**	404
(Over)/underprovision in prior year	**(874)**	(3)	**69**	-
	21,604	26,340	**1,092**	404
Deferred tax (Note 25):				
Relating to origination and reversal of temporary differences	**2,070**	154	**-**	-
Overprovision in prior year	**(1,633)**	(254)	**-**	-
	437	(100)	**-**	-
	22,041	26,240	**1,092**	404

Domestic current income tax is calculated at the Malaysian statutory tax rate of 25% (2014: 25%) of the estimated assessable profit for the year.

The domestic statutory tax rate will be reduced to 24% from current year's rate of 25% effective year of assessment 2016. The computation of deferred tax as at 31 December 2015 has reflected the change to the statutory tax rate of 24%.

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	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Profit before tax	**77,842**	89,314	**59,692**	77,862
Taxation at Malaysian statutory tax rate of 25% (2014: 25%)	**19,461**	22,329	**14,923**	19,466
Expenses not deductible under tax legislation	**5,087**	4,168	**100**	188
Income not subject to tax	**-**	-	**(14,000)**	(19,250)
(Over)/underprovision of income tax in prior year	**(874)**	(3)	**69**	-
Overprovision of deferred tax in prior year	**(1,633)**	(254)	**-**	-
Tax expense for the year	**22,041**	26,240	**1,092**	404

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2015

9. PROPERTY, PLANT AND EQUIPMENT

Group	Land and buildings* RM'000	Furniture, fittings, computer equipment and other equipment RM'000	Motor vehicles RM'000	Renovation RM'000	Capital work-in-progress RM'000	Total RM'000
At 31 December 2015						
Cost						
At 1 January 2015	36,820	402,451	2,310	140,673	4,499	586,753
Additions	-	87,396	155	27,664	-	115,215
Disposal	-	(40,114)	-	-	-	(40,114)
Write off	-	(2,306)	-	(795)	(1,295)	(4,396)
At 31 December 2015	36,820	447,427	2,465	167,542	3,204	657,458
Accumulated depreciation and impairment losses						
At 1 January 2015	2,679	259,548	1,898	80,155	-	344,280
Depreciation charge for the year	298	36,881	246	11,197	-	48,622
Disposal	-	(36,958)	-	-	-	(36,958)
Write off	-	(1,424)	-	(670)	-	(2,094)
At 31 December 2015	2,977	258,047	2,144	90,682	-	353,850
Net carrying amount						
At 31 December 2015	33,843	189,380	321	76,860	3,204	303,608

9. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Group (Cont'd)	Land and buildings* RM'000	Furniture, fittings, computer equipment and other equipment RM'000	Motor vehicles RM'000	Renovation RM'000	Capital work-in-progress RM'000	Total RM'000
At 31 December 2014						
Cost						
At 1 January 2014	36,792	347,621	2,310	116,066	1,421	504,210
Additions	28	56,955	-	26,409	3,078	86,470
Disposal	-	(635)	-	-	-	(635)
Write off	-	(1,490)	-	(1,802)	-	(3,292)
At 31 December 2014	36,820	402,451	2,310	140,673	4,499	586,753
Accumulated depreciation and impairment losses						
At 1 January 2014	2,465	233,429	1,663	71,866	-	309,423
Depreciation charge for the year	214	27,887	235	9,548	-	37,884
Disposal	-	(613)	-	-	-	(613)
Write off	-	(1,155)	-	(1,259)	-	(2,414)
At 31 December 2014	2,679	259,548	1,898	80,155	-	344,280
Net carrying amount						
At 31 December 2014	34,141	142,903	412	60,518	4,499	242,473

NOTES TO THE FINANCIAL STATEMENTS

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9. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

* LAND AND BUILDINGS

Group	Freehold land RM'000	Buildings RM'000	Long term leasehold land RM'000	Total RM'000
At 31 December 2015				
Cost				
At 1 January/31 December 2015	**23,711**	**9,896**	**3,213**	**36,820**
Accumulated depreciation and impairment losses				
At 1 January 2015	**784**	**1,694**	**201**	**2,679**
Depreciation charge for the year	**-**	**134**	**164**	**298**
At 31 December 2015	**784**	**1,828**	**365**	**2,977**
Net carrying amount				
At 31 December 2015	**22,927**	**8,068**	**2,848**	**33,843**
Cost				
At 31 December 2014				
At 1 January 2014	23,711	9,889	3,192	36,792
Additions	-	7	21	28
At 31 December 2014	23,711	9,896	3,213	36,820
Accumulated depreciation and impairment losses				
At 1 January 2014	784	1,537	144	2,465
Depreciation charge for the year	-	157	57	214
At 31 December 2014	784	1,694	201	2,679
Net carrying amount				
At 31 December 2014	22,927	8,202	3,012	34,141

(a) Included in property, plant and equipment of the Group are fully depreciated property, plant and equipment which are still in use costing RM225,753,093 (2014: RM195,656,847).

(b) During the financial year, the Group acquired property, plant and equipment by the following means:

	Group	
	2015 RM'000	**2014 RM'000**
Cash	**114,633**	83,684
Hire purchase and finance leases	**-**	2,034
Capitalisation of restoration costs	**582**	752
	115,215	86,470

NOTES TO THE FINANCIAL STATEMENTS

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9. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(c) Net carrying amounts of property, plant and equipment held under hire purchase and finance lease arrangements (Note 23) are as follows:

	Group	
	2015 RM'000	2014 RM'000
Computer equipment	**13,507**	20,104
Motor vehicles	**320**	412
	13,827	20,516

(d) As at 31 December 2014, a piece of freehold land with carrying amount of RM10,757,500 was pledged as security for term loan facility as disclosed in Note 23. The term loan was fully settled during the financial year ended 31 December 2015 and the freehold land was discharged as security on 5 June 2015.

10. INVESTMENT PROPERTY

	Group	
	2015 RM'000	2014 RM'000
Cost		
At 1 January/31 December	**292**	292
Accumulated amortisation		
At 1 January	**70**	63
Amortisation charge for the financial year	**5**	7
At 31 December	**75**	70
Net carrying amount		
At 31 December	**217**	222

Valuation of investment property

As at 31 December 2015, the fair value of the investment property of the Group was estimated by the directors based on professional valuation report using the comparison method of valuation, to be approximately RM350,000 (2014: RM340,000).

The fair value of investment property is determined using the market approach based on the transacted price for identical or comparable property on the date of valuation between a willing buyer and willing seller in an arm's length transaction.

NOTES TO THE FINANCIAL STATEMENTS

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11. INTANGIBLE ASSETS

	Group			
	Goodwill on consolidation RM'000	Computer software RM'000	Computer software-in-development RM'000	Total RM'000
Cost				
At 1 January 2015	**596**	**-**	**10,903**	**11,499**
Additions	**-**	**-**	**10,943**	**10,943**
Reclassification	**-**	**8,189**	**(8,189)**	**-**
At 31 December 2015	**596**	**8,189**	**13,657**	**22,442**
Accumulated amortisation and impairment losses				
At 1 January 2015	**-**	**-**	**-**	**-**
Amortisation	**-**	**614**	**-**	**614**
Impairment loss	**596**	**-**	**-**	**596**
At 31 December 2015	**596**	**614**	**-**	**1,210**
Net carrying amount				
At 31 December 2015	**-**	**7,575**	**13,657**	**21,232**
Cost/ Net carrying amount				
At 1 January 2014	596	-	-	596
Additions	-	-	10,903	10,903
At 31 December 2014	596	-	10,903	11,499

12. INVESTMENTS IN SUBSIDIARY COMPANIES

	Company	
	2015 RM'000	2014 RM'000
Unquoted shares, at cost	**1,378,248**	1,378,248

Details of the subsidiary companies are as follows:

Name of company	Country of incorporation	Equity interest 2015	Equity interest 2014	Principal activity
Held by the Company:				
7-Eleven Malaysia Sdn. Bhd. ("7EMSB")	Malaysia	**100%**	100%	Operating and franchising of convenience stores under the "7-Eleven" brand name
Held through 7-Eleven Malaysia Sdn. Bhd. :				
Convenience Shopping (Sabah) Sdn. Bhd. ("CSSSB")	Malaysia	**100%**	100%	Note 12(a)
7 Properties Sdn. Bhd.	Malaysia	**100%**	100%	Real property investments
Teluk Juara Sdn. Bhd. ("TJSB")	Malaysia	**100%**	100%	Note 12(b)

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12. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

(a) Prior to 1 January 2015, CSSSB was in the business of operation of convenience stores under the "7-Eleven" brand name in Sabah. On 26 December 2014, 7EMSB entered into a Business and Asset Sale Agreement with CSSSB to transfer the business operation and identified assets of CSSSB to 7EMSB.

