



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

# ANNUAL REPORT 2023

# SOMETHING FOR EVERYONE



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# VISION

To be the best retailer of convenience

Menjadi peruncit serbaneka yang terbaik

# MISSION

To consistently serve the changing needs  
of customers for their convenience

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

# VALUES



## UNDERSTAND

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

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



## SIMPLIFY

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

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



## SOLVE

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

Kami sentiasa mencari jalan penyelesaian untuk memberi manfaat kepada semua pihak



## CONNECT

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

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



# OVERVIEW





7-Eleven Malaysia Holdings Berhad (“SEM”) is an investment holding company which has been listed on the Main Market of Bursa Malaysia Securities Berhad (“Bursa Malaysia”) since 2014.

Through its major subsidiary, 7-Eleven Malaysia Sdn. Bhd. (“7-Eleven Malaysia”), SEM is the owner and operator of 7-Eleven stores in Malaysia. Incorporated on 4 June 1984, 7-Eleven Malaysia has made its mark in the retailing scene and remained a prominent icon for over 39 years. 7-Eleven Malaysia is the pioneer and largest 24-hours standalone convenience store operator in Malaysia.



# COMPANY PROFILE

## 7-ELEVEN MALAYSIA

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

**lifestyle convenience retail concept.**





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

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

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

## 7-Eleven is Always There For You.

Each 7-Eleven store carries over 2,500 SKUs, featuring our signature offering like Slurpee frozen beverages, our exclusive range of soft serve treats.

7-Eleven now also offers more private label brands with better prices and higher quality and has expanded to about 200 SKUs.

Since 2021, 7-Eleven has introduced its innovative 7CAFÉ store format, elevating the standard with enhanced fresh food selections, expanded product offerings, enriched services, and an unparalleled in-store customer experience. By 2023, this pioneering concept has flourished, with the establishment of 247 7CAFÉ stores and the launch of a newly established commissary, QVI, dedicated to providing improved quality and variety of Ready-To-Eat Meals.

In 2023, the My7E loyalty app boasted an impressive membership of 3 million users. As we forge ahead, our commitment remains steadfast in enriching the experience for our valued members, offering an array of rewards that enhance their journey as My7E enthusiasts.

In 2022, in pursuit of efficiency and quality, we inaugurated our very own chilled distribution center to optimize delivery timelines and preserve the freshness to the stores. Building upon this success, we operate our ambient distribution center in 2023 to further empower our ability to deliver excellence across all fronts.

The variety of products and services available at 7-Eleven include bill payment services (TM, TNB, U Mobile, Syabas and Singer etc), sales of mobile phone reload, Touch 'n Go card reload, Touch 'n Go eWallet reload, Razer Gold reload, Grab driver reload, gift cards (Google Play, SONY, Roblox and etc), online purchases payment services via Fiuu Cash (formerly known as Razer Cash).

Customers can choose to pick-up their Shopee parcels at selected 7-Eleven stores, photocopying, fax, automated teller machine (ATM) are also available at selected stores.

7-Eleven accepts tender in e-Wallets (Touch 'n Go, Shopee Pay, Alipay and Alipay+), and also payment using MyDebit, Visa or Master cards (local and foreign).

Bulletinboard for neighborhood community notices are also available.

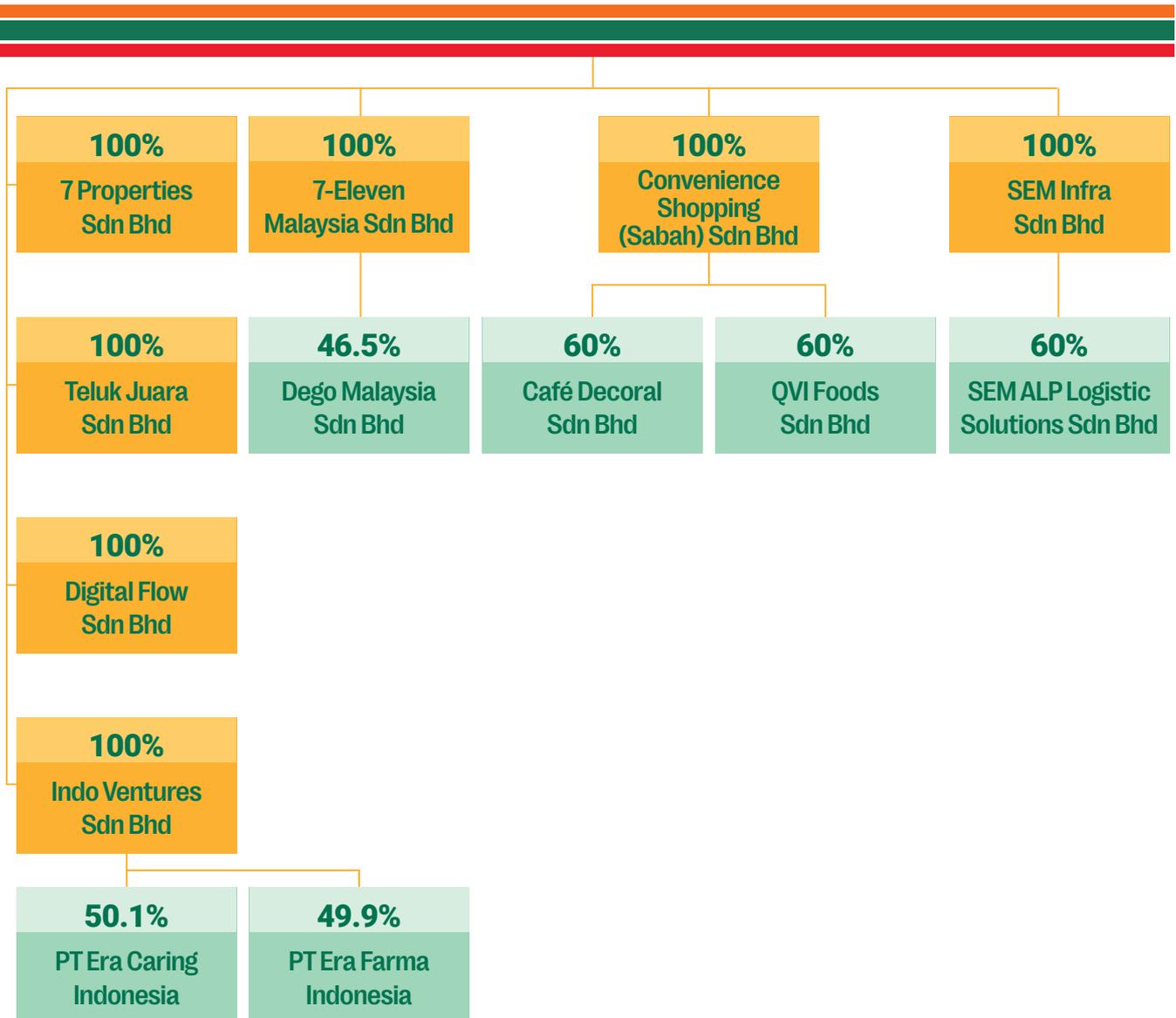


# CORPORATE STRUCTURE

as at 31 March 2024



**7-Eleven Malaysia Holdings Berhad**



# CORPORATE INFORMATION

## BOARD OF DIRECTORS

**Datuk Wira Farhash Wafa Salvador**  
Chairman, Non-Independent  
Non-Executive Director

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

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

**Wong Wai Keong**  
Executive Director cum  
Co-Chief Executive Officer

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

**Moyra Binti Ibrahim**  
Independent Non-Executive Director

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

**Chan Kien Sing**  
Non-Independent  
Non-Executive Director

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

## AUDIT COMMITTEE

**Moyra Binti Ibrahim**  
Chairperson  
Independent Non-Executive Director

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

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

## REMUNERATION COMMITTEE

**Chan Kien Sing**  
Chairman  
Non-Independent  
Non-Executive Director

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

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

## NOMINATING COMMITTEE

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

**Chan Kien Sing**  
Member  
Non-Independent  
Non-Executive Director

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

## RISK MANAGEMENT AND SUSTAINABILITY COMMITTEE

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

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

**Moyra Binti Ibrahim**  
Member  
Independent Non-Executive Director

## COMPANY SECRETARIES

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

## REGISTERED OFFICE

12th Floor, Menara Symphony,  
No. 5, Jalan Prof. Khoo Kay Kim,  
Seksyen 13, 46200 Petaling Jaya,  
Selangor Darul Ehsan,  
Malaysia  
Tel. No.: +603 7890 4800  
Fax No.: +603 7890 4650  
Email address:  
boardroomkl@boardroomlimited.com

## HEAD OFFICE

Postal No. 08-66, Level 8,  
Berjaya Times Square,  
No. 1, Jalan Imbi,  
55100 Kuala Lumpur,  
Wilayah Persekutuan,  
Malaysia  
Tel. No.: +603 2119 1711  
Fax No.: +603 2119 1712  
Email address:  
contactus@7eleven.com.my  
Website address:  
www.7eleven.com.my

## AUDITORS

Ernst & Young PLT (AF0039)  
Level 23A, Menara Milenium,  
Jalan Damanlela,  
Pusat Bandar Damansara,  
50490 Kuala Lumpur,  
Wilayah Persekutuan,  
Malaysia  
Tel. No.: +603 7495 8000  
Fax No.: +603-2095 5332

## SHARE REGISTRAR

Berjaya Registration Services Sdn. Bhd.  
[Registration No.: 199401008064  
(293743-X)]  
09-27 Level 9, Berjaya Times Square,  
No.1 Jalan Imbi,  
55100 Kuala Lumpur,  
Wilayah Persekutuan,  
Malaysia  
Tel. No.: +603-2145 0533  
Fax No.: +603-2145 9702  
Email address:  
shareg@berjayareg.com.my

## PRINCIPAL BANKERS

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

## STOCK EXCHANGE LISTING

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

## PLACE OF INCORPORATION AND DOMICILE

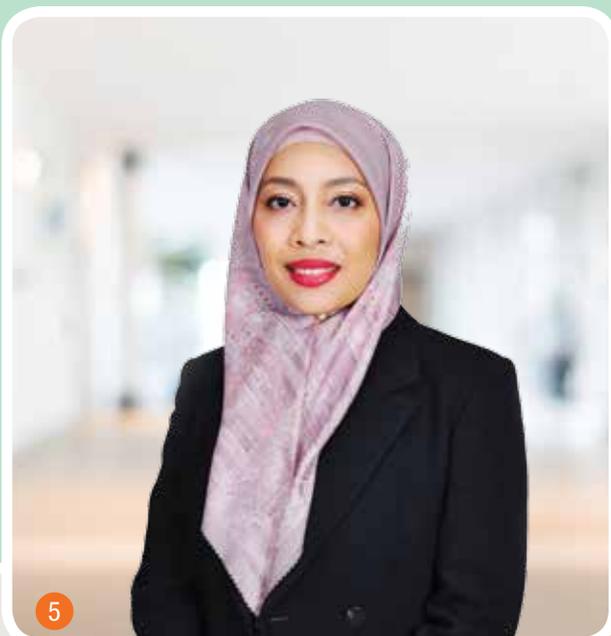
Malaysia

# BOARD OF DIRECTORS



1. **DATUK WIRA FARHASH Wafa SALVADOR**  
*Chairman, Non-Independent Non-Executive Director*
2. **DATO' RICHARD ALEXANDER JOHN CURTIS**  
*Deputy Chairman,  
Senior Independent Non-Executive Director*
3. **TAN U-MING**  
*Executive Director cum Co-Chief Executive Officer  
("Co-CEO")*
4. **WONG WAI KEONG**  
*Executive Director cum Co-Chief Executive Officer  
("Co-CEO")*

# BOARD OF DIRECTORS



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5. **MOYRA BINTI IBRAHIM**  
*Independent Non-Executive Director*
6. **CHAN KIEN SING**  
*Non-Independent Non-Executive Director*
7. **MUHAMMAD LUKMAN BIN MUSA @ HUSSAIN**  
*Non-Independent Non-Executive Director*
8. **PUAN SRI DATUK SERI ROHANI  
PARKASH BINTI ABDULLAH**  
*Independent Non-Executive Director*
9. **TSAI, TZUNG-HAN**  
*Non-Independent Non-Executive Director*



# PROFILE OF DIRECTORS

## **DATUK WIRA FARHASH WAFASALVADOR**

**Male, Aged 41,  
Malaysian  
Chairman,  
Non-Independent Non-Executive Director**

Datuk Wira Farhash Wafa Salvador was appointed to our Board as Chairman, Non-Independent Non-Executive Director on 3 January 2023.

Datuk Wira Farhash Wafa Salvador possesses a Master of Science in Finance (Merit) from the University of Portsmouth, United Kingdom, which was earned in 2007. He had also graduated with Honours Degree of Bachelor of Arts in Business Administration from the same university in 2005. On 26 May 2021, another milestone was achieved when he was awarded an Executive Certificate in Public Leadership by the prestigious Harvard Kennedy School at Harvard University.

Datuk Wira Farhash Wafa Salvador is a distinguished figure in the world of business and leadership, renowned for his exceptional achievements and contributions to various industries. He has left an indelible mark as an entrepreneur, an inventor, and a board member in esteemed organizations. His impressive academic qualifications, entrepreneurial spirit, and dedication have set him apart as an influential and impactful leader.

Datuk Wira Farhash Wafa Salvador presently sits in the Board of Advisory of Yayasan Usahawan Malaysia, a non-government organization that thrives on the frontier of gathering, creating and developing sustainable companies with strong entrepreneurship traits. In addition to his significant leadership role as Chairman in Apex Equity Holdings Berhad and Excel Force MSC Berhad, he also holds directorship positions in several other companies.

## **DATO' RICHARD ALEXANDER JOHN CURTIS**

**Male, Aged 72,  
British  
Deputy Chairman,  
Senior Independent Non-Executive Director**

Dato' Richard Alexander John Curtis was appointed to our Board as Deputy Chairman, Independent Non-Executive Director on 25 November 2021 and redesignated as a Senior Independent Non-Executive Director on 20 April 2022. He was appointed as the Chairman of Risk Management and Sustainability Committee on 20 April 2022 and appointed as the member of Nominating Committee on 26 June 2023.

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

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

Dato' Richard Alexander John Curtis was also appointed as a Non-Independent Non-Executive Director on 11 September 2006 and a member of Executive Committee of UBG Berhad (Formerly Known as Utama Banking Group Berhad) on 22 September 2006. He then resigned on 19 September 2008 as a member of the Executive Committee and a Non-Independent Non-Executive Director.

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

# PROFILE OF DIRECTORS

## TAN U-MING

**Male, Aged 37,  
Malaysian  
Executive Director cum  
Co-Chief Executive Officer  
Key Senior Management**

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

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

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

He currently holds multiple directorships in other private companies of various industries. He is also the son of Tan Sri Dato' Seri Vincent Tan Chee Yioun, a major shareholder of the 7-Eleven Malaysia Holdings Berhad.

## WONG WAI KEONG

**Male, Aged 50,  
Malaysian  
Executive Director cum  
Co-Chief Executive Officer  
Key Senior Management**

Mr. Wong Wai Keong joined our Board as Executive Director on 1 November 2020 and later assumed the role of Co-Chief Executive Officer ("Co-CEO") on 1 December 2020.

Before his appointments, Mr. Wong served as the Chief Financial Officer of the company starting from 12 March 2018. He possesses expertise in finance, accounting, information technology/enterprise resource planning (ERP), and business management. His extensive career spans across various industries, including healthcare, multi-level marketing, enterprise application services, manufacturing, agriculture, and the fast-moving consumer goods industry (FMCG).

Mr. Wong is a fellow member of the Chartered Institute of Management Accountants (CIMA), as well as a member of the Malaysian Institute of Accountants (MIA) and the Chartered Global Management Accountants (CGMA).

Before joining 7-Eleven Malaysia Holdings Berhad, he served as the Group Finance Director of SyAqua Group Inc., where he oversaw Asian markets and Florida, USA. His contributions were instrumental in expanding the organization and transitioning it into a fully integrated functional business.

Mr. Wong has held management positions in esteemed companies such as Avon Cosmetics, KFCH Marketing, Ayamas Food Corp, Abbott Laboratories, and Wyeth. Additionally, he has served as a Lead Application Consultant with JD Edwards.

# PROFILE OF DIRECTORS

## CHAN KIEN SING

**Male, Aged 67,  
Malaysian  
Non-Independent  
Non-Executive Director**

Mr. Chan Kien Sing was appointed to the Board initially as Executive Director on 21 August 2013 and subsequently redesignated as Non-Independent Non-Executive Director on 22 April 2015.

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

From 1975 to 1981, he pursued his professional MICPA articleship with Messrs Peat Marwick Mitchell (now KPMG). Involved principally in statutory compliance audits for companies in various industries. He subsequently joined Ambank Bhd, an investment bank, for eight years specialising in corporate advisory and banking.

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

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

- DiGi Telecommunications Sdn Bhd
  - CEO/ Executive Director of DiGi from 1995 till 2005.
  - Member of pioneer team to launch Malaysia's first fully digital cellular network operations in May 1995 and in a record period of ten months.

- 7 Eleven Malaysia Sdn Bhd ("7E")
  - Managing Director / Executive Director.
  - Instrumental in negotiating and acquiring 7E franchise in 2001.
  - Immediate focus was on modernising 7E operations via automating the entire store network operating systems and launching a new combined distribution centre for timely logistical support, so critical for this fast-moving business.
- CEO of Berjaya Capital Bhd which operates the stockbroking company, Inter-Pacific Securities Sdn Bhd.
- Managing Director of the Sun Media group. Publishes theSun newspaper. Largest free daily paper distributed in Malaysia.

Mr. Chan was appointed as the Chairman of the Remuneration Committee and a member of Nominating Committee on 12 March 2021.

Currently, he is also a Non-Independent Non-Executive Director of Berjaya Assets Berhad.

# PROFILE OF DIRECTORS

## **TSAI, TZUNG-HAN**

**Male, Aged 48,  
Taiwanese  
Non-Independent  
Non-Executive Director**

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

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

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

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

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

## **MUHAMMAD LUKMAN BIN MUSA @ HUSSAIN**

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

Encik Muhammad Lukman Bin Musa @ Hussain, was appointed to the Company Board on 21 August 2013 as an Independent Non-Executive Director and was redesignated as Non-Independent Non-Executive Director on 22 March 2022.

He currently serves as the member of Audit Committee, member of Risk Management and Sustainability Committee and member of Remuneration Committee.

He began his career in 1998 as an Auditor with Andersen & Co (Malaysia). In 2001, he has pursued his career in United Kingdom and his last position in United Kingdom was as the Manager in Banking & Capital Market Division at the London office of Ernst & Young LLP, United Kingdom. Subsequently in 2008, he joined Ernst & Young (Malaysia) as the Audit and Assurance Director, and was responsible in managing various Government Linked and Multinational Companies portfolio. In 2011, he left Ernst & Young (Malaysia) to hold the position as Chief Operating and Chief Financial Officer of Unitar Capital Sdn. Bhd. (UNITAR), the operator of UNITAR International University, and a subsidiary of Ekuiti Nasional Berhad. In June 2016, he joined MARA Corporation Sdn. Bhd., a strategic investment holding company of Majlis Amanah Rakyat (MARA) as the Acting Chief Executive Officer and Chief Financial Officer and instrumental in the formation and establishment of the Company. In July 2019, he left MARA Corporation Sdn. Bhd. and currently serves as a Chief Executive Officer of Berjaya Capital Berhad.

He graduated with a Bachelor in Accountancy Studies (1st Class Honours) from University of Portsmouth, United Kingdom. He is a fellow member of the Institute of Chartered Accountant in England and Wales and a member of Malaysian Institute of Accountants (MIA).

# PROFILE OF DIRECTORS

## **PUAN SRI DATUK SERI ROHANI PARKASH BINTI ABDULLAH**

**Female, Aged 68,  
Malaysian  
Independent  
Non-Executive Director**

Puan Sri Datuk Seri Rohani Parkash Binti Abdullah was appointed to the Board as Independent Non-Executive Director on 10 February 2017. She was appointed Chairperson of Nominating Committee and member of Remuneration Committee on 11 April 2022 and as a member of the Audit Committee on 26 June 2023.

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

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

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

In the higher education sector, she is a past Board member of the Universiti Putra Malaysia, Universiti Malaysia Pahang, Berjaya University and INCEIF University. She was appointed Chairperson of the Sultan Idris Education University (UPSI) in 2020. Currently, she is an Independent Non-Executive Director of Samaiden Group Berhad and a Board member of Media City Sdn Bhd.

## **MOYRA BINTI IBRAHIM**

**Female, Aged 47,  
Malaysian  
Independent  
Non-Executive Director**

Puan Moyra Binti Ibrahim was appointed to the Board as Independent Non-Executive Director on 28 November 2022. She was also appointed as the members of the Audit Committee and Risk Management and Sustainability Committee on 28 November 2022. On 26 June 2023, she was redesignated as the Chairperson of Audit Committee.

She is a qualified Chartered Accountant with the Malaysian Institute of Accountants (MIA). She holds a Bachelor of Commerce from The University of Newcastle, Australia and the Association of Chartered Certified Accountants (ACCA) from the University Technology MARA (UITM). She is also a Licensed Financial Planner from Securities Commission of Malaysia.

She has more than 20 years of experience in financial and business advisory services, with focus in the field of accounting, audit and finance. In addition, she has developed an expertise in investment planning and management, covering both Islamic and conventional.

She is the founder and Managing Director of ECS Solution Group of companies which provides enterprise convenience services covering corporate services, corporate advisory, financial planning and tailored training programs.

### Notes:-

1. The details of Board Committees held by the Directors and the number of board meetings attended by them are disclosed in the Corporate Governance Overview Statement.
2. Save as disclosed, none of the Directors have:-
  - Any other directorship in public companies and listed issuers;
  - Any family relationship with any Director and/or major shareholder;
  - Any conflict of interest with the Company;
  - Any convictions for offences within the past five (5) years other than traffic offences, if any; and
  - Any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

# PROFILE OF KEY SENIOR MANAGEMENT

**TAN U-MING**  
Executive Director cum  
Co-Chief Executive Officer

The profile of Mr. Tan U-Ming is set out on page 11 of this Annual Report.

**WONG WAI KEONG**  
Executive Director cum  
Co-Chief Executive Officer

The profile of Mr. Wong Wai Keong is set out on page 11 of this Annual Report.

**AARON NG WEI EE**  
Male, Aged 42,  
Malaysian  
Finance Director

Mr. Aaron Ng Wei Ee is an experienced financial professional and has over 18 years of working experience in multinational corporations, overseeing finance, accounting and business management and professional services of investment banking and corporate finance, audit and assurance.

He has extensive experience in the Retail FMCG space, ranging from B2B, B2C, omni-channel and including multilevel marketing.

Prior to his appointment as Finance Director of 7-Eleven Malaysia Holdings Berhad, he served as Finance Director of Tupperware Brands Malaysia, overseeing finance for both Malaysia and Singapore markets. He has previously held key management roles in Hong Kong SaSa Malaysia and L'Oreal Malaysia and Hong Kong.

Notes:-

1. Save as disclosed, none of the Key Senior Management have:-

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

# MANAGEMENT DISCUSSION AND ANALYSIS

## OVERVIEW

The year 2023, despite the pandemic being largely behind us, has been one defined by a confluence of global challenges; from the continuing threat of inflationary pressures and high-profile global bank failures underscoring the fragility of the financial markets, to the on-going geopolitical tensions disrupting trade stability, were among factors that continued to test our collective resilience. In Malaysia, the newly-formed government embarked on a crucial journey towards post-pandemic recovery, to drive long-term economic inclusivity and sustainable growth. This includes laying the groundwork for structural reforms aimed at enhancing the country's labour productivity and inclusive growth, specifically by raising the standard of living for low-income households.

Notwithstanding the myriad of challenges both on the global and local front, 7-Eleven Malaysia Holdings Berhad ("SEM" or "the Group") was tenacious in the execution of our strategic plans and displayed a commitment to over-coming obstacles and seizing opportunities for growth. In this regard, for the financial year ending 31 December 2023 ("FYE2023"), the Group achieved a remarkable milestone in delivering a record-breaking Revenue surpassing RM4.1 billion, a significant increase of RM400.9 million or +10.6% as

compared to the previous year. This revenue was primarily generated from our extensive store network of 2,566 convenience stores and 267 pharmaceutical outlets (Note: 250 in Malaysia and 17 in Indonesia).

During the year, we had also successfully divested our Pharmaceutical segment; at a valuation of RM900.0 million, we had recorded a corresponding gain on disposal of RM262.8 million. This strategic divestment, which excludes the pharmaceutical business joint venture with PT. Erajaya Swasembada Tbk Group in Indonesia ("Indonesian Business") to maintain a tactical footprint abroad, enabled us to unlock the value of our investment in Caring and focus our resources to grow our Convenience Stores segment which is expected to contribute positively to our Group's future income.

Throughout this period, we remained committed to supporting our people, customers, and communities, prioritizing their safety and well-being. We are honoured to have been recognized for our efforts, receiving several awards, including our 7th consecutive win in the Sustainability & CSR Malaysia Awards 2023 for "Company of the Year Award (Retail Category)" and "Long-Standing Excellence in Sustainability," as well as accolades at the Putra Brand Awards 2023: *Retail Category, Silver Winner*. In addition, we were also rewarded

with 3 prestigious awards from the Asia-Pacific Enterprise Award (APEA) 2023 and the icing to top it off, our CO-CEOs were honoured with the Master Entrepreneur Award, further validating our commitment to excellence and sustainability.

## CONVENIENCE STORES SEGMENT

On the back of improved trading conditions and acceleration of our 7CAFé format, the Convenience Stores segment recorded an all-time high Revenue of RM2,783.6 million, an increase of RM298.9 million or +12.0% as compared to the previous year. Essentially, we achieved overall higher productivity in terms of Customer count and Average per store day ("APSD") sales, as compared to the previous year.

As the leading convenience store operator in Malaysia, we take pride in our commitment to delivering a personalized shopping experience to our customers across our extensive store network.

Strategically, we expanded our footprint by opening 130 new stores, comprising 74 Classic stores and 56 7CAFé stores, strategically located in high-potential regions. Concurrently, we made the difficult decision to close 36 under-performing stores, where declining trading levels rendered them economically unviable to operate.



# MANAGEMENT DISCUSSION AND ANALYSIS

As part of our strategy, we have refurbished 104 existing Classic stores into the 7CAFé format. This transformation initiative has been instrumental in enhancing the customer experience and driving footfall. As a result, our network now boasts a total of 247 7CAFé stores, re-affirming our commitment to innovation and meeting evolving consumer preferences.

## Our business strategy

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

## Improve Assortment

In response to the dynamic retail landscape in Malaysia, we remain committed to modernizing, innovating, and offering unique products and services at our stores. Recognizing the phenomenon of "brand agnosticism" among today's consumers, who face a plethora of choices and have limited attention spans, our objective is clear: to captivate customers with fresh, personalized experiences and value-added offerings.

In pursuit of this goal, FYE2023 saw significant advancements in expanding our range of private label products, thereby providing consumers with a diverse array of value-added options. We actively introduced new and exclusive products, including premium imported goods and limited-edition merchandise, through strategic collaborations with brand partners. Our aim is to continually excite and engage customers through innovative offerings that resonate with their evolving preferences.

Moreover, within the Fresh Food segment, we acknowledge the diversity of our customer base and strive to meet their varied needs. Collaborating with 7-Eleven Japan, our food commissary has integrated their expertise and best practices to craft fresh and innovative dishes. By incorporating seasonal local ingredients, we ensure that our offerings not only meet but exceed

expectations, delivering exceptional freshness and flavour to our customers.

## Supply Chain

Supply chain is the heart of our business and we continue to work on improving efficiencies and optimizing our logistical infrastructures. Throughout the year, we made significant strides in this regard, notably with the successful launch of our self-operated ambient distribution centre. Covering an area of 300,000 square feet, this facility operates on a comprehensive inventory put-away model, complemented by automated handling activities. With increased efficiency in delivery lead times, on-shelf availability, and picking accuracy, we anticipate better in-store service levels and customer experience. We are equally pleased to share that our new fresh food commissary is already fully operational. Designed to accommodate up to 1,000 stores in the Klang Valley, this facility incorporates advanced equipment and automation to streamline key processes such as prepping, cooking, and packing, thereby enhancing the quality and consistency of our fresh food offerings.

We will continue to ensure consistent fulfilment to stores and to drive down cost alongside generating a fairer income. That said, we further recognise that additional infrastructure and facilities are required to fully support the expansion of our 7CAFé store format outside of Klang Valley; especially with time-sensitive Perishables and Fresh Food products being a key offering. We remain focused on this and will work towards our goal in the near future.

## Drive Operational Excellence

Every day, we welcome over a million valued customers across all of our stores. Our customers are at the heart of everything we do, driving our relentless commitment to delivering exceptional service and ensuring a positive shopping experience for each individual.

To uphold our dedication to customer satisfaction, we have heavily invested in comprehensive customer service training programs. These initiatives

equip our team members with the skills and knowledge needed to provide prompt and effective assistance, tailored to meet the diverse needs of our customers. Additionally, we actively monitor and assess our service standards through rigorous mystery shopper audits, allowing us to continuously refine and elevate the customer experience.

Cost efficiency is a key focus area for us, as we strive to eliminate unnecessary expenses such as bad costs and shrinkages, while optimizing resource utilization. We closely manage overtime expenditures, ensuring prudent allocation of labour resources without compromising on service quality.

Above all, our commitment to being "Always There For You" is reflected in our meticulous approach to staffing. We conduct thorough reviews to ensure that our stores are adequately staffed to cater to the needs of our customers at all times. By maintaining the right balance of personnel, we aim to provide attentive and personalized service that exceeds expectations, reinforcing our reputation as a trusted partner in our customers' shopping journeys.

## Grow and Improve Store Base

We understand the significance of continuously expanding our store network to ensure accessibility for all customers, particularly in underrepresented areas. This year, we celebrated the significant milestone with the opening of our 100th 7CAFé format store, marking a testament to our commitment to innovation and customer satisfaction.

Furthermore, our expansion efforts have extended beyond the confines of the Klang Valley, reaching new territories in Terengganu, Johor, and Penang. By venturing into these regions, we aim to bridge gaps in accessibility and provide communities with convenient access to essential goods and services. This strategic expansion aligns with our mission to make 7-Eleven accessible to all, ensuring that customers across the nation can enjoy the convenience and quality they expect from our brand.

# MANAGEMENT DISCUSSION AND ANALYSIS

## Digitally Enable the Organization

In today's rapidly evolving digital economy, success hinges not only on efficiency but also on business agility. It's imperative to swiftly seize opportunities while meeting the ever-changing demands and expectations of our customers.

Throughout the year, we completed the installation of a store network upgrade, a pivotal step in streamlining our business processes. This upgrade has bolstered our real-time monitoring capabilities and seamlessly integrated with third-party quick commerce platforms, enhancing inventory management, cash collection processes, and cyber security measures.

Additionally, as part of our infrastructure enhancement initiatives, we invested in a cutting-edge warehouse management system ("WMS") to seamlessly integrated end-to-end supply chain processes and operations. This integration empowers us to harness the power of data analysis to monitor inventory levels, coordinate distribution and logistics, and make real-time stock adjustments. This dynamic system not only streamlines inventory management but also enhances stock replenishment processes, safeguarding against stock depletion and minimizing risks associated with damage and loss.

## Engaging and Developing our Colleagues

To deliver exceptional experiences for our customers, we understand the fundamental importance of cultivating an exceptional work environment for our employees. Central to this approach is the implementation of robust learning and development initiatives tailored for our front-line workers. These programs are meticulously designed to equip our employees with the necessary knowledge and skills to unlock their full potential and provide compassionate, outstanding service.

One such initiative is our comprehensive Store Training-New Modules program, which encompasses various essential components. From Objective Setting to Dedicated Store Trainer support and Post-Action Planning, each element is geared towards fostering customer satisfaction. Through this structured training regimen, our employees are empowered to understand and meet the diverse needs of our clientele effectively.

Moreover, we prioritize ongoing training across various domains critical to customer service excellence. From product and food handling protocols to customer engagement strategies, upselling techniques, and promotion tracking, our employees receive continuous education to hone their skills. By investing in their development, we ensure that our team members are well-equipped to deliver

consistently positive experiences for our customers, thus reinforcing our commitment to excellence and customer-centricity.

## FINANCIAL PERFORMANCE

### Revenue

Revenue of the convenience store segment expanded by RM298.9 million or +12.0% to RM2,783.6 million, as compared to prior year of RM2,484.7 million. We achieved overall higher productivity in terms of Customer count and APSD sales, and we recorded a positive same-store-sales growth ("SSSG") of +9.1% as compared to the previous year.

As at 31 December 2023, the total combined store count was 2,566 stores, comprising 2,319 Classic Stores and 247 7CAFé. During the year, we opened 74 new classic stores, 56 new 7CAFé and closed 36 non-performing stores, for a net increase of 94 stores. On the other hand, we have also converted 104 classic stores to 7CAFé format during the year.

### Gross Profit

Gross Profit of the convenience store segment increased by RM66.8 million or 8.4% compared to the previous year, driven by the increase in Revenue and also improved margin as a result from lower contribution of tobacco offset by higher write off from perishables and fresh foods items.



# MANAGEMENT DISCUSSION AND ANALYSIS

## Other Operating Income

Other Operating Income increased by RM18.9 million or 13.2% as compared to the previous year. The growth was primarily contributed by the increase in our marketing income.

## Selling and Distribution Expenses

Selling and Distribution Expenses increased by RM90.3 million or 14.0% year-on-year. This growth was primarily attributed to the escalated store operating expenses incurred as increased in store count, extended operating hours and impacted by annualisation of minimum wages increase effective 1st May 2022.

## Administration and Other Operating Expenses

Administrative and Other Operating Expenses increased by RM38.7 million or 24.5% year-on-year. This was driven by mainly higher staff cost related expenses and advertising & promotional expenses.

## Finance Cost

Finance Cost increased by RM5.4 million or 9.0% year-on-year. This was driven mainly by the annualisation impact of interest expense from the issuance of Medium-Term Note ("MTN") of RM100.0 million taken by the Group primarily for working capital purposes on June 2022 and higher finance cost from leased liabilities.

