

7-Eleven Malaysia Holdings Berhad

[Registration No: 201301028701 (1058531-W)]

Date : 26 May 2022

Subject: UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED
31 MARCH 2022

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**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2022
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

	CURRENT AND CUMULATIVE QUARTER 3 months ended	
	31.3.2022	31.3.2021
	RM'000	RM'000
Revenue	839,975	657,129
Cost of sales	(607,508)	(481,043)
Gross profit	232,467	176,086
Other operating income	44,468	40,748
Selling and distribution expenses	(173,915)	(147,967)
Administrative and other operating expenses	(41,132)	(33,738)
Profit from operations	61,888	35,129
Finance costs	(16,225)	(14,723)
Profit before tax	45,663	20,406
Income tax expense	(14,453)	(6,868)
Profit after tax	31,210	13,538
Profit after tax attributable to:		
Equity holders of the Company	24,375	11,769
Non-controlling interest	6,835	1,769
	31,210	13,538
Total comprehensive income for the financial year		
Equity holders of the Company	24,375	11,769
Non-controlling interest	6,835	1,769
	31,210	13,538
Basic/diluted earnings per ordinary share (sen) (Note B11)	2.16	1.04

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2022
CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

	The Group	
	Unaudited As at 31.3.2022 RM'000	Audited As at 31.12.2021 RM'000
Assets		
Non-current assets		
Property, plant and equipment	319,256	321,045
Investment property	20,898	21,029
Right of use assets	644,664	652,534
Intangible assets	477,393	478,949
Other investments	116,446	72,801
Sundry receivables	24,666	24,666
Deferred tax assets	2,724	2,092
	<u>1,606,047</u>	<u>1,573,116</u>
Current assets		
Inventories	440,249	384,061
Sundry receivables	89,273	101,561
Tax recoverable	-	3,726
Other investment	46,967	41,527
Cash and bank balances	160,994	158,748
	<u>737,483</u>	<u>689,623</u>
Total assets	<u>2,343,530</u>	<u>2,262,739</u>
Equity and liabilities		
Equity attributable to equity holders of the Company		
Share capital	1,485,138	1,485,138
Treasury shares	(161,410)	(161,410)
Capital reorganisation deficit	(1,343,248)	(1,343,248)
Assets revaluation reserve	43,236	43,236
Retained profits	90,657	66,266
	<u>114,373</u>	<u>89,982</u>
Non-controlling interest	88,314	92,061
Total equity	<u>202,687</u>	<u>182,043</u>
Non-current liabilities		
Provisions	9,570	10,774
Borrowings	552,690	555,363
Lease liabilities	543,041	553,087
Contingent consideration	36,083	36,083
Contract liabilities	13,654	12,816
Deferred tax liabilities	62,369	63,182
	<u>1,217,407</u>	<u>1,231,305</u>
Current liabilities		
Provisions	844	1,074
Borrowings	92,388	84,874
Trade payables	562,391	517,864
Other payables	147,974	134,160
Lease liabilities	107,846	103,307
Contract liabilities	8,276	8,112
Taxation	3,717	-
	<u>923,436</u>	<u>849,391</u>
Total liabilities	<u>2,140,843</u>	<u>2,080,696</u>
Total equity and liabilities	<u>2,343,530</u>	<u>2,262,739</u>
Net assets per share attributable to ordinary equity holders of the Company, based on number of outstanding shares in issue with voting rights (sen)	<u>10.15</u>	<u>7.99</u>

UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2022
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Attributable to Equity Holders of the Company							Total equity RM'000
	Share capital RM'000	Treasury shares RM'000	Capital reorganisation deficit RM'000	Assets revaluation reserve RM'000	Retained profits RM'000	Total RM'000	Non-controlling interest RM'000	
At 1 January 2022								
As previously stated	1,485,138	(161,410)	(1,343,248)	43,236	66,266	89,982	92,061	182,043
Total comprehensive income	-	-	-	-	24,375	24,375	6,835	31,210
Transaction with owners:								
Changes in subsidiary's ownership interests that do not result in a loss of control	-	-	-	-	16	16	(48)	(32)
Dividends paid to non-controlling interests	-	-	-	-	-	-	(10,534)	(10,534)
At 31 March 2022	1,485,138	(161,410)	(1,343,248)	43,236	90,657	114,373	88,314	202,687
At 1 January 2021								
As previously stated	1,485,138	(157,243)	(1,343,248)	42,214	39,899	66,760	94,461	161,221
Acquisition of a subsidiary	-	-	-	-	-	-	2,480	2,480
Acquisition of treasury shares	-	(4,167)	-	-	-	(4,167)	-	(4,167)
Changes in subsidiary's ownership interests that do not result in a loss of control	-	-	-	-	40	40	(207)	(167)
Total comprehensive income	-	-	-	1,022	44,348	45,370	14,709	60,079
Transaction with owners:								
Dividends on ordinary shares	-	-	-	-	(18,021)	(18,021)	-	(18,021)
Dividends paid to non-controlling interests	-	-	-	-	-	-	(19,513)	(19,513)
Issuance of shares by subsidiaries to non-controlling interests	-	-	-	-	-	-	131	131
At 31 December 2021	1,485,138	(161,410)	(1,343,248)	43,236	66,266	89,982	92,061	182,043

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2022
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**

	CUMULATIVE QUARTER	
	3 months ended	
	31.3.2022	31.3.2021
	RM'000	RM'000
Cash flows from operating activities		
Cash receipts from customers and other receivables	900,931	697,135
Cash paid to suppliers and employees	(770,764)	(621,422)
Cash generated from operations	130,167	75,713
Interest paid	(6,540)	(5,484)
Tax paid	(9,418)	(10,610)
Tax refund	54	-
Net cash generated from operating activities	<u>114,263</u>	<u>59,619</u>
Cash flows from investing activities		
Acquisition of subsidiaries and businesses	-	(24,595)
Acquisition of other investments	(43,645)	(4,714)
Purchase of property, plant and equipment	(17,009)	(10,382)
Proceeds from disposal of property, plant and equipment	956	822
Dividend received	30	15
Interest received	636	474
Increase in pledge fixed deposits with licensed bank	-	(1,114)
Net change in short term funds	(5,440)	(9,305)
Net cash used in investing activities	<u>(64,472)</u>	<u>(48,799)</u>
Cash flows from financing activities		
Dividends paid to non-controlling interests	(10,534)	-
Proceeds from bankers' acceptances	19,200	90,300
Proceeds from term loan	-	3,730
Proceeds from revolving credit	-	20,000
Payment of principal portion of lease liabilities	(36,557)	(36,405)
Repayment of bankers' acceptances	(11,000)	(86,120)
Repayment of term loans	(8,643)	(24,202)
Repayment of hire purchase and finance lease liabilities	(11)	(27)
Net cash used in financing activities	<u>(47,545)</u>	<u>(32,724)</u>
Net increase in cash and cash equivalents	2,246	(21,904)
Cash and cash equivalents at beginning of the financial period	158,480	134,773
Cash and cash equivalents at end of the financial period	<u>160,726</u>	<u>112,869</u>
Cash and cash equivalents at the end of the financial period comprises the following:-		
Cash and bank balances	158,336	112,701
Fixed deposits with licensed banks	2,658	2,775
	<u>160,994</u>	<u>115,476</u>
Less: Fixed deposit pledged to licensed bank	(268)	(2,607)
	<u>160,726</u>	<u>112,869</u>

UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2022

NOTES TO THE INTERIM FINANCIAL REPORT

A1. CORPORATE INFORMATION

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

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

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

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

A2. BASIS OF PREPARATION

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

The interim financial report is presented in Ringgit Malaysia ("RM") and all values are rounded to the nearest thousand ("RM'000") except when otherwise indicated.

A3. CHANGES IN ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of the interim financial report are consistent with those adopted in the audited financial statements for the year ended 31 December 2021 except as follows:

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

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

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

UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2022
NOTES TO THE INTERIM FINANCIAL REPORT

A3. CHANGES IN ACCOUNTING POLICIES (CONT'D)

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

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

The Group has not early adopted any of the new or revised standards and amendments to standards that have been issued but not yet effective for the Group's accounting period beginning on or after 1 January 2022. The Group intend to adopt these standards, if applicable, when they become effective. The initial application of the new or revised MFRSs and Amendments to MFRSs, which will be applied prospectively or which requires extended disclosures, is not expected to have any significant financial impacts to the financial statements of the Group upon their initial adoption.