7EMSB commenced the operation of 7-Eleven stores in Sabah commencing 1 January 2015. CSSSB became dormant since 1 January 2015.

(b) The intended principal activities of TJSB were property investment, warehousing and distribution of merchandise. TJSB owns a piece of freehold land, but has not commenced the activities of warehousing and distribution of merchandise.

As at the date of this report, TJSB will not proceed with the construction of the warehouse and distribution centre. The activity of TJSB is currently real property investment.

13. OTHER INVESTMENTS

	Group	
	2015 RM'000	2014 RM'000
Available-for-sale financial assets		
Non-current		
At cost:		
Unquoted shares in Malaysia	**1**	1

14. INVENTORIES

	Group	
	2015 RM'000	2014 RM'000
At cost:		
General merchandise held for resale	**175,673**	145,005
Consumables	**5,032**	3,893
	180,705	148,898
Cost of inventories recognised as an expense during the financial year	**1,385,095**	1,332,915

NOTES TO THE FINANCIAL STATEMENTS

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15. SUNDRY RECEIVABLES

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Current				
Other receivables	**63,443**	47,996	**390**	134
Deposits	**33,630**	28,837	**4**	4
Prepayments	**6,949**	6,162	**106**	66
Dividend receivable from a subsidiary company	**-**	-	**70,000**	77,000
Due from a subsidiary company	**-**	-	**3,191**	-
Due from other related parties	**3,444**	3,625	**-**	-
	107,466	86,620	**73,691**	77,204
Less: Allowance for impairment on other receivables	**(1,652)**	(1,093)	**-**	-
Total sundry receivables	**105,814**	85,527	**73,691**	77,204
Total sundry receivables	**105,814**	85,527	**73,691**	77,204
Add: Cash and bank balances (Note 16)	**126,487**	244,110	**43,339**	99,774
Less: Prepayments	**(6,949)**	(6,162)	**(106)**	(66)
Total loans and receivables	**225,352**	323,475	**116,924**	176,912

(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.

Receivables that are impaired

The receivables of the Group's and the Company's that are impaired at the reporting date and the movement of the allowance accounts used to record the impairment are as follows:

	Group	
	2015 RM'000	2014 RM'000
Individually impaired		
Other receivables - nominal amounts	**1,652**	1,093
Less: Allowance for impairment	**(1,652)**	(1,093)
	-	-
Movement in allowance accounts:		
At 1 January	**1,093**	1,491
Charge for the financial year	**559**	13
Written off	**-**	(411)
At 31 December	**1,652**	1,093

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.

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15. SUNDRY RECEIVABLES (CONT'D)

(b) Due from a subsidiary company

The amount due from a subsidiary company is unsecured, repayable on demand and bears interest at 5.8% (2014: 5.8%) per annum.

(c) 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	
	2015 RM'000	2014 RM'000
Berjaya Kakao Sdn. Bhd. ("BKSB") (Note (i))		
Advertising income	**400**	1,400
Berjaya Channel Sdn. Bhd. ("BCSB") (Note (ii))		
Advertising income - Revenue sharing	**1,375**	625
Nural Enterprise Sdn. Bhd. ("NESB") (Note (ii))		
Refundable deposits	**529**	526
Berjaya Times Square Sdn. Bhd. ("BTSB") (Note (iii))		
Refundable deposits	**324**	323
Sun Media Corporation Sdn Bhd ("Sun Media")		
Display fees from placement of the Sun newspaper	**816**	471

(i) BKSB is a wholly-owned subsidiary of Friendster Sdn. Bhd., which is a wholly-owned subsidiary of MOL Global Pte. Ltd.. Tan Sri Dato' Seri Vincent Tan Chee Yioun ("TSVT") is a substantial shareholder of BKSB by virtue of his direct and indirect interest in MOL.

(ii) BCSB and NESB are subsidiaries of Berjaya Corporation Berhad ("BCorp").

(iii) BTSB is a subsidiary of Berjaya Assets Berhad ("BAssets").

Chan Kien Sing who is a director of the Company is also a director of BCorp and BAssets.

TSVT is a substantial shareholder of the Company's ultimate holding company, HQZ. TSVT is also a substantial shareholder of BCorp, BAssets and Sun Media.

TSVT is also a director of BTSB.

16. CASH AND BANK BALANCES

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Cash on hand and at banks	**75,830**	56,615	**3,339**	#
Short term deposits with licensed banks	**50,657**	187,495	**40,000**	99,774
	126,487	244,110	**43,339**	99,774

Representing RM2

NOTES TO THE FINANCIAL STATEMENTS

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16. CASH AND BANK BALANCES (CONT'D)

Included in cash on hand and at banks of the Group and of the Company are overnight placements with licensed banks amounted to RM49,286,634 (2014: RM32,938,598), with interest ranging from 2.75% to 3.20% (2014: 2.25% to 2.75%) per annum.

As at the reporting date, the interest rates of short term deposits of the Group ranged from 3.10% to 4.00% (2014: 2.90% to 3.43%) per annum.

The remaining days to maturity of deposits as at the end of the financial year were as follows:

	Group		Company	
	2015 Days	2014 Days	2015 Days	2014 Days
Deposits with licensed banks	**4 - 22**	2 - 35	**4 - 22**	2 - 12

17. SHARE CAPITAL

	Company			
	Number of ordinary shares of RM0.10 each		Amount	
	2015 '000	2014 '000	2015 RM'000	2014 RM'000
Authorised				
At 1 January	**3,000,000**	4,000	**300,000**	400
Created during the financial year (Note (a))	**-**	2,996,000	**-**	299,600
At 31 December	**3,000,000**	3,000,000	**300,000**	300,000
Issued and fully paid up				
At 1 January	**1,233,385**	##	**123,338**	#
Issued during the financial year (Note (b))	**-**	1,233,385	**-**	123,338
At 31 December	**1,233,385**	1,233,385	**123,338**	123,338

Represents RM2
Represents 20 ordinary shares

(a) On 2 April 2014, the Company increased its authorised share capital from 4,000,000 ordinary shares of RM0.10 each to 3,000,000,000 ordinary shares of RM0.10 each by the creation of 2,996,000,000 new ordinary shares of RM0.10 each.

(b) During the last financial year, the Company increased its issued and paid-up ordinary share capital from 20 ordinary shares of RM0.10 each to 1,233,385,000 ordinary shares of RM0.10 each by way of the following:

(i) On 2 April 2014, the Company issued 1,051,999,980 new ordinary shares of RM0.10 each as disclosed in Note 37(a)(i); and

(ii) On 28 May 2014, the Company issued 181,385,000 new ordinary shares of RM0.10 each to the public as disclosed in Note 37(b)(i).

The new ordinary shares issued during the last financial year ranked pari passu in all respect with the existing ordinary shares of the Company.

The holders of the 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.

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18. SHARE PREMIUM

	Group and Company	
	2015 RM'000	2014 RM'000
Share premium		
At 1 January	**1,361,800**	-
Increased during the financial year (Note (a))	**-**	1,368,333
Share issuance expenses (Note (b))	**-**	(6,533)
At 31 December	**1,361,800**	1,361,800

(a) Share premium comprises the premium paid on:

(i) the issuance of 1,051,999,980 new ordinary shares of RM0.10 each at an issue price of RM1.18 per share as part of the consideration for the acquisition of the entire paid-up share capital of 7EMSB from BRetail, i.e. Pre-IPO Reorganisation; and

(ii) the issuance of 181,385,000 new ordinary shares of RM0.10 each at an issue price of RM1.38 per share to the public as part of its listing and quotation for its enlarged and paid up share capital on the Main Market of Bursa Securities.

(b) Total share issuance expenses for the IPO exercise amounted to RM13,748,000, of which RM6,533,000 were written off againt share premium account pursuant to Section 60 of Companies Act, 1965 in Malaysia.