## Profit after Tax

The Profit after Tax for FYE2023 surged by RM185.8 million or 220.4% to RM270.1 million as compared to prior year of RM84.3 million driven by improved performance from Convenience Stores segment and realised gain from the disposal of Caring Group.

## Liquidity and Financial Resources

As at 31 December 2023, the Group retained a cash balance and short-term investment of RM799.5 million after cash dividend payment for financial year 2022 of RM59.9 million.

The Group has total borrowings of RM737.4 million as at 31 December

2023. The borrowings comprise of bankers' acceptance, revolving credit, term loan and medium term note which were utilized for corporate exercises, working capital and capital expenditures funding for new stores opening and including store refurbishments. The debt-to-equity ratio (excluding the reorganisation deficit) of the Group as at 31 December 2023 was 0.43 times, which is in compliance with all existing loan covenant obligations. Operating cash flows generated at the end of financial year 2023 was RM257.0 million.

## PROSPECTS

### Outlook for 2024

Looking ahead, despite headwinds on the external front, Malaysia is poised for sustained economic growth in 2024; supported by resilient domestic demand, which constitutes a significant portion of the economy, and a recovery in exports. Private consumption will remain a primary growth driver, anchored by favourable labour market conditions and increasing employment opportunities. The expected revival in the tourism sector, particularly with the introduction of visa-free entry for tourists from China and India, is anticipated to provide a substantial boost locally.

The government's budget for 2024, outlined key measures such as an increase in the Sales and Services Tax to 8% and rationalisation of subsidies, which may dampen consumer sentiment in the near term. That said, from a macro-economic perspective, the government had forecasted a Gross Domestic Product growth of between 4% to 5% for 2024, underpinned by the strategic initiatives under the Madani Economy Framework, including value accretive developments and flagship projects outlined in the (a) 12th Malaysia Plan Mid-Term Review; (b) New Energy Transition Roadmap; and (c) New Industrial Master Plan 2030; all of which are expected to catalyse Malaysia's economic agenda.

In the coming year, we will continue to focus on expanding our new 7CAFé store format in the peninsular Malaysia;

also, to constantly innovate and refresh our fresh food menu of ready to go ("RTG") and made to go ("MTG") meals, incorporating clean and healthy ingredients with greater nutritional value. Equally vital, is the mission to grow our private label offerings as we seek to continuously deliver value to the emerging group of modern, brand agnostic consumer, where the focus solely on brand per-se is gradually vanishing in favour of a focus on the product itself and its attributes.

Additionally, we will continue our advisory mission with our Japanese partner, to focus on expanding our fresh food commissary offerings and improving production yield by optimising high quality raw materials, adopting best operational practices and discipline. We also have plans in the current year to introduce our My7E Online Store, offering on-demand delivery to our customers through our My7E Mobile App platform. And to enhance our supply chain planning and efficiency, we plan to implement a Transport Management System, coupled with Digital E-Proof-of-Delivery, both of which are anticipated to simplify logistical operations across the value chain. Last but not least, in line with our customer-centric strategy, we will be conducting more regular consumer research and insights, leveraging the voice of the consumer through social listening and brand health studies to continuously improve our services and product offerings.

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

Finally, the Board of Directors extends its sincere gratitude to our shareholders for their unwavering support throughout the years. In particular, to the Management and employees of 7-Eleven for their resilience, dedication and loyalty; and in serving our customers with the utmost care and professionalism, our sincere thanks to you all.

# 2023 COMMUNITY ENGAGEMENTS

## Consumer Donation Drives

We empower customers to join us in giving back to the community by enabling them to contribute, however small the amount, which we then distribute.

### Semurni Kasih



### Lend A Helping Hand



### Buat Baik Together



# 2023 COMMUNITY ENGAGEMENTS



## PPR Visit



## Contribution to Gagah Setia Troops

# 2023 COMMUNITY ENGAGEMENTS

## 7-Eleven CSR Campaign



*Furry Friend Squad*



*Global Shepherds (IWD)*



*PERTIWI Soup Kitchen*



*Trash Troopers*



# 2023 MILESTONES & AWARDS



100th Store Opening



7-Eleven Malaysia Triumphs at Malaysia Franchise Award 2023, Winning Best Franchise CSR in ESG Category



Corporate Excellence Award 2023



Malaysia's Best in Sustainability Leadership



Company of The Year Award for Exemplary Community Care Initiatives at CSR Malaysia Awards 2023



Human Resources Minister Award 2023

# 2023 ACTIVITIES

## JANUARY



Happy Snacks Yummy Gulp with Meerqeen



Sweet Rendezvous

## FEBRUARY



Serving up surprises:  
Super WOW Pau campaign



7-Eleven Gummy



Slurp Game Repeat

## MARCH



Breakfast Set Promotion



Teatime Set Promotion



Serving up Surprises PAUwer



Manis-manis Ramadhan Bersama 7-Eleven

## APRIL

# 2023 ACTIVITIES



Raya Must Have



Hari-Hari Raya



MAY



MostLaku Deals



MostLaku Ice Cream Promotion

JUNE



MostLaku Snack Promotion



Ice Cream event

JULY



Keep Cool Chillout @ 7E



Sauce It Your Way

# 2023 ACTIVITIES



## AUGUST

REALDEALS Campaign



Mooncake Festival



Always A Good Popping Time Campaign



Haba - Godan Gosik Workshop

## SEPTEMBER



Hottest, Spiciest, Cheesiest!



Collect eStamps Campaign

# 2023 ACTIVITIES

## OCTOBER



Smiley Deals



Quby 3 in 1 Snack Box



Seventastic Deals



Coconut Soft Serve



Snack Now!

## NOVEMBER



7CAFé collectible enamel pins

## DECEMBER



7-Eleven Gaming Promotion



Wonder Deals

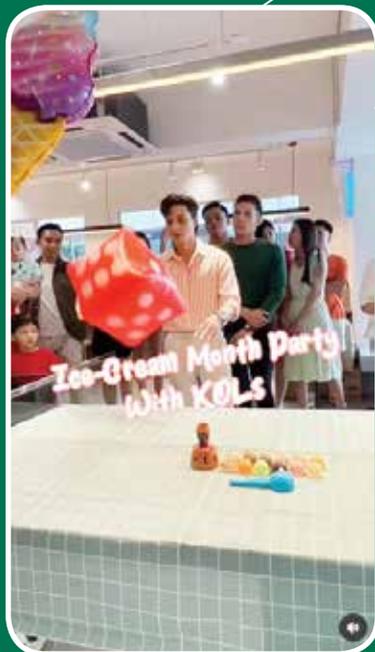
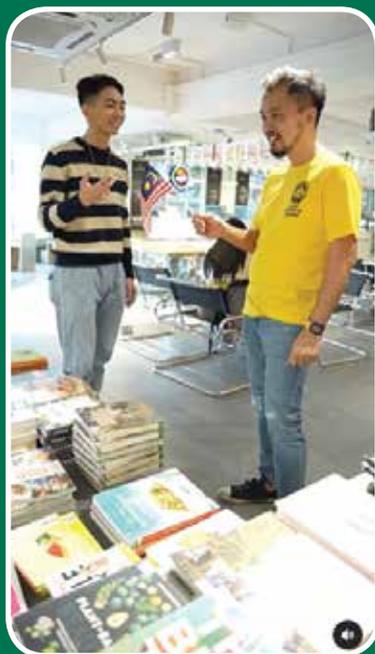
# 2023 ENGAGING SOCIAL MEDIA ACTIVATION

We have the biggest social community number within C-Stores with a total of **2.1 million fans/followers** across major social media platforms.



# 2023 ENGAGING SOCIAL MEDIA ACTIVATION

Generated **226 million** video views and **30 million** social interactions.



# SUSTAINABILITY STATEMENT

## ABOUT THIS REPORT

7-Eleven Malaysia Holdings Berhad ("SEM" or "the Group") is the owner and operator of the 7-Eleven convenience store. 7-Eleven is by far the largest 24-hour standalone convenience store operator in Malaysia. SEM also owns Caring Pharmacy, one of Malaysia's largest retail pharmacy chains, through its subsidiary, Caring Pharmacy Group Berhad ("CARiNG").

This Sustainability Statement proudly embraces a commitment to sustainability at every level. Aligned with our core values, we navigate challenges by integrating environmentally sound practices and fostering social impact. Transparent reporting underscores our dedication to accountability, showcasing our journey towards a sustainable and responsible future.

**REPORTING SCOPE AND BOUNDARY** This Sustainability Statement covers SEM's core business segments: the Convenience Stores segment ("7E"), the Pharmaceutical segment ("CARiNG") and directly controlled subsidiaries of which the Group holds a majority stake.

**REPORTING PERIOD** SEM follows an annual reporting cycle, issuing its last Sustainability Statement on 27 April 2023 for Financial Year 2022. Unless otherwise stated, this Sustainability Statement includes information for Financial Year 2023 from 1 January to 31 December 2023.

**REPORTING CYCLE** Annually

**REPORTING STANDARDS** SEM employed the following frameworks to guide the development of its reporting content:

- Global Reporting Initiative ("GRI") Universal Standards
- Bursa Malaysia Sustainability Reporting Guide
- FTSE4Good Bursa Malaysia ESG Index
- ISO 26000 Social Responsibility
- United Nations Sustainable Development Goals ("UNSDGs")
- Task Force on Climate-Related Financial Disclosures ("TCFD")

**RELIABILITY OF INFORMATION DISCLOSED** The Risk Management and Sustainability Committee ("RMSC") reviewed the accuracy of this Sustainability Statement's content before final approval by the Board of Directors ("Board").

**FEEDBACK** As SEM progresses on its sustainability journey, it welcomes stakeholders' support and any feedback for improvement. For feedback, questions or additional information about this Sustainability Statement or approach to sustainability, please contact: [ir@7eleven.com.my](mailto:ir@7eleven.com.my)

## EVOLUTION IN SUSTAINABILITY

As Malaysia's leading convenience store and pharmaceutical chain, SEM acknowledges its role in a sustainable future. We commit to reducing our environmental footprint, supporting local communities, and fostering collaboration across the value chain, envisioning a circular operating model for sustained impact.

# SUSTAINABILITY STATEMENT

## SUSTAINABILITY STRATEGY AND FRAMEWORK

SEM's robust sustainability strategy, centred on "People", "Planet", and "Product", aligns seamlessly with Bursa Malaysia's sustainability guideline pillars of "Economic", "Environment", and "Social", ensuring a holistic approach to sustainable business practices.



SEM's sustainability efforts have progressed significantly this year, with the Group initiating target setting in key areas, assessing impact, and aligning with global objectives such as TCFD, decarbonisation, achieving net zero emissions, promoting supply chain sustainability, and supporting the UNSDGs. SEM will report its performance against these targets in future reports.

# SUSTAINABILITY STATEMENT

## SEM 2030 GOALS

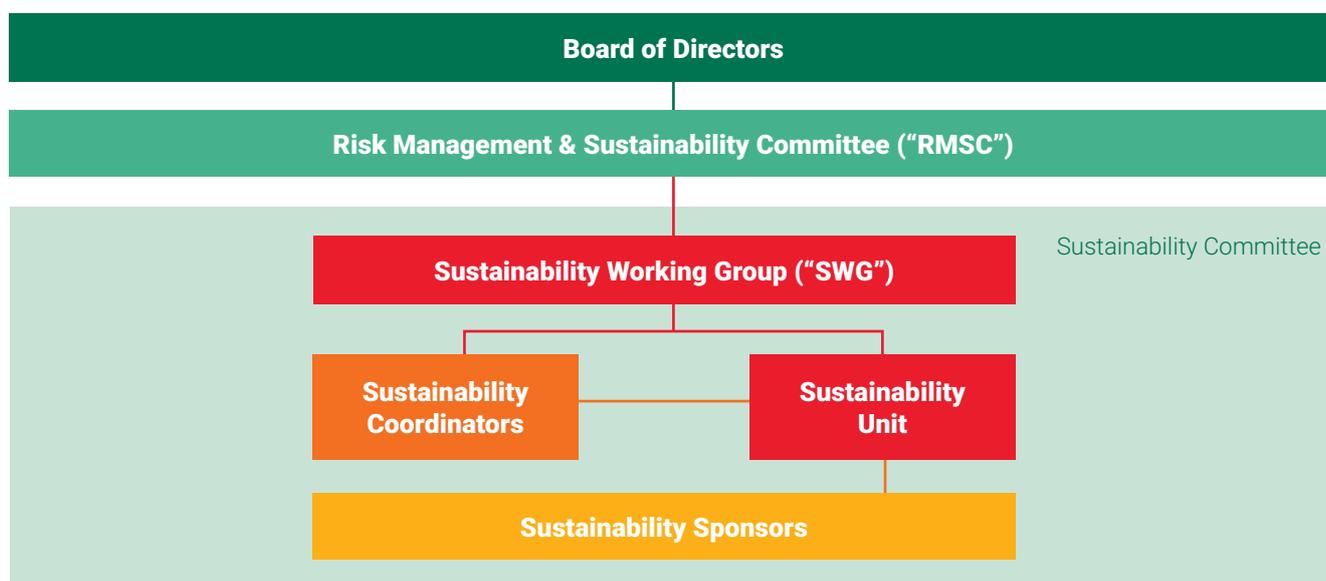
Theme	Topics	Initiatives	Goals 2030
Economic	Food waste management	Turning food waste from food commissary to animal feeds	100%
		Awareness-raising activities for reducing food loss and waste	10 activities annually
	Packaging material management	Recyclable packaging material for 7-Eleven private label products	100%
	Legal governance	Number of major violations of laws	0
	Information security	Number of annual violations against data privacy and security breaches	0
	Procurement	100% of active suppliers adhere to 7-Eleven's code of conduct	100%
Environment	Sustainable supply chain management	Reusable equipment in the supply chain (tote boxes, reusable pallets, milk crates & food trays)	100%
	Reduction of CO <sub>2</sub> emissions	Electric material handling equipment in all distribution centres and food commissary	100%
	Energy efficiency	Installation of energy-saving equipment in all stores	100% of stores
Social	Support local community	7-Eleven community development	20% increase in contributions to annual community programmes year-on-year
	Employees voluntary programmes	Community investment: Employees volunteer hours in Corporate Social Responsibility ("CSR") activities	20,000 hours annually
	Occupational safety and health	Zero Lost Time Injury Frequency Rate ("LTIFR")	0
	Employee welfare	Human capital development	Average 10 hours of training per year for Executives
	Gender equality	Enhance gender balance in the workforce	Gender equality at 50%
	Customer health and safety	All private-label products are to have nutrition disclosure in compliance with the Malaysian Food Act 1983	100%
	Anti-corruption	The Anti-Bribery and Anti-Corruption Policy and Procedure ("ABAC") awareness programme to be conducted for employees	3 activities annually

# SUSTAINABILITY STATEMENT

## SEM SUSTAINABILITY GOVERNANCE

The Board is primarily responsible for seamlessly integrating sustainability into operations, with assistance from the Risk Management & Sustainability Committee ("RMSC"). Ultimately, the Board is accountable for overseeing Group sustainability matters, including but not limited to sustainability strategy and targets, materiality assessments and climate-related risks and opportunities.

The Sustainability Working Group ("SWG"), comprising representatives from diverse divisions, leads the execution of sustainability. The SWG conducts risk analyses and presents action plans, new initiatives and budget proposals to the Board. This comprehensive approach is reinforced by dedicated sustainability units within our convenience store and pharmaceutical arms, ensuring a cohesive and effective sustainability management framework. The Board receives quarterly updates on targets, performance metrics, progress and the scorecard, allowing for comprehensive assessment and strategic decision-making.



The Sustainability Units oversee their customised programmes, providing regular reports to the SWG on project plans, strategy execution and data monitoring. This reporting contributes to the comprehensive assessment of the Group's annual sustainability performance.

## SUSTAINABILITY RISK MANAGEMENT: EMBRACING A HOLISTIC APPROACH

SEM embraces a comprehensive approach, integrating sustainability into risk management following global best practices. Collaboration between sustainability and risk management teams helps identify, assess and mitigate environmental, social, and governance ("ESG") risks. Sustainability is also strategically woven into investment decisions, evaluating capital ("CAPEX") and operational ("OPEX") expenditures. Aligning financial decisions with long-term sustainability goals reinforces our commitment to responsible practices with positive societal and environmental impacts.

## ALWAYS THERE FOR YOU: EMPOWERING CONNECTION THROUGH STAKEHOLDER ENGAGEMENT

We embody our commitment to being "Always There for You." Viewing stakeholders as vital partners and prioritising open communication and collaboration ensures that stakeholders are supported and heard so they can actively contribute to shaping our sustainable initiatives.

In line with the principle that "Caring is Our Profession", we prioritise the well-being of our stakeholders. We actively listen, value feedback, and engage stakeholders transparently and inclusively. This approach builds enduring relationships, showcasing our commitment to caring for stakeholders and the communities we serve.

# SUSTAINABILITY STATEMENT

## Stakeholder Engagement Communication Model

Stakeholder Groups	Engagement Channels	Areas of Interest	Our Response
<b>Investors</b>	<ul style="list-style-type: none"> <li>Shareholder meetings</li> <li>Analyst/investor briefings</li> <li>Timely disclosure of information on the company website</li> </ul>	<ul style="list-style-type: none"> <li>Group's overall performance</li> <li>Business strategy and plans</li> <li>Good management and corporate governance</li> <li>Dividend payouts</li> <li>Mitigation and adaptation to climate change</li> </ul>	<ul style="list-style-type: none"> <li>Providing timely updates on the Group's strategy and financial performance</li> <li>Upholding good governance practices across the Group and supply chain</li> <li>Monitoring sustainability performance and targets</li> <li>Outlining climate reduction and adaptation strategies</li> </ul>
<b>Customers</b>	<ul style="list-style-type: none"> <li>Marketing promotions</li> <li>Website, social media and magazines</li> <li>Customer care channels</li> <li>Seminars and health programmes</li> <li>E-payment system</li> </ul>	<ul style="list-style-type: none"> <li>Product pricing and offers</li> <li>Product assortments and quality</li> <li>E-commerce services</li> <li>Product safety and information</li> <li>Health issues</li> <li>Customer experience and loyalty</li> <li>Customer data privacy</li> </ul>	<ul style="list-style-type: none"> <li>Expanding the range of affordable products and service offerings</li> <li>Adhering to quality standards</li> <li>Using customer-centric apps to enhance efficiency</li> <li>Strictly adhering to the Personal Data Protection Act ("PDPA")</li> </ul>
<b>Employees</b>	<ul style="list-style-type: none"> <li>Performance reviews</li> <li>Intranet, newsletter and broadcasting</li> <li>Occupational health and safety initiatives</li> <li>Awards and recognition</li> <li>Flexi-working hours</li> <li>Job rotations and internal hiring</li> </ul>	<ul style="list-style-type: none"> <li>Business growth and strategic direction</li> <li>Inclusive workplace</li> <li>Remuneration and benefits</li> <li>Corporate culture and values</li> <li>Workplace safety</li> <li>Career development and upskilling opportunities</li> <li>Employee welfare</li> </ul>	<ul style="list-style-type: none"> <li>Promoting transparent communication with employees</li> <li>Providing equal employment opportunities without discrimination</li> <li>Offering industry-competitive benefits and remuneration packages</li> <li>Providing relevant upskilling and development opportunities</li> <li>Ensuring compliance with Occupational Safety and Health ("OSHA") 1994</li> </ul>
<b>Supply Chain Partners</b>	<ul style="list-style-type: none"> <li>Health awareness partnerships</li> <li>Product training and recalls</li> <li>Supplier meetings and briefings</li> <li>Human rights</li> <li>Environmental initiatives</li> </ul>	<ul style="list-style-type: none"> <li>Partnership for growth</li> <li>Efficient procurement process</li> <li>Transparency</li> <li>Capacity-building for suppliers</li> <li>Health and safety of contractors' workers</li> </ul>	<ul style="list-style-type: none"> <li>Improving efficiency by digitalising procurement processes</li> <li>Delivering capacity-building programmes for suppliers and contractors</li> <li>Ensuring contractors' compliance with the Group's Health and Safety procedures</li> </ul>
<b>Community and NGO</b>	<ul style="list-style-type: none"> <li>Student internships</li> <li>Health seminars</li> <li>Free health screening services</li> <li>CSR activities</li> <li>Partnerships with Small and Medium Enterprises ("SMEs")</li> </ul>	<ul style="list-style-type: none"> <li>Community development</li> <li>Medical education and awareness</li> <li>Community care programme</li> <li>Disaster assistance</li> <li>Waste and energy reduction strategies</li> </ul>	<ul style="list-style-type: none"> <li>Investing in the community to improve societal well-being</li> <li>Engaging periodically with local communities</li> </ul>
<b>Government and Regulators</b>	<ul style="list-style-type: none"> <li>Regulatory seminars and conferences</li> <li>Ethics and transparency-related policies</li> <li>3R recycling initiatives</li> </ul>	<ul style="list-style-type: none"> <li>Compliance</li> <li>Ethics and transparency</li> <li>Food security issues</li> <li>Sharing of best practices</li> <li>Environmental initiatives</li> </ul>	<ul style="list-style-type: none"> <li>Regularly reviewing and monitoring the risk register, including climate-related risks</li> <li>Fully complying with regulatory requirements</li> <li>Adopting practices outlined in the Malaysian Code on Corporate Governance</li> <li>Supporting government initiatives</li> </ul>

# SUSTAINABILITY STATEMENT

## IDENTIFYING AND PRIORITISING MATERIALITY IN OUR OPERATIONS

SEM systematically undertakes an annual materiality assessment, strategically engaging internal and external stakeholders. This proactive approach prioritises and addresses critical issues affecting stakeholders and the business. Meticulously evaluating the repercussions on various stakeholders and the company helps us enhance transparency throughout operations.

This process ensures that our precisely tailored sustainability initiatives address the most pressing concerns, aligning our efforts with the paramount aspects of our business and societal impact. Employing this methodical approach fosters transparency and helps us to make informed decisions that contribute to the organisation's long-term success and sustainability.

## THE METHODOLOGY

During the fourth quarter of the fiscal year 2023, SEM engaged Ace CSR Sdn Bhd to conduct a materiality assessment, ensuring the confidentiality of respondents. A survey was administered to stakeholders, soliciting their evaluations on the significance of 15 sustainability areas. The respondents used a 5-point Likert Symmetric Scale, ranging from "very unimportant" (1) to "very important" (5), with a midpoint of (3) denoting neutrality. The Board and Senior Management Team actively participated, contributing valuable insights to SEM's comprehensive understanding.

### Stakeholder Groups Involved in SEM Materiality Study 2023



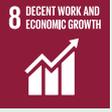
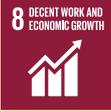
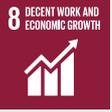
The Group ensures its sustainability practices contribute to local stakeholders and broader goals. The following table maps each material matter against the GRI and corresponding UNSDGs.

### Description of Materiality Study Topics

Topic	What We Do	Corresponding GRI	Corresponding UNSDGs
<b>Economic</b>			
Regulatory Compliance	Preventing anti-competitive behaviour and corruption while complying with all other economic, environmental and social legislation	<ul style="list-style-type: none"> <li>Anti-competitive behaviour</li> <li>Environmental compliance</li> <li>Socio-economic compliance</li> </ul>	
Supply Chain Management	Integrating environmentally and socially viable practices into the complete supply chain life-cycle	<ul style="list-style-type: none"> <li>Procurement practices</li> <li>Supplier environmental assessment</li> <li>Supplier social assessment</li> </ul>	
Market Reach	Reaching a broader customer base by providing seamless convenience	<ul style="list-style-type: none"> <li>Indirect economic impacts</li> </ul>	

# SUSTAINABILITY STATEMENT

## Description of Materiality Study Topics (Cont'd)

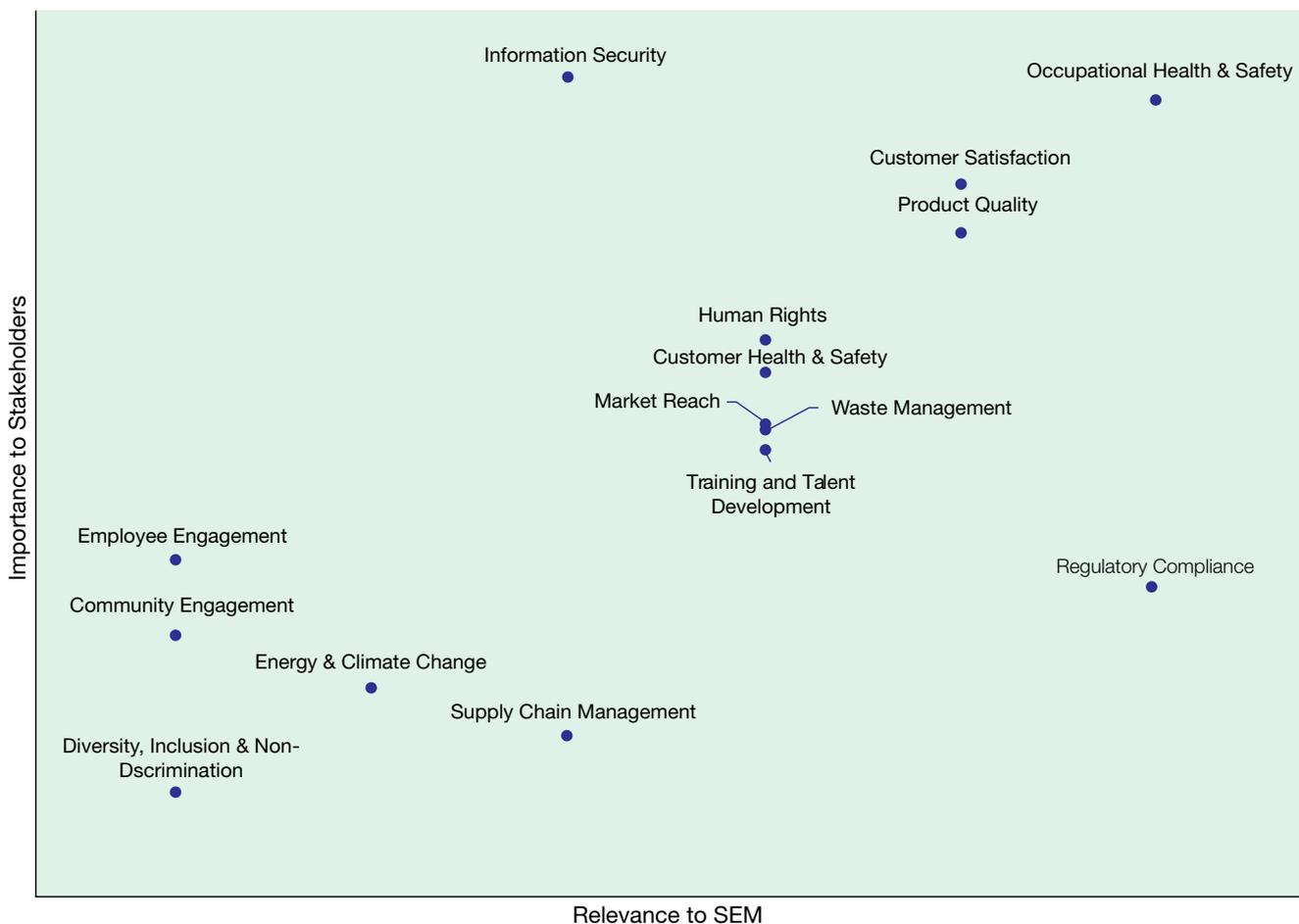
Topic	What We Do	Corresponding GRI	Corresponding UNSDGs
<b>Environment</b>			
Energy & Climate Change	Managing energy and greenhouse gases effectively and reducing them whenever possible	<ul style="list-style-type: none"> <li>Energy</li> <li>Emissions</li> </ul>	     
Waste Management	Minimising food waste, packaging and other types of waste and recycling whenever possible	<ul style="list-style-type: none"> <li>Effluents and waste</li> </ul>	  
<b>Social</b>			
Diversity, Inclusion & Non-discrimination	Promoting diversity and equal opportunities and eliminating all forms of discrimination in the workplace	<ul style="list-style-type: none"> <li>Diversity and equal opportunity</li> <li>Non-discrimination</li> </ul>	   
Community Engagement	Supporting local communities through charitable contributions and Corporate Social Responsibility initiatives	<ul style="list-style-type: none"> <li>Local communities</li> </ul>	 
Human Rights	Protecting all aspects of human rights, including protecting the indigenous population, staff welfare and security and ensuring there is no child or forced labour	<ul style="list-style-type: none"> <li>Human rights assessment</li> <li>Rights of indigenous peoples</li> <li>Security practices</li> <li>Child labour</li> <li>Forced labour</li> </ul>	  
Employee Engagement	Respecting employees' rights to joint representation and consultative practices	<ul style="list-style-type: none"> <li>Labour/management relations</li> <li>Freedom of association and collective bargaining</li> </ul>	
Training and Talent Development	Providing training and education to employees to expand their knowledge base for career development	<ul style="list-style-type: none"> <li>Employment</li> <li>Training and education</li> </ul>	    
Occupational Health and Safety	Keeping all workers safe and free from injury and both non-communicable and infectious diseases	<ul style="list-style-type: none"> <li>Occupational health and safety</li> </ul>	  
Customer Satisfaction	Ensuring high levels of customer satisfaction throughout our stores	<ul style="list-style-type: none"> <li>Non-GRI topic</li> </ul>	

# SUSTAINABILITY STATEMENT

## Description of Materiality Study Topics (Cont'd)

Topic	What We Do	Corresponding GRI	Corresponding UNSDGs
<b>Social</b>			
Customer Health & Safety	Addressing safe consumption and healthy nutrition through marketing, labelling and awareness	<ul style="list-style-type: none"> <li>Customer health and safety</li> </ul>	
Product Quality	Establishing stringent quality and assurance processes throughout all operations	<ul style="list-style-type: none"> <li>Customer safety and health</li> <li>Marketing and labelling</li> </ul>	 
Information Security	Protecting all information, including confidential business data, employee information and customers' data privacy	<ul style="list-style-type: none"> <li>Customer privacy</li> </ul>	

## Materiality Matrix



# SUSTAINABILITY STATEMENT

## RISK MANAGEMENT

SEM's risk and opportunity mapping identifies potential risks that could adversely impact the business and opportunities the Group could leverage for growth and sustainability. The following diagram maps SEM's risks and opportunities.



## Our Opportunities Mapping

Opportunities	Risk	Mitigation
Technology adoption	Rapid technological changes may pose integration challenges	Invest in adaptable technology solutions to stay ahead of industry trends and regularly update systems to ensure compatibility
Expansion into emerging markets	Unfamiliar market dynamics and regulatory environments	Conduct thorough market research and establish local partnerships.
Health and wellness trends	Failure to adapt to changing consumer preferences	Expand the healthy products range, clearly communicate nutritional information and align marketing strategies with wellness trends.
Sustainability and eco-friendly practices	Increased security if sustainability commitments are not met	Implement sustainable practices, set measurable targets and transparently communicate progress
Local and organic product demand	Supply chain challenges for sourcing local and organic products	Build strong relationships with local suppliers and invest in sustainable sourcing

Mapping risks and opportunities helps SEM develop a more comprehensive and balanced strategy to pursue growth and sustainability. Regularly reviewing and adjusting the mapping ensures that our approach remains relevant in a dynamic business environment.

# SUSTAINABILITY STATEMENT

## ECONOMIC SUSTAINABILITY

The economic sustainability of the retail and pharmaceutical industry relies on efficient supply chains, competitive pricing strategies and adaptability to evolving retail and healthcare landscapes. Investments in technology, streamlined distribution networks and environmentally conscious practices contribute to long-term viability. This approach achieves economic goals and contributes positively to societal well-being.

## SUSTAINABLE VALUE CHAIN

SEM inculcates sustainability throughout its complex value chain, incorporating best practices into policies and processes. The Group achieves a sustainable supply chain through responsible decision-making in collaboration with supplier partners, material procurement and the transport or logistics teams.

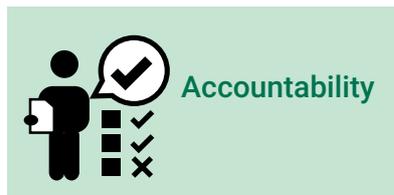
SEM incorporates suppliers' sustainability initiatives in the tendering process for new suppliers and conducts a thorough sustainability review of existing strategic partners. The procurement and sustainability units track progress towards established objectives.

## SUSTAINABILITY DEMANDS ON SUPPLIERS

Ensuring sustainability across operations is a top priority. Enforcing strict sustainability guidelines in our Suppliers Code of Conduct ("SCC") ensures suppliers meet their respective environmental and social responsibilities. All suppliers must comply with our sustainability requirements in their operations, including environmental and social work demands, as set out in our Vendor Code of Conduct. Communicating these guidelines in a language suppliers understand also boosts compliance.

Close collaboration with suppliers and aligning their practices with our sustainability standards fosters a responsible supply chain. Long-term partnerships are pivotal in shaping SEM's strategy for a sustainable supply chain. We engage with suppliers to exchange ideas and collectively address industry-wide environmental and social issues. Within our Vendor Code of Conduct, we emphasise environmental consciousness and workplace safety, urging suppliers to operate sustainably and prioritise the well-being of their employees. SEM Vendor Code of Conduct consists of five main principles.

### Five Main Principles of SEM's Vendor Code of Conduct



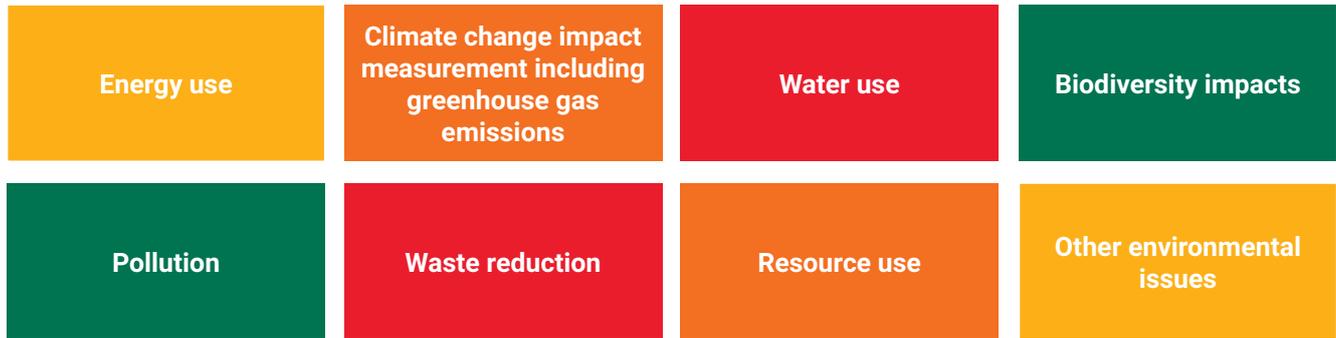
Engaging with major suppliers increases their understanding of social and environmental responsibilities. These sessions function as forums for exchanging best practices derived from a diverse array of industry leaders. The goal is collective development, enabling us to tackle widespread environmental and social risks across the industry in unison.