A4. SEASONALITY OR CYCLICALITY OF OPERATIONS

The business of the Group typically experience higher customer count, transaction value and sales during weekends, public holidays, school holidays and festive periods such as Chinese New Year, Hari Raya, Deepavali and Christmas.

A5. ITEMS OF UNUSUAL NATURE

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

A6. CHANGES IN ESTIMATES

There were no changes in estimates of amounts reported in prior financial year that have had a material effect in the current financial period.

A7. CHANGES IN COMPOSITION OF THE GROUP

There were no changes in composition of the Group during the financial period under review.

UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2022
NOTES TO THE INTERIM FINANCIAL REPORT

A8. DEBT AND EQUITY SECURITIES

There were no issuances and repayments of debt and equity securities, share buy-backs, share cancellations and resales of treasury shares for the current financial period ended 31 March 2022 and period up to the date of this announcement.

A9. DIVIDEND PAID

There was no dividend paid during the financial period ended 31 March 2022.

A10. SEGMENT REPORT

Segmental analysis for the financial period ended 31 March 2022 is as follows:

Revenue	External RM'000	Inter- segment RM'000	Total RM'000
For the three months ended 31 March 2022			
Convenience stores	523,874	-	523,874
Pharmaceutical	316,053	-	316,053
Others	48	170	218
Inter-segment elimination	-	(170)	(170)
	<u>839,975</u>	<u>-</u>	<u>839,975</u>
For the three months ended 31 March 2021			
Convenience stores	449,026	-	449,026
Pharmaceutical	208,059	-	208,059
Others	44	170	214
Inter-segment elimination	-	(170)	(170)
	<u>657,129</u>	<u>-</u>	<u>657,129</u>

Results	CUMULATIVE QUARTER	
	3 months ended 31.03.2022 RM'000	31.03.2021 RM'000
Convenience stores	34,501	24,555
Pharmaceutical	26,017	8,751
Others	734	1,349
	<u>61,252</u>	<u>34,655</u>
Interest income	636	474
Profit from operations	61,888	35,129
Finance costs	(16,225)	(14,723)
Profit before tax	45,663	20,406
Income tax expense	(14,453)	(6,868)
Net profit for the year	31,210	13,538

UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2022
NOTES TO THE INTERIM FINANCIAL REPORT

A11. PROPERTY, PLANT AND EQUIPMENT

During the 3 months ended 31 March, the Group acquired assets at costs of RM17.0 million (2021 : RM10.4 million). The assets acquired comprise mainly of renovation, furniture, fittings, equipment and computer equipment.

A12. SIGNIFICANT RELATED PARTY TRANSACTIONS

Transacting party	Type of transaction	CUMULATIVE QUARTER 3 months ended	
		31.03.2022 RM'000	31.03.2021 RM'000
With subsidiaries company			
7-Eleven Malaysia Sdn Bhd ("7-Eleven Malaysia" or "7EMSBS")	Advances from 7EMSBS	608	13,727
	Interest expense on advances from 7EMSBS	-	(1,433)
	Interest income on advances to 7EMSBS	407	-
Convenience Shopping (Sabah) Sdn Bhd ("CSSSB")	Interest income on advances to CSSSB	4,393	4,842
With companies in which TSVT is deemed interested*			
U Mobile Sdn. Bhd. ("U Mobile")	Receipts of payment from U Mobile for commission for sale of mobile phone reloads	2,240	2,573
	Payments to U Mobile for reload transaction values for in-store services for sale of mobile phone reloads	(35,879)	(41,176)
	Receipts of payment from U Mobile for advertisement placement fees	2,381	2,282
Securexpress Services Sdn. Bhd. ("Securexpress")	Payments to Securexpress for fees relating to the delivery of merchandise to stores	(1,519)	(1,931)
Berjaya Food Trading Sdn Bhd ("B Food")	Payment to B Food for purchase of beverages	(2,456)	(1,347)
Berjaya Times Square Sdn. Bhd. ("Berjaya Times Square")	Payment to BTSB for rental of property	(250)	(325)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2022
NOTES TO THE INTERIM FINANCIAL REPORT

A12. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONT'D)