19. TREASURY SHARES

	Group and Company			
	Number of ordinary shares of RM0.10 each		Amount	
	2015 '000	2014 '000	2015 RM'000	2014 RM'000
At 1 January	**-**	-	**-**	-
Purchase during the year	**40,500**	-	**58,913**	-
At 31 December	**40,500**	-	**58,913**	-

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.

During the financial year ended 31 December 2015, the Company purchased 40,500,000 ordinary shares from the open market at Bursa Malaysia Securities Berhad ("Bursa Malaysia") at an average price of RM1.45 per share. The total consideration paid for the acquisition including transaction costs was RM58,913,000. The shares purchased are being held as treasury shares in accordance with Section 67A of the Companies Act, 1965. The carrying amount of the treasury shares is presented as a component within shareholders' equity.

The directors of the Company are committed to enhancing 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.

For the period from 1 January 2016 to 14 April 2016, the Company further purchased 16,807,600 ordinary shares through purchases on the Bursa Malaysia at an average price of RM1.50 per share. The total consideration paid for the acquisition including transaction costs amounted to RM25,322,233. The acquisition was financed by internally generated funds.

NOTES TO THE FINANCIAL STATEMENTS

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20. CAPITAL REORGANISATION DEFICIT

	Group	
	2015 RM'000	2014 RM'000
Capital reorganisation (deficit)/reserve		
At 1 January (Note 20(a))	**(1,343,248)**	35,000
Purchase consideration to acquire 7EMSB (Note 20(b))	**-**	(1,378,248)
At 31 December	**(1,343,248)**	(1,343,248)

(a) The Company has accounted for the acquisition of 7EMSB as a continuation of the acquired entity. Therefore, the share capital of 7EMSB is reflected as capital reorganisation reserve as at 1 January 2014.

(b) As detailed in Note 37(a), the Company completed its Pre-IPO Reorganisation on 2 April 2014. Capital reorganisation deficit represents the difference between the purchase consideration paid to acquire 7EMSB and the equity interest of 7EMSB being acquired.

The capital reorganisation deficit is created pursuant to the Pre-IPO Reorganisation.

21. RETAINED PROFITS

The Company may distribute dividends out of its entire retained profits under the single tier system.

22. PROVISIONS

	Group	
	2015 RM'000	2014 RM'000
At 1 January	**5,999**	5,247
Provisions during the year	**582**	752
Utilised during the year	**(105)**	-
At 31 December	**6,476**	5,999
At 31 December		
Current	**701**	745
Non-current:		
Later than 1 year but not later than 2 years	**640**	585
Later than 2 years but not later than 5 years	**1,183**	1,134
Later than 5 years	**3,952**	3,535
	5,775	5,254
	6,476	5,999

Provisions 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 cost of property, plant and equipment.

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23. BORROWINGS

	Group	
	2015 RM'000	2014 RM'000
Short term borrowings		
Secured:		
Term loans	-	819
Hire purchase and finance lease liabilities (Note 24)	**1,946**	4,536
	1,946	5,355
Long term borrowings		
Secured:		
Hire purchase and finance lease liabilities (Note 24)	**132**	2,061
Total borrowings		
Term loans	-	819
Hire purchase and finance lease liabilities (Note 24)	**2,078**	6,597
	2,078	7,416

The remaining maturities of the borrowings as at 31 December 2015, other than hire purchase and finance lease liabilities as disclosed in Note 24, are as follows:

	Group	
	2015 RM'000	2014 RM'000
At 31 December		
Within one year	-	819

The borrowings are secured by the followings:

Term loans

In the previous year, the term loan was secured by a first legal charge over the freehold land of a subsidiary company with total carrying amount of RM10,757,500 and a corporate guarantee by 7EMSB amounting to RM819,000. This security was discharged on 5 June 2015 following the settlement of the said term loan.

Hire purchase and finance lease liabilities

First legal charge over the subsidiary's computer equipment and motor vehicles of RM13,827,121 (2014: RM20,516,000) acquired by means of hire purchase and finance lease liabilities, as disclosed in Note 9(c).

Related party

Related party refers to Prime Credit Leasing Sdn. Bhd., a company in which TSVT is deemed to have an interest.

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24 HIRE PURCHASE AND FINANCE LEASE LIABILITIES

	Group	
	2015 RM'000	2014 RM'000
Future minimum lease payments:		
Not later than 1 year	**2,053**	4,876
Later than 1 year and not later than 2 years	**136**	2,006
Later than 2 years and not later than 5 years	**-**	136
	2,189	7,018
Less: Future finance charges	**(111)**	(421)
	2,078	6,597
Analysis of present value of finance lease payables:		
Current	**1,946**	4,536
Non-current:		
Later than 1 year and not later than 2 years	**132**	1,932
Later than 2 years and not later than 5 years	**-**	129
	132	2,061
	2,078	6,597

Other information on financial risks of hire purchase and finance lease liabilities are disclosed in Note 33(b).

25. DEFERRED TAX LIABILITY/(ASSETS)

	Group	
	2015 RM'000	2014 RM'000
At 1 January	**8,323**	8,423
Recognised in profit or loss (Note 8)	**437**	(100)
At 31 December	**8,760**	8,323
Presented after appropriate offsetting as follows:		
Deferred tax assets	**(2,956)**	(2,566)
Deferred tax liability	**11,716**	10,889
	8,760	8,323

The components and movements of deferred tax assets and liability during the financial year prior to offsetting are as follows:

Deferred tax assets

Group	Receivables RM'000	Provisions RM'000	Total RM'000
At 1 January 2015	**7**	**(2,573)**	**(2,566)**
Recognised in profit or loss	**(7)**	**(383)**	**(390)**
At 31 December 2015	**-**	**(2,956)**	**(2,956)**
At 1 January 2014	5	(3,030)	(3,025)
Recognised in profit or loss	2	457	459
At 31 December 2014	7	(2,573)	(2,566)

NOTES TO THE FINANCIAL STATEMENTS

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25. DEFERRED TAX LIABILITY/(ASSETS) (CONT'D)

Deferred tax liability

Group	Property, plant and equipment RM'000
At 1 January 2015	**10,889**
Recognised in profit or loss	**827**
At 31 December 2015	**11,716**
At 1 January 2014	11,448
Recognised in profit or loss	(559)
At 31 December 2014	10,889

26. TRADE PAYABLES

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Current				
Third parties				
Merchandise suppliers	**286,395**	267,517	**-**	-
Phone reload coupon suppliers	**80,436**	57,133	**-**	-
Related parties				
Phone reload coupon suppliers	**44,149**	44,504	**-**	-
Total trade payables	**410,980**	369,154	**-**	-
Total trade payables	**410,980**	369,154	**-**	-
Add: Other payables (Note 27)	**145,161**	108,013	**3,828**	291
Add: Borrowings (Note 23)	**2,078**	7,416	**-**	-
Less: Deferred revenue (Note 27)	**(740)**	-	**-**	-
Total financial liabilities, carried at amortised cost	**557,479**	484,583	**3,828**	291

(a) Third parties

The normal trade credit terms granted to the Group are as follows:

	Group	
	2015 Days	2014 Days
Merchandise suppliers	**30 - 60**	30 - 60
Phone reload coupon suppliers	**7 - 60**	7 - 60

The normal trade credit terms granted to the Group ranged from 7 to 60 (2014: 7 to 60) days. However, suppliers will generally extend their credit terms to 90 (2014: 90) days upon request by the Group.

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26. TRADE PAYABLES (CONT'D)

(b) Related parties

Related parties refer to MOL AccessPortal Sdn. Bhd. ("MOL") and U Mobile Sdn. Bhd. ("U Mobile"), companies in which TSVT is deemed to have an interest.

The trade credit terms granted by MOL and U Mobile to the Group ranged from 7 and 60 (2014: 7 and 60) days respectively.

27. OTHER PAYABLES

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Current				
Sundry payables	**50,491**	40,684	**-**	-
Accruals	**67,573**	45,904	**296**	291
Royalties payable	**1,701**	1,646	**-**	-
Refundable deposits	**21,124**	19,779	**-**	-
Due to a related party	**3,532**	-	**3,532**	-
Deferred revenue	**740**	-	**-**	-
	145,161	108,013	**3,828**	291

(a) Payables

Payables, other than amount due to a related company, are unsecured, non-interest bearing and are normally settled on 30 to 60 (2014: 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	
		2015 RM'000	2014 RM'000
Securexpress Services Sdn. Bhd.	Transportation costs	**302**	996

(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 related party

As at 31 December 2015, the amount due to a related party, Inter-Pacific Securities Sdn. Bhd. ("IPSSB"), is in respect of the purchase of treasury shares. IPSSB is a subsidiary of BCorp, of which TSVT is a director and substantial shareholder.