# SUSTAINABILITY STATEMENT

## ENVIRONMENTAL SUPPLY CHAIN

The Group is committed to its supplier sourcing assessment processes, which include social and environmental elements such as reducing greenhouse gas emissions, energy and water conservation within the value chain and compliance with the applicable environmental laws and regulations.

### Elements of Our Supplier Sourcing Assessment Processes



We integrated environmental policies into the Group’s supply chain process. More importantly, we have communicated our goals and expectations to major suppliers through formal meetings and regular engagement, such as conducting training and workshops for relevant supplier staff.

Potential or new suppliers are subject to an environmental risk assessment as part of our due diligence to ensure compliance with our environmental standards. SEM conducts similar risk assessments for existing suppliers, especially those high-risk environmentally, and ad-hoc and planned periodic supplier reviews. The Group visits its suppliers regularly and discovered no significant cases of non-compliance in FY2023.

We will continue to mitigate environmental impacts in our supply chain by participating and collaborating in workshops and industry and topic-specific initiatives. Our membership in various relevant organisations, such as the CEO Action Network (“CAN”), addresses industry and topic-specific environmental sustainability in the supply chain initiatives.

We invite suppliers to join us on our green journey and encourage them to monitor, record, report and share their environmental performance and impact reduction. We share our knowledge with suppliers, provide tools to evaluate their environmental footprint, define suitable improvement activities and reward progress and proactivity. Suppliers are also encouraged to minimise their impact on biodiversity and pollution and practise resource waste reduction.

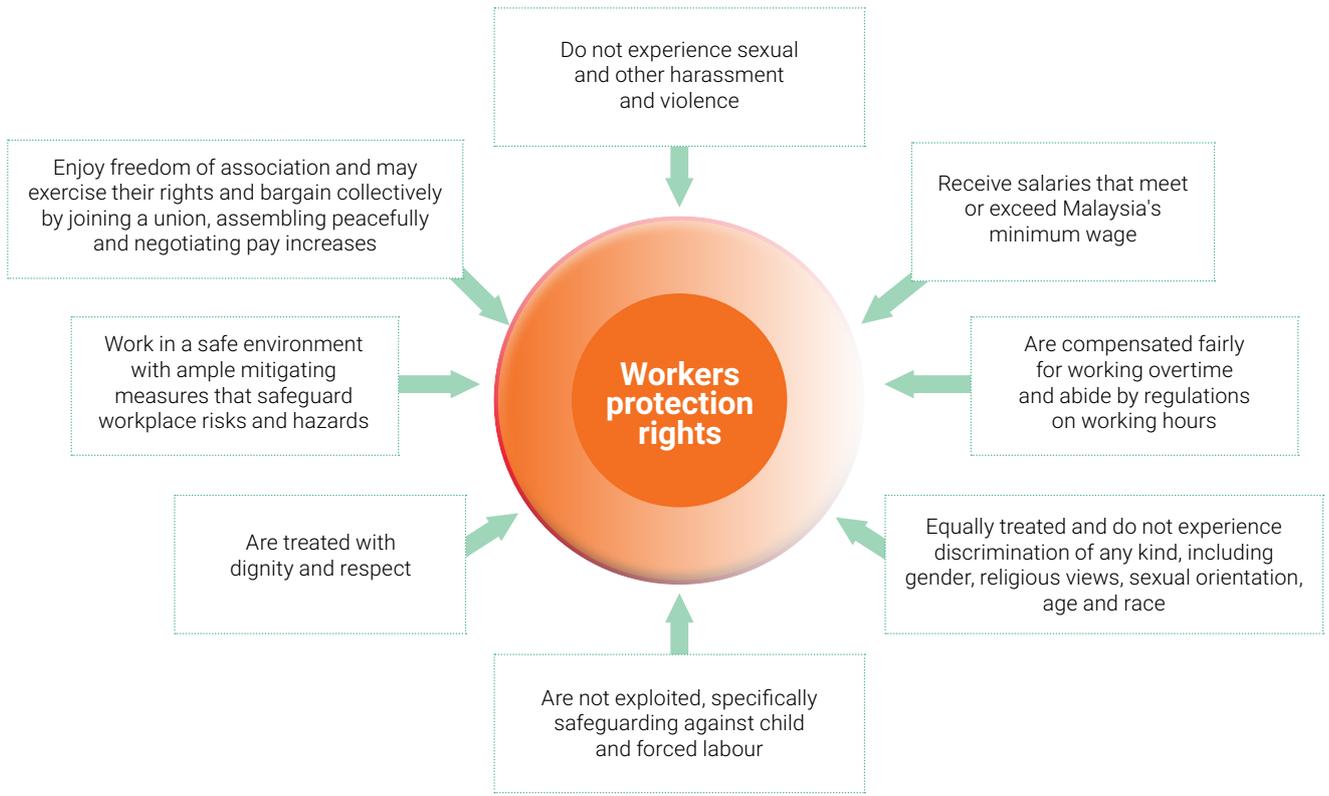
SEM commits to adopting green technology, where feasible, across its supply chain to track GHG emissions and energy use at its operations. Collaborating with suppliers, SEM reviews packaging materials and maintains an in-house database with built-in sustainability metrics for continuous improvement projects across the supplier portfolio. As a part of our ongoing initiatives to enhance supply chain efficiency, our pharmaceutical division is implementing a strategic decision to bring back e-store fulfilment to our Central Distribution Centre (“CDC”). This move addresses challenges associated with slow-moving or non-moving stock in third-party warehouses.

## SOCIAL SUPPLY CHAIN

Social responsibility in a supply chain concerns suppliers protecting and fairly treating those working indirectly. Major supply chain partners must adhere to all social standards stipulated by Malaysian Labour Law and the International Labour Organisation (“ILO”). The Group’s formal Ethical Code of Conduct for suppliers includes terms to ensure suppliers treat their workers fairly.

# SUSTAINABILITY STATEMENT

## Terms and Principles Included in SEM's Ethical Code of Conduct to Ensure Workers are Fairly Treated



### Supplier assessment criteria

- Recognised quality certifications or equivalent quality assurance
- Health and safety work policies
- Measures that protect employee health and safety in the workplace
- Meet or exceed local minimum wage

### Other requirements for suppliers (new and existing)

- Undergo social risk assessment regarding social issues as part of due diligence
- Must comply with relevant employment laws, rules and regulations
- Must exhibit professional conduct at all times

## Suppliers Support: Nurturing Growth Together

 <p>SEM integrated the social supply chain policy and practices into buyer training, purchasing policy and suppliers' contracts.</p>	 <p>Suppliers' social supply chain codes are communicated in English and relevant languages through purchasing policy, supplier contracts and training.</p>	 <p>Major suppliers are encouraged to inform workers of social obligations in a language they can understand.</p>	 <p>New and existing major suppliers undergo social risk assessment as part of due diligence to ensure they comply with our standards.</p>
 <p>Major suppliers, particularly those identified as 'high risk', are assessed informally and formally, and if necessary, through physical inspection audits.</p>	 <p>55 vendors and subcontractors were monitored and audited in FY2023 with no non-compliance recorded.</p>	 <p>SEM continues supporting suppliers through continuous capacity building and sharing best practices.</p>	 <p>SEM and its suppliers work together on animal welfare, ensuring ethical and humane treatment is a fundamental consideration across operations.</p>

# SUSTAINABILITY STATEMENT

## LOCALLY GROWN, LOCALLY LOVED

SEM's commitment to local hiring is a cornerstone of its corporate ethos, driven by the belief in empowering and nurturing local talent. This multifaceted commitment encompasses several key strategies to ensure equitable opportunities and foster the growth of the local workforce.

### SEM Local Procurement Strategies

#### Equal Opportunity for Local Talent

- We source our products and services locally whenever possible and practicable. We also prioritise local suppliers and SMEs at our events, for partnerships or collaborations for growing our range of private labels or own-brand products.

#### Targeted Local Advertising

- SEM strategically utilises several platforms to attract local talent, such as highlighting positions on its career page, partnering with local online job portals, distributing community flyers and displaying banners in prominent local areas. This localised approach maximises visibility among local talent pools.

#### Skill-Based Hiring with Local Preference

- SEM prioritises the skills and experience required for the job during hiring. Preferring local talents supports the Group's commitment to supporting and uplifting the community through employment opportunities.

#### Partnerships for Enhanced Outreach

- SEM collaborates with local educational institutions and government agencies such as PERKESO, HRDF and state governments. This collaboration identifies talent, initiates skills development programmes and fosters a stronger connection with the local talent ecosystem.

#### Competitive Compensation and Benefits

- SEM attracts and retains top local talent by offering competitive remuneration packages. The Group's comprehensive benefits programme includes healthcare, retirement plans and various perks that ensure employees' well-being and satisfaction.

#### Supportive Work Environment

- Recognising the potential difficulties certain employees face, SEM provides comfortable accommodation for those in need and complimentary transportation services. This dedication lets employees concentrate on their responsibilities, free from housing or commuting worries.

## UPHOLDING ETHICAL BUSINESS PRACTICE

SEM upholds the highest standards of ethics and integrity to prevent unethical conduct. Our Code of Conduct and Business Ethics ("CCBE") outlines proper business practices with a zero-tolerance policy towards corruption, including bribery, kickbacks, fraud and money laundering.

All board members and employees fully embrace and adhere to the CCBE and the ABAC. They undergo specific training aligned with these policies to ensure comprehensive compliance.

The ABAC publicly communicates our unwavering stance against bribery and corruption. Our subsidiaries' Board of Directors endorsed this policy, complying with relevant regulations.

# SUSTAINABILITY STATEMENT

## UPHOLDING ETHICAL BUSINESS PRACTICE (CONT'D)

We communicate the ABAC policy to employees during orientation, publish relevant policies on our website and distribute them to all employees and business partners. Employees must demonstrate their understanding and commitment to anti-corruption through regular training. Strict disciplinary measures, including termination, are enforced against those who violate the policy. SEM's employees, subsidiaries, newly appointed service providers and vendors must sign an Integrity Declaration Form.

Throughout the year, SEM delivered multiple ABAC training sessions, including three sessions specifically for Store Support Centre ("SSC") colleagues and ten sessions for store colleagues.

Our ABAC and No-Gift Policy establish ethical standards for our employees, suppliers and business partners, prohibiting corruption and bribery. Before this year's festive seasons, we issued ABAC guidelines reminders, explicitly emphasising the need for gift declaration. Contractors and suppliers must also follow these rules; failure to comply may result in contract termination.

Identifying corruption risks in our risk register helps us design effective mitigation strategies and deploy resources to combat bribery, corruption and fraud. All contractors, subcontractors, intermediaries and third parties undergo corruption and bribery risk assessments, declaring their non-involvement in misconduct or illegal behaviour. Comprehensive screening of business partners for corruption and bribery aligns with our compliance requirements.

SEM offers a Whistleblowing Channel for secure and anonymous reporting of non-compliance. We encourage individuals to take responsibility for reporting misconduct, such as bullying or harassment, using the channels described in the Fit and Proper Policy on our corporate website. Trained officers are responsible for handling reported incidents, including bullying, harassment, bribery, financial irregularities and other offences within the company.

Bribery



• Bribery is commonly defined as the offering, promising, giving, accepting or soliciting of an advantage as an inducement for an action which is illegal, unethical or a breach of trust. Inducements can be gifts, loans, fees, rewards or other advantages (taxes, services, donations or favours).

Corruption



• Corruption is commonly defined as an act to gain an advantage inconsistent with official duty and the rights of others.

## CONFLICT OF INTEREST

Conflicts of interest, though not inherently prohibited in bribery and corruption laws, heighten the risk of corrupt practices. SEM promotes transparency by requiring prompt disclosure of conflicts, even if specific guidelines are not explicitly outlined. Individuals must refrain from decision-making related to conflicts of interest, as mandated by both SEM's policies and legal regulations.

## POLITICAL CONTRIBUTIONS

SEM adopts a practice of non-affiliation with any political entity and strictly prohibits making political contributions or favours on its behalf. While employees, directors, and business associates may make personal political donations, they must make these contributions independently and not be associated with SEM.



# SUSTAINABILITY STATEMENT

## ENVIRONMENTAL SUSTAINABILITY

SEM strongly advocates for environmental sustainability, demonstrating an unwavering commitment to green practices. Incorporating eco-friendly policies into supply chains, involving suppliers in green initiatives, and conducting thorough risk assessments help SEM achieve a harmonious balance between business success and responsible environmental stewardship. This commitment ensures a future built on sustainable practices.

The Group has recently formalised its Environmental Policy, which sets out fundamental principles, including:

- Compliance with environmental laws and regulations
- Conservation of energy and other resources
- Climate change management
- Waste minimisation
- Responsible procurement
- Environmental education and awareness
- Environmental management and procedures

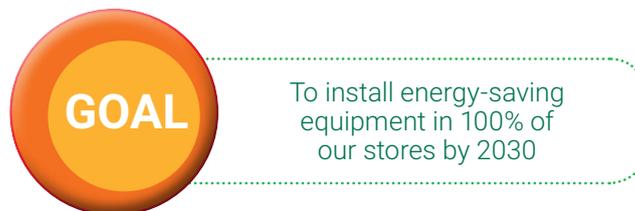
## ENERGY AND CLIMATE CHANGE MANAGEMENT

We commit to reducing energy use and minimising environmental impact through continuous assessment, innovation and efficient practices. Carefully considering processes, materials and technologies optimises resources, reduces waste and improves overall efficiency.

Addressing climate change is a paramount global challenge. SEM acknowledges the significance of minimising emissions across its extended supply chain and recognises climate change's destructive consequences and short- and long-term business risks. The Group's unwavering dedication to tackling this issue involves enhancing operational efficiencies to avoid the impact of climate change and improve efficiency.

The SWG and Sustainability Units, overseen by the RMSC, devise strategies to manage and decrease our environmental footprint efficiently. During quarterly meetings, the Board is briefed on their progress and upcoming plans.

Our climate change strategy includes working with employees and supply chain partners on energy-saving systems and a climate change risk assessment.



SEM promotes energy conservation and climate change through adaptation, including enhancing energy efficiency in lighting, ovens and freezers. Our commitment is evident because 100% of our store lighting utilises energy-saving LED and induction lights. We spent RM1.0 million on this upgrading work.

All new air-conditioning units boast a minimum three (3), preferably four (4)-star rating, highlighting their power efficiency. Embracing technological innovation and implementing energy-efficient enhancements remain integral to our approach. As part of our commitment to addressing climate change and enhancing efficiency, we actively incorporate new and green technologies where feasible throughout our supply chain. Specifically, we have implemented a tracking system to monitor operational greenhouse gas emissions and energy consumption.

SEM integrated climate-related risk management into the Group-wide risk scorecard. It is part of the foundation for formulating the business strategy and selecting future R&D and technological investments. Specifically, SEM's climate risk management process includes mitigation efforts to reduce greenhouse emissions and climate engineering. We integrate climate-related risks and opportunities into the Group's strategy, especially when designing new processes, R&D, sourcing strategy and mitigation plans.

Climate change affects operating costs ("OPEX") and capital expenditures ("CAPEX"). Our stores' efficiency, output and performance can decrease due to changing climate conditions. Further, CAPEX could increase due to premature replacements or repairs, and OPEX might also rise due to the increased need for congestion management.

# SUSTAINABILITY STATEMENT

We work closely with regulators and regularly consult on ways to address challenges brought by climate change, such as through public policy implementation. The Group shapes public policy and regulations, with our Pharmaceutical Division being a CEO Action Network (“CAN”) member. This closed-door peer-to-peer informal network of CEOs of leading Malaysian businesses focuses on sustainability advocacy, capacity building, action and performance. Members meet regularly to discuss growing business challenges: accelerating climate change and the climate emergency, increasing social injustices and corporate governance failures. Our role and involvement in this membership include:

- Identifying pressing environmental issues in climate change, water and waste
- Collaborating on solutions that drive improvement within SEM and throughout the value chain

We continue to ensure consistency between our climate change policy and the position we advocate at trade associations of which we are members. We commit to responding appropriately during conflicts of opinion by identifying gaps and initiating a process that alerts the Group to new areas of development and industry best practices.

SEM is committed to being a part of tackling the climate change problem, emphasising reducing GHG emissions in the following areas:

Carbon Footprint Scopes	What We Do
Direct energy consumption within the organisation (scope 1)	Monitoring and recording the company vehicles’ petrol and diesel use
Indirect energy consumption from energy use (scope 2)	<ul style="list-style-type: none"> <li>• Monitoring and recording the electricity consumption across our entire operations</li> <li>• Lighting 100% of our stores with LEDs</li> <li>• Improving the efficiency of air-conditioning and chillers upgraded, saving RM2.1 million</li> </ul>
Energy consumption outside the organisation from various stakeholders (scope 3)	Measuring the overall environmental impact of products from storage to delivery with the 7E Cross Dock System reducing the trip frequency by 80%

## Carbon Footprint Calculations



\* Please refer to the Performance Data Table on page 65 of this Annual Report for detailed data on our environmental footprint.

## SCOPE 3: EMPLOYEES’ DAILY COMMUTE TO WORK

Significant CO<sub>2</sub> emissions result from employees travelling to and from work. In 2023, SEM estimated the total annual emissions produced by our entire workforce’s daily commute. SEM tracks these emissions annually.

## METHODOLOGY

During the last quarter of 2023, SEM launched a survey to ascertain employees’ typical travel methods, approximate total daily distance travelled, and the type, age, engine size and fuel used if employees used their vehicles. All employees were encouraged to respond.

A Mobile Combustion GHG Emissions Calculation Tool from the GHG Protocol Initiative helped calculate the emissions of each respondent. SEM estimates these annual emissions based on employees working an average of 242 days annually.

# SUSTAINABILITY STATEMENT

## SCOPE 3: EMPLOYEES' DAILY COMMUTE TO WORK (CONT'D)

### RESULTS

The following table shows SEM employees' commuting methods in 2023

Transport Type	No. of Passengers	Estimated total number of employees	% of Employees
Bus	5	226	1.69%
LRT	79	3,569	26.69%
Train	7	316	2.36%
Car	142	6,414	47.98%
Motorcycle	63	2,846	21.28%
<b>Total</b>	<b>296</b>	<b>13,371</b>	<b>100.00%</b>

In 2023, SEM employees travelled an estimated 104,266,516 km to and from work. The total yearly CO<sub>2</sub> emissions for employees commuting in 2023 was 18,437 tonnes.

Transport Type	Daily Distance per Sample (km)	Total Yearly Distance of Sample (km)	Estimated Total Year Distance (km) of SEM	Total Yearly Emissions (MT CO <sub>2</sub> e) of Sample	Estimated Total Yearly Emissions (MT CO <sub>2</sub> e) of SEM
Bus	299	72,358	3,268,577	4.82	218
LRT	1,788	432,696	19,545,872	44.00	1,987
Train	241	58,322	2,634,539	6.72	303
Car	4,924	1,191,608	53,827,671	282.96	12,783
Motorcycle	2,286	553,212	24,989,857	69.65	3,146
<b>Total</b>	<b>9,538</b>	<b>2,308,196</b>	<b>104,266,516</b>	<b>408.15</b>	<b>18,437</b>

### CLIMATE CHANGE RISKS AND OPPORTUNITIES

Climate change risks include changes in the global climate system, region-specific regulatory reinforcement, market trends, stakeholder needs and changing physical environment.

In the short term, SEM recognises extreme weather events and the need for high-efficiency technologies as potential risks while viewing reduced energy costs as immediate opportunities. Mid-term prospects involve anticipating changing consumption patterns and embracing expanded renewable energy use. Looking ahead in the long term, the company perceives physical impacts like climate change as risks. SEM adopts response measures for long-term risks in line with emissions mitigation plans guided by the Paris Agreement, the Intergovernmental Panel on Climate Change's ("IPCC") emissions scenarios, and the International Energy Agency's ("IEA") Energy Technology Perspectives.

SEM has seamlessly incorporated the Task Force on Climate-related Financial Disclosures ("TCFD") framework into its sustainability disclosure and climate change management, meticulously assessing risks stemming from climate change across all upstream and downstream activities in the value chain. The company vigilantly monitors and addresses these identified risks.

<b>Governance</b>	The Board of Directors oversees SEM's initiatives to identify, assess and integrate climate-related risks and opportunities and progress toward goals and targets throughout the organisation. The RMSC meets quarterly to discuss climate-related issues and other sustainability matters, which it brings to the Board's attention for discussion, review or approval as appropriate.
<b>Strategy</b>	SEM has conducted several discussions with internal stakeholders across operations to identify climate risks relevant to the Group. The Group currently addresses climate-related risks and opportunities, focusing on assessed physical and transition risks and opportunities. This initiative considers significant increases in the global average temperature and the ambitious pathway towards achieving net-zero emissions by 2050, as outlined in the Paris Agreement. Based on these scenarios, we will integrate these considerations into our financial planning, aligning them with our formulated adaptation and mitigation plans.
<b>Risk management</b>	All identified risks, including climate-related ones, are strategically assessed and managed through our risk management process, which we have integrated into the Group's Enterprise Risk Management ("ERM") framework.

# SUSTAINABILITY STATEMENT

## CLIMATE CHANGE RISKS AND OPPORTUNITIES (CONT'D)

<b>Metrics and targets</b>	All our carbon emission data adhere to the methodologies outlined in the GHG Protocol Corporate Accounting and Reporting Standard. SEM is actively working to formalise its climate-related performance metrics and tracking. As part of our commitment to achieving carbon neutrality, SEM is developing climate-related targets associated with GHG emissions, energy consumption, water consumption and waste generation.
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### SEM CROSS DOCK SYSTEM

SEM implements the 7E Cross Dock System to optimise its supply chain and reduce its environmental impact. This system involves suppliers delivering products to our Centralised Distribution Centres ("CDC"), where goods are consolidated before moving to regional cross-dock hubs for separation and delivery to stores. Eliminating individual supplier trips to stores nationwide helps reduce CO<sub>2</sub> emissions significantly, cutting the frequency of trips by 80%. This efficient process emphasises SEM's commitment to sustainability and operational excellence.



Reduces CO<sub>2</sub> emissions by eliminating delivery trips to our outlets nationwide



Reduces packaging waste, pollution, and natural resource use



Reduces trip frequency by 80%

Despite our growing store base, we aim to lower both diesel consumption and CO<sub>2</sub> emissions each year, as shown below:

Year	Diesel consumption: savings (litres)	CO <sub>2</sub> Emissions: savings (tonnes)	Number of convenience stores
2021	353,291	1,024	2,427
2022	357,561	1,036	2,472
2023	428,541	1,243	2,566

### EMISSIONS MANAGEMENT

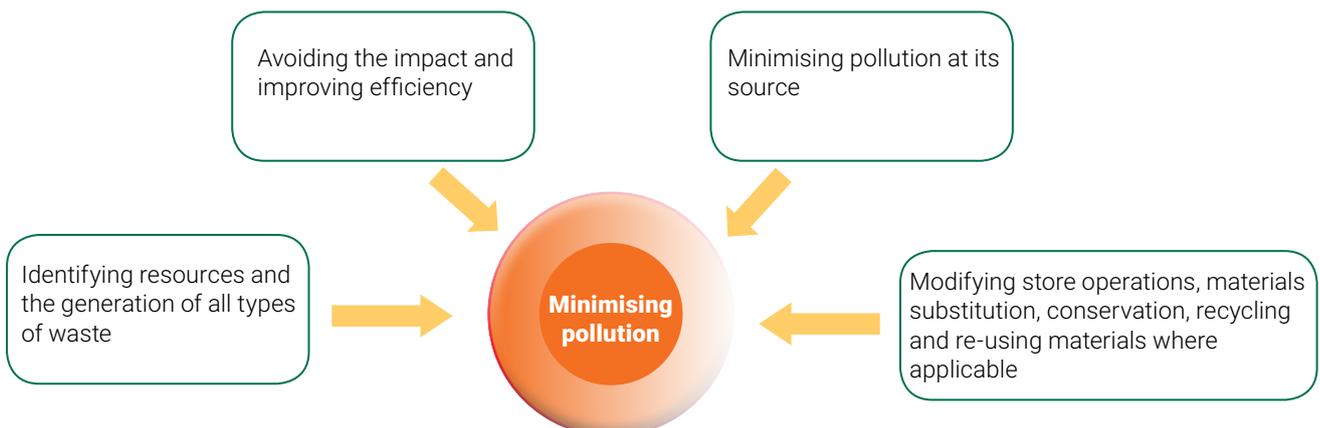
2030  
GOAL

100%

electric material handling equipment across all distribution centres and the food commissary.

### POLLUTION PREVENTION AND CONTROL

SEM actively manages its resource utilisation, focusing on efficiency and waste reduction. The company is committed to addressing pollution and minimising its environmental impact by using resources more efficiently and decreasing the volume of generated waste.



# SUSTAINABILITY STATEMENT

## WASTE MANAGEMENT

SEM embraces circular economy principles whenever possible to create value and contribute to environmental solutions. Implementing eco-friendly initiatives across all its stores, such as biodegradable plastic bags and sustainable packaging, helped reduce waste.

### SAYING GOODBYE TO PLASTIC POLLUTION

We are actively extending our efforts to reduce single-use plastic across the entire supply chain by transporting goods in reusable plastic pallets, tote boxes, food trays and milk crates from our distribution centres to the stores. These cost-effective and durable reusable items substantially reduce waste.

### DID YOU KNOW?

CARiNG loyalty earned members 20 points in rewards when opting for no plastic bags from 2023. The goal for 2024 is to motivate more members to opt for paperless receipts.

Essentially, we strive to minimise the impact of waste and commit to improving efficiency through effective resource use by practising recycling whenever possible. Recyclable waste generated at our CDCs comprises corrugated carbon boxes and plastics. Carton boxes used for packing, storage and shipment of products from CDCs to stores are the most recycled waste, accounting for up to 90% of the total waste recycled.

#### Waste Recycled at CDC by the Convenience Store Division

Waste Recycled (kg)	FY2021	FY2022	FY2023
Corrugated Carton Boxes	659,712	735,630	811,220
Plastics	31,750	49,430	35,170
<b>Total</b>	<b>691,462</b>	<b>785,060</b>	<b>846,390</b>

#### Waste Recycled at CDC by the Pharmaceutical Division

Waste Recycled (kg)	FY2021	FY2022	FY2023
Corrugated Carton Boxes	88,620	108,601	118,100
Polypropylene	332	228	237
<b>Total</b>	<b>88,952</b>	<b>108,829</b>	<b>118,337</b>

7Cafe has implemented effective waste management strategies, including:

- Selling used cooking oil to oil collectors
- Repurposing bread skins into products such as bread crumbs and animal feed

Piloting speed ovens, chilled display cases and other new cooking equipment will also improve waste management.

# SUSTAINABILITY STATEMENT

## ADDRESSING FOOD WASTE



**100%** of food waste repurposed from the food commissary as animal feed  
**10** annual awareness campaigns address food loss and waste

Food waste is one of the significant concerns for Convenience Stores, and there are difficult trade-offs and considerations concerning store replenishment and re-ordering. We are collaborating with food waste experts to explore in-store food decomposition methods to address this challenge effectively. We aim to develop innovative and responsible solutions for efficiently managing food waste within our stores.

7E has formulated an "Ordering Training Class" for its Operations Team, a guide for store managers to perform optimal replenishment ordering. This guide primarily uses historical sales trends and min-max shelf capacities to minimise food wastage and write-offs.

### Food Waste Minimisation Initiatives

- Avoiding over-stocking

- Reducing daily wastage, particularly for products with a short shelf life

- First-in-First-out (FIFO) inventory management

- Carefully controlling temperature to avoid food spoilage

## WHAT'S COMING UP?

### 7EGREEN PROGRAMME

Set to launch in 2024, the 7EGoGreen focuses on reducing the carbon footprint through sustainability initiatives. This programme includes the Bring Your Own Cup ("BYOC") campaign and the Waste2Life recycling initiative as its core components. BYOC raises awareness and educates and engages with NGOs, NPOs, the public and employees through diverse activities and "call-to-action" initiatives. Promoting reusable cup usage and implementing effective recycling methods cultivates an environmentally conscious community while nurturing a culture of sustainability.

### BRING YOUR OWN CUP

We will roll out the "Bring Your Own Cup" programme at all 7CAFé stores in 2024. Customers bringing their reusable cups will receive a 5% discount on hot and cold beverages. This initiative reduces environmental impact by promoting reusable cups, fostering a more sustainable approach to beverage consumption.

Target: To reduce plastic waste by increasing monthly disposable cup use from 8,000 to 9,000.

### WASTE2LIFE

The Waste2Life programme increases community engagement by collecting recyclable plastic and cardboard materials. Organising knowledge-sharing sessions delivers accurate information about recycling practices to the community. We are collaborating with NGOHub and AFES to reduce waste by organising a recycling event in a low-income community (Rumah PPR). This event educates the community, encourages recycling efforts and highlights the benefits of recycling to the residents.

Target: To collect between 80 kg and 100 kg of recyclable plastic and cardboard.

# SUSTAINABILITY STATEMENT

## GROWING WITH OUR PEOPLE

SEM prioritises its employees, exemplifying its commitment to safety, growth and development. Our dedication extends to fostering an engaging and professional atmosphere, allowing our team to contribute meaningfully to the fast-paced and demanding environments of the retail and pharmaceutical sectors.

A comprehensive CCBE guides our strong belief in conducting ethical operations. The Group's CCBE lists fair employment standards and practices. We communicate our labour standards stance to all employees in English as it is the most commonly used business language. This document is translated into other languages, including Bahasa Malaysia, when necessary.

Periodically, we participate in workshops or industry/topic-specific collaboration projects that provide industry solutions that improve labour standards in Malaysia. As part of our risk assessment procedure, we regularly review the labour standards of existing operations and potential business and supply chain partners as part of due diligence. We familiarise all parties with our CCBE from time to time. SEM also supports the United Nations Global Compact, which addresses labour standards and human rights. There were no instances of non-compliance with labour standards during this reporting period.

## INCLUSIVE CULTURE

SEM fosters inclusivity and diversity within the organisation. We champion equal opportunities for all, creating an environment that respects and values every individual. Discrimination based on race, religion, gender, age, sexual orientation, disabilities, or nationality has no place within SEM.

## EQUALITY IN HIRING, PAY AND PROMOTION

SEM adheres to local labour laws during recruitment, preferring hiring locally. However, diverse talent and expertise are vital for our ever-expanding international customer base. When these talents and expertise are unavailable locally, we source internationally.

We implement diverse programmes to promote local hiring. In our pharmaceutical division, the Referral Incentive Programme encourages employees to recommend talented individuals interested in joining the team. Fair employment practices actively tackle youth unemployment in Malaysia by advocating for the inclusion of underprivileged groups, encompassing individuals from deprived backgrounds and those with limited formal education or qualifications. We firmly adhere to the principle of 'equal pay for equal work,' ensuring compliance with all local laws. We observe the principle of equal remuneration for work of equal value in establishing wage structures.

## EXPANDING HORIZONS IN EMPLOYMENT OPPORTUNITIES

SEM has undertaken several initiatives to provide employment opportunities, bolster capacity building, address youth unemployment and support talent development.

Comprehensive personal development training for employees enhances skills, fosters leadership qualities and promotes well-being. These initiatives include communication skills, time management, emotional intelligence and resilience workshops.

## TRANSFER PROGRAMME

SEM launched its Transfer Programme to recruit individuals outside the Klang Valley to fulfil workforce demands within this area. In 2023, we recruited 83 employees to the local workforce through this programme.

"I was trying to find a job in Kelantan but faced difficulties. Fortunately, I came across this programme, and in the end, I secured employment."

- Asliza from Kelantan

"Although I have to be away from my family, I am very satisfied with the benefits offered."

- Mumtaz from Sabah

# SUSTAINABILITY STATEMENT

## COLLABORATION WITH JAKOA (ORANG ASLI)

In June 2023, SEM collaborated with JAKOA, explicitly targeting the Klang Valley. This collaboration resulted in the recruitment of 17 individuals in 2023, showcasing SEM's commitment to engaging with diverse communities and offering employment opportunities to a broader spectrum of individuals, including the *Orang Asli* community.

"Even though it's my first time being far from my hometown, I feel secure with the provided accommodation and transportation."

- Sengayong from Kampung Pos Titom Lipis, Pahang

"I enjoy working here with friends from my hometown."

- Erman from Kampung Kuala Senta Bidor, Perak

## REMUNERATING FAIRLY

Offering competitive and fair remuneration is crucial for attracting top talent and retaining our valued employees. Our commitment ensures that every facet of employee compensation aligns with applicable laws, encompassing living wage principles, minimum wages, overtime hours and legally mandated benefits. As part of this commitment, we conduct regular salary studies against industry peers to ensure fair and equitable remuneration for our valued employees and maintain competitiveness.

Employees receive competitive compensation, including leave, overtime pay, professional memberships and comprehensive medical coverage, demonstrating our commitment to their well-being and professional development.

Moreover, we extend support to our employees' families through various programmes, such as disaster relief donations during challenging times and providing book subsidies to educate employees' children.

## OUR UNIQUE BENEFITS

### SEM CARE: EMBRACING SOLIDARITY TOGETHER

The Convenience Store Division offers financial aid of RM500 to employees who test positive for COVID-19 through its Covid-Pampasan Prihatin initiative. This support helps individuals cope with the financial burdens associated with the pandemic.