Transacting party	Type of transaction	CUMULATIVE QUARTER 3 months ended	
		31.03.2022 RM'000	31.03.2021 RM'000
With companies in which TSVT is deemed interested*			
Nural Enterprise Sdn Bhd ("Nural")	Payments to Nural for rental of property	(513)	(333)
Sun Media Corporation Sdn Bhd ("Sun Media")	Advertising fees on placement of advertisement in The Sun newspaper	-	(370)
	Display fees from placement of The Sun newspaper in 7-Eleven's stores	90	180
Razer Fintech Holdings Pte. Ltd. and its subsidiary companies ("Razer")	Receipts of commission from Razer for in-store services	8,455	8,476
	Payments to Razer for transaction values for in-store services	(951,490)	(883,541)
	Receipts of transaction values from Razer for e-wallet transactions	80,623	49,150
With companies in which Director of a subsidiary is deemed interested			
Bioscenergy International Sdn. Bhd. ("BIO")	Purchase of healthcare products by Caring	(1,035)	(137)

A13. CONTINGENT LIABILITIES

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

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

A14. CAPITAL COMMITMENTS

	The Group	
	Unaudited As at 31.03.2022 RM'000	Audited As at 31.12.2021 RM'000
Property, plant and equipment		
- approved and contracted for	21,899	9,141
- approved but not contracted for	200,319	238,108
	<u>222,218</u>	<u>247,249</u>

A15. SUBSEQUENT EVENT

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

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2022
ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LR**

B1. REVIEW OF THE PERFORMANCE OF THE GROUP

Review of Current Quarter Performance versus Corresponding Quarter Last Year

RM'000	1Q22	1Q21	Variance	%
<u>Revenue:</u>				
Convenience stores	523,922	449,070	74,852	16.7%
Pharmaceutical	316,053	208,059	107,994	51.9%
Total	839,975	657,129	182,846	27.8%
<u>Core profit:</u>				
Convenience stores	16,589	10,179	6,410	63.0%
Pharmaceutical	19,740	6,402	13,338	208.3%
Total	36,329	16,581	19,748	119.1%
Corporate exercise expenses	(5,119)	(3,043)	(2,076)	
PAT	31,210	13,538	17,672	130.5%

In January this year, Malaysia successfully transitioned into phase four (4) of the National Recovery Plan, where most economic sectors re-opened and social activities, including inter-state travel were allowed. With further flexibility accorded for consumer-related activities and longer trading hours, the Group had for the current quarter, registered a total Revenue of RM840.0m, an increase of RM182.8m or +27.8% higher as compared to previous year corresponding quarter.

Notably, the Convenience Stores segment recorded higher APSD and customer count for the current quarter, leading to a much improved SSSG of +15.2%. In this regard, Revenue increased by RM74.9m or +16.7% to RM523.9m, with an increase across most product categories, resulting in higher Gross Profits by RM28.4m or +20.9% to RM164.2m. Additionally, we had in the current quarter, successfully rolled out fifteen (15) of our 7-Café store format, with encouraging preliminary results noted; said 7-Cafés being more productive, coupled with a higher fresh food sales participation as compared to a normal store.

Operating Expenses increased by RM20.8m or +14.6%, driven by higher store operation related expenses. Excluding corporate exercise expenses, the Convenience Store segment recorded a Core Profit After Tax of RM16.6m, an increase of RM6.4m or +63.0% higher than the previous year corresponding quarter.

Meanwhile, Revenue from the Pharmaceutical segment for the current quarter increased by RM108.0m or +51.9% to RM316.1m, in tandem with continued consumer focus on personal well-being and overall healthcare. Gross Margin improved from 19.6% to 22.6% mainly driven by higher contribution in Blue Ocean products. As a result, Core Profit After Tax increased by RM13.3m or +208.3% to RM19.7m for the quarter.

Corporate exercise expenses of RM5.1m primarily consists of finance costs for the acquisition of Caring Group.

The Group's Consolidated Profit after Tax for the current quarter after corporate exercise expenses is reported at RM31.2m, an increase of RM17.7m or +130.5%.

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

The Group recorded a lower Profit before Tax for the first quarter by RM3.2m or -6.5% against the immediate preceding quarter mainly due to higher store operation related expenses in the current quarter.