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28. DIVIDENDS

	Group			
	Amount, net of tax		Net dividend per ordinary share	
	2015 RM'000	2014 RM'000	2015 Sen	2014 Sen
Interim dividend for the financial year ended 31 December 2014:				
Interim single-tier dividend of 2.5% on 1,233,385,000 ordinary shares, declared on 27 February 2015 and paid on 31 March 2015	**30,835**	-	**2.5**	-
Special dividend for the financial year ended 31 December 2014:				
Special single-tier dividend of 2.6% on 1,233,385,000 ordinary shares, declared on 27 February 2015 and paid on 31 March 2015	**32,068**	-	**2.6**	-
	62,903	-	**5.1**	-

(a) The following dividends have been declared after the financial year ended 31 December 2015:

	Group and Company	
	Amount, net of tax RM'000	Net dividend per ordinary share Sen
Interim dividend for the financial year ended 31 December 2015:		
Interim single-tier dividend of 2.3% on 1,180,145,000# ordinary shares, declared on 25 February 2016 and paid on 31 March 2016	**27,143**	**2.3**
Special dividend for the financial year ended 31 December 2015:		
Special single-tier dividend of 2.4% on 1,180,145,000# ordinary shares, declared on 25 February 2016 and paid on 31 March 2016	**28,323**	**2.4**
	55,466	**4.7**

Dividends are distributable to the holders of ordinary shares of the Company in issue as at 17 March 2016 (being the entitlement date), net of 53,240,000 treasury shares.

The financial statements for the current year do not reflect the above mentioned dividends. These said dividends will be accounted for in equity as an appropriation of retained profits in the financial year ending 31 December 2016.

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29. SIGNIFICANT RELATED PARTY TRANSACTIONS

(a) Significant related party transactions

	Type of transaction	Group 2015 RM'000	Group 2014 RM'000	Company 2015 RM'000	Company 2014 RM'000
With immediate holding company					
Berjaya Retail Berhad	Interest income	-	3,304	-	-
	Interest expense	-	182	-	-
	Purchase consideration paid for the acquisition of 7EMSB from BRetail	-	1,378,248	-	1,378,248
	Intercompany repayment from BRetail	-	43,151	-	-
	Assumption of debts owing by BRetail to 7EMSB through promissory note	-	136,888	-	136,888
With a subsidiary company					
Held by the Company:					
7-Eleven Malaysia Sdn. Bhd.	Dividend receivable from 7EMSB	-	-	**56,000**	77,000
	Advances to 7EMSB, net of payment	-	-	**1,942**	-
	Advances from 7EMSB	-	-	-	5,344
	Interest expense payable to 7EMSB	-	-	**127**	490
	Interest income receivable from 7EMSB	-	-	**1,374**	-

	Type of transaction	Group 2015 RM'000	Group 2014 RM'000
With companies in which TSVT is deemed interested*			
MOL AccessPortal Sdn. Bhd.	Receipts of payment from MOL for commission for in-store services such as reloads of mobile phone, Touch 'n Go and online game and bill payments	**23,995**	20,484
MOL AccessPortal Sdn. Bhd.	Payments to MOL for transaction values for in-store services such as reloads of mobile phone, Touch 'n Go and online game and bill payments	**621,266**	462,548
U Mobile Sdn. Bhd.	Receipts from U Mobile for commission for sale of mobile phone reloads	**7,827**	8,189
U Mobile Sdn. Bhd.	Payments to U Mobile for reload transaction values for in-store services for sale of mobile phone reloads	**127,649**	128,298
U Mobile Sdn. Bhd.	Receipts from U Mobile for advertisement placement fees	**5,400**	4,973
Berjaya Channel Sdn. Bhd.	Receipts from BCSB for advertisement placement fees	**1,500**	1,500
Sun Media Corporation Sdn. Bhd.	Advertising fees on placement of advertisement in The Sun newspaper	**612**	387

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29. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONT'D)

(a) Significant related party transactions (Cont'd)

	Type of transaction	Group 2015 RM'000	Group 2014 RM'000
With companies in which TSVT is deemed interested* (Cont'd)			
Sun Media Corporation Sdn. Bhd.	Display fees from placement of The Sun newspaper in 7-Eleven's stores	**752**	720
Kakao Malaysia Sdn. Bhd. ("Kakao")	Receipt of payment from Kakao for advertisement placement fees	**-**	1,400
Prime Credit Leasing Sdn. Bhd.	Leasing facility for point-of-sales computer system		
	- Drawdown	**-**	2,034
	- Lease interest	**303**	641
Securexpress Services Sdn. Bhd. ("Securexpress")	Payment to Securexpress for transportation fees for delivery of merchandise goods to stores	**13,817**	13,085
Berjaya Sompo Insurance Berhad ("Berjaya Sompo")	Payment to Berjaya Sompo for insurance premium	**1,740**	1,146
Nural Enterprise Sdn. Bhd.	Payment to NESB for rental of property and service charges	**2,188**	1,909
Berjaya Times Square Sdn. Bhd.	Payment to BTSB for rental of property and service charges	**974**	991

* TSVT is a substantial shareholder of HQZ.

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 2015 and 2014 are disclosed in Notes 15, 23, 26 and 27.

(b) Compensation of key management personnel

The remuneration of directors and members of key management during the financial year was as follows:

	Group 2015 RM'000	Group 2014 RM'000	Company 2015 RM'000	Company 2014 RM'000
Short-term employee benefits	**7,465**	5,666	**264**	208
Post-employment benefits:				
Defined contribution plan	**865**	654	**-**	-
	8,330	6,320	**264**	208
Included in the total key management personnel are:				
Directors' remuneration (Note 6(b))	**3,932**	2,598	**264**	208

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30. COMMITMENTS

(a) Capital commitments

	Group	
	2015 RM'000	2014 RM'000
Approved and contracted for		
- property, plant and equipment	**3,930**	35,690
- intangible assets	**16,706**	14,100
	20,636	49,790
Approved but not contracted for		
- property, plant and equipment	**109,146**	126,070
- intangible assets	**8,036**	4,000
	117,182	130,070
	137,818	179,860

(b) Operating lease commitments - as lessee

The Group has entered into commercial leases on properties. These non-cancellable leases have an average lease term 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 Group is restricted from subleasing the excess space to third parties.

The future minimum rentals payable under non-cancellable operating leases at the reporting date are as follows:

	Group	
	2015 RM'000	2014 RM'000
Not later than 1 year	**5,564**	4,642
Later than 1 year but not later than 5 years	**5,297**	3,963
	10,861	8,605

(c) 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	
	2015 RM'000	2014 RM'000
Not later than 1 year	**171**	174

31. CONTINGENT LIABILITIES

The Group has bank guarantees of RM6,645,000 as at 31 December 2015 (2014: RM7,015,000) as security deposits in favour of various government bodies and private companies.

The bank guarantee facilities are granted to 7EMSB on a clean basis.

NOTES TO THE FINANCIAL STATEMENTS

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32. 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 and Company			
	2015 RM'000		2014 RM'000	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial asset:				
Other investment (non-current)				
- Unquoted equity instrument, at cost (Note 13)	**1**	*	1	*
Financial liability:				
- Hire purchase and finance lease liabilities (Note 23)	**2,078**	**2,257**	6,597	6,784

* Investment in equity instrument carried at cost

Fair value information has not been disclosed for the Group's investment in equity instrument that is carried at cost because fair value cannot be measured reliably.

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
Sundry receivables (current)	15
Trade and other payables (current)	26, 27
Borrowings (current and non-current)	23

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.

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32. 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		
Group	Total RM'000	Quoted prices in active markets (Level 1) RM'000	Significant observable inputs (Level 2) RM'000	Significant unobservable inputs (Level 3) RM'000
31 December 2015				
Assets for which fair values are disclosed				
Investment property (Note 10)	**350**	**-**	**-**	**350**
Liabilities for which fair values are disclosed				
Borrowings				
- Hire purchase and finance lease liabilities (Note 24)	**2,257**	**-**	**-**	**2,257**
31 December 2014				
Assets for which fair values are disclosed				
Investment property (Note 10)	340	-	-	340
Liabilities for which fair values are disclosed				
Borrowings				
- Hire purchase and finance lease liabilities (Note 24)	6,784	-	-	6,784

There have been no transfers between Level 1 and Level 2 during the year.