SEM also implemented the Bantuan Prihatin Bencana programme. This programme gives RM500 financial aid to employees affected by natural disasters such as floods or fires. The goal is to provide timely and meaningful support to employees facing unexpected challenges from these unfortunate circumstances.

These initiatives underscore SEM's commitment to the well-being and welfare of its employees to alleviate financial stress and contribute to a sense of solidarity within the workplace community.

### COMPREHENSIVE WORK-LIFE BALANCE PACKAGE

SEM fosters a work environment that supports a healthy work-life balance, prioritises employee well-being and provides eligible employees with a 50% gym subsidy and flexible working hours. Pharmaceutical Division employees receive complimentary health checks from our in-house pharmacists.

## EMPLOYEE ENGAGEMENT AND WELL-BEING

SEM fosters a dynamic work culture and prioritises employee engagement and well-being as core principles. With a steadfast commitment to diverse initiatives and events, SEM cultivates a supportive and enriching environment for all employees. Established structures facilitate and enhance employee engagement within the organisation.

Employee representatives maintain open lines of communication to engage with company management actively. These frameworks encourage collaboration and a positive work environment, ensuring employees' active involvement and satisfaction. Mentorship and grievance channels are examples of organisational mechanisms that allow employee representatives to engage with company management.

# SUSTAINABILITY STATEMENT

Cultural Celebrations and Events	<ul style="list-style-type: none"> <li>• Cultural festivals: Celebrations for Chinese New Year, Hari Raya and Diwali</li> </ul>
Empowerment and Awareness	<ul style="list-style-type: none"> <li>• Celebrating International Women's Day and conducting mental health awareness talks</li> </ul>
Community Involvement and Volunteer Work	<ul style="list-style-type: none"> <li>• CSR activities: Engaging in various CSR initiatives, such as volunteering with soup kitchens, assisting handicapped households, park cleaning and supporting animal shelters</li> </ul>
Health, Wellness and Development	<ul style="list-style-type: none"> <li>• Physical fitness: Gratitude Friday celebration, weekly Zumba and organising annual sports tournaments such as badminton and bowling for employees.</li> <li>• Professional development: Leadership retreats, townhall sessions and creative workshops</li> </ul>
Exclusive Employee Engagement	<ul style="list-style-type: none"> <li>• Exclusive events: Providing exclusive movie screenings for employees during movie launches</li> </ul>
Recognition	<ul style="list-style-type: none"> <li>• Best Academic Award, Employee Service Anniversary Award, Best Department Award and Best Pharmacist Award</li> </ul>

## MEASURING WORKPLACE EMPLOYEE SATISFACTION

In February 2023, our Convenience Store division conducted an extensive employee engagement survey utilising NPS methodology. The survey encompassed various engagement drivers, including career development, leadership, physical workplace conditions, pay and benefits, targeting employees from the SSC to Store Managers. The survey achieved a response rate of 68%. We analysed the results at organisational and departmental levels, categorised by employees' years of service and job levels. Sharing these reports with department heads and Co-CEOs provided actionable insights to enhance employee satisfaction and engagement.

Overall, employees highlighted a positive co-working relationship among their team members and supportive leaders and colleagues who help them achieve their goals. Employees also expressed pride in working for a brand well-known by many people and reported satisfaction with their work-life balance. Some feedback included concerns about insufficient headcount leading to increased workload, inefficiencies in specific work areas, and recommendations for the Group to review salary and career growth opportunities.

The Group considered all feedback and is improving its performance in each area, including exploring talent management systems and streamlining and automating work processes.

## MANAGING GRIEVANCES

SEM maintains a systematic approach to grievance management, prioritising employee engagement and a harmonious workplace. In 2023, we received and successfully resolved 96 grievance reports. The resolution process involves gathering comprehensive information, constructing timelines and facilitating clarifications through inquiries or investigations led by the employee's superior. We provide regular updates to the complainant throughout the process.

## EMPOWERING, CELEBRATING AND ELEVATING WOMEN

SEM's commitment to gender equality and women's empowerment is deeply rooted in organisational values. We actively championed initiatives supporting women across various aspects of life throughout the year, offering career development training and specific benefits such as flexible working hours.

Our commemoration of International Women's Day involved hosting a compelling panel discussion titled 'Embracing Equity: Let's Stay Inclusive.' This discussion delved into gender equality nuances, strategies for inclusivity and dismantling societal biases. Implementing actionable measures fosters an inclusive workplace culture.

We motivated employees to break from their usual work schedules and volunteer for a women's shelter aiding trafficked refugees in line with our commitment to diversity and encapsulating our ethos reflected in #alwaysthereforyou. The volunteers painted the shelter, engaged compassionately with the female residents and created a DIY recycling area. This meaningful experience fostered a culture of volunteerism and social responsibility.

# SUSTAINABILITY STATEMENT

## SAFETY AND HEALTH

SEM is committed to high safety and health standards throughout operations. Adhering rigorously to the Occupational Safety & Health Act 1994, we implemented Hazard Identification, Risk Assessment, and Risk Control measures throughout the business.

### SEM OCCUPATIONAL HEALTH & SAFETY POLICY

SEM strives to provide an maintain a healthy and safe working environment for its employees, contractors, customers, visitors and others who may be affected by our business operations. This includes:

- Ensuring compliance with all applicable health and safety laws
- Implementing effective occupational health and safety plans, operating procedures, crisis management manual at all levels of operations
- Establishing an occupational health and safety committee
- Establishing an emergency response team
- Providing information and training to cultivate safe working culture
- Ensuring effective communication on every individual safety

GOAL

0 Lost Time Injury Frequency Rate

The Group also established an Occupational Safety and Health Committee ("OSHC") overseen by the RMSC. Comprising 13 employer and 43 employee representatives, the OSHC meets quarterly and is responsible for:

- Inspecting and identifying hazards that may occur according to the Occupational Health and Safety Plans
- Presenting inspection findings at committee meetings
- Investigating severe non-compliance cases, incidents and accidents and formulating preventive action

The Committee receives assistance from essential functions listed below, each with designated roles and responsibilities.

#### First Person On-Scene

- Taking necessary personal protective measures
- Notifying Supervisory Personnel or the Incident Commander of the incident
- Advising personnel in the area of any potential threats and initiating evacuation procedures if required
- Eliminating potential ignition sources

#### Supervisory Personnel

- Taking immediate response action if first on the scene
- Restricting access to the incident area and taking steps to minimise health and safety threats
- Requesting medical assistance if needed
- Obtaining Safety Data Sheets and verifying substances released
- Identifying and isolating the source to reduce product loss
- Coordinating further actions with the Incident Commander and local responders

#### Incident Commander

- Activating the Emergency Response Team and additional resources if necessary
- Assessing severity, potential impact, safety concerns and response requirements
- Confirming site safety aspects, such as personal protective equipment needs and evacuation requirements
- Providing incident briefings to company superiors
- Coordinating internal and external notifications
- Directing response and clean-up operations

During the year, we held various safety training programmes covering material topics such as hazard identification, incident prevention, Heinrich's Five Stages Sequence and safety investigation principles.

# SUSTAINABILITY STATEMENT

## STORE SAFETY

Convenience stores and the pharmaceutical industry face various concealed business risks, ranging from workplace safety guidelines to consumer privacy regulations, which could lead to significant costs. Convenience store employees, especially those working late-night shifts, are exposed to multiple safety hazards. Consequently, we have implemented explicit operating procedures for night shift operations, prioritising employees' safety and well-being.

## TALENT DEVELOPMENT

SEM delivered robust training and development initiatives to enhance employee skills across different levels. Specialised training sessions, including MS Excel Advanced, Amazing Macro, and Data Visualization, targeted technical proficiency and data analysis capabilities.

Comprehensive, on-the-job store-level training programmes explicitly catered to new employees and managers, facilitating their smooth integration into their roles. Providing specialised training for field managers and food handlers ensures operational efficiency and compliance with safety standards.

## SUCCESSION PLANNING

Succession planning is a crucial strategy for SEM's continual growth and resilience. The Group consistently refines its performance management system by involving high-performing employees in defining key performance indicators and readying them for greater organisational responsibilities.

Through a meticulous process, 43 candidates emerged as successors for pivotal roles across the organisation. A talent assessment categorised employees based on different potential levels. We presented this assessment to the Co-CEOs for further evaluation and strategic alignment.

This succession planning initiative facilitated the smooth transition of several critical roles to identified successors, including positions such as Senior Manager in People & Culture and Manager in Store Learning & Development. This proactive approach to talent identification and development underscores SEM's commitment to nurturing internal talent, ensuring a robust leadership pipeline and fortifying the organisation for future growth and adaptability.

## INTERNSHIP AND PLACEMENTS

The Pharmaceutical segment runs a one-year Provisionally Registered Pharmacist ("PRP") and a three-month Marketing, E-commerce Apprenticeship Programme with local universities. In FY2023, 21 pharmaceutical graduates participated in the PRP programme, with 13 completing it. The graduates gained regulated hands-on experience and became competent registered pharmacists. Qualified candidates are offered one-year fixed-term contracts post-PRP training as Fully Registered Pharmacists ("FRP") serving in our stores.

## BUILDING A STRONGER COMMUNITY TOGETHER

SEM is deeply committed to community well-being, embodying the pledge to "Always There for You" and embracing the ethos that "Caring Is Our Profession." Innovative programmes help shape a thriving society. Seamlessly aligning our community initiatives with our business strategy positively impacts all communities we serve. Our community investments prioritise focus areas such as community development, education, enrichment and health. Linking our community investments with the Company's business strategy delivers a holistic and sustainable impact.

In FY2023, the Group's social investment and support initiatives helped communities, non-profit organisations and the vulnerable, contributing RM5.1 million to non-profit organisations.

## CONVENIENCE STORE DIVISION

### HONORING THE GAGAH SETIA TROOPS OF THE MALAYSIAN ARMY

Our Co-CEO paid a courtesy visit to the Malaysian Chief of Army in the spirit of the *Hari Raya* festive season. He humbly contributed by thanking our dedicated Gagah Setia troops for safeguarding our beloved nation. Our in-kind contributions comprise beverages and health essentials for more than 200 military families.

# SUSTAINABILITY STATEMENT

## BLESSED MOMENTS: SHARING THE JOY OF RAYA WITH 7-ELEVEN

During the holy month of Ramadan, 7-Eleven Malaysia organised a 'Jamuan Berbuka Puasa,' bringing together over 100 individuals from diverse orphanages and old-age homes. Beneficiaries from NGOHub, Pusat Jagaan Nur Sakinah, Rumah Kebajikan Noor Manzil, Pertubuhan Kebajikan dan Pendidikan Cahaya Kasih Anak Asnaf dan Yatim and Pusat Jagaan Al-Fattah (Semenyih) attended. The event fostered a sense of community and sharing during the holy month. One hundred and two individuals from various orphanages and old-age homes benefited from the gathering, creating a meaningful and inclusive Ramadan experience. 7-Eleven Malaysia also extended its community outreach by hosting a 'JAMUAN RAYA' across all 13 regions, specifically for the B40 and underprivileged communities.

## SEMURNI KASIH

Semurni Kasih is part of 7-Eleven Malaysia's Community Care, a non-profit entity set up to implement corporate responsibility and philanthropic initiatives to support underprivileged groups and sustain environmental conservation efforts.

Semurni Kasih is a five-week campaign in conjunction with the month of Ramadan. We invited customers to donate 7-Eleven purchased items in nationwide contribution boxes.

The initiative distributed RM1.7 million worth of food and non-food items to regional charities and good causes. Since its inception in 2010, this annual charity programme has amassed over RM27 million of supplies for the less fortunate.

## LEND A HELPING HAND

As part of this initiative, 7E invited customers to purchase essential items, such as food, beverages, household essentials and personal care products, at its stores to support those in need. Customers deposited these items into specially designated contribution boxes for distribution to charities and meaningful causes in Malaysia. We collected and distributed goods worth RM1.2 million throughout the year, benefiting over 200 NGOs and charity homes.

## #BUATBAIKTOGETHER

The #BuatBaikTogether is a four-week campaign held in December, the season of giving. The campaign encouraged customers to purchase food, beverages, household essentials and other supplies from our stores and donate them in contribution boxes in over 2,500 stores nationwide. In FY2023, the #BuatBaikTogether collected RM1.1 million worth of supplies consisting of food and non-food items such as groceries, canned food, biscuits, snacks, non-alcoholic beverages and medical supplies. The contributions benefited 91 charity homes and non-profit organisations.

## OTHER PHILANTHROPY

- Contributed beverages to the PPR Sri Pantai community during the heatwave, benefiting 300 residents
- Donated to support the Laksamana Run I Charity Run by Johor Cancer Foundation
- Donated mooncakes to 100 PPR Sri Pantai residents to celebrate the Mid-Autumn Festival

## PHARMACEUTICAL DIVISION

### CARING "ONE SHOP ONE SCHOOL"

We commit to children's rights and align ourselves with the Children's Rights and Business Principles. Recognising the paramount importance of children's right to education, we promote and uphold these rights, fostering a supportive environment for their holistic development.

Launched by CARiNG Pharmacy in 2017, this programme provides first aid and healthcare subsidies to local primary and secondary schools. The overarching goal is to raise health awareness, alleviate the financial burden on schools, contribute to students' well-being and foster a healthier community.

# SUSTAINABILITY STATEMENT

## RECOGNISING VOLUNTEERISM

SEM highly values volunteerism and continually encourages employees to engage in philanthropic programmes. Throughout the year, SEM organised several CSR activities to support good causes, including:

- International Women's Day ("IWD") Women's Shelter Visit
- The SSC Blood Donation Drive, which donated 105 blood packs to the blood bank
- Pertiwi Soup Kitchen, which provided food aid to those in need
- *Gotong royong*, or community cleanup, of a PPR flat
- The Trash Troopers cleanup exercise at Taman Titiwangsa
- The Furry Friends Squad cleaning and organising activities at Seroja Inn Animal Shelter
- Visit to Tadika @ PPR Sungai Bonus Arts & Craft session

Including these CSR activities in employees' year-end performance appraisals recognises employees' involvement. Participating in at least one CSR activity unlocks a 10% section on Core Value KPIs and improves the overall score. This initiative incentivises and acknowledges employees' dedication to social responsibility and volunteerism.

Our pharmaceutical division also actively engages in outreach programmes. Encouraging employees to participate fosters a culture of volunteerism and community impact. These initiatives include visits to old folks' homes and other local community awareness activities, demonstrating our commitment to making a positive difference in the communities we serve.

## RESPECTING HUMAN RIGHTS

We uphold human rights across all operations and the extended value chain, conducting business ethically and sustainably. Our practices align with international human rights instruments, such as the Universal Declaration of Human Rights, the United Nations Guiding Principles on Business and Human Rights, and the International Bill of Human Rights.

We also strictly abide by applicable employment and human rights laws in our operating regions. The CCBE summarises our human rights criteria. All associates review and receive annual awareness briefings on this Code as part of the training on human rights policy. These documents are available in English and Bahasa Malaysia.

The Group is committed to aligning its conduct with the United Nations Guiding Principles on Business and Human Rights. We also allocated day-to-day responsibilities and functions to monitor human rights compliance.

SEM has recently formalised its Human Rights Policy, which promotes the human rights of its stakeholders, including employees, business partners, suppliers, customers and communities. The Policy addresses implementing the following principles across our workplace, operations and value chain.

<b>Equality and non-discrimination</b>	Eliminating all discrimination based on race, gender, age, ethnicity, religion, marital status, pregnancy, disability, political opinion, nationality or social origin: We assess and justify access to employment, development, training, compensation and rewards on merits, qualifications, performance, skills and experience.
<b>Fair employment conditions</b>	Full compliance with applicable laws and regulations concerning work hours, overtime hours, holiday and leave entitlements, minimum wages and legally mandated benefits: <ul style="list-style-type: none"> <li>• We follow the local working hours law, committing to reducing excessive working hours with a clear policy on multiple shifts.</li> <li>• We uphold our stand of 'equal pay for equal work' and fairly compensate employees, which is commensurate with the existing industry standard.</li> <li>• We ensure employee salaries meet or exceed minimum wage standards.</li> </ul>
<b>Safe and healthy workplace</b>	We provide a safe, healthy and adequate working environment, safeguarding workplace risks and hazards. We also promote healthy work-life balance to improve employee well-being. Physical abuse, bullying and threats are prohibited.
<b>Prohibition of harassment</b>	We provide a workplace free from verbal, physical, emotional, sexual and other harassment. We have established our Sexual Harassment Policy and reporting channels.
<b>Freedom of association and collective bargaining</b>	We adhere to local law and adopt an open attitude, respecting employees' rights to freedom of association and collective bargaining.

# SUSTAINABILITY STATEMENT

<b>Prohibition of forced labour, human trafficking or child labour</b>	SEM complies with local laws concerning the minimum age requirements for working. We do not tolerate any slavery, forced and involuntary labour, human trafficking and child labour. Checking the identity of local, foreign and migrant workers ensures their employment complies with labour and immigration laws.
<b>Privacy and data protection</b>	We treat all personal data with integrity, complying with all laws and regulations.
<b>Ethical marketing and advertising</b>	We maintain our products' quality and safety standards and responsibly market our products and services.
<b>Responsible procurement</b>	We commit to sourcing goods and services responsibly. All suppliers must comply with our Vendor Code of Conduct.

Continuously assessing our human rights impacts is part of our core business processes. Evaluating the effects of the business and setting targets drive continuous improvement. Our actions involve avoiding, preventing and mitigating human rights issues. We have implemented human rights screening, training and monitoring of internal operations and supply chain partners. We adhere to all applicable employment and human rights regulations where operations are based. Suppliers must do the same and at least abide by our Principles on Labour Practices and Human Rights.

The Group has taken action to improve workforce diversity and equal opportunities and reduce discrimination, including those based on the following:

## Action Taken to Improve Workforce diversity and equal opportunities and reduce discrimination



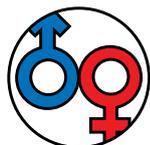
### Race, Sexual Orientation and Nationality

- We welcome applications from individuals of all nationalities, sexual orientation and races. We take pride in celebrating all festive occasions and national days.



### Religion

- Designated prayer rooms at the workplace accommodate various religious practices.



### Gender

- A breastfeeding room in the workplace supports nursing mothers.



### Age

- We offer equal training, promotion and appraisal opportunities for employees regardless of age.



### Disabilities

- We eliminate discrimination in disability hiring and provide feasible assistance and an inclusive work environment.

# SUSTAINABILITY STATEMENT

## OPERATING RESPONSIBLY

We prioritise the safety and well-being of our customers in managing a diverse array of convenience store products and pharmaceutical goods. Recognising the potential harm associated with mishandling certain foods, drugs, and stocked items, we have established stringent in-house management standards.

We must ensure that safety standards specific to each product type are meticulously maintained. As we expand our food service offerings, mitigating food safety risks becomes even more critical. Guided by local and international standards, we implement an overarching system that meticulously controls every step of the product life-cycle process. This comprehensive approach upholds the highest levels of product quality and safety, aligning with our commitment to responsible operations in the convenience store retail and pharmaceutical industry.

## CYBERSECURITY AND DATA PRIVACY

Customer trust is vital; we take full responsibility for protecting their privacy by raising awareness of privacy and cybersecurity through our intranet and website. Specific teams dealing with personal data, including vendor management, engineering, human resources, and legal, receive focused guidance.

We strictly adhere to stringent data governance, monitoring access through audit logs. Our vendors are diligently working towards ISO 27001 compliance. In the first quarter of 2023, the 7E IT team performed penetration testing on the My7E 2.0 mobile app to ensure the robust security of customer data.

## QUALITY MANAGEMENT

**SEM's Quality Management System:**

- Prioritises excellence in quality, safety and regulatory compliance
- Protects customer interests by measuring and improving quality and food safety standards
- Ensures world-class standards, consistently delivering safe products
- Unifies the brand with transparency, credibility and a robust end-to-end quality assurance process

All suppliers delivering 7-Eleven private-label products and related items within the specified scope must adhere to the 7-Eleven Supplier Management Programme, which:

- Incorporates Product Management and Surveillance Management
- Guarantees all items launched under the 7-Eleven brand comply with regulations, quality benchmarks and safety prerequisites
- Sustains consumer trust

Supplier audits evaluate compliance with the 7E Food Manufacturing Standard based on the GFSI scheme standard. In 2023, we audited 22 suppliers as scheduled, noting no noteworthy deviations from compliance.

**Quality control standards focus**

- Building programmes that drive excellence in quality, safety and regulatory compliance
- Delivering a transparent, credible and robust end-to-end brand quality system.

Each store practises strict rules, including:

- Checking the condition of all foods and packaging on receipt for damage, contamination risks, pests, quality and expiry dates
- Rejecting deliveries if significant damage risks contamination, infestation or expired products
- Ensuring hot counters are 60°C and above at all times as per the local Government's temperature control requirements

SEM conducts regular quality and food safety audits at all its facilities, including distribution centres ("DC") and stores. The Qualified Company's Audit Team perform these audits against 7-Eleven Malaysia Audit Checklists.

# SUSTAINABILITY STATEMENT

## QUALITY AND FOOD SAFETY ("Q-FOS")

The Convenience Stores division implemented the 7E Quality and Food Safety Standard ("7E Q-FoS"). We train our operations team regularly to familiarise them with the 7E Q-FoS Standard requirements, which include:

- Specialised training such as Food Safety and Audit Skills Workshops
- Participation in Shadow and Witness Audits
- Annual calibration sessions to maintain compliance

A dedicated quality assurance team also conducts a yearly Q-FoS Audit, reviewing 1,542 stores in 2023.

The audit team reviews and validates 7E Q-FoS compliance at stores, including planning, auditing, monitoring and corrective actions. We delivered 20 7E Q-FoS training sessions for 457 store managers during the year.

A quality assurance team carries out an annual Q-FoS Audit. This team meticulously assesses and verifies compliance with the 7E Q-FoS at stores, encompassing planning, auditing, monitoring and rectifying actions.

Findings and recommendations from the audit team are shared with the operations team to devise corrective action plans.

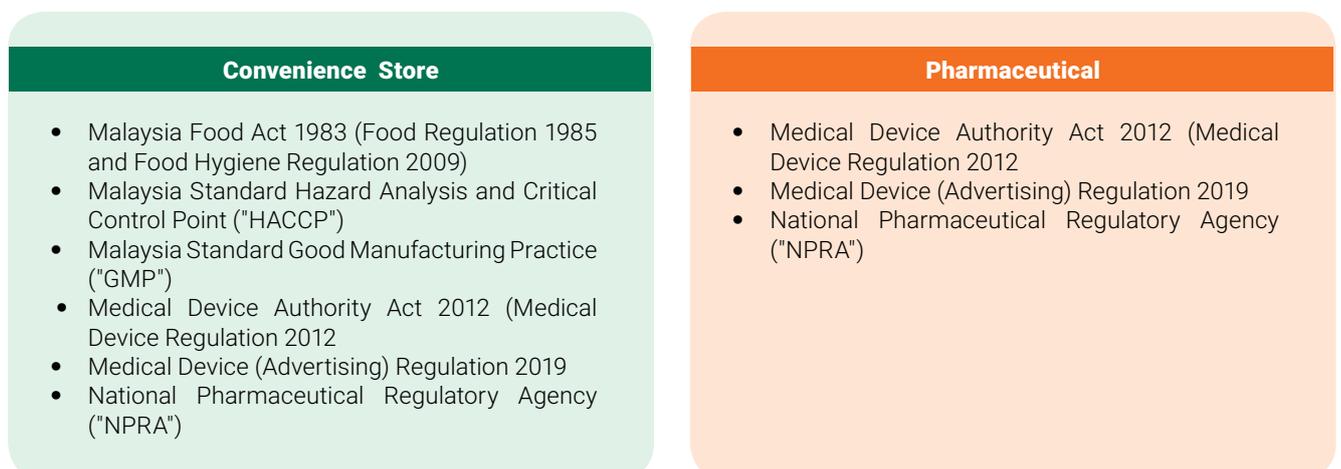
### Components of Quality and Food Safety Audits



Stringent hiring selection and training at our pharmaceutical division ensure that candidates undergo a thorough evaluation. Our Chief Pharmacist personally assesses each candidate, focusing on their knowledge, experience and attitude, especially in customer service. HR referral checks follow shortlisting before the Chief Pharmacist makes the final hiring decision. During the six-month probation period, the Branch Manager and Area Manager closely monitor candidates' performance to judge suitability for a permanent role. This meticulous approach delivers the highest standards to our pharmaceutical team.

We have aligned our in-house quality control standards with relevant laws and regulations.

### Regulations Governing Our Operations



# SUSTAINABILITY STATEMENT

## CUSTOMER-DRIVEN EFFICIENCY: MAXIMISING MOMENTUM FOR SEAMLESS EXPERIENCE

### SELF-MANAGED DISTRIBUTION CENTRE

SEM has established its self-managed Distribution Centre (“DC”), introducing a new operational environment within its warehouse and distribution network. This initiative represents a shift from the previous flow-through inventory model to a putaway and storage approach, enabling SEM to improve inventory availability.

The transition to this model revolutionises stock availability in stores, ensuring a more robust inventory supply chain. With the majority of inventory being put away and stored, SEM can manage and control stock levels more effectively, leading to improved availability of products at stores.

This shift facilitates a notable enhancement in delivery frequency, reducing the time from order placement to delivery (T+2). Streamlining inventory management and adopting a more efficient storage strategy expedites delivery timelines and promptly meets customer demands.

Introducing a Warehouse Management System (“WMS”) within SEM’s self-managed DC is a transformative step. This integration delivers real-time inventory updates and transparent monitoring, significantly improving the warehouse’s operational flow. The WMS offers accurate tracking, automation and standardisation, reducing errors and enhancing efficiency. It empowers proactive decision-making, minimises stock-outs and improves team coordination.

These initiatives demonstrate SEM’s commitment to leveraging technology for operational excellence and enhancing accuracy, responsiveness and customer satisfaction.

### AUTOMATED GUIDED VEHICLES (“AGVS”)

SEM introduced an initiative to enhance operational efficiency by deploying AGVs to handle loose-pick SKUs.

SEM expects employing AGVs for loose pick SKUs to reduce manpower requirements significantly. The decrease is due to optimised efficiency from goods being transported directly to personnel for picking rather than individuals traversing the warehouse to locate items.

Introducing AGVs streamlines the workflow by minimising walking time and unnecessary manual handling. AGVs navigate through predefined routes, swiftly transporting goods to designated picking stations.

This innovative approach optimises labour efficiency and reduces the margin for error and potential safety hazards associated with manual material handling. SEM is at the forefront of enhancing productivity while ensuring a safer and more streamlined working environment.

## ENSURING SATISFACTION

SEM prioritises customer engagement and satisfaction, emphasising efficiency and convenience alongside trust and care. These values drive our commitment to delivering exceptional service with convenience, ensuring streamlined processes and attentive care that nurture long-lasting relationships.

### CRAFTING YOUR PERSONALISED BUYING EXPERIENCE

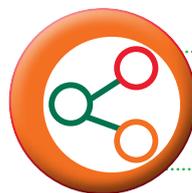
Our Convenience Store Division employs various strategies to enhance customer engagement and satisfaction.



- Our Customer Care Division manages diverse feedback channels including calls, emails and social platforms, ensuring seamless interaction and gathering valuable insights.



- 7E introduced a new mobile application for membership sign-ups. Our personalised Loyalty Programme, available through the My7E App, offers exclusive deals, discounts and point accumulation tailored specifically for members, enhancing their shopping experience.



- Our active presence on social media platforms enables us to engage with customers proactively, promptly addressing their feedback and fostering meaningful interactions to further nurture relationships and satisfaction.

# SUSTAINABILITY STATEMENT

## CRAFTING YOUR PERSONALISED BUYING EXPERIENCE (CONT'D)

Similarly, our pharmaceutical division remains steadfast in its commitment to being customer-focused. CARiNG received the prestigious Silver Award for Best Use of CSR at the Loyalty & Engagement Awards 2023. This esteemed recognition highlights and commends the division's outstanding achievements in customer-centric practices, celebrating CARiNG's innovative vision and transformative strategies that have positively reshaped the customer relationship landscape within the industry.

## EFFICIENCY AND CONVENIENCE AT YOUR FINGERTIPS

Efficiency is paramount in providing customer convenience, ensuring streamlined processes and swift services that enhance overall satisfaction. Our pharmaceutical division introduced several initiatives to improve efficiency and customer convenience.

### Initiatives to Improve Efficiency and Customer Convenience

E-receipts	<ul style="list-style-type: none"><li>The point of sale (POS) system delivers electronic receipts to customers, eliminating the need for printed receipts.</li></ul>
E-invoices	<ul style="list-style-type: none"><li>E-invoices streamline the three-way matching process, removing the finance department's need to print purchase orders (PO) and goods received (GR) to match supplier invoices. This matching process is now handled electronically.</li></ul>
E-stamps function	<ul style="list-style-type: none"><li>This function allows customers to view stamps via a mobile app, eliminating the need for physical paper stamps, improving convenience and reducing environmental impact.</li></ul>

## ADDRESSING PUBLIC HEALTH ISSUES

### ADVOCATING HEALTHY EATING AND A HEALTHY LIFESTYLE

The retail and food environment play essential roles in shaping the dietary habits of the modern consumer. Nutritional information and the visibility of healthier food products inside our stores help customers make healthier nutritional choices.

Throughout the year, 7E has made significant strides in promoting healthier dietary options and advocating wellness practices. We expanded our health food categories as a testament to our ongoing commitment to promoting better nutrition and prioritising customer well-being. Our target includes introducing a diverse range of new products to improve access to nutrition and encourage customers to make healthier dietary choices, contributing to their overall well-being. During the year, we have achieved this target by introducing offerings including Lactofit probiotics, Goodology Enzyme, Green Monster Kombucha, Go-Go meal replacement shakes and Kitsui health supplements. These offerings provide customers with a diverse selection to support their health and overall wellness.

### BOOST YOUR WELL-BEING AT 7CAFE

We are thrilled to highlight 7Cafe's diverse, delicious and healthy meal options. Our convenient on-the-go choices focus on customer well-being and deliver a delightful and nourishing experience. The menu includes enticing selections such as coconut soft serve, fresh-made sandwiches, warm and healthy meals, onigiri wraps and hot foods, providing a comprehensive range to cater to our customers' diverse tastes and preferences.

Our product and innovation team remains dedicated to expanding our array of healthy food and beverage options through targeted research and development, contributing to a healthier community. Collaborating with industry peers, we strategise to promote products with minimised negative impacts, particularly addressing concerns related to processed foods and drinks.

Strictly prohibiting alcohol and medication safeguards vulnerable groups, such as children. Customers must present identity cards to purchase alcohol; tobacco and controlled drugs require a doctor's prescription, ensuring responsible and secure transactions.

# SUSTAINABILITY STATEMENT

Our Pharmaceutical Division also held a series of campaigns to promote a healthy lifestyle and prevent chronic diseases, such as the "Eat Well Stay Fit" Campaign, the "Jom Kurang Manis" Campaign, the "Bye Bye Series" Campaign and Minor Ailment Education. The "Eat Well Stay Fit" initiative promotes healthy eating and lifestyle choices but does not explicitly focus on vulnerable children. We ensure our campaigns align with responsible and inclusive messaging.

CARiNG has introduced the CARiNG Quit Smoking service as a proactive measure to address the detrimental impacts of excessive cigarette consumption. This initiative extends complimentary counselling services to the community, underscoring the significance of overcoming addictive behaviours. Leveraging the expertise of CARiNG's committed pharmacists, individuals are guided through tailored smoking cessation plans, which may incorporate Nicotine Replacement Therapy for enhanced effectiveness. Additionally, we collaborate with the Ministry of Health and Johnson & Johnson to actively promote No Tobacco Day, contributing to the broader public awareness and advocacy against the harmful impacts of smoking.

## EMPOWERING CHOICES WITH RESPONSIBLE ADVERTISING AND MARKETING

SEM is committed to the responsible promotion of all products, maintaining transparency and adherence to regulations within our Convenience Stores and Pharmaceutical Division.

We embrace responsible advertising and commit to responsibly marketing and advertising all products, including processed food. Our Convenience Store Division strictly adheres to the Food Regulations 1985 of the Ministry of Health for product labels. Our detailed guidelines ensure compliance, fostering customer awareness regarding processed foods and beverages. Our dedication extends to reducing the negative impact of processed food and drink by promoting healthier choices and actively engaging in initiatives that encourage informed decision-making regarding nutrition and well-being. 7E private labels provide comprehensive information on ingredients and key dietary details, displayed through front-of-package labels that highlight nutritional benefits like "high in fibre", "high in protein", "cholesterol-free", "trans-fat-free" and "low in sodium", empowering customers to make informed and healthier choices.

The CARiNG Patient Medication Record ("PMR"), an electronic system, diligently documents medication histories, empowering customers with health knowledge. Members accessing the PMR can conveniently view their health records, including medications, health data (such as blood pressure readings) and allergies, on the Mobile App's MyHealth section. This accessible information helps physicians during follow-up appointments, enhancing the effective management of patients' medical conditions.

Our Chronic Disease Management Programme actively promotes regular doctor follow-ups and prescription renewals, underscoring our dedication to the overall well-being of our valued customers.

We provide comprehensive training on product labels and responsible marketing practices for our store employees. Implementing purchasing requirements, especially for controlled drugs, mitigates the risks of adverse impacts and side effects from excessively consuming our products, spanning food, beverages and medications.

## GOING ABOVE AND BEYOND EXPECTATIONS THROUGH COLLABORATION

CARiNG Pharmacy promotes healthy lifestyles in the local communities. Collaboration is the best way for communities to reach their highest and healthiest potential. Engaging with individual, doctor, community, and organisational stakeholders inspires communities and neighbourhoods to make positive health impacts.

CARiNG collaborates with various institutions on research projects and health programmes, including collaborations with:

- Universiti Malaya to promote safe medicine disposal
- Universiti Kebangsaan Malaysia on a medication review research project
- Monash University on Prediabetes, Intervention, Management and Evaluation Programme ("PRiME") – a study on prediabetes;
- The Ministry of Health, University Putra Malaysia and Johnson & Johnson on CARiNG Quit Smoking Counselling Services

During the year, CARiNG hosted a nationwide CARiNG Health Awareness Day ("CHAD"), providing FREE community health checks and medication reviews. Live-streamed on Facebook, this event showcased collaborative efforts with Abbott and DoctorSays360 for podcast content.