B3. PROSPECTS

At the date of this report, Malaysia has effectively entered the "transition to endemic" phase, where there will no longer be limits on business operating hours or to the capacity of both commercial and social premises. And with the re-opening of international borders, the Group is optimistic on this gradual recovery of retail trading conditions and the economy at large. However, the Group is cognisant and will continue to monitor potential headwinds arising from global supply chain disruptions, local minimum wages and labour availability; essentially, we will take appropriate measures to mitigate their impact, as necessary.

In the coming year, the Convenience Store segment will continue focus on the roll out of its new 7-Café store format, which entails much improved product offerings and in-store customer experience. In addition, the said 7-Café format is expected to contribute positively to the growth of our fresh food category.

The Pharmaceutical segment, which had shown much resilience over the pandemic, will continue to strengthen its market share together with The Pill House and Wellings group. And through the recently announced joint venture with PT Era Caring Indonesia, the Group will mark its entry into the Indonesian market, operating a network of pharmacies under the brand "Wellings" in the current year.

B4. VARIANCE OF ACTUAL RESULTS FROM PROFIT FORECAST AND PROFIT GUARANTEE

The Group did not issue any profit forecast or profit estimate previously in any public document.

UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2022
ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LR

B5. PROFIT FROM OPERATIONS

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

	CUMULATIVE QUARTER	
	3 months ended	
	31.3.2022	31.3.2021
	RM'000	RM'000
Amortisation of intangible assets	1,129	1,129
Amortisation of right of use	27,110	29,842
Bad debts written off	58	1
Depreciation of property, plant and equipment	16,806	17,644
Dividend income	(30)	(15)
Fair value changes of FVTPL for investments in quoted shares	-	(1,789)
Gain on foreign exchange translation differences	(43)	-
Impairment loss on:		
- Property, plant and equipment	10	-
- Receivables	500	-
Interest income	(636)	(474)
Gain on disposal of property, plant and equipment	(419)	(425)
Property, plant and equipment written off	355	275
Provision for and write off of inventories	2,990	2,518
	<u>2,990</u>	<u>2,518</u>

Other than as presented in the condensed consolidated statements of comprehensive income and as disclosed above, there were no gain or loss on disposal of quoted or unquoted investments or properties, impairment of other assets, gain or loss on derivatives and exceptional items included in the results of the current quarter and financial period ended 31 March 2022.

B6. TAXATION

	CUMULATIVE QUARTER	
	3 months ended	
	31.3.2022	31.3.2021
	RM'000	RM'000
Income tax:		
Current period provision	14,993	7,938
Deferred tax:		
Relating to reversal of temporary differences	(540)	(1,070)
	<u>14,453</u>	<u>6,868</u>

Income tax expense is recognised based on management's best estimation. The Group's consolidated effective tax rates for the current quarter and financial period ended 31 March 2022 were higher than the Malaysian's statutory tax rate mainly due to certain expenses not deductible under tax legislation.

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2022
ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LR**

B7. STATUS OF CORPORATE PROPOSALS

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

B8. GROUP BORROWINGS

The Group borrowings which are denominated in Ringgit Malaysia ("RM") as at 31 March 2022 are as follows: -

	Unaudited As at 31.3.2022 RM'000	Audited As at 31.12.2021 RM'000
Short term borrowings		
Secured:		
Term loan	11,904	11,874
Unsecured:		
Bankers' acceptances	15,200	7,000
Term loan	5,284	6,000
Revolving credit	60,000	60,000
	<u>92,388</u>	<u>84,874</u>
Long term borrowings		
Secured:		
Term loan	52,690	55,363
Unsecured:		
Medium term notes	500,000	500,000
	<u>552,690</u>	<u>555,363</u>
Total borrowings		
Bankers' acceptances	15,200	7,000
Medium term notes	500,000	500,000
Term loan	69,878	73,237
Revolving credit	60,000	60,000
	<u>645,078</u>	<u>640,237</u>

B9. MATERIAL LITIGATION

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

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

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

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ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LR**

B10. DIVIDEND

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

B11. EARNINGS PER SHARE

	CUMULATIVE QUARTER	
	3 months ended	
	31.3.2022	31.3.2021
Net profit attributable to equity holders of the company (RM'000)	24,375	11,769
Weighted average number of ordinary shares in issue ('000)	1,126,320	1,129,250
Basic/diluted earnings per ordinary share (sen)	<u>2.16</u>	<u>1.04</u>

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

B12. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

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