33. 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, which are executed by the senior management of the Company.

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.

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33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

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 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'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.

Exposure to credit risk

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.

Amounts due from a subsidiary company

There is minimal risk of default as the subsidiary company is prospectively profitable. The credit standing of these related parties are periodically monitored and reviewed.

(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 are made up of deposits with licensed banks and advances to the immediate holding and subsidiary companies. 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. Interest are charged on advances to a subsidiary company at rates comparable to market borrowing rates.

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 manages its interest rate exposure by maintaining a mix of fixed and floating rate borrowings.

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 RM190,000 (2014: RM700,000) higher/lower, arising mainly as a result of higher/lower interest income on deposits with licensed banks.

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 RM214,000 (2014: RM374,000) higher/lower, arising mainly as a result of higher/lower interest income on deposits with licensed banks and advances receivable from a subsidiary company.

The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

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33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(b) Interest rate risk (Cont'd)

Sensitivity analysis for interest rate risk (Cont'd)

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 15, 16, 23 and 27 and the table below:

	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 2015						
Group						
Fixed rate						
Hire purchase and finance lease	24	**5.0 - 6.9**	**1,946**	**132**	**-**	**2,078**
At 31 December 2014						
Group						
Fixed rate						
Hire purchase and finance lease	24	5.0 - 6.9	4,536	1,932	129	6,597
Floating rate						
Term loans	23	5.0 - 5.3	819	-	-	819

(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.

	2015		
	On demand or within 1 year RM'000	1 to 5 years RM'000	Total RM'000
Group			
Financial liabilities:			
Trade and other payables	**555,401**	**-**	**555,401**
Borrowings	**2,043**	**146**	**2,189**
Total undiscounted financial liabilities	**557,444**	**146**	**557,590**
Company			
Financial liabilities:			
Trade and other payables, representing total undiscounted financial liabilities	**3,828**	**-**	**3,828**

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33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(c) Liquidity risk (Cont'd)

Analysis of financial instruments by remaining contractual maturities (Cont'd)

	2014		
	On demand or within 1 year RM'000	1 to 5 years RM'000	Total RM'000
Group			
Financial liabilities:			
Trade and other payables	477,167	-	477,167
Borrowings	5,670	2,299	7,969
Total undiscounted financial liabilities	482,837	2,299	485,136
Company			
Financial liabilities:			
Other payables, representing total undiscounted financial liabilities	291	-	291

(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 RM'000
Payables	
At 31 December 2015	
US Dollar	**870**
At 31 December 2014	
US Dollar	1,385

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.

34. 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 shareholder 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 2015 and 2014.

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34. CAPITAL MANAGEMENT (CONT'D)

The Group monitors capital using a gearing ratio, which is net debts divided by total capital plus net debts. The Group's policy is to keep the gearing ratio of less than 1.0 time. The Group includes within net debt, loans and borrowings, trade and other payables, less cash and bank balances. Capital includes equity attributable to the shareholders of the Company.

		Group		Company	
	Note	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Borrowings	23	**2,078**	7,416	**-**	-
Trade and other payables	26, 27	**556,141**	477,167	**3,828**	291
Less: Cash and bank balances	16	**(126,487)**	(244,110)	**(43,339)**	(99,774)
Net debts/(cash)		**431,732**	240,473	**(39,511)**	(99,483)
Equity attributable to the shareholders of the Group/Company, representing total capital		**170,194**	236,209	**1,491,703**	1,554,919
Capital and net debts		**601,926**	476,682	**1,452,192**	1,455,436
Gearing ratio		**0.72**	0.50	**Not applicable**	Not applicable

35. SEGMENT INFORMATION

The Group is essentially involved in operation of convenience stores, 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) 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 2015			
Convenience stores	**2,006,009**	**-**	**2,006,009**
Others	**275**	**56,698**	**56,973**
Inter-segment elimination	**-**	**(56,698)**	**(56,698)**
	2,006,284	**-**	**2,006,284**
For the financial year ended 31 December 2014			
Convenience stores	1,892,813	-	1,892,813
Others	291	77,697	77,988
Inter-segment elimination	-	(77,697)	(77,697)
	1,893,104	-	1,893,104

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35. SEGMENT INFORMATION (CONT'D)

Results	Group 2015 RM'000	Group 2014 RM'000
Profit from operations:		
Convenience stores	**74,930**	85,444
Others	**(2,080)**	(590)
	72,850	84,854
Interest income	**5,305**	8,184
Finance costs	**(313)**	(3,724)
Profit before tax	**77,842**	89,314
Income tax expense	**(22,041)**	(26,240)
Net profit for the year	**55,801**	63,074

Assets and liabilities	Group Assets 2015 RM'000	Group Assets 2014 RM'000	Group Liabilities 2015 RM'000	Group Liabilities 2014 RM'000
Convenience stores	**685,017**	554,836	**565,094**	433,430
Others	**58,652**	180,314	**8,381**	65,511
	743,669	735,150	**573,475**	498,941

Other information	Group Capital expenditure RM'000	Group Depreciation and amortisation RM'000	Group Impairment loss/ written-off RM'000	Group Other non-cash (income)/ expenses RM'000
For the financial year ended 31 December 2015				
Convenience stores	**115,215**	**49,137**	**6,614**	**201**
Others	**-**	**104**	**1,322**	**-**
	115,215	**49,241**	**7,936**	**201**
For the financial year ended 31 December 2014				
Convenience stores	86,391	37,787	3,099	(3,500)
Others	79	104	-	(2,261)
	86,470	37,891	3,099	(5,761)

Geographical information

All revenue and non-current assets are earned and held in Malaysia.

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36. 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	
	2015	**2014**
Net profit attributable to ordinary shares (RM'000)	**55,801**	63,074
Weighted average number of ordinary shares in issue ('000)	**1,225,155**	1,160,334
Basic/diluted earnings per ordinary share (sen)	**4.55**	5.44

37. PRE-IPO REORGANISATION AND INITIAL PUBLIC OFFERING

During the financial year ended 31 December 2014, the Company undertook the following transactions:

(a) Pre-IPO Reorganisation

The Company entered into a Conditional Share Sale Agreement, dated 5 September 2013, and a Supplemental Share Sale Agreement, dated 23 December 2013 with BRetail, to acquire 35,000,000 ordinary shares of RM1.00 each in 7EMSB, representing 100% equity interest in 7EMSB for a total purchase consideration of RM1,378,247,497. The purchase consideration was satisfied in the following manner:

i. issuance of 1,051,999,980 new ordinary shares of RM0.10 each at an issue price of RM1.18 each per share; and

ii. issuance of a promissory note amounting to RM136,887,521 in favour of BRetail ("Note"). Upon receipt of the Note, BRetail had indorsed without recourse such Note in favour of 7EMSB in full settlement of the amount owed by BRetail to 7EMSB, to the extent of the sum of RM136,887,521.

The acquisition was completed on 2 April 2014 and 7EMSB became a wholly-owned subsidiary of the Company.

(b) Initial Public Offering ("IPO")

The details of the IPO are as follows:

i. An offer for sale of up to 348,940,000 existing shares ("Offer for Sale") and public issue of 181,385,000 new shares ("Public Issue") at an IPO price of RM1.38 per share involving:

   a. institutional offering of up to 490,780,000 shares to Malaysian and foreign institutional and selected investors, including Bumiputera investors approved by the Ministry of International Trade and Industry; and

   b. retail offering of 39,545,000 shares to eligible directors and employees of the Group and the Malaysian public.

ii. Listing and quotation for its enlarged and paid up share capital, comprising 1,233,385,000 shares, on the Main Market of Bursa Securities.

On 30 May 2014, the Company was listed on the Main Market of Bursa Securities.

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38. RECLASSIFICATION

The following comparatives have been reclassified to be consistent with current year's presentation:

	As previously stated RM'000	Reclassification RM'000	As restated RM'000
Group			
For the year ended 31 December 2014			
Statement of comprehensive income			
Cost of sales (Notes 38(a) and 38(b))	(1,348,384)	13,724	(1,334,660)
Other operating income (Note 38(a))	123,054	(15,714)	107,340
Administrative and other operating expenses (Note 38(b))	(78,087)	1,990	(76,097)

(a) For the financial year ended 31 December 2014, rebate income amounted to RM15,714,000, was recognised as other income. This income is reclassified to set off against cost of sales to be consistent with current year's presentation.