CARiNG exceeds expectations by working closely with its partner doctors on a one-stop solution for customers' healthcare needs through the CariDoctor Electronic Prescription Service. Customers seamlessly obtain professional advice and prescriptions from certified doctors for specific medical requirements, with pharmacists facilitating further consultation as needed. The programme has positively impacted 56,218 patients as of 31 December 2023.

# SUSTAINABILITY STATEMENT

## ELEVATE YOUR EXPERIENCE: ALWAYS THERE FOR YOU, BEYOND CARE

With the tagline "Always There for You", 7E delivers customers a more convenient and fulfilling shopping experience. Our Convenience Stores Division is the largest convenience store chain, with 2,566 stores nationwide as of 31 December 2023. Serving over 1 million daily, customers can quickly locate us wherever they are for fresh food, snacks, drinks, coffee and other necessities.

Our Pharmaceutical Division introduced domestic and international home delivery services. This initiative expands our reach and caters to a broader customer base. In 2023, we implemented a Click & Collect service. Consumers may conveniently purchase and retrieve items online at their nearest stores, providing a seamless and flexible shopping experience.

All Convenience Store and Pharmaceutical Division stores work closely with supply-chain partners to maintain well-stocked shelves, especially essential items, to prevent customer disappointment and inconvenience.

Our vibrant social media presence demonstrates our commitment to staying connected with customers. Providing engaging and valuable content across these platforms ensures that our online presence reflects our dedication to keeping our customers and the public informed and entertained.

### Social Media Performance

#### Convenience Store

- 1.4million Facebook Community
- More than 257,000 Instagram followers
- More than 467,600 TikTok followers and 3 million likes
- 1,615 followers on Xiao Hong Shu

#### Pharmaceutical

- 255,000 Facebook Community
- More than 59,400 Instagram followers
- More than 1.3 million likes on TikTok with 13,400 followers

## COMPETITIVE PRICING: DELIVERING VALUE FOR EVERY PURCHASE

The Convenience Store Division is the go-to convenience store for everyone, prioritising fair and competitive pricing strategies centred around value. Conducting a monthly review of the top 400 SKUs and comparing them with competitor prices helps us uphold this commitment. Thorough price checks allow us to continually adjust our pricing, ensuring competitiveness while delivering customer value.

## REWARDING LOYALTY

The 7E Rewards programme, accessible through the My7E mobile app, offers users many advantages: customers accumulate points, access exclusive e-coupons, and earn e-stamp rewards for repeat purchases.

Users earn 1 My7E Point for every RM1 spent, with options to fast-track points through selected products offering multipliers. Participating in promotions earns extra bonus points. The programme facilitates direct customer feedback, enabling continuous improvements based on user suggestions. The app also ensures convenience by allowing users to pinpoint nearby 7-Eleven stores using Google Maps, informing them about ongoing store campaigns and fresh product launches.

Similarly, CARiNG membership is a lifestyle and member rewards programme designed to collect and redeem rewards and enjoy various product discounts at any CARiNG Pharmacy, Georgetown Pharmacy, Wellings Pharmacy and CARiNG eStore. Members enjoy benefits and rewards, including birthday treats, collect and redeem points and news of exclusive promotions and discounts. Last year, we introduced a tiered system where members can unlock additional rewards as they progress through different tiers. This enhancement allows members to enjoy increasingly valuable benefits as they advance within the reward programme.

# SUSTAINABILITY STATEMENT

## 7E Rewards Programme and CARiNG Membership Benefits

**7E Rewards Programme**

- Accumulation of points via e-payments
- Access to exclusive e-coupons
- Earning e-stamp rewards for repeat purchases
- Complimentary RM3 e-cash voucher upon joining the programme
- Users earn 1 My7E Point for every RM1 spent
- Options to fast-track points through selected products offering a multiplier
- Bonus points in promotions

**CARiNG membership**

- Collect and redeem rewards
- Enjoy various product discounts at any CARiNG Pharmacy, Georgetown Pharmacy and Wellings Pharmacy and on CARiNG eStore
- Enjoy benefits and rewards, including birthday treats
- Collect and redeem points and news of exclusive promotions and discounts

## FOSTERING AWARENESS ON RESPONSIBLE MEDICATION DISPOSAL

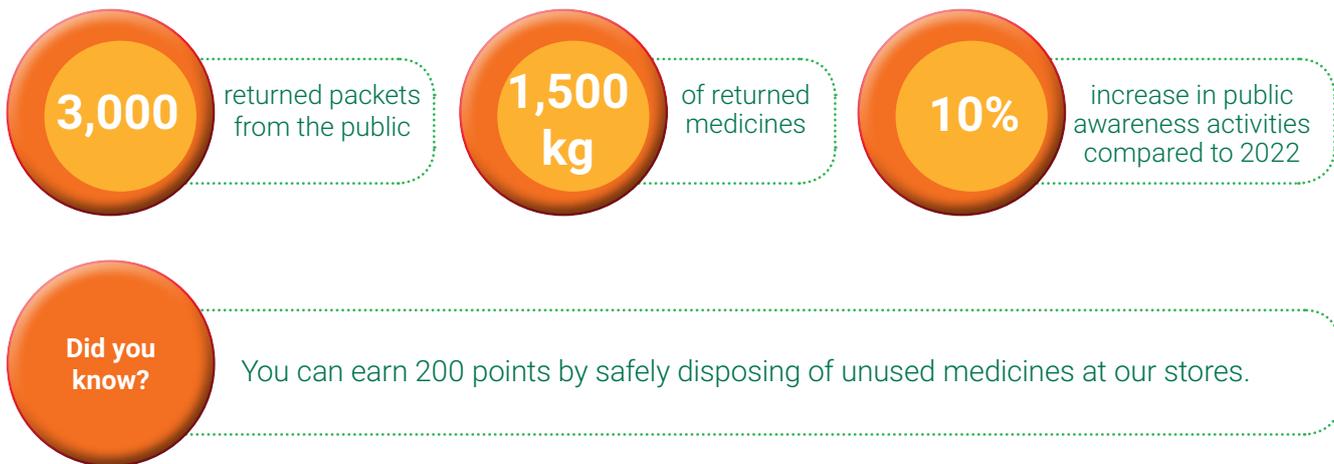
Many consumers stock medicines "just in case" and do not know the correct disposal method for expired medication. CARiNG's "Do It Right" campaign advocates properly disposing of unused or expired medicines to prevent pharmaceutical waste from adversely affecting the environment. We also educate customers on the safe consumption, storage and disposal of medications. Implementing various initiatives, including microsites, leaflets, videos, official store posters and eye-catching car wrap advertisements, raises public and customer awareness.

The Pharmaceutical segment supports these communication channels by organising numerous awareness-raising events. The "Munchmon" character – a friendly monster with an appetite for unwanted medicines - makes the message of proper disposal more memorable and creative. This initiative encourages the public to support the "Do It Right" movement.

Collaborating with Haleon for their Earth Day Roadshow and Medicine Disposal Talk boosted these campaign efforts. This partnership took the campaign to the streets, with corporate roadshows at prominent locations such as Calsbery, RHB Centre and Ernst & Young Malaysia. Together, we collectively promote the "Do It Right" initiative.

We extended our reach by collaborating with educational institutions. Participation in events such as the Monash University Open Day and the Sunway College exhibition provided platforms to engage with students, reiterating the importance of responsible medicine disposal through the "Do It Right" campaign.

### Our Goals



# SUSTAINABILITY STATEMENT

## TECHNOLOGY AND INNOVATION

SEM's digital evolution promotes customer convenience and operational efficiency by strategically integrating state-of-the-art technological solutions. This comprehensive initiative streamlines processes, optimises operations and elevates service delivery across diverse business areas.

We augment efficiency by implementing an advanced transportation management system, further digitalising our supply chain operations. This customised integration optimises routes, diminishes empty miles and curtails fuel consumption, substantially reducing greenhouse gas emissions.

At our operations, 100% of our stores accept e-wallets and credit cards, promoting a cashless environment and digital evolution.

Our successful deployment of the Human Resource Information System ("HRIS") allows the remote handling of HR tasks, providing data accuracy and security. It empowers employees to manage their personal information effectively.

We also introduced the Electronic Workflow System ("EWS") in August 2023. The built-in digital portal streamlines purchase requisitions, legal contracts, tenancy management, and site proposals. EWS significantly bolsters overall time efficiency, reduces paper usage, enhances document tracking and expedites approvals.

## TRANSFORMING CUSTOMER EXPERIENCE

Our commitment to transforming customer experience remains unwavering. As we march forward, sustainability takes centre stage as we actively champion excellence and value. Our focus on healthy living and nutrition underscores the pivotal role of well-being in our communities. With a forward-looking approach, SEM is not just a retail destination but a beacon for those seeking convenience, affordability, and a holistic and sustainable lifestyle. We envision a future where SEM thrives, setting new benchmarks for customer satisfaction, sustainability and community well-being.

## GROUP SUSTAINABILITY DATA PERFORMANCE

Indicator	Unit	Convenience Store			Pharmaceutical			Group		
		2021	2022	2023	2021	2022	2023	2021	2022	2023
<b>Economic</b>										
<b>Sustainable Procurement</b>										
Proportion of spending on local suppliers	%	NA	NA	92.0%	NA	NA	99.7%	NA	NA	94.4%
<b>Anti-corruption *</b>										
Total employees who have received training on anticorruption	Number (%)	NA	NA	596 (5.5%)	NA	(0.0%)	295 (11.8%)	NA	NA	891 (6.7%)
- Senior management	Number (%)	NA	NA	17 (27.9%)	NA	(33.3%)	10 (11.1%)	NA	NA	27 (17.9%)
- Management	Number (%)	NA	NA	52 (32.9%)	NA	(61.6%)	150 (35.2%)	NA	NA	202 (34.6%)
- Executive	Number (%)	NA	NA	89 (18.9%)	NA	(63.4%)	135 (60.3%)	NA	NA	224 (32.2%)
- Non-executive	Number (%)	NA	NA	438 (4.3%)	NA	(57.8%)	(0.0%)	NA	NA	438 (3.7%)
Confirmed incidents of corruption	Number	0	0	0	0	0	0	0	0	0
Operations assessed for corruption-related risks	%	0	0	0	0	0	0	0	0	0

The training data disclosed for 2023 is cumulative data: there were three sessions in Phase 1 training, the first of which was conducted on 21 December 2022.

# SUSTAINABILITY STATEMENT

## GROUP SUSTAINABILITY DATA PERFORMANCE (CONT'D)

Indicator	Unit	Convenience Store			Pharmaceutical			Group		
		2021	2022	2023	2021	2022	2023	2021	2022	2023
<b>Environment *</b>										
<b>Energy</b>										
Electricity consumption	kWh	211,399,409	228,286,179	249,999,733	4,600,000	5,560,000	7,290,000	215,999,409	233,846,179	257,289,733
Diesel consumption	Litres	NA	NA	518,541	NA	NA	NA	NA	NA	518,541
Direct energy *	GJ	NA	NA	20,200	NA	NA	0	0	0	20,200
Indirect energy *	GJ	761,038	821,830	899,999	16,560	20,016	26,244	777,598	841,846	926,243
Total energy	GJ	761,038	821,830	920,199	16,560	20,016	26,244	777,598	841,846	946,443
Energy intensity *	GJ/revenue (RM mil)	420	331	331	17	16	19	277	224	227
* Conversion coefficients for electricity and diesel to Joules are derived from the Malaysia Energy Commission 2016 Report										
** The increase in energy intensity is partially due to improved data monitoring processes										
<b>Water *</b>										
Water consumption	m <sup>3</sup>	NA	NA	NA	12,968	14,413	30,300	12,968	14,413	30,300
Water efficiency	m <sup>3</sup> /revenue (RM mil)	NA	NA	NA	13	11	22	NA	NA	NA
* Water consumption and efficiency increased, partially due to improved data monitoring processes										
<b>Waste</b>										
Total waste diverted from disposal	Tonnes	691.00	785.00	846.00	88.95	108.83	118.34	779.95	893.83	964.34
Corrugated Carton Boxes	Tonnes	659.71	735.63	811.22	88.62	108.60	118.10	748.33	844.23	929.32
Plastics	Tonnes	31.75	49.43	35.17	0.00	0.00	0.00	31.75	49.43	35.17
Polypropylene	Tonnes	0.00	0.00	0.00	0.33	0.23	0.24	0.33	0.23	0.24
<b>Emissions (tCO<sub>2</sub>e)</b>										
Scope 1 *	tCO <sub>2</sub> e	NA	NA	1,383	NA	NA	NA	NA	NA	1,383
Scope 2 **	tCO <sub>2</sub> e	160,241	173,041	182,284	3,487	4,214	5,526	163,728	177,255	187,810
Total operational emissions (Scopes 1 & 2)	tCO <sub>2</sub> e	160,241	173,041	183,667	3,487	4,214	5,526	163,728	177,255	189,193
Scope 3: Business Travel (Air) ***	tCO <sub>2</sub> e	0	24	22.2	0	0	0	0	24	22
Scope 3: Employee Commuting ****	tCO <sub>2</sub> e	NA	NA	18,437.04	NA	NA	NA	NA	NA	18,437.04
Emissions intensity †	tCO <sub>2</sub> e/revenue (RM mil)	88	70	66	3	3	4	58	47	45
* SEM calculates CO <sub>2</sub> emissions from fuel consumption using the emission factor published by the IPCC Guidelines for National Greenhouse Gas Inventories.										
** SEM calculates CO <sub>2</sub> emissions from electricity consumption using the Energy Commission Grid Emission Factor for Peninsular 2021. SEM restates its Scope 2 emissions to improve the accuracy of its GHG reporting.										
*** SEM uses online tools derived from the WRI Greenhouse Gas Protocol to calculate the CO <sub>2</sub> emissions from air travel.										
**** SEM calculates the CO <sub>2</sub> emissions generated from employees travelling to and from the workplace using the Mobile Combustion GHG Emissions Calculation Tool 2.6 by the GHG Protocol Version 2.6										
† Increase in emissions intensity is partially due to improved data monitoring processes										
<b>Social</b>										
<b>Workforce Strength</b>										
Total employees (number)	Number	8,357	9,845	10,870	1,922	2,336	2,501	10,279	12,181	13,371
New Employees Hires (number)	Number	9,336	5,794	5,670	931	1,656	714	10,267	7,450	6,384
<b>Workforce Breakdown by Nationality</b>										
Local	Number (%)	7,987 (95.6%)	9,342 (94.9%)	9,909 (91.2%)	1,922 (100.0%)	2,336 (100.0%)	2,501 (100.0%)	9,909 (96.4%)	11,678 (95.9%)	12,410 (92.8%)
Foreigners	Number (%)	370 (4.4%)	503 (5.1%)	961 (8.8%)	0 (0.0%)	0 (0.0%)	0 (0.0%)	370 (3.6%)	503 (4.1%)	961 (7.2%)
<b>Workforce Breakdown by Employment Contract</b>										
Permanent	Number (%)	7,614 (91.1%)	8,612 (87.5%)	9,318 (85.7%)	1,598 (83.1%)	1,899 (81.3%)	2,064 (82.5%)	9,212 (89.6%)	10,511 (86.3%)	11,382 (85.1%)
Temporary/contract	Number (%)	390 (4.7%)	546 (5.5%)	1,065 (9.8%)	8 (0.4%)	12 (0.5%)	5 (0.2%)	398 (3.9%)	558 (4.6%)	1,070 (8.0%)
Part-time	Number (%)	353 (4.2%)	687 (7.0%)	487 (4.5%)	316 (16.4%)	425 (18.2%)	432 (17.3%)	669 (6.5%)	1,112 (9.1%)	919 (6.9%)

# SUSTAINABILITY STATEMENT

## GROUP SUSTAINABILITY DATA PERFORMANCE (CONT'D)

Indicator	Unit	Convenience Store			Pharmaceutical			Group		
		2021	2022	2023	2021	2022	2023	2021	2022	2023
<b>Social</b>										
<b>Workforce Breakdown by Category</b>										
Senior management	Number (%)	53 (0.6%)	51 (0.5%)	61 (0.6%)	77 (4.0%)	78 (3.3%)	90 (3.6%)	130 (1.3%)	129 (1.1%)	151 (1.1%)
Management	Number (%)	140 (1.7%)	133 (1.3%)	158 (1.4%)	452 (23.5%)	529 (22.6%)	426 (17.0%)	592 (5.8%)	662 (5.4%)	584 (4.4%)
Executive	Number (%)	523 (6.3%)	466 (4.7%)	471 (4.3%)	179 (9.3%)	202 (8.6%)	224 (9.0%)	702 (6.8%)	668 (5.5%)	695 (5.2%)
Non-executive	Number (%)	7,641 (91.4%)	9,195 (93.4%)	10,180 (93.6%)	1,214 (63.2%)	1,527 (65.5%)	1,761 (70.4%)	8,855 (86.1%)	10,722 (88.0%)	11,941 (89.3%)
<b>Breakdown by Gender for each Employee Category</b>										
Senior Management (female)	Number (%)	17 (32.1%)	16 (31.4%)	17 (27.9%)	36 (46.8%)	39 (50.0%)	47 (52.2%)	53 (40.8%)	55 (42.6%)	64 (42.4%)
Senior Management (male)	Number (%)	36 (67.9%)	35 (68.6%)	44 (72.1%)	41 (53.2%)	39 (50.0%)	43 (47.8%)	77 (59.2%)	74 (57.4%)	87 (57.6%)
Management (female)	Number (%)	69 (49.3%)	59 (44.4%)	74 (46.8%)	335 (74.1%)	396 (74.9%)	319 (74.9%)	404 (68.2%)	455 (68.7%)	393 (67.3%)
Management (male)	Number (%)	71 (50.7%)	74 (55.6%)	84 (53.2%)	117 (25.9%)	133 (25.1%)	107 (25.1%)	188 (31.8%)	207 (31.3%)	191 (32.7%)
Executive (female)	Number (%)	300 (57.4%)	261 (56.0%)	261 (55.4%)	142 (79.3%)	159 (78.7%)	177 (79.0%)	442 (63.0%)	420 (62.9%)	438 (63.0%)
Executive (male)	Number (%)	223 (42.6%)	205 (44.0%)	210 (44.6%)	37 (20.7%)	43 (21.3%)	47 (21.0%)	260 (37.0%)	248 (37.1%)	257 (37.0%)
Non-executive (female)	Number (%)	3,917 (51.3%)	4,527 (49.2%)	4,594 (45.1%)	990 (81.5%)	1,230 (80.6%)	1,420 (80.6%)	4,907 (55.4%)	5,757 (53.7%)	6,014 (50.4%)
Non-executive (male)	Number (%)	3,724 (48.7%)	4,668 (50.8%)	5,586 (54.9%)	224 (18.4%)	297 (19.4%)	341 (19.4%)	3,948 (44.6%)	4,965 (46.3%)	5,927 (49.6%)
<b>Breakdown by Age Group for each Employment Category</b>										
Senior Management (<30)	Number (%)	(0.0%)	(0.0%)	1 (1.6%)	2 (2.6%)	4 (5.1%)	4 (4.4%)	2 (1.5%)	4 (3.1%)	5 (3.3%)
Senior Management (30-50)	Number (%)	40 (75.5%)	40 (78.4%)	45 (73.8%)	65 (84.4%)	66 (84.6%)	76 (84.4%)	105 (80.8%)	106 (82.2%)	121 (80.1%)
Senior Management (>50)	Number (%)	13 (24.5%)	11 (21.6%)	15 (24.6%)	10 (13.0%)	8 (10.3%)	10 (11.1%)	23 (17.7%)	19 (14.7%)	25 (16.6%)
Management (<30)	Number (%)	11 (7.9%)	7 (5.3%)	8 (5.1%)	146 (32.3%)	224 (42.3%)	149 (35.0%)	157 (26.5%)	231 (34.9%)	157 (26.9%)
Management (30-50)	Number (%)	116 (82.9%)	111 (83.5%)	128 (81.0%)	298 (65.9%)	298 (56.3%)	268 (62.9%)	414 (69.9%)	409 (61.8%)	396 (67.8%)
Management (>50)	Number (%)	13 (9.3%)	15 (11.3%)	22 (13.9%)	8 (1.8%)	7 (1.3%)	9 (2.1%)	21 (3.5%)	22 (3.3%)	31 (5.3%)
Executive (<30)	Number (%)	84 (16.1%)	74 (15.9%)	86 (18.3%)	81 (45.3%)	94 (46.5%)	104 (46.4%)	165 (23.5%)	168 (25.1%)	190 (27.3%)
Executive (30-50)	Number (%)	418 (79.9%)	372 (79.8%)	364 (77.3%)	96 (53.6%)	106 (52.5%)	116 (51.8%)	514 (73.2%)	478 (71.6%)	480 (69.1%)
Executive (>50)	Number (%)	21 (4.0%)	20 (4.3%)	21 (4.5%)	2 (1.1%)	2 (1.0%)	4 (1.8%)	23 (3.3%)	22 (3.3%)	25 (3.6%)
Non-executive (<30)	Number (%)	5,731 (75.0%)	7,135 (77.6%)	7,765 (76.3%)	768 (63.3%)	1,089 (71.3%)	1,195 (67.9%)	6,499 (73.4%)	8,224 (76.7%)	8,960 (75.0%)
Non-executive (30-50)	Number (%)	1,831 (24.0%)	1,982 (21.6%)	2,330 (22.9%)	396 (32.6%)	401 (26.3%)	517 (29.4%)	2,227 (25.1%)	2,383 (22.2%)	2,847 (23.8%)
Non-executive (>50)	Number (%)	79 (1.0%)	78 (0.8%)	85 (0.8%)	50 (4.1%)	37 (2.4%)	49 (2.8%)	129 (1.5%)	115 (1.1%)	134 (1.1%)
<b>Workforce Breakdown by Gender</b>										
Female	Number (%)	4,303 (51.5%)	4,863 (49.4%)	4,946 (45.5%)	1,503 (78.2%)	1,824 (78.1%)	1,963 (78.5%)	5,806 (56.5%)	6,687 (54.9%)	6,909 (51.7%)
Male	Number (%)	4,054 (48.5%)	4,982 (50.6%)	5,924 (54.5%)	419 (21.8%)	512 (21.9%)	538 (21.5%)	4,473 (43.5%)	5,494 (45.1%)	6,462 (48.3%)
<b>Workforce Breakdown by Age Group</b>										
<30	Number (%)	5,826 (69.7%)	7,216 (73.3%)	7,860 (72.3%)	997 (51.9%)	1,411 (60.4%)	1,452 (58.1%)	6,823 (66.4%)	8,627 (70.8%)	9,312 (69.6%)
30-50	Number (%)	2,405 (28.8%)	2,505 (25.4%)	2,867 (26.4%)	855 (44.5%)	871 (37.3%)	977 (39.1%)	3,260 (31.7%)	3,376 (27.7%)	3,844 (28.7%)
>50	Number (%)	126 (1.5%)	124 (1.3%)	143 (1.3%)	70 (3.6%)	54 (2.3%)	72 (2.9%)	196 (1.9%)	178 (1.5%)	215 (1.6%)

# SUSTAINABILITY STATEMENT

## GROUP SUSTAINABILITY DATA PERFORMANCE (CONT'D)

Indicator	Unit	Convenience Store			Pharmaceutical			Group		
		2021	2022	2023	2021	2022	2023	2021	2022	2023
<b>Social</b>										
<b>Workforce Breakdown by Ethnicity</b>										
Malay	Number (%)	6,979 (83.5%)	7,939 (80.6%)	8,390 (77.2%)	813 (42.3%)	1,050 (44.9%)	1,103 (44.1%)	7,792 (75.8%)	8,989 (73.8%)	9,493 (71.0%)
Chinese	Number (%)	207 (2.5%)	231 (2.3%)	238 (2.2%)	906 (47.1%)	1,033 (44.2%)	1,071 (42.8%)	1,113 (10.8%)	1,264 (10.4%)	1,309 (9.8%)
Indian	Number (%)	416 (5.0%)	602 (6.1%)	579 (5.3%)	114 (5.9%)	156 (6.7%)	159 (6.4%)	530 (5.2%)	758 (6.2%)	738 (5.5%)
Others	Number (%)	385 (4.6%)	569 (5.8%)	661 (6.1%)	89 (4.6%)	97 (4.1%)	168 (6.7%)	474 (4.6%)	666 (5.5%)	829 (6.2%)
Non-Malaysian	Number (%)	370 (4.4%)	504 (5.1%)	1,002 (9.2%)	0 (0.0%)	0 (0.0%)	0 (0.0%)	370 (3.6%)	504 (4.1%)	1,002 (7.5%)
Disabled staff	Number (%)	0 (0.0%)	0 (0.0%)	0 (0.0%)	0 (0.0%)	0 (0.0%)	1 (0.04%)	0 (0.0%)	0 (0.0%)	1 (0.01%)
<b>Employee Turnover Rates</b>										
Total turnover *	Number (rate)	9,674 (110.3%)	16,074 (176.6%)	15,228 (147.0%)	625 (38.4%)	1,080 (50.7%)	1,132 (46.8%)	10,299 (99.0%)	17,154 (152.8%)	16,360 (128.1%)
<b>Turnover by gender</b>										
Female	Number (rate)	4,539 (101.4%)	7,629 (166.5%)	6,708 (136.8%)	498 (38.2%)	833 (50.1%)	888 (46.9%)	5,037 (87.1%)	8,462 (135.5%)	7,596 (111.7%)
Male	Number (rate)	5,135 (119.6%)	8,445 (186.9%)	8,520 (156.2%)	127 (39.1%)	247 (53.1%)	244 (46.5%)	5,262 (113.9%)	8,692 (174.4%)	8,764 (146.6%)
<b>Turnover by age group</b>										
<30	Number (rate)	8,573 (135.8%)	14,722 (225.8%)	13,720 (182.0%)	518 (58.9%)	923 (76.7%)	965 (67.4%)	9,091 (126.4%)	15,645 (202.5%)	14,685 (163.7%)
30-50	Number (rate)	1,053 (45.3%)	1,292 (52.6%)	1,463 (54.5%)	96 (13.7%)	140 (16.2%)	160 (17.3%)	1,149 (38.0%)	1,432 (43.2%)	1,623 (45.0%)
>50	Number (rate)	48 (35.4%)	60 (48.0%)	45 (33.7%)	11 (21.8%)	17 (27.4%)	7 (11.1%)	59 (31.7%)	77 (41.2%)	52 (26.5%)
<b>Turnover by Employment Category</b>										
Senior management	Number (rate)	12 (22.2%)	11 (21.2%)	7 (12.5%)	12 (36.9%)	0 (0.0%)	4 (200.0%)	24 (27.7%)	11 (19.0%)	11 (19.0%)
Management	Number (rate)	15 (11.6%)	33 (24.2%)	21 (14.4%)	30 (16.8%)	60 (133.3%)	48 (88.9%)	45 (14.6%)	93 (51.2%)	69 (34.6%)
Executive	Number (rate)	81 (16.1%)	112 (22.6%)	81 (17.3%)	36 (59.0%)	43 (108.9%)	36 (91.1%)	117 (20.7%)	155 (29.0%)	117 (23.0%)
Non-executive	Number (rate)	9,566 (118.3%)	15,918 (189.1%)	15,119 (156.1%)	547 (77.3%)	977 (128.2%)	1,044 (103.3%)	10,113 (115.0%)	16,895 (184.0%)	16,163 (151.1%)
* All turnover rate is expressed as the number of employee separations divided by the average number of employees										
<b>Women Representatives in the Management</b>										
% Women in Management	%	49%	44%	47%	74%	75%	75%	68%	69%	67%
% Women in Top Management	%	32%	31%	28%	47%	50%	52%	41%	43%	42%
<b>Boardroom Diversity</b>										
<b>Breakdown of Board of Directors by Gender</b>										
Male	Number (%)	7 (77.8%)	7 (70.0%)	7 (77.8%)	6 (75.0%)	6 (75.0%)	6 (75.0%)	7 (77.8%)	7 (70.0%)	7 (77.8%)
Female	Number (%)	2 (22.2%)	3 (30.0%)	2 (22.2%)	2 (25.0%)	2 (25.0%)	2 (25.0%)	2 (22.2%)	3 (30.0%)	2 (22.2%)
<b>Breakdown of Board of Directors by Ethnicity</b>										
Malay	Number (%)	2 (22.2%)	3 (30.0%)	4 (44.4%)	0 (0.0%)	0 (0.0%)	0 (0.0%)	2 (22.2%)	3 (30.0%)	4 (44.4%)
Chinese	Number (%)	4 (44.4%)	4 (40.0%)	3 (33.3%)	7 (87.5%)	8 (100.0%)	8 (100.0%)	4 (44.4%)	4 (40.0%)	3 (33.3%)
Indian	Number (%)	1 (11.1%)	1 (10.0%)	0 (0.0%)	1 (12.5%)	0 (0.0%)	0 (0.0%)	1 (11.1%)	1 (10.0%)	0 (0.0%)
Non-Malaysian	Number (%)	2 (22.2%)	2 (20.0%)	2 (22.2%)	0 (0.0%)	0 (0.0%)	0 (0.0%)	2 (22.2%)	2 (20.0%)	2 (22.2%)
<b>Breakdown of Board of Directors by Age Group</b>										
<30	Number (%)	0 (0.0%)	0 (0.0%)	0 (0.0%)	0 (0.0%)	0 (0.0%)	0 (0.0%)	0 (0.0%)	0 (0.0%)	0 (0.0%)
30-50	Number (%)	5 (55.6%)	6 (60.0%)	6 (66.7%)	2 (25.0%)	3 (37.5%)	3 (37.5%)	5 (55.6%)	6 (60.0%)	6 (66.7%)
>50	Number (%)	4 (44.4%)	4 (40.0%)	3 (33.3%)	6 (75.0%)	5 (62.5%)	5 (62.5%)	4 (44.4%)	4 (40.0%)	3 (33.3%)

# SUSTAINABILITY STATEMENT

## GROUP SUSTAINABILITY DATA PERFORMANCE (CONT'D)

Indicator	Unit	Convenience Store			Pharmaceutical			Group		
		2021	2022	2023	2021	2022	2023	2021	2022	2023
<b>Human Rights</b>										
Complaints concerning human rights violations	Number	0	0	0	0	0	0	0	0	0
Substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0	0	0	0	0	0	0	0
<b>Training</b>										
Total training time	Hours	91,632	70,734	115,048	73,285	74,794	120,482	164,917	145,528	235,530
<b>Total training by Employee Category</b>										
Senior management	Hours	72	24	896	896	896	1,440	968	920	2,336
Management	Hours	159	460	1,984	58,904	60,784	106,434	59,063	61,244	108,418
Executive	Hours	776	2,716	1,864	1,096	240	112	1,872	2,956	1,976
Non-executive	Hours	90,625	67,534	110,304	12,389	12,874	12,496	103,014	80,408	122,800
Average training per year per employee	Hours	11	7	11	38	32	48	16	12	18
Training investment	RM	1,159,464	1,732,621	2,217,495	522,115	449,329	423,096	1,681,579	2,181,950	2,640,591
<b>Safety</b>										
Number of work-related fatalities	Number	0	0	0	0	0	0	0	0	0
Lost time incident rate	Rate	0.00	0.00	0.01	0.00	0.00	0.41	0.00	0.00	0.09
Number of employees trained on health and safety standards	Number	43	46	11	0	100	0	43	146	11
Total number of incidents of noncompliance with regulations or voluntary codes concerning the health & safety impacts of products and services within the reporting period	Number	NA	NA	0	0	0	0	NA	NA	0
Number of recalls issued and total units recalled for health and safety reasons	Number	NA	NA	0	0	0	0	NA	NA	0
Percentage of significant product and service categories for which health and safety impacts are assessed for improvement	%	NA	NA	0	0	0	0	NA	NA	0
<b>Community</b>										
Total amount invested in the community	RM	4,111,919	4,810,844	5,064,972	552,475	444,600	255,551	4,664,394	5,255,444	5,320,523
Total number of beneficiaries of the investment in communities	Number	421	600	1,184	18	109	56	439	709	1,240
Total costs of environmental fines and penalties	RM	0	0	0	0	0	0	0	0	0

# SUSTAINABILITY STATEMENT

## Performance Data Table from Bursa Malaysia ESG Reporting Platform

Indicator	Measurement Unit	2023
<b>Bursa (Anti-corruption)</b>		
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category		
Senior Management	Percentage	17.88
Management	Percentage	34.59
Executive	Percentage	32.23
Non-executive	Percentage	3.67
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	0.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0
<b>Bursa (Community/Society)</b>		
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	5,320,523.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	1,240
<b>Bursa (Diversity)</b>		
Bursa C3(a) Percentage of employees by gender and age group, for each employee category		
Age Group by Employee Category		
Senior Management Under 30	Percentage	3.31
Senior Management Between 30-50	Percentage	80.13
Senior Management Above 50	Percentage	16.56
Management Under 30	Percentage	26.88
Management Between 30-50	Percentage	67.81
Management Above 50	Percentage	5.31
Executive Under 30	Percentage	27.34
Executive Between 30-50	Percentage	69.06
Executive Above 50	Percentage	3.60
Non-executive Under 30	Percentage	75.04
Non-executive Between 30-50	Percentage	23.84
Non-executive Above 50	Percentage	1.12
Gender Group by Employee Category		
Senior Management Male	Percentage	57.62
Senior Management Female	Percentage	42.38
Management Male	Percentage	32.71
Management Female	Percentage	67.29
Executive Male	Percentage	36.98
Executive Female	Percentage	63.02
Non-executive Male	Percentage	49.64
Non-executive Female	Percentage	50.36
Bursa C3(b) Percentage of directors by gender and age group		
Male	Percentage	77.78
Female	Percentage	22.22
Under 30	Percentage	0.00
Between 30-50	Percentage	66.67
Above 50	Percentage	33.33
<b>Bursa (Energy management)</b>		
Bursa C4(a) Total energy consumption	Megawatt	262,900.85
<b>Bursa (Health and safety)</b>		
Bursa C5(a) Number of work-related fatalities	Number	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.09
Bursa C5(c) Number of employees trained on health and safety standards	Number	11
<b>Bursa (Labour practices and standards)</b>		
Bursa C6(a) Total hours of training by employee category		
Senior Management	Hours	2,336
Management	Hours	108,418
Executive	Hours	1,976
Non-executive	Hours	122,800
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	8.00
Bursa C6(c) Total number of employee turnover by employee category		
Senior Management	Number	11
Management	Number	69
Executive	Number	117
Non-executive	Number	16,163
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0
<b>Bursa (Supply chain management)</b>		
Bursa C7(a) Proportion of spending on local suppliers	Percentage	94.42
<b>Bursa (Data privacy and security)</b>		
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0
<b>Bursa (Water)</b>		
Bursa C9(a) Total volume of water used	Megalitres	30,300.000000

Internal assurance

External assurance

No assurance

(\*)Restated

# SUSTAINABILITY STATEMENT



## SIRIM QAS INTERNATIONAL SDN BHD INDEPENDENT ASSURANCE STATEMENT

### To Board of Directors, Stakeholders, and Interested Parties,

SIRIM QAS International Sdn. Bhd. was engaged by 7-Eleven Malaysia Holding Berhad (hereafter referred to as SEM) to perform an independent verification and provide assurance of SEM Key Performance Indicators 2023. The main objective of the verification process is to provide assurance to SEM and its stakeholders on the accuracy and reliability of the information as presented in this statement. The verification by SIRIM QAS International applied to selected sustainability performance information (subject matter) as listed below, within the assurance scope which is included in SEM Key Performance Indicators 2023.