(b) For the financial year ended 31 December 2014, the cost of gifts for loyalty programme amounted to RM1,990,000 was recognised as administrative and other operating expenses. This expense is reclassified as cost of sales to be consistent with current year's presentation.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2015

39. SUPPLEMENTARY INFORMATION - BREAKDOWN OF RETAINED PROFITS INTO REALISED AND UNREALISED

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

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Realised profits	**95,977**	102,642	**65,478**	69,781
Unrealised losses	**(8,760)**	(8,323)	**-**	-
Total retained profits as per statement of changes in equity	**87,217**	94,319	**65,478**	69,781

LIST OF PROPERTIES

AS AT 31 DECEMBER 2015

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	10,757,500
2	No.49, Jalan Sultan Ismail 50250 Kuala Lumpur	Intermediate Unit 2 ½ Storey Shop Office	Ground floor as 7-Eleven Convenience Store and other floors for rental purpose	58	Land Area : 1,302 Build-up : 3,750	Freehold	28 May 2004	3,141,727
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	17	Land Area : 1,033 Build-up : 4,142	Freehold	3 Oct 2005	2,948,766
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	6	Land Area : 1,787 Build-up : 7,140	Freehold	25 Sep 2007	2,168,884
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	19	Land Area : 1,644 Build-up : 6,600	Leasehold (99-Year) Expiring Date : 28 Dec 2092 (H.S.(D) 85458) 11 Mar 2095 (H.S.(M) 9321)	11 May 2006	1,775,934
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	32	Land Area : 2,208 Build-up : 8,654	Leasehold (99-Year) Expiring Date : 24 May 2076	6 Oct 2004	1,559,099
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	32	Land Area : 1,760 Build-up : 6,864			
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	23	Land Area : 1,647 Build-up : 6,402	Leasehold (99-Year) Expiring Date : 8 May 2093	24 Aug 2004	1,266,642
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	32	Land Area : - Build-up : 602.78	Freehold	30 Sep 2009	1,061,361
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	20	Land Area : 2,583 Build-up : 10,332	Freehold	9 Dec 2008	1,041,192

LIST OF PROPERTIES

AS AT 31 DECEMBER 2015

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)
11	No 2, Jalan Impian Mahkota 1 Taman Saujana Impian, 43000 Kajang Selangor Darul Ehsan	Intermediate Unit Three (3) Storey Shop Office	Ground floor as 7-Eleven Convenience Store with Lower Ground Floor used as Car Park	8	Land Area : 1,604 Build-up : 5,003	Freehold	25 Jan 2006	969,483
12	No 20, Jalan Tun Abdul Razak Susur 6, Taman Suria Muafakat, 81200 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	5	Land Area : 1,540 Build-up : 4,779	Leasehold (99-Year) Expiring Date : 23 May 2105	11 Dec 2008	929,757
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	12	Land Area : 1,673 Build-up : 3,814	Freehold	16 May 1997	882,438
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	39	Land Area : 1,760 Build-up : 3,520	Freehold	27 Apr 2006	825,376
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	25	Land Area : 1,324 Build-up : 2,408	Freehold	22 January 1998	757,788
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	8	Land Area : - Build-up : 1,711	Freehold	10 Mar 2005	703,626
17	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	7	Land Area : 1,680 Build-up : 5,040	Freehold	25 Mar 2008	664,988
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	23	Land Area : 2,271 Build-up : 8,592	Freehold	25 Aug 2007	494,120
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	66	Land Area : 1,740 Build-up : 2,600	Freehold	15 Jun 2007	425,637
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	13	Land Area : - Build-up : 1,378	Freehold	14 April 2009	391,801

LIST OF PROPERTIES

AS AT 31 DECEMBER 2015

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)
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	8	Land Area : 1,650 Build-up : 3,124	Leasehold (991-Year) Expiring Date : 4 Sep 2911	14 May 2009	323,804
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	10	Land Area : 1,647 Build-up : 1,646	Freehold	17 Aug 2007	277,906
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	16	Land Area : 1,988 Build-up : 3,978	Freehold	22 Apr 1996	260,193
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	32	Land Area : 1,755 Build-up : 3,295	Freehold	29 Sep 2008	233,327
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	13	Land Area : 1,400 Build-up : 2,660	Leasehold (99-Year) Expiring Date : 4 Dec 2088	21 Jun 1997	216,861

ADDITIONAL COMPLIANCE INFORMATION

1. Status of Utilisation of Proceeds

As at 1 April 2016, the status of utilisation of proceeds from the Public Issue of 181,385,000 new ordinary shares at RM1.38 per share is as follows:-

	Purposes	Proposed utilisation RM'000	Actual utilisation at the date of this report RM'000	Deviation between actual and proposed utilisation Note 1 RM'000	Change of proposed utilisation Note 2 RM'000	Revised balance RM'000	Estimated time frame for utilisation
i.	Capital expenditure	184,790	125,153	-	(40,790)	18,847	Within 36 months
ii.	Working capital	42,664	92,610	(9,156)	40,790	-	
iii.	Estimated fees and expenses for the IPO and listing exercise	22,857	13,701	9,156	-	-	
	Total gross proceeds	**250,311**	**231,464**	**-**	**-**	**18,847**	

Note:

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

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

2. Share Buy-backs

The number of treasury shares bought back and held in hand as at 31 December 2015 are as follows:-

Month	Price per share (RM) Lowest	Highest	Average	Number of shares '000	Total Consideration RM'000
August 2015	1.48	1.57	1.52	8,070	12,338
September 2015	1.41	1.51	1.48	7,930	11,783
October 2015	1.39	1.50	1.44	8,200	11,891
November 2015	1.40	1.43	1.41	3,560	5,023
December 2015	1.34	1.56	1.40	12,740	17,878
			1.45	40,500	58,913

None of the treasury shares bought back during the financial year under review were cancelled, sold or distributed.

ADDITIONAL COMPLIANCE INFORMATION

3. Options or Convertible Securities

The Company did not issue any options and convertible securities during the financial year under review.

4. Depository Receipt Programme

The Company did not sponsor any depository receipt programme during the financial year under review.

5. Sanctions and/or Penalties

There were no sanctions and/or penalties imposed on the Company and its subsidiaries, Directors or management by the relevant regulatory bodies.

6. Non-Audit Fees

The amount of non-audit fees paid to the External Auditors or a firm affiliated to the External Auditors by the Group for the financial year ended 31 December 2015 is RM100,000.

7. Variation in Results

There was no material deviation between the audited results for the financial year ended 31 December 2015 and the unaudited results previously announced.

8. Profit Forecast/ Profit Guarantee

There were no profit estimates, forecast or projection published by the Company during the financial year under review. There was no profit guarantee given by the Company during the financial year under review.

9. Material Contracts

There were no material contracts of the Company and subsidiaries involving Directors' and major shareholders' interest, either still subsisting at the end of the financial year ended 31 December 2015 or entered into since the end of the previous financial year ended 31 December 2014.

10. Recurrent Related Party Transactions

At the AGM to be held on 26 May 2016, the Company intends to seek the shareholders' mandate for recurrent related party transactions which it has entered and will enter with its related parties, which are necessary for the day-to-day operations of the Group and are based on normal commercial terms that are not more favourable to its related parties than those generally available to the public.

Further details of which will be disclosed in the Circular to Shareholders dated 29 April 2016.