The management of SEM was responsible for the preparation of the Key Performance Indicators 2023. The objectivity and impartiality of this statement is assured as no member of the verification team and no other employee of SIRIM QAS International was involved in the preparation of any part of the SEM Sustainability Statement and the Annual Report 2023.

The assurance engagement was designed to provide limited assurance in accordance with International Standard on Assurance Engagements (ISAE) 3000, Assurance Engagements other than Audits or Reviews of Historical Financial Information, and BURSA Sustainability Reporting Guide, irrespective of the organization's ability to achieve its objectives, targets or expectations on their subject matter and sustainability-related issues. The assurance activity evaluates the adequacy of the Key Performance Indicators – Convenience Store only. The assurance process involves verification of selected subject matters as follows. Details provided in Appendix 1 of this statement.

Key Performance Indicator – Convenience Store only
Sustainable Procurement
Anti-corruption
Environment – Energy, Water, Waste, Emissions
Workforce
Human Rights
Training
Safety
Community

The verification was carried out by SIRIM QAS International in January 2024, with the following methodologies:

- Reviewing and verifying the traceability, consistency and accuracy of information collected from various sources; internal and external documentation which are made available during the conduct of assessment.
- Verification of data presented in the Sustainability Statement includes a detailed assessment of the sampled data.
- Interviewing key personnel responsible for collating information and writing various parts of the statement in order to substantiate the veracity of the claims.



# SUSTAINABILITY STATEMENT

The verification process was subjected to the following limitations:

- The scope of work did not involve verification of other information reported in SEM's Annual Report 2023.
- The corporate office at Plaza Berjaya was visited as part of this assurance engagement. The verification process did not include physical inspections of any of SEM's operations and assets; and,
- The verification team did not verify any contractor or third-party data.

## Conclusion

SIRIM QAS International, a Conformity Assessment Body in Malaysia, is accredited to both ISO 17021-1:2015 and ISO 17065:2012 covering all our operational activities. The appointed assessors performing the assurance engagement were selected appropriately based on our internal qualifications, training and experience. The verification process is reviewed by management to ensure that the approach and assurance are strictly followed and operated transparently. During the verification process, issues were raised, and clarifications were sought from the management of SEM relating to the accuracy of some of the information contained in the statement. In response to the raised findings, the Key Performance Indicators – Convenience Store only, were subsequently reviewed and revised by SEM. It is confirmed that changes that have been incorporated into the final version of the statement have satisfactorily addressed all issues. Based on the scope of the assessment process and evidence obtained, the following represents SIRIM QAS International's opinion:

- The level of data accuracy included in SEM Key Performance Indicators 2023 – Convenience Store, is fairly stated;
- The level of disclosure of the specific sustainability performance information presented in the statement was found to be properly prepared;
- The personnel responsible were able to demonstrate the origin(s) and interpretation of data contained in the statement;
- The Key Performance Indicators 2023 – Convenience Store, provides a reasonable and balanced presentation of the sustainability performance of 7-Eleven Malaysia Holding Berhad, for the Convenience Stores.

### List of Assessors.

- |    |                            |   |             |
|----|----------------------------|---|-------------|
| 1) | Ms. Aernida Abdul Kadir    | : | Team Leader |
| 2) | Ms. Kamini Sooriamorthy    | : | Team Member |
| 3) | Ms. Suzalina Kamaralarifin | : | Team Member |
| 4) | Ms. Nur Ruzaini Ab Razak   | : | Team Member |

Statement Prepared by:



**AERNIDA BINTI ABDUL KADIR**

Team Leader  
Management System Certification Department  
SIRIM QAS International Sdn. Bhd.

Date: 8 February 2024

Statement Approved by:



**Ts. MD ADHA BIN RAHMAT**

Senior General Manager  
Management System Certification Department  
SIRIM QAS International Sdn. Bhd.

Date: 13 February 2024

Note 1:

This Independent Assurance Statement has been issued based on the content verified prior to the approval date. SIRIM QAS International Sdn Bhd shall not be responsible for any changes or additions made after the referred date (7 February 2024).

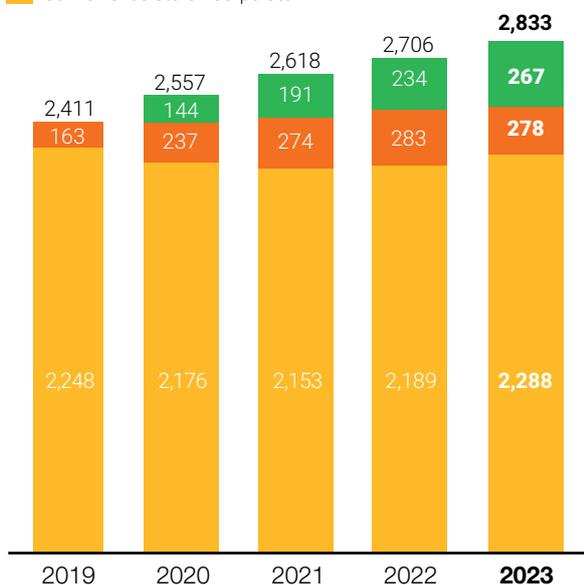
# GROUP FINANCIAL SUMMARY

Description	2023 RM'000	2022 RM'000	2021 RM'000	2020 RM'000	2019 RM'000
Revenue	<b>2,783,552</b>	2,484,691	2,808,500	2,539,028	2,361,058
Profit Before Tax	<b>21,571</b>	73,431	92,429	62,656	76,653
Profit After Tax	<b>270,118</b>	84,328	58,840	35,353	54,084
Profit Attributable To Shareholder	<b>261,766</b>	66,875	44,348	29,766	54,058
Share Capital	<b>1,410,881</b>	1,485,138	1,485,138	1,485,138	1,485,138
Treasury shares	<b>(99,108)</b>	(194,302)	(161,410)	(157,243)	(128,928)
Assets Revaluation Reserve	<b>46,351</b>	45,599	43,236	42,214	41,969
Reserves	<b>345,410</b>	140,974	66,266	39,899	46,985
Capital Reorganisation Deficit	<b>(1,343,248)</b>	(1,343,248)	(1,343,248)	(1,343,248)	(1,343,248)
Non-controlling Interest	<b>(2,990)</b>	96,080	92,061	94,461	195
Total Equity	<b>357,296</b>	230,241	182,043	161,221	102,111
Long Term Liabilities	<b>1,049,206</b>	1,350,052	1,231,305	972,933	579,945
Current Liabilities	<b>1,124,773</b>	1,096,934	849,391	902,695	739,963
Total Equity and Liabilities	<b>2,531,275</b>	2,677,227	2,262,739	2,036,849	1,422,019
Property, Plant & Equipment	<b>438,180</b>	361,620	321,045	346,484	338,129
Right-of-use assets	<b>625,433</b>	684,363	652,534	672,881	608,530
Investment Property	-	20,585	21,029	-	-
Intangible Assets	<b>11,194</b>	473,375	478,949	425,492	29,390
Investment and Other Non-Current Asset	<b>151,337</b>	79,036	36,559	25,733	42,533
Current Assets	<b>1,305,131</b>	1,058,248	752,623	566,259	403,437
Total Assets	<b>2,531,275</b>	2,677,227	2,262,739	2,036,849	1,422,019
Net Assets Per Share (sen)	<b>32.49</b>	12.09	7.99	5.91	8.93
Basic Earning Per Share (sen)	<b>23.59</b>	5.95	3.93	2.60	4.74

# GROUP FINANCIAL HIGHLIGHTS

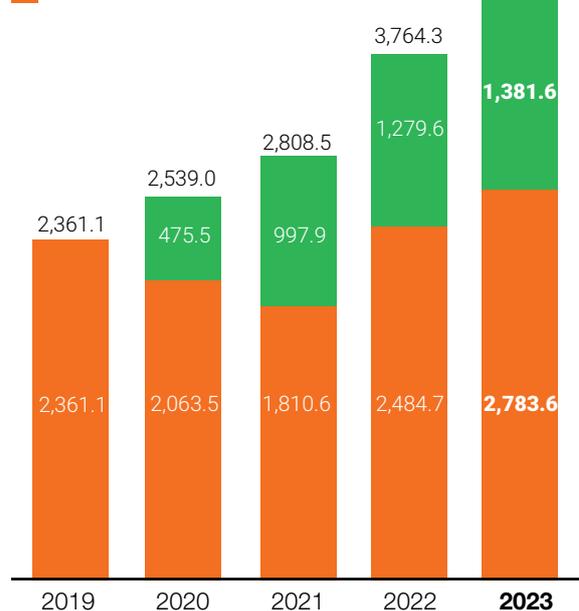
## Store Count

- Pharmaceutical Store
- Convenience Store - Franchise
- Convenience Store - Corporate

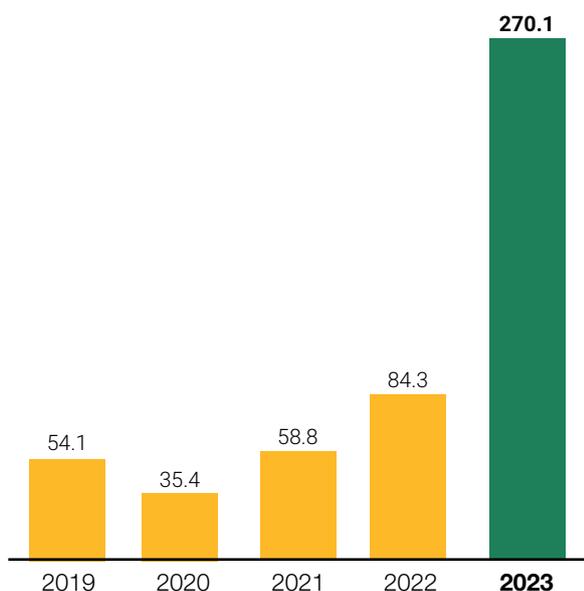


## Revenue (RM 'million)

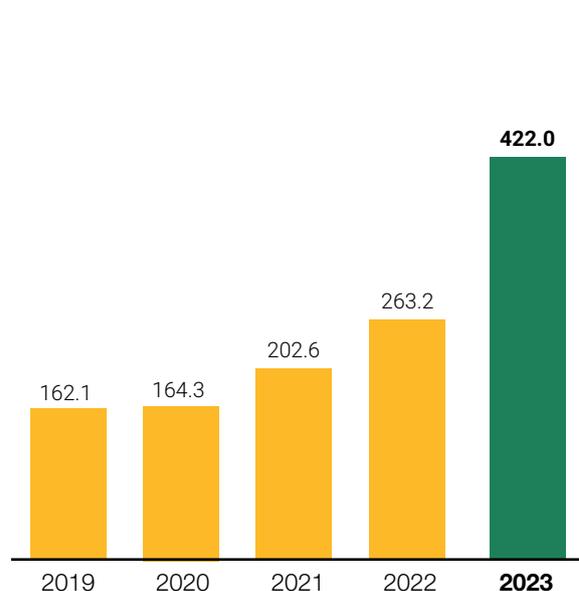
- Pharmaceutical Store
- Convenience Store



## Profit After Tax (RM 'million)



## EBITDA (RM 'million)



## CHARTS ON FINANCIAL HIGHLIGHTS

	2019	2020	2021	2022	2023
Convenience Store - Corporate	2,248	2,176	2,153	2,189	<b>2,288</b>
Convenience Store - Franchise	163	237	274	283	<b>278</b>
Pharmaceutical Store	-	144	191	234	<b>267</b>
<b>Store Count</b>	<b>2,411</b>	<b>2,557</b>	<b>2,618</b>	<b>2,706</b>	<b>2,833</b>
Revenue (RM'million)	2,361.1	2,539.0	2,808.5	2,484.7	<b>2,783.6</b>
Profit after Tax (RM'million)	54.1	35.4	58.8	84.3	<b>270.1</b>
EBITDA (RM'million)	162.1	164.3	202.6	263.2	<b>422.0</b>

### Notes:

EBITDA defined as profit before finance cost, tax, depreciation of assets and exclude impacts from MFRS 16: Leases. Disposal of Caring Group completed by end of the year 2023.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

This statement outlines the following principles and recommendations which the Group has comprehended and applied with the best practices outlined in the MCCG:-

- Principle A - Board Leadership and Effectiveness
- Principle B - Effective Audit and Risk Management
- Principle C - Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders

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

## PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS

### Part I: Board responsibilities

#### 1) Establishing clear roles and responsibilities of the Board

##### *Board of Directors*

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

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

##### *Chairman of the Board*

The Chairman, Datuk Wira Farhash Wafa Salvador is a Non-Independent Non-Executive Director who chairs and leads the Board meetings by encouraging and eliciting the views of all the Board members. He ensures that proper weightage and time are given to issues of corporate governance, business operations and strategies raised in the Board meetings. In the absence of the Chairman, the role of Chairman will be undertaken by the Deputy Chairman.

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

There is a clear division of responsibilities between the Chairman of the Board and the Co-Chief Executive Officers to ensure a balance of power and authority. The Chairman is responsible for ensuring the integrity and effectiveness of the governance process of the Board while the Co-Chief Executive Officers hold the primary executive responsibility for the Group's business performance and manage the Group in accordance with the strategies and policies approved by the Board.

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

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

### Part I: Board responsibilities (Cont'd)

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

##### *Qualified Company Secretaries*

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

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

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

##### *Directors*

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

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

##### *Access to information and advice*

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

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

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

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

#### 2) Demarcation of responsibilities

##### *Board Charter*

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

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

### Part I: Board responsibilities (Cont'd)

#### 2) Demarcation of responsibilities (Cont'd)

##### *Board Charter (Cont'd)*

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

##### *Fit and Proper Policy*

In line with the Listing Requirements of Bursa Securities, the Company had adopted a Fit and Proper Policy in 30 June 2022 which enhances Board quality in the appointment and re-election of Directors of the Company and its subsidiaries. The Fit and Proper Policy is accessible through the Company's website at [www.7eleven.com.my](http://www.7eleven.com.my).

##### *Group Governance Framework*

Recognising that sound corporate governance practices are pivotal for the smooth, effective, and transparent operation of 7-Eleven, the Board emphasises its role in garnering investor confidence, protecting shareholders' rights, and unlocking shareholder value. Transparency and accountability are championed in the boardroom and throughout the entirety of the Company.

The Company boasts a well-defined and meticulously structured corporate governance framework, aligning with the Board's overarching goal of achieving long-term and sustainable value. This framework fosters a corporate culture that places a premium on ethical behaviour, integrity and accountability. The Group governance framework was adopted on 13 April 2023.

#### 3) Good business conduct and corporate culture

##### *Code of Ethics*

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

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

##### *Whistle blowing*

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

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

##### *Sustainability*

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

##### *Anti-corruption policies*

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

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

### Part II: Board composition

#### 1) Strengthening the Board's composition

As of the date of this Statement, the Board consisted of nine (9) members, comprising two (2) Executive Directors, four (4) Non-Independent Non-Executive Directors, one (1) Senior Independent Non-Executive Director and two (2) Independent Non-Executive Directors. This composition fulfils the Listing Requirements, which stipulate that at least three (3) Directors or one-third (1/3) of the Board, whichever is higher, must be independent. The Board took note of the requirement of Practice 5.2 of the MCCG which requires at least half of the Board comprises Independent Directors. However, the Nominating Committee ("NC") is of the view that the current Board size and composition is appropriate and effective taking account the nature of business operations of the Company. The Board is also satisfied with the current board composition, nevertheless, the Board may consider increasing the number of Independent Directors should there be a suitable candidate.

The profile of each Director is set out on pages 10 to 14 of this Annual Report. The Directors, with their diverse background and qualifications, collectively bring with them a wide range of experience and expertise in areas such as accounting and auditing, taxation, retail, finance, legal, information technology and investment.

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

#### *Board Committees*

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

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

All the deliberation, discussions and outcome of the committee meetings are reported by the Chairman of the respective Board Committees to the Board, while the ultimate responsibility for decision making lies with the Board.

#### **I. Audit Committee**

The Audit Committee assists the Board in carrying out its statutory and fiduciary responsibilities with regards to the monitoring and management of financial risk processes, accounting practices, internal control system, and the Group's management and financial reporting practices. To accomplish this, the Audit Committee oversees the reports of external and internal auditors, protects the integrity of financial reporting and ensures a sound system of internal controls to protect and enhance the Company's value. The Terms of Reference of the Audit Committee is publicly available on the Company's website at [www.7eleven.com.my](http://www.7eleven.com.my).

Details of Audit Committee activities are reported in the Audit Committee Report on pages 93 to 95.

#### **II. Nominating Committee**

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

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

### Part II: Board composition

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

##### II. Nominating Committee (Cont'd)

The Nominating Committee comprises the following members and their attendance during the financial year ended 31 December 2023 are as follows:

Name of Nominating Committee Member	Meeting attended
Puan Sri Datuk Seri Rohani Parkash Binti Abdullah, Chairperson (Independent Non-Executive Director)	2/2
Chan Kien Sing, Member (Non-Independent Non-Executive Director)	2/2
Shalet Marian, Member <sup>(1)</sup> (Independent Non-Executive Director)	1/1
Dato' Richard Alexander John Curtis, Member <sup>(2)</sup> (Senior Independent Non-Executive Director)	1/1

Notes:

- Ms. Shalet Marian was retired as member of Nominating Committee on 26 May 2023.
- Dato' Richard Alexander John Curtis was appointed as a member of Nominating Committee on 26 June 2023.

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

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

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

For the financial year ended 31 December 2023, the Nominating Committee carried out, and reported to the Board the outcome of, the following key activities:

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

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

### Part II: Board composition

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

##### II. Nominating Committee (Cont'd)

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 2023, 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.

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

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

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

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

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

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

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

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

### Part II: Board composition (Cont'd)

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

##### III. 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 2023 are as follows:

Name of Remuneration Committee Member	Meeting attended
Chan Kien Sing, Chairman (Non-Independent Non-Executive Director)	1/1
Puan Sri Datuk Seri Rohani Parkash Binti Abdullah, Member (Non-Independent Non-Executive Director)	1/1
Shalet Marian, Member <sup>(1)</sup> (Independent Non-Executive Director)	1/1
Muhammad Lukman bin Musa @ Hussain, Member <sup>(2)</sup> (Non-Independent Non-Executive Director)	-

Notes:

1. Ms. Shalet Marian was retired as member of Remuneration Committee on 26 May 2023.
2. Encik Muhammad Lukman Bin Musa @ Hussain was appointed as member of Remuneration Committee on 24 November 2023.

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.

For the financial year ended 31 December 2023, the Remuneration Committee carried out, and reported to the Board the outcome of, the following key activities:

- reviewed and assessed the salary and remuneration packages of the employees and its Executive Directors of the Company and the Executive Directors of Caring Pharmacy Group Berhad;
- reviewed and assessed the bonus payment of the employees and its Executive Directors of the Company and the Executive Directors of Caring Pharmacy Group Berhad; and
- reviewed and discussed the Directors' fees and benefits payable to the Non-Executive Directors.

No Director shall take part in decisions involving his/her own remuneration. However, the Executive Directors may attend Remuneration Committee meeting at the invitation of the Remuneration Committee's Chairman, if their presence is required.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

### Part II: Board composition (Cont'd)

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

##### IV. Risk Management and Sustainability Committee ("RMSC")

To better address risk faced and develop the Environment, Social and Governance ("ESG") matters of the Company, the Board established a Risk Management and Sustainability Committee on 20 April 2022. The Board is in the opinion that the new changes will be more effective to ensure the Board's role in considering sustainability matters when exercising its duties of developing and implementing company strategies, business plans, major plans of actions and risk management and that adequate resources, systems and process are in place for managing sustainability matters. The RMSC will review the sustainability reports and emerging issues. The Company will continue to review and enhance Key Performance Indicators ("KPIs") related to sustainability to further strengthen its governance practices from time to time. The RMSC is also responsible for overseeing the development, implementation and execution of the risk management framework and processes in identifying, assessing, managing, and monitoring the risks of the Company and its subsidiaries of which the effectiveness of the framework is reviewed annually.

The RMSC comprises the following members and their attendance during the financial year ended 31 December 2023 are as follows:

Name of Risk Management and Sustainability Committee Member	Meeting attended
<i>Dato' Richard Alexander John Curtis, Chairman (Senior Independent Non-Executive Director)</i>	5/5
<i>Muhammad Lukman Bin Musa @ Hussain, Member (Non-Independent Non-Executive Director)</i>	5/5
<i>Moyra Binti Ibrahim, Member (Independent Non-Executive Director)</i>	5/5

For the financial year ended 31 December 2023, the RMSC carried out, and reported to the Board the outcome of, the following key activities:

- Reviewed risk management activities conducted by Risk Management Working Group;
- Deliberated on Business Continuity Plan;
- Reviewed the Statement of Risk Management and Internal Control and Sustainability Report;
- Reviewed the Enterprise Risk Management framework;
- Reviewed the list of policies of the Group; and
- Reviewed the sustainability activities carried out and matters of the Group.

#### 2) Reinforcing independence

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

The Board acknowledges the importance of Independent Non-Executive Directors in bringing objectivity and impartiality in providing unbiased opinion and judgment to ensure that the interests of the Group, shareholders, customers and other stakeholders are taken into account during its decision making process. The Board consists of three (3) Independent Directors who were neither involved in the business transactions nor participated in the day-to-day management of the Group.

The Company meets the requirement prescribed by the Listing Requirements of Bursa Securities to have at least one-third (1/3) of its Board members being Independent Directors.

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

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

### Part II: Board composition (Cont'd)

#### 2) Reinforcing independence (Cont'd)

The Board, save for the Independent Non-Executive Directors, has determined that the Independent Directors have fulfilled the criteria under the definition of an Independent Director as stated in the Listing Requirements of Bursa Securities and are able to maintain their independent and objective judgements, and contribute positively to the business strategies, operations and corporate governance of the Company and the Group.

#### 3) Fostering commitment

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

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

Name of Director	Meetings attended
Datuk Wira Farhash Wafa Salvador (Appointed on 3 January 2023)	5/7
Dato' Richard Alexander John Curtis	7/7
Tan U-Ming	7/7
Wong Wai Keong	6/7
Puan Sri Datuk Seri Rohani Parkash Binti Abdullah	6/7
Moyra Binti Ibrahim	7/7
Chan Kien Sing	7/7
Tsai, Tzung-Han	5/7
Muhammad Lukman Bin Musa @ Hussain	7/7
Shalet Marian* (Retired on 26 May 2023)	3/3
Dato' Sri Robin Tan Yeong Ching* (Resigned on 3 January 2023)	-

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

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

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

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

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

### Part II: Board composition (Cont'd)

#### 3) Fostering commitment (Cont'd)

The continuous education programmes attended by the Directors as of the date of this Statement, during the financial year ended 31 December 2023 comprise the following:

Name of Director	Continuous education programmes attended in Year 2023
Datuk Wira Farhash Wafa Salvador	<ul style="list-style-type: none"> <li>- Transformational Leadership for Corporate Directors</li> <li>- MAP (Bursa Malaysia Mandatory Accreditation Programme)</li> <li>- Corporate Governance – The Demands Of Ethics &amp; Law</li> <li>- Cyber Security Awareness Training 2023</li> </ul>
Dato' Richard Alexander John Curtis	<ul style="list-style-type: none"> <li>- Transformational Leadership for Corporate Directors</li> <li>- AI in Marketing: Revolutionary or Dangerous</li> <li>- BSC Dialogue &amp; Networking -2023</li> <li>- 2022 Asia Pacific Corporate Governance and ESG Survey Results</li> <li>- Corporate Governance - The Demands Of Ethics &amp; Law</li> </ul>
Tan U-Ming	<ul style="list-style-type: none"> <li>- Transformational Leadership for Corporate Directors</li> <li>- 7-Eleven International 2023 Leadership Summit</li> <li>- MIA Conference 2023</li> <li>- Corporate Governance - The Demands of Ethics &amp; Law</li> </ul>
Wong Wai Keong	<ul style="list-style-type: none"> <li>- Transformational Leadership for Corporate Directors</li> <li>- 7-Eleven International 2023 Leadership Summit</li> <li>- MIA Conference 2023</li> <li>- Corporate Governance - The Demands of Ethics &amp; Law</li> <li>- Asia Retail &amp; eCommerce Innovation Summit Malaysia 2023</li> </ul>
Muhammad Lukman Bin Musa @ Hussain	<ul style="list-style-type: none"> <li>- Transformational Leadership for Corporate Directors</li> <li>- MIA Conference 2023</li> <li>- Provision of Financial Assistance &amp; RPT</li> <li>- Corporate Governance – The Demands of Ethics &amp; Law</li> <li>- Capital Market Director Programme Module 1 : Directors As Gatekeepers of Market Participants.</li> <li>- Capital Market Director Programme Module 2A- What Directors Need To know (Equities &amp; Futures Broking)</li> <li>- Capital Market Director Programme Module 2B- Business Challenges Need to Know (Fund Management)</li> <li>- Capital Market Director Programme Module 3- Risk Oversight and Compliance – Action Plan for Board of Directors.</li> <li>- Capital Market Director Programme Module 4 – Emerging and Current Regulatory Issues in The Capital Market</li> <li>- Beyond Dollars &amp; Sense: Anti-Money Laundering (AMLA), Anti-Corruption &amp; Anti-Bribery (ABC) made Effective.</li> </ul>
Chan Kien Sing	<ul style="list-style-type: none"> <li>- Transformational Leadership for Corporate Directors</li> <li>- MIA Conference 2023</li> <li>- The Nominating &amp; Remuneration Committees – What Roles Do These Committees Play – Can Listed Issuers Do Without Them?"</li> <li>- Advocacy Sessions for Directors and CEOs of Main Market Listed Issuers</li> <li>- Corporate Governance – The Demands Of Ethics &amp; Law</li> <li>- Management of Cyber Risk</li> </ul>
Tsai, Tzung-Han	<ul style="list-style-type: none"> <li>- 2023 The Strategic Leadership Conference-H1</li> <li>- 2023 Cathay United Bank Overseas Units AML/CFT Training-H1</li> <li>- Employee Confidentiality Education in 2023</li> <li>- The First Course of Social Engineering in 2023</li> <li>- 2023 Outlook of the Cyber Security Risks of Open Banking &amp; the Impacts of ChatGPT on Financial Service</li> <li>- 2023 Summing-up of Cyber Security Execution Progress &amp; Financial Cyber Security Strategy</li> </ul>

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

### Part II: Board composition (Cont'd)

#### 3) Fostering commitment (Cont'd)

Name of Director	Continuous education programmes attended in Year 2023
Tsai, Tzung-Han	<ul style="list-style-type: none"> <li>- 2023 Introduction to Principles Governing Cross-Border Activities</li> <li>- The First Information Security Foundation Course in 2023</li> <li>- 2023 Treating Customers Fairly 1(TCF)</li> <li>- 2023 Treating Customers Fairly2(TCF)</li> <li>- Cathay Sustainable Finance and Climate Change Summit</li> <li>- 2023 The Strategic Leadership Conference-H2</li> <li>- 2023 Accessibility of Financial Services/Compliance Dept.</li> <li>- The Opportunities &amp; Risks Brings by Generative AI for Financial Sector</li> <li>- 2023 Prevention of Sexual Harassment at Workplace</li> <li>- 2023 Personal Information Protection Act &amp; Practice</li> <li>- 2023 BCM acknowledge training</li> <li>- On-the-Job Training for Safety Committee Members and Introduction to Occupational Safety and Health/General Affairs &amp; Safety Dept.</li> <li>- General Studies of Risk Management/Risk Management Dept.</li> <li>- Corporate Governance-The Demands of Ethics &amp; Law</li> <li>- 2023 Introduction to Whistle-blowing System</li> <li>- Supply Chain &amp; Third Party Risk Management</li> <li>- The Second Course of Social Engineering in 2023</li> <li>- 2023 Code of Conduct Training</li> <li>- 2023 AML &amp; CFT Training for Board Members and Top Management/AMLC Dept.</li> <li>- 2023 Outbound Investment Strategies Forum-Cross-border Investment Opportunities and Challenges for Taiwan Companies</li> <li>- 2023 Cathay United Bank Overseas Units AML/CFT Training-H2</li> <li>- The Second Information Security and IoT Security Foundation Course in 2023</li> <li>- 2023 Self-Inspection Operations</li> <li>- 2023 AML/CFT Training for Directors, Supervisors and Top Management</li> <li>- 2023 Treating Customers Fairly (TCF) Training for Directors, Supervisors and Top Management</li> <li>- Introduction to IFRS 17 (E-course for Directors)</li> </ul>
Puan Sri Datuk Seri Rohani Parkash Binti Abdullah	<ul style="list-style-type: none"> <li>- Transformational Leadership for Corporate Directors</li> <li>- Sustainability Series: (Re) Building the Board for Innovation</li> <li>- Navigating ESG Data into Decisions</li> <li>- Advancing Cyber Resilience</li> <li>- MIA International Conference 2023</li> <li>- ABAC: Corporate Liability</li> <li>- Corporate Governance: Demands of Ethics and Law</li> <li>- Board Oversight of Climate Risks and Opportunities</li> </ul>
Moyra Binti Ibrahim	<ul style="list-style-type: none"> <li>- Transformational Leadership for Corporate Directors</li> <li>- Masterclass on Business Integrity, Corporate Liability and Establishing Adequate Procedures for Small Medium Enterprises</li> <li>- MIA International Conference 2023</li> <li>- Corporate Governance - The Demand of Ethics &amp; Law</li> <li>- Malaysia Plan - Challenges and Opportunitites</li> <li>- ESG, Stakeholder Capitalism and Sustainability and Responsibility Investment (SRI)</li> <li>- Beyond Dollars &amp; Sense - Anti Money Laundering (AMLA), Anti-Corruption &amp; Anti-Bribery (ABC) Made Effective</li> <li>- Mandatory Accreditation Programme (MAP)</li> </ul>
Shalet Marian <sup>(1)</sup>	<ul style="list-style-type: none"> <li>- Transformational Leadership for Corporate Directors</li> <li>- Tax and Business Summit 2023</li> <li>- Remaking Corporate Governance for an ESG World organizer Asia School of Business</li> <li>- MIA International Conference 2023</li> </ul>

*Note:*

1. Ms. Shalet Marian retired as Independent Non-Executive Director of the Company on 26 May 2023.

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.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

### Part III: Remuneration

#### 1) Directors' remuneration

The Directors' remuneration paid or payable from the Company and its subsidiaries on the named basis during the financial year ended 31 December 2023 categorised into appropriate components are as follows:-

	Company		Group				Total (RM)
	Fee (RM)	Meeting Allowance (RM)	Salaries and/or Bonus* (RM)	Fees (RM)	Other Emoluments* (RM)	Benefits-in-kind (RM)	
<b>Executive Director</b>							
Tan U-Ming	-	-	1,925,852	-	-	54,749	<b>1,980,601</b>
Wong Wai Keong	-	-	1,925,852	-	-	24,149	<b>1,950,001</b>
<b>Non-Executive Director</b>							
Dato' Sri Robin Tan Yeong Ching (Resigned on 3 January 2023)	484	-	-	56,000	-	-	<b>56,484</b>
Datuk Wira Farhash Wafa Salvador	59,677	3,000	-	-	-	5,298	<b>67,975</b>
Dato' Richard Alexander John Curtis	60,000	7,000	-	56,000	-	3,799	<b>126,799</b>
Chan Kien Sing	60,000	5,500	8,543	56,000	60,000	6,498	<b>196,541</b>
Tsai, Tzung-Han	60,000	2,500	-	56,000	-	3,799	<b>122,299</b>
Muhammad Lukman Bin Musa @ Hussain	60,000	9,000	-	56,000	-	4,299	<b>129,299</b>
Puan Sri Datuk Seri Rohani Parkash Binti Abdullah	60,000	6,000	-	56,000	-	3,799	<b>125,799</b>
Moyra Binti Ibrahim	66,167	9,000	-	56,000	-	5,298	<b>136,465</b>
Shalet Marian (Retired on 26 May 2023)	29,032	4,000	-	56,000	-	5,298	<b>94,330</b>
<b>Total</b>	<b>455,360</b>	<b>46,000</b>	<b>3,860,247</b>	<b>448,000</b>	<b>60,000</b>	<b>116,986</b>	<b>4,986,593</b>

Notes:-

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

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

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

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

## PRINCIPLE B - EFFECTIVE AUDIT AND RISK MANAGEMENT

### 1) Upholding integrity in financial reporting

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

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

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

### 1) Upholding integrity in financial reporting (Cont'd)

To assist in the discharge of its duties on financial reporting, the Board has established an Audit Committee, comprising wholly Non-Executive Directors with a majority of Independent Non-Executive Directors, chaired by an Independent Non-Executive Director. The composition of the Audit Committee, including its roles and responsibilities, are set out in the Audit Committee Report on pages 93 to 95 of this Annual Report. One (1) of the key responsibilities of the Audit Committee in its specific terms of reference is to ensure that the financial statements of the Group and the Company comply with the applicable approved financial reporting standards in Malaysia and provisions of the Companies Act 2016. Such financial statements comprise the quarterly financial report announced to Bursa Securities and the annual statutory financial statements.