STATISTICS OF SHAREHOLDINGS

AS AT 1 APRIL 2016

Authorised Share Capital	:	RM300,000,000.00
Issued and Paid-Up Share Capital	:	RM123,338,500.00 comprising 1,233,385,000 ordinary shares of RM0.10 each (including 55,270,000 treasury shares)
Class of Shares	:	Ordinary shares of RM0.10 each
Voting Rights	:	One vote per ordinary share

ANALYSIS OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares Held	%
Less than 100	17	1.01	161	0.00
100 - 1,000	410	24.46	296,387	0.03
1,001 - 10,000	885	52.80	4,142,000	0.35
10,001 - 100,000	242	14.44	7,136,287	0.61
100,001 - 58,905,749 *	119	7.10	545,159,365	46.27
58,905,750 and above **	3	0.18	621,380,800	52.74
TOTAL	1,676	100.00	1,178,115,000***	100.00

Remarks: * Less than 5% of issued shares
** 5% and above of issued shares
*** Excluding 55,270,000 shares bought back by the Company and retained as treasury shares

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 1 April 2016 are as follows:-

	No. of Shares			
Substantial Shareholders	Direct	%	Indirect	%
Berjaya Retail Berhad ("BRetail")	631,315,700	53.59	-	-
Premier Merchandise Sdn. Bhd. ("PMSB")	-	-	631,315,700(1)	53.59
Intan Utilities Berhad ("IUB")	-	-	631,315,700(2)	53.59
Vista Meranti Sdn. Bhd. ("VMSB")	-	-	631,315,700(3)	53.59
HQZ Credit Sdn. Bhd. ("HQZ")	-	-	631,315,700(4)	53.59
Tan Sri Dato' Seri Vincent Tan Chee Yioun	745,000	0.06	631,315,700(5)	53.59
Genesis Investment Management, LLP	73,313,900	6.22	-	-
Franklin Resources, Inc	59,385,900	5.04	-	-
Creador II, LLC	-	-	83,080,800(6)	7.05
Isotrema Sdn. Bhd. ("ISB")	83,080,800	7.05	-	-

Note:

(1) Deemed interested by virtue of its 100% interest in BRetail.
(2) Deemed interested by virtue of its 100% interest in PMSB, the immediate holding company of BRetail.
(3) Deemed interested by virtue of its 100% interest in IUB, the intermediate holding company of BRetail.
(4) Deemed interested by virtue of its 100% interest in VMSB, the penultimate holding company of BRetail.
(5) Deemed interested by virtue of his interest in HQZ, the ultimate holding company of BRetail.
(6) Deemed interested by virtue of its controlling interest in ISB pursuant to Section 6A of the Companies Act, 1965.

STATISTICS OF SHAREHOLDINGS

AS AT 1 APRIL 2016

DIRECTORS' INTERESTS

The Directors' interests based on the Register of Directors' Shareholdings of the Company as at 1 April 2016 are as follows:-

Number of ordinary shares of RM0.10 each

	Direct Interest		Indirect Interest	
Directors	No. of Shares Held	%	No. of Shares Held	%
Shalet Marian	200,000	0.02	-	-
Gary Thomas Brown	100,000	0.01	-	-
Chan Kien Sing	100,000	0.01	-	-
Ho Meng	90,000	0.01	-	-
Tan U-Ming	100,000	0.01	-	-
Tan Wai Foon	-	-	-	-
Muhammad Lukman Bin Musa @ Hussain	120,000	0.01	-	-

LIST OF THIRTY (30) LARGEST SHAREHOLDERS AS AT 1 APRIL 2016

No.	Name of Shareholders	No. of Shares	%
1.	**Maybank Nominees (Tempatan) Sdn Bhd** *Pledged Securities Account For Berjaya Retail Berhad (BRetail) (533531)*	286,000,000	23.19
2.	**CIMB Group Nominees (Tempatan) Sdn Bhd** *Pledged Securities Account For Berjaya Retail Berhad (CBD Team 4 (1))*	252,300,000	20.46
3.	**DB (Malaysia) Nominee (Tempatan) Sendirian Berhad** *Deutsche Bank AG Singapore For Isotrema Sdn Bhd*	83,080,800	6.74
4.	**7-Eleven Malaysia Holdings Berhad** *Share Buy Back Account*	55,270,000	4.48
5.	**CIMB Group Nominees (Asing) Sdn. Bhd.** *Exempt An For DBS Bank Ltd (SFS)*	50,702,700	4.11
6.	**HSBC Nominees (Asing) Sdn Bhd** *Exempt An For J.P. Morgan Bank Luxembourg S.A. (2)*	31,122,400	2.52
7.	**Malaysia Nominees (Tempatan) Sendirian Berhad** *Pledged Securities Account For Berjaya Retail Berhad (01-00854-000)*	29,000,000	2.35
8.	**HSBC Nominees (Asing) Sdn Bhd** *BBH And Co Boston For Matthews Asia Small Companies Fund*	24,844,900	2.01
9.	**Citigroup Nominees (Tempatan) Sdn Bhd** *Exempt An For AIA Bhd.*	24,691,200	2.00
10.	**HSBC Nominees (Asing) Sdn Bhd** *BBH (Lux) SCA For The Genesis Emerging Markets Investment Company*	23,189,200	1.88
11.	**Maybank Nominees (Tempatan) Sdn Bhd** *Pledged Securities Account For Berjaya Retail Berhad*	22,289,700	1.81
12.	**DB (Malaysia) Nominee (Asing) Sdn Bhd** *SSBT Fund 1LN0 For The Genesis Group Trust Employee Benefit Plans*	22,011,400	1.78

STATISTICS OF SHAREHOLDINGS

AS AT 1 APRIL 2016

No.	Name of Shareholders	No. of Shares	%
13.	**HSBC Nominees (Asing) Sdn Bhd** *BBH And Co Boston For Matthews Asia Growth Fund*	21,204,100	1.72
14.	**HSBC Nominees (Asing) Sdn Bhd** *Exempt An For JPMorgan Chase Bank, National Association (U.S.A.)*	21,040,919	1.71
15.	**DB (Malaysia) Nominee (Asing) Sdn Bhd** *SSBT Fund W4B0 For Wasatch International Opportunities Fund*	20,350,020	1.65
16.	**DB (Malaysia) Nominee (Asing) Sdn Bhd** *SSBT Fund 6B14 For Lazard Emerging Markets Small Cap Equity Trust*	15,144,370	1.23
17.	**Kenanga Nominees (Tempatan) Sdn Bhd** *Pledged Securities Account For Berjaya Retail Berhad(001) (Third Party)*	13,500,000	1.09
18.	**Berjaya Retail Berhad**	12,726,000	1.03
19.	**Maybank Securities Nominees (Asing) Sdn Bhd** *Exempt An For Japan Asia Securities Co Ltd (Client A/C)*	10,803,800	0.88
20.	**Citigroup Nominees (Tempatan) Sdn Bhd** *Employees Provident Fund Board (Affin-Hwg)*	10,433,500	0.85
21.	**HSBC Nominees (Asing) Sdn Bhd** *BBH And Co Boston For Smaller Companies Portfolio (GEMOFL)*	10,246,000	0.83
22.	**MIDF Amanah Investment Nominees (Tempatan) Sdn Bhd** *Pledged Securities Account For Berjaya Retail Berhad (MGN-VTC0001M)*	10,000,000	0.81
23.	**HSBC Nominees (Asing) Sdn Bhd** *Exempt An For JPMorgan Chase Bank, National Association (JPMelab AIF APG)*	8,195,200	0.66
24.	**UOBM Nominees (Asing) Sdn Bhd** *Banque De Luxembourg For BL Emerging Markets*	8,000,000	0.65
25.	**Citigroup Nominees (Asing) Sdn Bhd** *Exempt An For Citibank New York (Norges Bank 9)*	7,121,600	0.58
26.	**HSBC Nominees (Tempatan) Sdn Bhd** *HSBC (M) Trustee Bhd For AMB Value Trust Fund (4249)*	6,100,000	0.49
27.	**Cartaban Nominees (Asing) Sdn Bhd** *Exempt An For Aizawa Securities Co., Ltd. (Client Accounts)*	5,984,800	0.49
28.	**Amsec Nominees (Tempatan) Sdn Bhd** *Pledged Securities Account - Ambank (M) Berhad For Berjaya Retail Berhad*	5,500,000	0.45
29.	**DB (Malaysia) Nominee (Asing) Sdn Bhd** *State Street Luxembourg Fund OD85 For ABN AMRO Multi-Manager Funds*	4,911,900	0.40
30.	**HSBC Nominees (Asing) Sdn Bhd** *BBH (Lux) SCA For Acmbernstein-Emerging Markets Growth Portfolio*	4,734,668	0.38
		1,100,499,177	**89.23**

NOTICE OF THIRD ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Third Annual General Meeting of the Company will be held at Perdana Ballroom, Bukit Jalil Golf & Country Resort, Jalan 3/155B, Bukit Jalil, 57000 Kuala Lumpur on Thursday, 26 May 2016 at 10:00 a.m. to transact the following business:-

AGENDA

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 December 2015 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 of RM240,000/- for the financial year ended 31 December 2015. **Ordinary Resolution 1**

3. To re-elect the following Directors who retire in accordance with Article 95 of the Company's Articles of Association and being eligible, offer themselves for re-election:

   (a) Muhammad Lukman Bin Musa @ Hussain **Ordinary Resolution 2**

   (b) Tan U-Ming **Ordinary Resolution 3**

4. To re-appoint Messrs Ernst & Young as the Company's Auditors for the ensuing year and to authorise the Board of Directors to fix their remuneration. **Ordinary Resolution 4**

AS SPECIAL BUSINESS

To consider and, if thought fit, with or without any modification, to pass the following Ordinary and Special Resolutions:-

5. **ORDINARY RESOLUTION** **Ordinary Resolution 5**
   - AUTHORITY TO ISSUE SHARES PURSUANT TO SECTION 132D OF THE COMPANIES ACT 1965

   "**THAT**, subject always to the Companies Act 1965, the Articles of Association of the Company and the approvals of the relevant governmental/regulatory authorities, if applicable, the Directors be and are hereby empowered, pursuant to Section 132D of the Companies Act, 1965, to issue shares in the Company from time to 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 issued pursuant to this Resolution does not exceed 10% of the total issued capital 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 Malaysia Securities Berhad; **AND THAT** such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company."

6. **ORDINARY RESOLUTION** **Ordinary Resolution 6**
   - PROPOSED RENEWAL OF AND NEW SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("PROPOSED MANDATE")

   "**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 to Shareholders dated 29 April 2016 **("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 AGM at which such resolution for the Proposed Mandate will be passed, at which time it will lapse, unless by ordinary resolution passed at that general meeting, the authority is renewed;

NOTICE OF THIRD ANNUAL GENERAL MEETING

(b) the expiration of the period within which the next AGM after the date it is required to be held pursuant to Section 143(1) of the Companies Act, 1965 (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Companies Act 1965); 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) to give effect to such transactions as authorised by this Ordinary Resolution."

7. **ORDINARY RESOLUTION**
- PROPOSED RENEWAL OF AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN SHARES

Ordinary Resolution 7

"**THAT,** subject always to the Companies Act 1965 ("Act"), rules, regulations and orders made pursuant to the Act, provisions of the Company's Memorandum and Articles of Association 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 of RM0.10 each 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 total issued and paid-up 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 or share premium reserve of the Company or both;
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."

NOTICE OF THIRD ANNUAL GENERAL MEETING

8. **SPECIAL RESOLUTION**
   - **PROPOSED AMENDMENT TO ARTICLES OF ASSOCIATION OF THE COMPANY ("PROPOSED AA AMENDMENT")**

"**THAT**, the proposed amendment to the Articles of Association of the Company contained hereunder be and is hereby approved and adopted:-

Article No.	Existing Article	Amended Article
130	The Directors shall from time to time in accordance with the provisions of the Act and the Listing Requirements cause to be prepared and to be laid before the Company in general meeting such profit and loss accounts, financial statements, group accounts (if any) and reports as may be necessary PROVIDED ALWAYS THAT the interval between the close of the financial year of the Company and the issue of the annual audited financial statements, Directors' and auditors' reports shall not exceed four (4) months.	The Directors shall from time to time in accordance with the provisions of the Act and the Listing Requirements cause to be prepared and to be laid before the Company in general meeting such profit and loss accounts, financial statements, group accounts (if any) and reports as may be necessary. ~~**PROVIDED ALWAYS THAT the interval between the close of the financial year of the Company and the issue of the annual audited financial statements, Directors' and auditors' reports shall not exceed four (4) months.**~~

That the Directors and Secretaries of the Company be and are hereby authorised to do all such acts, deeds and things as are necessary and/or expedient in order to give full effect to the Proposed AA Amendment with full powers to assent to any conditions, modifications and/or amendments as may be required by any relevant authorities."

9. To transact any other business of which due notice shall have been given.

By Order of the Board

CHUA SIEW CHUAN (MAICSA 0777689)
PAN SENG WEE (MAICSA 7034299)
Company Secretaries

Kuala Lumpur
29 April 2016

NOTES:

1. In respect of deposited securities, only members whose names appear in the Record of Depositors on 19 May 2016 **("General Meeting Record of Depositors")** shall be eligible to attend the Meeting.

2. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on his/her behalf. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act 1965 shall not apply to the Company.

3. A member shall be entitled to appoint one (1) proxy only to attend and vote at the same meeting. 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. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one 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.

NOTICE OF THIRD ANNUAL GENERAL MEETING

4. 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. An instrument appointing a proxy to vote at a meeting shall be deemed to include the power to demand or join in demanding a poll on behalf of the appointor.

5. To be valid, this form, duly completed must be deposited at the registered office of the Company at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur not less than 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).

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 169(1) of the Companies Act 1965 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) Ordinary Resolution 5 – Authority to Issue Shares pursuant to Section 132D of the Companies Act 1965

The proposed resolution, if passed, would provide flexibility to the Directors to undertake fund raising activities, including but not limited to placement of shares for the funding of the Company's future investment projects, working capital and/or acquisitions, by the issuance of shares in the Company to such persons at any time as the Directors may deem fit, without having to convene a general meeting. 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.

(iii) Ordinary Resolution 6 – Proposed Renewal of 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 to Shareholders dated 29 April 2016 for further information.

(iv) Ordinary Resolution 7 – 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 and paid-up capital of the Company by utilising the funds allocated which shall not be exceed the total retained profits or share premium reserve of the Company or both.

Please refer to the Circular to Shareholders dated 29 April 2016 for further information.

(v) Special Resolution – Proposed AA Amendment

The proposed resolution is to update the Articles of Association of the Company so as to ensure consistency with the relevant regulatory provisions. If passed, the Articles of Association will be amended accordingly.

7-ELEVEN MALAYSIA HOLDINGS BERHAD
(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 hereby appoint :-

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

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 Third Annual General Meeting of the Company to be held at Perdana Ballroom, Bukit Jalil Golf & Country Resort, Jalan 3/155B, Bukit Jalil, 57000 Kuala Lumpur on Thursday, 26 May 2016 at 10:00 a.m. and at any adjournment thereof.

My/our proxy is to vote as indicated below :-

Item	Agenda			
1.	To receive the Audited Financial Statements for the financial year ended 31 December 2015 together with the Reports of the Directors and the Auditors thereon.			
Ordinary Business		**Resolution**	**For**	**Against**
2.	To approve the payment of Directors' fees of RM240,000/- for the financial year ended 31 December 2015.	1		
3.	To re-elect Muhammad Lukman Bin Musa @ Hussain who retires in accordance with Article 95 of the Company's Articles of Association and being eligible, offers himself for re-election.	2		
4.	To re-elect Tan U-Ming who retires in accordance with Article 95 of the Company's Articles of Association and being eligible, offers himself for re-election.	3		
5.	To re-appoint Messrs Ernst & Young as the Company's Auditors for the ensuing year and to authorise the Board of Directors to fix their remuneration.	4		
Special Business				
6.	Authority to Issue Shares pursuant to Section 132D of the Companies Act 1965	5		
7.	Proposed Renewal of and New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature	6		
8.	Proposed Renewal of Authority for the Company to purchase its own shares	7		
9.	Proposed Amendment to Articles of Association of the Company	8		

Please indicate with an "X" in the appropriate spaces how you wish your proxy to vote. If you do not indicate how you wish your proxy to vote on any resolution, the proxy shall vote as he/she thinks fit or, at his/her discretion, abstain from voting.

Dated this day _____ of _____ 2016

_____

*Signature/Common Seal of Shareholder
** Delete if not applicable*

Notes:-

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4. 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. An instrument appointing a proxy to vote at a meeting shall be deemed to include the power to demand or join in demanding a poll on behalf of the appointor.
5. To be valid, this form, duly completed must be deposited at the registered office of the Company at c/o Securities Services (Holdings) Sdn. Bhd., Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur not less than 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).

Fold this flap for sealing

AFFIX
STAMP

7-ELEVEN MALAYSIA HOLDINGS BERHAD
(1058531-W)

c/o Securities Services (Holdings) Sdn. Bhd.
Level 7, Menara Milenium,
Jalan Damanlela,
Pusat Bandar Damansara,
Damansara Heights,
50490 Kuala Lumpur

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1st fold here

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