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

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

The Directors are satisfied that in preparing the financial statements of the Group and the Company for the financial year ended 31 December 2023, the Group has used appropriate accounting policies and applied them consistently. The Directors are also of the view that relevant applicable approved financial reporting standards have been followed in the preparation of these financial statements.

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

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

The Audit Committee, after due deliberation, has recommended the re-appointment of Messrs. Ernst & Young PLT as the External Auditors for the financial year ending 31 December 2024. The Board at its meeting held on 18 April 2024 approved the Audit Committee's recommendation. The re-appointment of Messrs. Ernst & Young PLT will be presented for shareholders' approval at the forthcoming Eleventh AGM.

### 2) Recognising and managing risks

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

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 and Risk Management and Sustainability Committee on the adequacy and effectiveness of the system of internal controls. The internal audit function is independent of the Company, Board and Management. The scope of works covered by the internal audit function for the financial year under review is furnished in the Audit Committee Report as set out on pages 93 to 95 of this Annual Report. The internal audit carried out by the internal audit function is guided by internal auditing standards promulgated by the Institute of Internal Auditors Inc., a globally recognised professional body for internal auditors. The cost incurred on the internal audit function for the financial year under review was amounted to approximately RM90,000.00.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

### 1) Ensuring timely and high quality disclosure

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

It is also required of the Directors and employees, who are in possession of price-sensitive information on the Company which 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 of Bursa Securities.

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

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

### 2) Strengthening relationship between the Company and its shareholders

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

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

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

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

This Corporate Governance Overview Statement was approved by the Board of Directors of the Company on 18 April 2024.

# 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 2023 ("FY2023"). 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 losses.

## 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:

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

## RISK APPETITE

Risk appetite refers to the levels and categories of risk the Group is prepared to accept in pursuit of its business and strategic goals as set out in its risk parameters. The Board recognises the need to balance the Group's risk appetite with its objective to maximise long term value and that the Group's risk appetite has to remain adaptable to changing market conditions and business goals so as to minimise the potential for loss while also maximising opportunities for growth.

## RISK GOVERNANCE & OVERSIGHT

Recognising the importance of leadership and a clear line of responsibility in effective risk management, the Group risk oversight structure is shown as below :-



# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

## RISK GOVERNANCE & OVERSIGHT (CONT'D)

The Group adopts the 'three lines of defence' model for risk management under the ERM Framework.

<b>Board of Directors</b>		
<ul style="list-style-type: none"> <li>To ensure the risk appetite is established by the RMSC and approved by the Board as the basis for Management to operate and to ensure that there is an appropriate risk management framework to identify, analyse, evaluate, manage and monitor significant financial and non-financial risks;</li> <li>To review, evaluate and approve an effective risk management framework, policies, system of internal controls and reporting system;</li> <li>To review and deliberate on the Group's key risks, risk profiles and the risk treatments to mitigate the risks to the Group's objectives and business.</li> </ul>		
<b>Risk Management and Sustainability Committee ("RMSC")</b>		
<ul style="list-style-type: none"> <li>To set and recommend for approval by the Board the risk appetite which the Board requires Management to operate within and to ensure that there is an appropriate risk management framework to identify, analyse, evaluate, manage and monitor significant financial and non-financial risks;</li> <li>Review and recommend to the Board an effective risk management framework and policies, system of internal controls and a reporting system;</li> <li>Review and deliberate the Group's key risks, risk profiles and the risk treatments to mitigate the risks to the Group's objectives and business;</li> </ul>		
<b>Lines of Defence</b>		
<b>First Line</b>	<b>Second Line</b>	<b>Third Line</b>
<p><b>Risk Owners</b></p> <ul style="list-style-type: none"> <li>Heads of Departments are accountable for all risks assigned under their respective areas of responsibility.</li> <li>They are responsible to identify and to manage these risks through internal control processes and to escalate details thereof to the RMWG through their RMU</li> <li>They are responsible to build up the risk management awareness and capabilities of their line management and employees.</li> </ul>	<p><b>Risk Management Working Group (RMWG)</b></p> <ul style="list-style-type: none"> <li>Establish frameworks, policies and procedures.</li> <li>Provide overall risk governance and oversight and challenge the First Line's risk identification controls and mitigation actions .</li> <li>Ensure compliance to all applicable laws, regulations and to the Group's frameworks, policies and procedures.</li> </ul>	<p><b>Internal Audit</b></p> <ul style="list-style-type: none"> <li>Provide independent assessment of the Group's internal control processes through validating the results of these processes and, where applicable, give recommendations to improve the processes.</li> </ul>

Essentially, the Board retains the overall risk management responsibility to identify principal risks and ensure the implementation of appropriate controls to manage these risks. The Board approves the risk management strategies but delegates authority through the RMSC and RMWG for risk management, including the timely review of identified risks and the effectiveness of mitigation strategies and controls.

Accountable to the Board, the RMSC meets on a quarterly basis to:

- Set and periodically review the risk appetite of the Group that Management is required to operate within
- Review the implementation of the ERM framework;
- Deliberate on key business risks and mitigating controls to address the risks identified;
- Provide oversight of the Group's insurance policies, cyber security management, business continuity and disaster recovery plans, Charts of Authority, anti-bribery and anti-corruption matters;
- Oversee the execution and implementation of the Group's sustainability strategy, monitor the progress of our sustainability initiatives and establish of Group's sustainability targets; and
- Recommend to the Board for endorsement or approval where necessary.

The RMWG's role is to develop the Group's risk management strategies and appetite aligned with the Group's business objectives, to collate and assess the critical risks identified at the Risk Management Unit level and to perform overall risk oversight before escalating the significant risks and any other material issues to RMSC.

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

## RISK GOVERNANCE & OVERSIGHT (CONT'D)

At the Risk Management Unit level, the respective risk owners are responsible for identifying risks that may have an adverse impact to their operational and/or financial goals, including any other business objectives. In assessing and monitoring identified risks, the Group employs the use of a matrix to map out the risk materiality impact and likelihood of occurrence. And after taking into consideration the effectiveness of mitigating controls and action plans taken or proposed to be taken, these identified risks are then ranked according to their residual risks. The said risk matrix is assessed and reviewed over time, in accordance with the changes in the Group's operating landscape and strategic direction, to ensure relevancy and effectiveness.

In FY2023, the RMSC had duly reviewed, appraised and assessed the efficacy of the controls and progress of action plans taken to mitigate, monitor and manage the Group's risk exposure. The RMSC has subsequently provided assurance to the Board that the Group's ERM framework and internal controls are operating adequately and effectively in all material aspects. The RMSC has reviewed and the Board has subsequently approved the Group Governance Framework.

## ERM PROCEDURE

The objectives of this Procedure are to:

- Outline the Group's risk context which comprises its philosophies, strategies and policies, and operating system so as to better manage the principal business risks faced by the Group;
- Provide guiding ERM principles and a common approach to Head of Departments to govern the actions of their operating personnel pertaining to risks; and
- Provide assurance to the Senior Management that a sound risk management and internal control system is in place and consistent with globally accepted risk management standards, ISO 31000:2018 Risk Management Standards - Guidelines.

## RISK ASSESSMENT PROCESS

Risk assessment is the overall process of risk identification, risk analysis and risk evaluation. Risk assessment is conducted systematically, iteratively and collaboratively, drawing on the knowledge and views of stakeholders. The assessment is drawn using the best available information, supplemented by further enquiry as necessary.

Our risk assessment process is illustrated in the following diagram:



# 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 protected 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.

## 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 2023 that may result in a significant loss to the Group. The Board continues to take pertinent measures to improve the Group's risk management and internal control system in meeting the Group's strategic objectives.

## LIMITED ASSURANCE PROCEDURES PERFORMED ON THE STATEMENT BY EXTERNAL AUDITORS

The external auditors, Messrs. Ernst & Young PLT, have performed limited assurance procedures on this Statement on Risk Management and Internal Control for inclusion in the Annual Report of 7-Eleven for the year ended 31 December 2023 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 18 April 2024.

# AUDIT COMMITTEE REPORT

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

## 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 2023 are as follows:

Name of Audit Committee Member	Meetings attended
Shalet Marian, Chairperson <sup>(1)</sup> (Independent Non-Executive Director)	3/3
Moyra Binti Ibrahim, Chairperson <sup>(2)</sup> (Independent Non-Executive Director)	5/5
Muhammad Lukman Bin Musa @ Hussain, Member (Non-Independent Non-Executive Director)	5/5
Puan Sri Datuk Seri Rohani Parkash Binti Abdullah, Member <sup>(3)</sup> (Independent Non-Executive Director)	2/2

Notes:

1. Ms. Shalet Marian retired as the Chairperson of Audit Committee on 26 May 2023.
2. Puan Moyra Binti Ibrahim was redesignated as Chairperson of Audit Committee on 26 June 2023.
3. Puan Sri Datuk Seri Rohani Parkash Binti Abdullah was appointed as member of Audit Committee on 26 June 2023.

## MEMBERSHIP

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

As at the date of this Report, two of the Audit Committee members are the member of the Malaysian Institute of Accountants. This composition fulfills the Listing Requirements, which stipulate that at least one (1) member of the Audit Committee must be a member of the Malaysian Institute of Accountants or, alternatively, a Director who has at least three (3) years working experience and has passed the examinations specified in Part I of the First Schedule of the Accountants Act, 1967 or is a member of one of the associations of accountants specified in Part II of the said Schedule or fulfills such other requirements as prescribed or approved by Bursa Securities. Puan Moyra Binti Ibrahim was redesignated as the Chairperson of the Audit Committee on 26 June 2023 due to the retirement of Ms. Shalet Marian.

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

## SUMMARY OF WORK OF THE AUDIT COMMITTEE

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

### (a) Financial Reporting

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

# AUDIT COMMITTEE REPORT

## SUMMARY OF WORK OF THE AUDIT COMMITTEE (CONT'D)

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

### (a) Financial Reporting (Cont'd)

- reviewed the unaudited quarterly financial results before recommending the same to the Board for consideration and approval for release to Bursa Securities;
- reviewed the solvency tests prior to recommending the declaration of the interim single-tier dividends paid out to the Company's shareholders for the financial year ended 31 December 2022 to the Board for approval, having been satisfied that the Company will remain solvent after the distribution is made, pursuant to the Companies Act 2016;
- reviewed the Budget for the financial year ending 31 December 2024 and proposed to the Board for approval;
- reviewed the Audit Committee Report for inclusion into the Annual Report 2022; and
- The dates the Audit Committee meeting held during the financial year to deliberate on financial reporting matters as detailed below:

Date of meeting	Financial Reporting/Statements Reviewed
28 February 2023	Unaudited quarterly report on consolidated results of the Company and its Group of Companies for the fourth quarter ended 31 December 2022
13 April 2023	Audited Financial Statements for the financial year ended 31 December 2022, Audit Committee Report for the Board's approval and disclosure in the Company's Annual Report 2022
25 May 2023	Unaudited quarterly report on consolidated results of the Company and its Group of Companies for the first quarter ended 31 March 2023
24 August 2023	Unaudited quarterly report on consolidated results of the Company and its Group of Companies for the second quarter ended 30 June 2023
22 November 2023	Unaudited quarterly report on consolidated results of the Company and its Group of Companies for the third quarter ended 30 September 2023
	Review the Budget of the Group for the financial year ending 31 December 2024

### (b) External Audit

- reviewed the External Auditors' audit plan for the financial year ended 31 December 2023, including the key areas of audit emphasis, audit approach and their proposed audit fees;
- reviewed, discussed and assessed all significant matters highlighted by the External Auditors on financial reporting and operation issues;
- met with the External Auditors without the presence of Executive Directors and Management on 28 February 2023 and 22 November 2023; and
- reviewed the independence and effectiveness of the External Auditors and recommended to the Board to propose to shareholders on the re-appointment of the External Auditors at the Annual General Meeting of the Company.

### (c) Internal Audit

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

# AUDIT COMMITTEE REPORT

## SUMMARY OF WORK OF THE AUDIT COMMITTEE (CONT'D)

### (c) Internal Audit (Cont'd)

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

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

For the financial year ended 31 December 2023, the internal audit function had covered the area of store maintenance, 7- CAFé operations and follow up on findings of previous internal audit report. The following activities were carried out:

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

The costs incurred for the internal audit function in respect of the financial year ended 31 December 2023 amounted to approximately RM90,000.

### (d) Related Party Transactions

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

### (e) Conflict of Interest

With the enhancements to conflict of interest ("COI") disclosure for listed companies as mandated by Bursa Securities, the role of Audit Committee is expanded to review and report to the Board, any COI situation together with the measures taken to resolve, eliminate or mitigate such conflicts.

The Audit Committee noted that there was no conflict of interest declared by the Directors and key senior management during the financial year ended 31 December 2023.

# **DIRECTORS' RESPONSIBILITY STATEMENT**

## **ON PREPARATION OF ANNUAL FINANCIAL STATEMENTS**

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

In preparing the financial statements for the financial year ended 31 December 2023 set out on pages 112 to 217 of this Annual Report, the Directors have applied appropriate accounting policies on a consistent basis (except as disclosed in Note 2.2 of the Financial Statements) and made judgments and estimates that are reasonable and prudent. The Board also considers that relevant approved accounting standards have been followed and confirmed that the financial statements have been prepared on a going concern basis.

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

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

# FINANCIAL STATEMENTS

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# 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 2023.

## Principal activities

The principal activity of the Company is investment holding.

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

## Results

	Group RM'000	Company RM'000
Net (loss)/profit for the financial year from:		
- continuing operations	(14,460)	53,316
- discontinued operation	284,578	-
Net profit for the financial year	<u>270,118</u>	<u>53,316</u>
<b>Profit attributable to:</b>		
Equity holders of the Company	261,766	53,316
Non-controlling interest	8,352	-
	<u>270,118</u>	<u>53,316</u>

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

In the opinion of the Directors, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature except for those arising from the discontinuance of the pharmaceutical operations arising from the disposal as described in Note 13 to the financial statements.

## Dividends

The amount of dividends paid by the Company since 31 December 2022 were as follows:

	RM'000
<b>In respect of the financial year ended 31 December 2023</b>	
Interim single-tier cash dividend of 5.4 sen on 1,110,046,500 <sup>#</sup> ordinary shares, declared on 13 April 2023 and paid on 25 May 2023	<u>59,943</u>

<sup>#</sup> Dividends were distributed to the holders of ordinary shares of the Company in issue as at 11 May 2023 (being the entitlement date), net of 107,065,000 treasury shares.

# DIRECTORS' REPORT

## Dividends (cont'd.)

On 18 April 2024, the Board of Directors has declared a single-tier dividend of 2.7 sen per ordinary share on 1,109,066,500<sup>^</sup> ordinary shares with voting rights.

<sup>^</sup> Number of shares is net of 62,649,500 treasury shares.

The entitlement date has been fixed on 13 May 2024 and payable on 28 May 2024.

These dividends will be accounted for in the equity as an appropriation of retained profits in the financial year ending 31 December 2024.

The Board of Directors do not propose any final dividend for the financial year ended 31 December 2023.

## Directors

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

Datuk Wira Farhash Wafa Salvador	(Appointed on 3 January 2023)
Dato' Richard Alexander John Curtis	
Puan Sri Datuk Seri Rohani Parkash Binti Abdullah	
Chan Kien Sing	
Moyra Binti Ibrahim	
Muhammad Lukman Bin Musa @ Hussain	
Tan U-Ming*	
Tsai, Tzung-Han	
Wong Wai Keong*	
Dato' Sri Robin Tan Yeong Ching	(Resigned on 3 January 2023)
Shalet Marian	(Retired on 26 May 2023)

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

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

Muhammad Lukman Bin Musa @ Hussain  
Tan U-Ming  
Wong Wai Keong

# DIRECTORS' REPORT

## Directors (cont'd.)

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

Tan Sri Dato' Seri Vincent Tan Chee Yioun  
Tan Sri Mohd Annuar Bin Zaini  
Aaron Ng Wei Ee  
Chang, Chien-Tai  
Christopher Michael Lower  
Derek Chin Chee Seng  
Ng Ming Kiat  
Tengku Muzzammil Bin Tengku Makram

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 below) 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 32(b) to the financial statements.

The directors' benefit are as follows:

	<b>Group RM'000</b>	<b>Company RM'000</b>
<b>Directors' remuneration:</b>		
Salaries, allowance and other emoluments	2,695	46
Fees	903	963
Bonus	1,335	-
Estimated money value of benefits-in-kind	117	37
Total directors' remuneration, including benefits-in-kind	<u>5,050</u>	<u>1,046</u>

During the financial year, the total amount of indemnity coverage and insurance premium paid for the Directors and officers of the Group and of the Company are RM30,000,000 and RM41,173, respectively.

# DIRECTORS' REPORT

## Directors' interests

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

Name of director	Number of ordinary shares			31.12.2023
	1.1.2023	Acquired	Sold	
<i>Direct interest:</i>				
<i>Ordinary shares of the Company</i>				
Chan Kien Sing	103,584	-	-	103,584
Muhammad Lukman Bin Musa @ Hussain	30,801	-	-	30,801
Tan U-Ming	621,509	-	-	621,509
<i>Indirect interest:</i>				
<i>Ordinary shares of the Company</i>				
Tsai, Tzung-Han	291,369,226	-	-	291,369,226

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

## Treasury shares

The number and carrying amount of treasury shares as at 31 December 2023 were as follows:

	Average price per share (RM)	Number of shares	Amount RM'000
Balance as at 1 January 2023	1.58	123,338,500	194,302
Acquisition of treasury shares	2.00	980,000	1,960
Cancellation of shares	1.58	(61,669,000)	(97,154)
Total treasury shares as at 31 December 2023	1.58	62,649,500	99,108

As at 31 December 2023, the issued ordinary share capital of the Company with voting rights was 1,109,066,500 (2022: 1,110,046,500) ordinary shares.

# 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.

# DIRECTORS' REPORT

## Other statutory information (cont'd.)

(f) In the opinion of the Directors:

- (i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet its obligations when they fall due; and
- (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

## Significant events

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

## Auditors

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

Auditors' remuneration is as follows:

	<b>Group RM'000</b>	<b>Company RM'000</b>
Ernst & Young PLT	1,116	143
Other auditors	32	-
	<u>1,148</u>	<u>143</u>

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young PLT, as part of the terms of its audit engagement against claims by third parties arising from the audit for an unspecified amount. No payment has been made to indemnify Ernst & Young PLT for the financial year ended 31 December 2023.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 26 April 2024.

Tan U-Ming

Wong Wai Keong

# STATEMENT BY DIRECTORS

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

We, Tan U-Ming and Wong Wai Keong, being two of the Directors of 7-Eleven Malaysia Holdings Berhad, do hereby state that, in the opinion of the Directors, the accompanying financial statements set out on pages 112 to 217 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023 and of their financial performance and cash flows for the year then ended.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 26 April 2024.

Tan U-Ming

Wong Wai Keong

### Statutory declaration

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

I, Aaron Ng Wei Ee (MIA membership number: 49692), 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 112 to 217 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 Aaron Ng Wei Ee at  
Kuala Lumpur in the Federal Territory  
on 26 April 2024.

Aaron Ng Wei Ee

Before me,

# INDEPENDENT AUDITORS' REPORT

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

Report on the audit of the financial statements

## *Opinion*

We have audited the financial statements of 7-Eleven Malaysia Holdings Berhad, which comprise the statements of financial position as at 31 December 2023 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of material accounting policies, as set out on pages 112 to 217.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

## *Basis for opinion*

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

## *Independence and other ethical responsibilities*

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

## *Key audit matters*

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

# INDEPENDENT AUDITORS' REPORT

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

## *Key audit matters (cont'd.)*

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

### Recognition of rebates and incentives income from vendors

(Refer to Notes 2.25(g), 3(b)(i) and 17 to the financial statements)

The Group receives various types of allowance in the form of rebates and incentives from its vendors in connection with the purchase of goods from those vendors. These allowances contribute significantly to the Group's profit before tax. During the financial year ended 31 December 2023, the Group has recognised rebates and incentives income amounting to RM383,128,000 of which majority has been received and the balance of RM82,615,000 is receivable as at 31 December 2023. Recognition of rebates and incentives income required the Group's fulfilment of its obligations under contractual arrangement with vendors. We focused on this area because the recognition of rebates and incentives income requires, to some extent, judgement from management concerning the nature and level of fulfilment of the Group's obligations under the vendor agreements.

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

- understand and tested management's controls around the completeness and accuracy of the source data required for the computation of these rebates and incentives;
- involved our information technology specialists to test the operating effectiveness of automated controls over the processing and recording of rebates and incentives as well as assessed the accuracy of data interface between the Rebate system and the general ledger;
- reviewed and assessed the appropriateness of management's computation of rebates and incentives income for unsold inventories for financial year ended 31 December 2023;
- reviewed and assessed the appropriateness of management's assessment on each type of rebates and incentives received from vendors i.e. whether they are distinct services and separate performance obligation as well as the classification in the statement of comprehensive income in accordance to MFRS 15; and
- reviewed and agreed the rebates and incentives during the year to contractual evidence on a sample basis. For the rebates and incentives receivable as at 31 December 2023, amounts are either recalculated by us based on contractual terms confirmed by vendors or reconciled to post year-end settlements with vendors.

# INDEPENDENT AUDITORS' REPORT

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

## *Key audit matters (cont'd.)*

### Revenue from contracts with customers and cost of sales

(Refer to Notes 2.25 and 4 to the financial statements)

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

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

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

### *Information other than the financial statements and auditors' report thereon*

The Directors of the Company are responsible for the other information. The other information comprises the other information included in the Group's 2023 Annual Report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon. The Group's 2023 Annual Report is expected to be made available to us after the date of this auditors' report.

# INDEPENDENT AUDITORS' REPORT

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

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

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

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

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

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

*Responsibilities of directors for the financial statements*

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

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

# INDEPENDENT AUDITORS' REPORT

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

## *Auditors' responsibilities for the audit of the financial statements*

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

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

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

# INDEPENDENT AUDITORS' REPORT

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

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

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

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

# INDEPENDENT AUDITORS' REPORT

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

Report on other legal and regulatory requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 13 to the financial statements.

Other matters

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

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

Hoh Yoon Hoong  
No. 02990/08/2024 J  
Chartered Accountant

Kuala Lumpur, Malaysia  
26 April 2024

# STATEMENTS OF COMPREHENSIVE INCOME

For the Financial Year Ended 31 December 2023

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Revenue	4	2,783,552	2,484,691	83,410	82,038
Cost of sales	18	(1,917,513)	(1,685,480)	-	-
<b>Gross profit</b>		866,039	799,211	83,410	82,038
Other operating income		161,481	142,627	-	-
Selling and distribution expenses		(736,984)	(646,655)	-	-
Administrative and other operating expenses		(196,755)	(158,014)	(2,748)	(2,256)
<b>Profit from operations</b>	5	93,781	137,169	80,662	79,782
Finance costs	7	(65,837)	(60,389)	(26,450)	(24,104)
Share of results of joint ventures	16	(6,373)	(3,349)	-	-
<b>Profit before tax</b>		21,571	73,431	54,212	55,678
Income tax expense	8	(36,031)	(39,849)	(896)	(618)
<b>(Loss)/profit after tax</b>		(14,460)	33,582	53,316	55,060
<b>Discontinued operation</b>					
Profit after tax for the year from discontinued operation	41	284,578	50,746	-	-
<b>Profit for the year</b>		<b>270,118</b>	<b>84,328</b>	<b>53,316</b>	<b>55,060</b>
<b>Other comprehensive income not to be reclassified to profit or loss in subsequent year:</b>					
Fair value reserve of financial assets at FVTOCI					
- continuing operations	14	21,186	37,338	-	-
Revaluation of land and buildings	9, 10				
- continuing operations		3,753	624	-	-
- discontinued operation		2,022	3,101	-	-
Taxation	28				
- continuing operations		(467)	(97)	-	-
- discontinued operation		(175)	(489)	-	-
<b>Total other comprehensive income (net of taxation)</b>		26,319	40,477	-	-
<b>Total comprehensive income for the financial year</b>		<b>296,437</b>	<b>124,805</b>	<b>53,316</b>	<b>55,060</b>

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

# STATEMENTS OF COMPREHENSIVE INCOME

As at 31 December 2023

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<b>Profit after tax attributable to:</b>					
Equity holders of the Company					
- continuing operations		(12,510)	27,538	53,316	55,060
- discontinued operation		274,276	39,337	-	-
Non-controlling interest					
- continuing operations		(1,950)	9,393	-	-
- discontinued operation		10,302	8,060	-	-
		<u>270,118</u>	<u>84,328</u>	<u>53,316</u>	<u>55,060</u>
<b>Total comprehensive income attributable to:</b>					
Equity holders of the Company					
- continuing operations		11,962	64,627	53,316	55,060
- discontinued operation		276,123	41,949	-	-
Non-controlling interest					
- continuing operations		(1,950)	10,169	-	-
- discontinued operation		10,302	8,060	-	-
		<u>296,437</u>	<u>124,805</u>	<u>53,316</u>	<u>55,060</u>
<b>Basic/diluted earnings per share (sen)</b>	39	<u>23.59</u>	<u>5.95</u>		

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

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2023

		Group	
	Note	2023 RM'000	2022 RM'000
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	9	438,180	361,620
Right-of-use assets	10(a)	625,433	684,363
Investment properties	11	-	20,584
Intangible assets	12	11,194	473,375
Other investments	14	94,664	33,392
Investment in an associate	15	-	-
Investment in joint ventures	16	-	9,665
Trade and other receivables	17	42,057	23,598
Deferred tax assets	28	14,616	12,382
		1,226,144	1,618,979
<b>Current assets</b>			
Inventories	18	356,157	453,054
Trade and other receivables	17	124,923	220,356
Other investments	14	9,512	77,794
Tax recoverable		15,065	8,411
Cash and bank balances	19	799,474	298,633
		1,305,131	1,058,248
<b>Total assets</b>		2,531,275	2,677,227
<b>Equity and liabilities</b>			
<b>Equity attributable to equity holders of the Company</b>			
Share capital	20	1,410,881	1,485,138
Treasury shares	21	(99,108)	(194,302)
Capital reorganisation deficit	22	(1,343,248)	(1,343,248)
Fair value adjustment reserve	23	58,524	37,338
Assets revaluation reserve	24	46,351	45,599
Retained profits	25	286,886	103,636
		360,286	134,161
Non-controlling interest		(2,990)	96,080
<b>Total equity</b>		357,296	230,241

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

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2023

		Group	
	Note	2023 RM'000	2022 RM'000
<b>Non-current liabilities</b>			
Provisions	26	14,832	15,251
Borrowings	27	449,688	643,476
Lease liabilities	10(b)	568,539	579,417
Contract liabilities	30	11,336	12,698
Contingent consideration		-	33,423
Deferred tax liabilities	28	4,811	65,787
		1,049,206	1,350,052
<b>Current liabilities</b>			
Provisions	26	1,418	1,982
Borrowings	27	287,710	77,566
Lease liabilities	10(b)	95,730	113,042
Trade payables	29	498,418	668,370
Other payables	30	229,874	211,332
Contract liabilities	30	10,433	11,783
Tax payable		1,190	12,859
		1,124,773	1,096,934
<b>Total liabilities</b>		2,173,979	2,446,986
<b>Total equity and liabilities</b>		2,531,275	2,677,227

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

# STATEMENT OF FINANCIAL POSITION

As at 31 December 2023

		<b>Company</b>	
	<b>Note</b>	<b>2023</b>	<b>2022</b>
		<b>RM'000</b>	<b>RM'000</b>
<b>Assets</b>			
<b>Non-current asset</b>			
Investments in subsidiary companies	13	1,402,539	1,402,539
Other investment	14	4,717	-
		<u>1,407,256</u>	<u>1,402,539</u>
<b>Current assets</b>			
Trade and other receivables	17	548,834	562,273
Tax recoverable		-	125
Cash and bank balances	19	146	847
		<u>548,980</u>	<u>563,245</u>
<b>Total assets</b>		<u>1,956,236</u>	<u>1,965,784</u>
<b>Equity and liability</b>			
<b>Equity attributable to equity holders of the Company</b>			
Share capital	20	1,410,881	1,485,138
Treasury shares	21	(99,108)	(194,302)
Retained profits	25	44,729	74,253
<b>Total equity</b>		<u>1,356,502</u>	<u>1,365,089</u>
<b>Non-current liability</b>			
Borrowings, representing total non-current liability	27	449,688	600,000
<b>Current liability</b>			
Borrowings	27	149,810	-
Tax payable		128	-
Other payables	30	108	695
		<u>150,046</u>	<u>695</u>
<b>Total liabilities</b>		<u>599,734</u>	<u>600,695</u>
<b>Total equity and liability</b>		<u>1,956,236</u>	<u>1,965,784</u>

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

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Financial Year Ended 31 December 2023

	Attributable to equity holders of the Company						
	Share capital RM'000 (Note 20)	Treasury shares RM'000 (Note 21)	Capital re-organisation deficit RM'000 (Note 22)	Fair value adjustment reserve RM'000 (Note 23)	Assets revaluation reserve RM'000 (Note 24)	Retained profits RM'000 (Note 25)	Total equity RM'000
<b>Group</b>							
<b>At 1 January 2023</b>	1,485,138	(194,302)	(1,343,248)	37,338	45,599	103,636	230,241
Total comprehensive income for the year	-	-	-	21,186	5,133	261,766	296,437
<b>Transaction with owners:</b>							
Acquisition of subsidiaries	-	-	-	-	-	-	402
Acquisition of joint venture from non-controlling interests	-	-	-	-	-	-	(2,610)
Acquisition of treasury shares	-	(1,960)	-	-	-	-	(1,960)
Cancellation of treasury shares	(74,257)	97,154	-	-	-	(22,897)	-
Changes in subsidiary's ownership interests that do not result in a loss of control	-	-	-	-	-	(57)	143
Disposal of subsidiary	-	-	-	-	(4,381)	4,381	(83,664)
Dividends on ordinary shares (Note 31), representing total transaction with owners	-	-	-	-	-	(59,943)	(59,943)
Dividends paid to non-controlling interests	-	-	-	-	-	-	(21,693)
<b>At 31 December 2023</b>	<b>1,410,881</b>	<b>(99,108)</b>	<b>(1,343,248)</b>	<b>58,524</b>	<b>46,351</b>	<b>286,886</b>	<b>357,296</b>

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

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Financial Year Ended 31 December 2023

	Attributable to equity holders of the Company						
	Share capital RM'000 (Note 20)	Treasury shares RM'000 (Note 21)	Capital re-organisation deficit RM'000 (Note 22)	Fair value adjustment reserve RM'000 (Note 23)	Assets revaluation reserve RM'000 (Note 24)	Retained profits RM'000 (Note 25)	Total equity RM'000
<b>Group</b>							
<b>At 1 January 2022</b>	1,485,138	(161,410)	(1,343,248)	-	43,236	66,266	182,043
Total comprehensive income for the year	-	-	-	37,338	2,363	66,875	124,805
<b>Transaction with owners:</b>							
Acquisition of treasury shares	-	(32,892)	-	-	-	-	(32,892)
Changes in subsidiary's ownership interests that do not result in a loss of control	-	-	-	-	-	(221)	(68)
Dividends on ordinary shares (Note 31), representing total transaction with owners	-	-	-	-	-	(29,284)	(29,284)
Dividends paid to non-controlling interests	-	-	-	-	-	-	(14,142)
<b>At 31 December 2022</b>	<b>1,485,138</b>	<b>(194,302)</b>	<b>(1,343,248)</b>	<b>37,338</b>	<b>45,599</b>	<b>103,636</b>	<b>230,241</b>

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

# STATEMENT OF CHANGES IN EQUITY

For the Financial Year Ended 31 December 2023

	Attributable to equity holders of the Company			Total equity RM'000
	Non-distributable Share capital RM'000 (Note 20)	Treasury shares RM'000 (Note 21)	Distributable Retained profits RM'000 (Note 25)	
<b>Company</b>				
<b>At 1 January 2023</b>	1,485,138	(194,302)	74,253	1,365,089
Total comprehensive income for the year	-	-	53,316	53,316
<b>Transaction with owners</b>				
Acquisition of treasury shares	-	(1,960)	-	(1,960)
Cancellation of treasury shares	(74,257)	97,154	(22,897)	-
Dividends on ordinary shares (Note 31), representing total transaction with owners	-	-	(59,943)	(59,943)
<b>At 31 December 2023</b>	<b>1,410,881</b>	<b>(99,108)</b>	<b>44,729</b>	<b>1,356,502</b>
<b>At 1 January 2022</b>	1,485,138	(161,410)	48,477	1,372,205
Total comprehensive income for the year	-	-	55,060	55,060
<b>Transaction with owners</b>				
Acquisition of treasury shares	-	(32,892)	-	(32,892)
Dividends on ordinary shares (Note 31), representing total transaction with owners	-	-	(29,284)	(29,284)
<b>At 31 December 2022</b>	<b>1,485,138</b>	<b>(194,302)</b>	<b>74,253</b>	<b>1,365,089</b>

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 2023

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<b>Cash flows from operating activities</b>				
Cash receipts from customers and other receivables	4,358,273	4,010,942	727	222
Cash paid to suppliers and employees	(3,984,388)	(3,459,317)	(3,335)	(1,620)
Advances from/(to) intercompanies	-	-	104,342	(122,034)
Repayment (to)/from intercompanies	-	-	(31,629)	88,002
Cash generated from/(used in) operations	373,885	551,625	70,105	(35,430)
Interest paid	(34,542)	(29,090)	(26,953)	(24,104)
Tax paid	(83,720)	(56,640)	(643)	(625)
Tax refund	1,387	63	-	9
Net cash generated from/(used in) operating activities	257,010	465,958	42,509	(60,150)
<b>Cash flows from investing activities</b>				
Purchase of property, plant and equipment and right of use assets	(199,968)	(108,482)	-	-
Acquisitions of intangible assets	(8,817)	(3,483)	-	-
Proceeds from disposal of property, plant and equipment and investment property	356	1,528	-	-
Proceeds from disposal of subsidiary	570,608	-	-	-
Withdrawal/(placements) with broker under a Discretionary Investment Fund, net	57,908	(24,829)	-	-
Purchase of other investment	(4,717)	-	(4,717)	-
Investment in joint ventures (Note 16)	(6,147)	(13,014)	-	-
Acquisition of subsidiary companies	(2,678)	-	-	-
Changes in subsidiaries' ownership interests that do not result in a loss of control	86	(289)	-	-
Dividend income received	450	212	-	60,000
Placement of short term funds, net	10,790	(34,328)	-	-
Increase in pledged fixed deposits with licensed bank	-	(1,241)	-	-
Interest received	5,588	4,126	23,410	22,038
Net cash generated from/(used in) investing activities	423,459	(179,800)	18,693	82,038

# STATEMENTS OF CASH FLOWS

For the Financial Year Ended 31 December 2023

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
<b>Cash flows from financing activities</b>				
Dividends paid on ordinary shares	(59,943)	(29,284)	(59,943)	(29,284)
Dividends paid to non-controlling interests	(21,693)	(14,142)	-	-
Acquisition of treasury shares	(1,960)	(32,892)	(1,960)	(32,892)
Advances to subsidiaries	-	-	-	(60,000)
Proceeds from banker's acceptances	234,300	68,200	-	-
Proceeds from medium term notes	-	100,000	-	100,000
Repayment of banker's acceptances	(161,900)	(69,700)	-	-
Proceeds from issuance of shares	-	-	-	-
Proceeds from issuance of shares by subsidiaries to non-controlling shareholders	-	43	-	-
Proceeds from term loan	-	-	-	-
Proceeds from revolving credit	17,000	-	-	-
Repayment of term loans	(12,232)	(17,695)	-	-
Repayment of revolving credit	(1,000)	-	-	-
Payment of principal portion of lease liabilities	(170,425)	(151,778)	-	-
Repayment of hire purchase and finance lease liabilities	(265)	(266)	-	-
Net cash used in financing activities	(178,118)	(147,514)	(61,903)	(22,176)
<b>Net increase/(decrease) in cash and cash equivalents</b>	502,351	138,644	(701)	(288)
<b>Cash and cash equivalents at 1 January</b>	297,124	158,480	847	1,135
<b>Cash and cash equivalents at 31 December (Note 19)</b>	799,474	297,124	146	847

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

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Cash and bank balances	799,375	295,963	47	748
Fixed deposits with licensed banks	99	2,670	99	99
	799,474	298,633	146	847
Fixed deposit pledged to licensed banks	-	(1,509)	-	-
	799,474	297,124	146	847

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

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

## 1. Corporate information

7-Eleven Malaysia Holdings Berhad ("the Company") is a public limited liability company, incorporated and domiciled in Malaysia. The registered office of the Company is located at 12th Floor, Menara Symphony, No.5, Jalan Prof. Khoo Kay Kim, Seksyen 13, Petaling Jaya, 46200 Selangor Darul Ehsan. The principal place of business of the Company is located at 08-66, Level 8, Berjaya Times Square, No.1, Jalan Imbi, 55100 Kuala Lumpur, Wilayah Persekutuan.

The principal activity of the Company is investment holding.

The principal activities of the subsidiaries and the changes in group structure are described in Note 13 to the financial statements. There have been no significant changes in the nature of these activities during the financial year except for the discontinuance of the pharmaceutical operations arising from the disposal as described in Note 13 to the financial statements.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 26 April 2024.

## 2. Summary of material accounting policies

### 2.1 Basis of preparation

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

The financial statements have been prepared on a 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 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 on 1 January 2023, the Group and of the Company adopted the following new and amendments to MFRSs and IC Interpretation mandatory for annual financial periods beginning on or after 1 January 2023.

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

## 2. Summary of material accounting policies (cont'd.)

### 2.2 Changes in accounting policies (cont'd.)

Description	Effective for annual financial periods beginning on or after
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 101 and MFRS Practice Statement 2 - Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108 - Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112 - Deferred Tax related to Assets and liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 112 - International Tax Reform - Pillar Two Model Rules	1 January 2023

The adoption of the above amendments did not have any significant financial impact to the Group and the Company, except for:

#### Amendments to MFRS 101 and MFRS Practice Statement 2: Disclosure of accounting policies

The amendments to MFRS 101 and MFRS Practice Statement 2 provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments have had an impact on the Group's and the Company's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Group's and the Company's financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

## 2. Summary of material accounting policies (cont'd.)

### 2.3 Standards issued but not yet effective

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

Description	Effective for annual financial periods beginning on or after
Amendments to MFRS 7 and MFRS 107 - Supplier Finance Arrangement	1 January 2024
Amendments to MFRS 16 - Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101 - Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to MFRS 101 - Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 121 - Lack of Exchangeability	1 January 2025
Amendments to MFRS 10 and MFRS 128 - Sales or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

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

### 2.4 Basis of consolidation

#### Business combination

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

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

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

## 2. Summary of material accounting policies (cont'd.)

### 2.4 Basis of consolidation (cont'd.)

#### **Business combination (cont'd.)**

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

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

#### **Acquisition of non-controlling interests**

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

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.

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

## 2. Summary of material accounting policies (cont'd.)

### 2.5 Associate and joint ventures

The Group's investment in an associate is accounted for using the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment separately.

The statement of profit or loss reflects the Group's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the statement of profit or loss outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate or joint venture.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss within 'Share of profit of an associate and a joint venture' in the statement of profit or loss.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

## 2. Summary of material accounting policies (cont'd.)

### 2.6 Intangible assets

#### 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 embodied 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.

### 2.7 Property, plant and equipment and depreciation

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

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

## 2. Summary of material accounting policies (cont'd.)

### 2.8 Leases

#### (a) As lessee

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

#### (i) Right-of-use assets

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

Property	1 to 15 years
Leasehold properties	50 to 99 years

#### (ii) Lease liabilities

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

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

## 2. Summary of material accounting policies (cont'd.)

### 2.8 Leases (cont'd.)

#### (a) As lessee (cont'd.)

##### (ii) Lease liabilities (cont'd.)

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

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

### 2.9 Financial assets

#### (a) Initial recognition and measurement

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

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

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

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

## 2. Summary of material accounting policies (cont'd.)

### 2.9 Financial assets (cont'd.)

#### (b) Subsequent measurement

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

#### Financial assets designated at FVTOCI

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at FVTOCI when they meet the definition of equity under MFRS 132 *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at FVTOCI are not subject to impairment assessment.

The Group has elected to classify irrevocably its quoted equity investments under this category.

#### Financial assets at FVTPL

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

This category includes all other instruments which the Group had not irrevocably elected to classify at FVTOCI.

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

## 2. Summary of material accounting policies (cont'd.)

### 2.9 Financial assets (cont'd.)

#### (c) Derecognition

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

- (i) The rights to receive cash flows from the asset have expired; or
- (ii) The Group and the Company have transferred their rights to receive cash flows from the asset or have assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:
  - (a) the Group and the Company has transferred substantially all the risks and rewards of the asset, or
  - (b) the Group and the Company have neither transferred nor retained substantially all the risks and rewards of the asset, but have transferred control of the asset.

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

#### 2.10 Impairment of financial assets

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

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

## 2. Summary of material accounting policies (cont'd.)

### 2.10 Impairment of financial assets (cont'd.)

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

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

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

### 2.11 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.

### 2.12 Cash and cash equivalents

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

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

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

## 2. Summary of material accounting policies (cont'd.)

### 2.13 Financial liabilities

#### (a) Initial recognition and measurement

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

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

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

#### (b) Subsequent measurement

##### Loans and borrowings

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

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

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

#### (c) Derecognition

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

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

## 2. Summary of material accounting policies (cont'd.)

### 2.14 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.

### 2.15 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.

### 2.16 Fair value measurement

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.

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

## 2. Summary of material accounting policies (cont'd.)

### 2.17 Revenue from contracts with customers and other operating income

Revenue from contracts with customers and other operating income is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements, except for the agency services for provision of in-store services, because it typically controls the goods or services before transferring them to the customer.

#### (a) Sale of goods

Revenue from sale of general merchandise is recognised at the point in time when control of the asset is transferred to the customer. These are in cash considerations.

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g. customer loyalty points).

#### (b) Provision of in-store services income

The Group acts as an agent in providing in-store services to its customers.

When another party is involved in providing services to its customers, the Group determines whether it is a principal or an agent in these transactions by evaluating the nature of its promise to the customer. When the Group's role is only to arrange for another entity to provide the services, then the Group is an agent and will need to record revenue at the net amount that it retains for its agency services.

#### (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.

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

## 2. Summary of material accounting policies (cont'd.)

### 2.17 Revenue from contracts with customers (cont'd.)

#### (e) Franchise income

##### Initial franchise fee

Initial franchise fee is recognised on a straight-line basis over the term of the franchise agreement. The transaction price for franchise agreement is discounted, using the rate that would be reflected in a separate financing transaction between the Group and its customers at contract inception, to take into consideration the significant financing component.

#### (f) Dividend income

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

#### (g) Rebates and incentives income

The Group receives incentives and rebates from suppliers for various programs, primarily volume incentives, prompt payment discounts and central distribution centre rebates ("CDC rebates"). Rebates are recognised to statements of comprehensive income when the Group achieved the volume-purchase targets, the performance obligations for central distribution arrangement, and promotional programs have been fulfilled by the Group in accordance with the terms as stipulated in the trade agreements with vendors. These rebates and discounts are recognised as deduction against costs of goods sold when the goods are sold and for the CDC rebates only, when goods are delivered to the stores. Rebates and discounts for unsold goods and CDC rebates in respect of goods not delivered to the stores yet, are deducted against inventories and shall be recognised to the statements of comprehensive income when the goods are subsequently sold or delivered to respective stores.

Other incentives mainly comprised in-store displays and promotions and advertisements for specific products. Incentives are recognised to the statements of comprehensive income when the performance obligations have been fulfilled by the Group in accordance with the terms as stipulated in the agreements with vendors. These incentives are recognised as other operating income in the statements of comprehensive income.

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

## 2. Summary of material accounting policies (cont'd.)

### 2.17 Revenue from contracts with customers (cont'd.)

#### (h) Customer loyalty programme

The Group's loyalty programme allows the customers to collect award credits when specified sales terms were fulfilled by the customers. The customers can then redeem the gifts once the specified number of award credits have been collected.

The Group accounts for the award credits as separately identifiable component of the initial sales transactions. The fair value of the consideration received or receivable in respect of the initial sales is allocated between the fair value of the award credits and the other components of the sale.

The consideration allocated to the award credits is deferred and subsequently recognised as revenue when the award credits are redeemed. The deferral is treated as a deduction from revenue. The fair value of the award credits is determined with reference to the fair value of the gift to the customer and considers the redemption rate for the award credits.

### 2.18 Contract balances

#### (a) Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

The Group recognises contract assets for rebates and incentives income receivable.

#### (b) Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

### 2.19 Treasury shares

Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised in equity.

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

## 2. Summary of material accounting policies (cont'd.)

### 2.20 Discontinued operations

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented as a single amount in the statement of comprehensive income.

## 3. Significant accounting judgements and estimates

The preparation of the Group's financial statements in accordance with MFRS requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

### (a) Critical judgements made in applying accounting policies

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

#### (i) Determining the lease term of contracts with renewal and termination options as lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassess the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate such as the construction of significant leasehold improvements or significant customisation to the leased asset.

The Group included the renewal period as part of the lease term for leases with shorter non-cancellable period such as three to five years. The Group typically exercise its option to renew for these leases because there will be a significant negative effect on production if a replacement asset is not readily available.

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

## 3. Significant accounting judgements and estimates (cont'd.)

### (b) Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are described below:

#### (i) Recognition of incentives and rebates

The Group receives rebates and incentives from suppliers for various programs, primarily volume incentives, display and promotional incentives, prompt payment discounts and warehouse rebates.

Certain incentives and rebates recognised in profit or loss were estimated based on terms and rates in trade agreements entered into with suppliers. Actual amounts received from suppliers could differ from the amounts initially estimated. As at the reporting date, the Group has recognised incentives and rebates receivable of RM82,615,000 (2022: RM57,375,000).

#### (ii) Revaluation of property, plant and equipment

The Group carries its freehold and leasehold land and buildings at fair value, with changes in fair value being recognised in other comprehensive income. The Group engaged an independent valuation specialist to assess fair value as at 31 December 2023 and 31 December 2022.

The freehold and leasehold land and buildings were valued by reference to market-based evidence, using comparable price adjusted for specific market factors such as nature, location and condition of the properties.

Fair value adjustments and the key assumptions used to determine the fair value of the properties and sensitivity analysis are provided in Note 9 for freehold properties and Note 10 for leasehold properties.

#### (iii) Estimating the incremental borrowing rate to measure lease liabilities

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate ("IBR") to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs such as market interest rates when available and is required to make certain entity-specific estimates.

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

## 3. Significant accounting judgements and estimates (cont'd.)

### (b) Key sources of estimation uncertainty (cont'd.)

#### (iv) Impairment of property, plant and equipment and right-of-use ("ROU") assets

During the previous financial year, the Group recognised impairment losses in respect of certain subsidiary companies' property, plant and equipment and ROU assets. The Group carried out the impairment test based on a variety of estimation including the VIU of the CGU to which the property, plant and equipment and ROU assets are allocated. Estimating the VIU requires the Group to make an estimate of the expected future cash flows from the CGU and also to choose a suitable discount rate in order to calculate the present value of those cash flows. Further details of the impairment losses recognised are disclosed in Notes 9 and 10.

## 4. Revenue from contracts with customers

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
<b>Type of goods or services</b>				
Sale of merchandise goods	2,708,589	2,414,339	-	-
Provision of in-store services				
- Commission income	72,461	68,190	-	-
Dividend income from a subsidiary	-	-	60,000	60,000
Franchise income	2,056	1,934		
Interest income	-	-	23,410	22,038
Rental income	446	228	-	-
	<b>2,783,552</b>	<b>2,484,691</b>	<b>83,410</b>	<b>82,038</b>
<b>Timing of revenue recognition</b>				
Goods or services				
- transferred at a point in time	2,781,050	2,482,529	60,000	60,000
- transferred over time	2,502	2,162	23,410	22,038
	<b>2,783,552</b>	<b>2,484,691</b>	<b>83,410</b>	<b>82,038</b>

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

## 5. Profit from operations

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

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Auditors' remuneration:				
- Statutory audit				
- Ernst & Young PLT				
- continuing operations	1,116	588	126	110
- discontinued operation	-	380	-	-
- Other auditors				
- continuing operations	32	21	-	-
- discontinued operation	-	221	-	-
- Non-audit related services				
- Ernst & Young PLT				
- continuing operations	564	17	17	17
Depreciation of property, plant and equipment (Note 9)				
- continuing operations	71,255	62,042	-	-
- discontinued operation	8,807	7,044	-	-
Amortisation of right-of-use assets (Note 10)				
- continuing operations	106,135	97,581	-	-
- discontinued operation	34,645	30,137	-	-
Amortisation of intangible assets (Note 12)				
- continuing operations	4,474	4,517	-	-
- discontinued operation	4,357	4,367	-	-
Property, plant and equipment written off (Note 9)				
- continuing operations	969	1,811	-	-
- discontinued operation	2,830	168	-	-
Fair value loss/(gain) on investment properties (Note 11)				
- discontinued operation	1,265	(1,830)	-	-
Impairment loss on:				
- Investment in joint venture (Note 16)				
- continuing operations	9,439	-	-	-
- Property, plant and equipment (Note 9)				
- continuing operations	387	-	-	-
- Right-of-use assets (Note 10)				
- continuing operations	2,613	-	-	-

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

## 6. Employee benefits expense

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Wages, salaries and other emoluments	357,268	275,736	458	1,020
Pension costs - defined contribution plans	34,913	28,829	-	-
Social security costs and employees insurance	6,290	4,815	-	-
Other staff benefits	14,520	22,441	-	-
	<u>412,991</u>	<u>331,821</u>	<u>458</u>	<u>1,020</u>

Included in the employee benefits expense of the Group and of the Company are executive directors' remuneration amounting to RM5,050,000 (2022: RM3,429,000) and RM451,000 (2022: RM515,000), respectively.

The Directors' remuneration paid or payable from the Company and its subsidiaries relating to its continuing operations during the financial year ended 31 December 2023 categorised into appropriate components are as follows:

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Salaries, allowance and other emoluments	2,272	2,171	46	45
Fees	903	470	963	470
Bonus	1,335	410	-	-
Defined contribution plan	423	300	-	-
Estimated money value of benefits-in-kind	117	78	37	-
	<u>5,050</u>	<u>3,429</u>	<u>1,046</u>	<u>515</u>

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

## 7. Finance costs

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Interest expense on:				
Lease liabilities	34,715	33,446	-	-
Bankers' acceptances	1,740	415	-	-
Revolving credit	2,932	2,359	-	-
Term loans	-	65	-	-
Medium term notes	26,450	24,104	26,450	24,104
	<u>65,837</u>	<u>60,389</u>	<u>26,450</u>	<u>24,104</u>

## 8. Income tax expense

### (a) Income statements

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
<b>Continuing operations</b>				
Income tax:				
Current year	30,817	50,389	800	640
Under/(over) provision in prior year	8,721	(2,051)	96	(22)
	<u>39,538</u>	<u>48,338</u>	<u>896</u>	<u>618</u>
Deferred tax (Note 28):				
Relating to origination and reversal of temporary differences	(539)	(13,326)	-	-
(Over)/under provision in prior year	(2,968)	4,837	-	-
	<u>(3,507)</u>	<u>(8,489)</u>	<u>-</u>	<u>-</u>
	<u>36,031</u>	<u>39,849</u>	<u>896</u>	<u>618</u>

Income tax is calculated at the Malaysian statutory tax rate of 24% (2022: 24%) of the estimated assessable profit for the year.

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

## 8. Income tax expense (cont'd.)

### (a) Income statements (cont'd.)

A reconciliation of income tax expense applicable to profit before tax at the statutory income tax rate to income tax expense at the effective tax rate of the Group and of the Company is as follows:

Continuing operations	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Profit before tax	21,571	73,431	54,212	55,678
Taxation at Malaysian statutory tax rate of 24% (2022: 24%)	5,177	17,623	13,011	13,363
Effect of Cukai Makmur at the tax rate of Nil (2022: 33%)	-	7,266	-	-
Expenses not deductible under tax legislation	21,223	11,726	2,189	1,677
Income not subject to tax	(108)	(356)	(14,400)	(14,400)
Effect of share of results of joint ventures	1,530	804	-	-
Effect of realised gain from other investment designated as FVTOCI	2,456	-	-	-
Under/(over) provision of income tax in prior year	8,721	(2,051)	96	(22)
(Over)/under provision of deferred tax in prior year	(2,968)	4,837	-	-
Tax expense for the year	36,031	39,849	896	618

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

## 8. Income tax expense (cont'd.)

### (a) Income statements (cont'd.)

	Group	
	2023	2022
	RM'000	RM'000
<b>Discontinued operations</b>		
Income tax:		
Current year	12,558	14,821
Under provision in prior year	367	1,592
	12,925	16,413
Deferred tax (Note 28)		
Relating to origination and reversal of temporary differences	492	2,175
Over provision in prior year	(775)	(1,957)
	(283)	218
	12,642	16,631

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 is as follows:

	Group	
	2023	2022
	RM'000	RM'000
<b>Discontinued operations</b>		
Profit before tax	297,220	67,377
Taxation at Malaysian statutory tax rate of 24% (2022: 24%)	71,333	16,170
Expenses not deductible under tax legislation	3,912	2,645
Income not subject to tax	(63,260)	(1,978)
Effect of income subject to real property gain tax	250	(119)
Utilisation of previously unrecognised tax loss	(6)	-
Utilisation of previously unrecognised capital allowances	135	-
Deferred tax assets not recognised during the financial year	686	278
Under provision of prior year tax	367	1,592
Over provision of deferred tax in prior year	(775)	(1,957)
Tax expense for the year	12,642	16,631

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

## 8. Income tax expense (cont'd.)

### (b) Other comprehensive income

	Group	
	2023	2022
	RM'000	RM'000
<b>Deferred tax related to item recognised in other comprehensive income during the year:</b>		
Deferred tax liability recognised in respect of net gain on revaluation of land and buildings	642	586

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

## 9. Property, plant and equipment

Group	At valuation		At cost				Total RM'000
	Land and buildings* RM'000	Asset-in- progress RM'000	Furniture, fittings, computer equipment and other equipment RM'000	Motor vehicles RM'000	Renovations RM'000	Renovations RM'000	
<b>At 31 December 2023</b>							
At 1 January 2023	98,696	1,750	648,231	1,310	240,199		990,186
Additions	575	-	151,892	414	47,087		199,968
Disposals	-	-	(5,456)	(153)	(52)		(5,661)
Disposal of subsidiary	(15,351)	(1,750)	(21,872)	299	(11,414)		(50,088)
Revaluation adjustment recognised in other comprehensive income (Note 9 (d))	3,856	-	-	-	-		3,856
Transfer <sup>^</sup>	(256)	-	-	-	-		(256)
Acquisition of a subsidiary company	-	-	514	40	132		686
Write-offs	-	-	(13,200)	(263)	(8,284)		(21,747)
Reclassification from/(to) investment properties (Note 11)	(1,561)	-	545	-	-		(1,016)
Reclassification to intangible assets (Note 12)	-	-	(155)	-	-		(155)
<b>At 31 December 2023</b>	<b>85,959</b>	<b>-</b>	<b>760,499</b>	<b>1,647</b>	<b>267,668</b>	<b>1,115,773</b>	<b>1,115,773</b>

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

## 9. Property, plant and equipment (cont'd.)

	At valuation		At cost				Total RM'000
	Land and buildings* RM'000	Asset-in- progress RM'000	Furniture, fittings, computer equipment and other equipment RM'000	Motor vehicles RM'000	Renovations RM'000		
<b>Group (cont'd.)</b>							
<b>Accumulated depreciation and impairment losses</b>							
At 1 January 2023	489	-	464,456	(454)	164,075	628,566	
Depreciation charge for the year	482	-	60,347	577	18,656	80,062	
Disposals	-	-	(4,238)	(54)	(10)	(4,302)	
Disposal of subsidiary	(598)	-	(4,950)	1,090	(4,360)	(8,818)	
Impairment losses	-	-	-	-	387	387	
Transfer <sup>a</sup>	(256)	-	-	-	-	(256)	
Write-offs	-	-	(11,699)	(56)	(6,193)	(17,948)	
Reclassification to intangible assets (Note 12)	-	-	(98)	-	-	(98)	
At 31 December 2023	117	-	503,818	1,103	172,555	677,593	
<b>Net carrying amount</b>							
At 31 December 2023	85,842	-	256,681	544	95,113	438,180	

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

## 9. Property, plant and equipment (cont'd.)

Group	At valuation		At cost				Total RM'000
	Land and buildings* RM'000	Asset-in- progress RM'000	Furniture, fittings, computer equipment and other equipment RM'000	Motor vehicles RM'000	Renovations RM'000	Renovations RM'000	
<b>At 31 December 2022</b>							
At 1 January 2022	81,794	1,750	614,312	544	227,483		925,883
Additions	13,883	-	75,143	1,262	18,142		108,430
Disposals	-	-	(1,795)	(954)	(5)		(2,754)
Revaluation adjustment recognised in other comprehensive income (Note 9 (d))	1,544	-	-	-	-		1,544
Transfer <sup>^</sup>	(250)	-	-	-	-		(250)
Write-offs	-	-	(39,429)	-	(5,421)		(44,850)
Reclassification from right of use assets (Note 10)	-	-	-	458	-		458
Reclassification from investment properties (Note 11)	1,725	-	-	-	-		1,725
At 31 December 2022	98,696	1,750	648,231	1,310	240,199		990,186

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

## 9. Property, plant and equipment (cont'd.)

	At valuation		At cost				Total RM'000
	Land and buildings* RM'000	Asset-in- progress RM'000	Furniture, fittings, computer equipment and other equipment RM'000	Motor vehicles RM'000	Renovations RM'000		
<b>Group (cont'd.)</b>							
<b>Accumulated depreciation</b>							
At 1 January 2022	252	-	453,664	(97)	151,019	604,838	
Depreciation charge for the year	487	-	50,345	504	17,750	69,086	
Disposals	-	-	(1,376)	(861)	-	(2,237)	
Transfer <sup>^</sup>	(250)	-	-	-	-	(250)	
Write-offs	-	-	(38,177)	-	(4,694)	(42,871)	
At 31 December 2022	489	-	464,456	(454)	164,075	628,566	
<b>Net carrying amount</b>							
At 31 December 2022	98,207	1,750	183,775	1,764	76,124	361,620	

<sup>^</sup> Transfer relates to the accumulated depreciation as at the revaluation date that was eliminated against the gross carrying amount of the revalued asset.

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

## 9. Property, plant and equipment (cont'd.)

### \*Land and buildings

Group	Freehold land RM'000	Buildings RM'000	Total RM'000
<b>At 31 December 2023</b>			
<b>Valuation</b>			
At 1 January 2023	73,333	25,363	98,696
Additions	-	575	575
Disposal of subsidiary	(7,138)	(8,213)	(15,351)
Revaluation adjustment recognised in other comprehensive income (Note 9 (d))	3,455	401	3,856
Transfer <sup>^</sup>	-	(256)	(256)
Reclassification	(980)	(581)	(1,561)
At 31 December 2023	<u>68,670</u>	<u>17,289</u>	<u>85,959</u>
<b>Accumulated depreciation</b>			
At 1 January 2023	-	489	489
Depreciation charge for the year	-	482	482
Disposal of subsidiary	-	(598)	(598)
Transfer <sup>^</sup>	-	(256)	(256)
At 31 December 2023	<u>-</u>	<u>117</u>	<u>117</u>
<b>Net carrying amount</b>			
At 31 December 2023	<u>68,670</u>	<u>17,172</u>	<u>85,842</u>

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

## 9. Property, plant and equipment (cont'd.)

### \*Land and buildings (cont'd.)

Group	Freehold land RM'000	Buildings RM'000	Total RM'000
<b>At 31 December 2022</b>			
<b>Valuation</b>			
At 1 January 2022	66,606	15,188	81,794
Additions	5,400	8,483	13,883
Revaluation adjustment recognised in other comprehensive income (Note 9 (d))	1,377	167	1,544
Transfer <sup>^</sup>	(50)	(200)	(250)
Reclassification	-	1,725	1,725
At 31 December 2022	<u>73,333</u>	<u>25,363</u>	<u>98,696</u>
<b>Accumulated depreciation</b>			
At 1 January 2022	-	252	252
Depreciation charge for the year	-	487	487
Transfer <sup>^</sup>	-	(250)	(250)
At 31 December 2022	<u>-</u>	<u>489</u>	<u>489</u>
<b>Net carrying amount</b>			
At 31 December 2022	<u>73,333</u>	<u>24,874</u>	<u>98,207</u>

- (a) Included in property, plant and equipment of the Group are fully depreciated property, plant and equipment which are still in use during the financial year costing RM400,914,229 (2022: RM382,076,463).

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

## 9. Property, plant and equipment (cont'd.)

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

	Group	
	2023 RM'000	2022 RM'000
Cash	199,968	108,430

- (c) The carrying amount of certain properties pledged to licensed bank as security for bank facilities granted to the Group as disclosed in Note 27 to the financial statements are as follows:

	Group	
	2023 RM'000	2022 RM'000
Freehold land	-	2,147
Buildings	-	3,753
	-	5,900

- (d) Management determined that the land and buildings constitutes a separate class of asset under MFRS 13 Fair Value Measurements, based on the nature, characteristics and risks of the properties.

Fair value of the land and buildings was determined using the market comparable method. This means that valuations performed by the valuer are based on active market prices, adjusted for differences in the nature, location or condition of the specific land and buildings. As at the date of revaluations on 31 December 2023, the land and buildings' fair value is based on valuations performed by independent professional valuers specialising in valuing land and buildings of similar nature. A net gain of RM3,856,000 (2022: RM1,544,000) was recognised in other comprehensive income for the financial year ended 31 December 2023, as a result of these revaluations.

Fair value measurement disclosures for the revalued land and buildings are provided in Note 35.

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

## 9. Property, plant and equipment (cont'd.)

### Significant unobservable valuation input:

	Group	
	2023	2022
	RM	RM
Price per square foot for freehold land and buildings	215 - 4,840	200 - 4,840

Significant increase/(decrease) in estimated price per square foot would result in a significantly higher/(lower) fair value on a linear basis.

### Reconciliation of carrying amount:

	Group	
	2023	2022
	RM'000	RM'000
Carrying amount and fair value as at 1 January	98,207	81,542
Additions	575	13,883
Depreciation for the year	(482)	(487)
Disposal of subsidiary	(14,753)	-
Level 3 revaluation gain on revaluation as at 31 December	3,856	1,544
Reclassification	(1,561)	1,725
Carrying amount and fair value as at 31 December	85,842	98,207

\* The Group changed its accounting policy with respect to the measurement of land and buildings as at 1 January 2017 on a prospective basis. Therefore, the fair value of the land and buildings were not measured at 1 January 2017.

If the properties were measured using the cost model, the carrying amounts would be, as follows:

	Group	
	2023	2022
	RM'000	RM'000
Cost	44,798	59,158
Accumulated depreciation	(2,339)	(3,814)
Net carrying amount	42,459	55,344

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

## 9. Property, plant and equipment (cont'd.)

### (e) Impairment assessment

Impairment losses on property, plant and equipment amounting to RM387,000 (2022: RM Nil) have been recognised during the financial year due to recoverable amounts of property, plant and equipment in the cash generating units ("CGU"), which are determined based on cash flow projections, are lower than their carrying amounts.

The recoverable amount was estimated based on value-in-use ("VIU") and the key assumptions to which the recoverable amount is most sensitive is disclosed below:

Discount rate	10.5%
Sales growth rate	4.4%

## 10. Right-of-use assets and lease liabilities

### Group as a Lessee

The Group has lease contracts for various items of plant, property and equipment used in its operations. Leases of property generally have lease terms between 1 and 15 years, while leasehold property generally have lease terms between 50 and 99 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets. There are several lease contracts that include extension and termination options and variable lease payments, which are further discussed below.

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

## 10. Right-of-use assets and lease liabilities (cont'd.)

### Group as a Lessee (cont'd.)

#### (a) Right-of-use assets

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year:

Group	Properties RM'000	Renovations and others RM'000	----- At fair value -----		Total RM'000
			Leasehold properties* RM'000	Investment property RM'000	
<b>At 1 January 2023</b>	629,971	7,974	46,038	380	684,363
Additions	114,554	928	-	-	115,482
Remeasurement	114,136	-	-	-	114,136
Revaluation adjustment recognised in other comprehensive income (Note 10(a)(i))	-	-	1,919	-	1,919
Disposals	(11,089)	(29)	-	-	(11,118)
Disposal of subsidiary (Note 41)	(106,400)	-	(30,411)	-	(136,811)
Derecognition	(4,705)	-	-	-	(4,705)
Amortisation expense (Note 5)	(139,007)	(945)	(828)	-	(140,780)
Impairment losses	(2,613)	-	-	-	(2,613)
Reversal of impairment loss	914	-	-	-	914
Acquisition of a subsidiary company	4,366	-	-	-	4,366
Reclassification from investment properties (Note 11)	-	-	280	-	280
<b>At 31 December 2023</b>	<b>600,127</b>	<b>7,928</b>	<b>16,998</b>	<b>380</b>	<b>625,433</b>

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

## Right-of-use assets and lease liabilities (cont'd.)

### Group as a Lessee (cont'd.)

#### (a) Right-of-use assets (cont'd.)

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the prior year (cont'd.):

Group	Properties RM'000	Renovations and others RM'000	----- At fair value -----		Total RM'000
			Leasehold properties* RM'000	Investment property RM'000	
<b>At 1 January 2022</b>	599,860	7,620	44,674	380	652,534
Additions	158,684	5,401	52	-	164,137
Remeasurement	2,378	-	-	-	2,378
Revaluation adjustment recognised in other comprehensive income (Note 10(a)(i))	-	-	2,181	-	2,181
Disposals	(8,678)	(13)	-	-	(8,691)
Amortisation expense (Note 5)	(122,273)	(4,576)	(869)	-	(127,718)
Reclassification to property, plant and equipment (Note 9)	-	(458)	-	-	(458)
<b>At 31 December 2022</b>	<b>629,971</b>	<b>7,974</b>	<b>46,038</b>	<b>380</b>	<b>684,363</b>

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

## 10. Right-of-use assets and lease liabilities (cont'd.)

### Group as a Lessee (cont'd.)

The Group also has certain leases of equipment with lease terms of 12 months or less and leases of office equipment with low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

In prior year, the Group had adopted Amendments to MFRS 16: COVID-19 Related Rent Concessions Beyond 30 June 2021. Consequently, the Group has recognised an income of RM Nil (2022: RM525,000) during the financial year as a result of the COVID-19 pandemic.

### (a) Right-of-use assets

- (i) Management determined that the land and buildings constitutes a separate class of asset under MFRS 13 Fair Value Measurements, based on the nature, characteristics and risks of the properties.

Fair value of the leasehold properties and investment property were determined using the market comparable method. This means that valuations performed by the valuer are based on active market prices, significantly adjusted for differences in the nature, location or condition of the specific properties. As at the date of revaluation on 31 December 2023 and 31 December 2022, the leasehold properties' fair values are based on valuations performed by independent professional valuers specialising in valuing land and buildings of similar nature. A net gain of RM1,919,000 (2022: RM2,181,000) was recognised in other comprehensive income for the financial year ended 31 December 2023, as a result of these revaluations.

Fair value measurement disclosures for the revalued leasehold properties and investment property are provided in Note 35.

### Significant unobservable valuation input:

	Group	
	2023	2022
	RM	RM
Price per square foot for:		
- Leasehold land and buildings	325 - 2,489	325 - 2,489
- Investment property	272	272

Significant increase/(decrease) in estimated price per square foot would result in a significant higher/(lower) fair value.

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

## 10. Right-of-use assets and lease liabilities (cont'd.)

### Group as a Lessee (cont'd.)

#### (a) Right-of-use assets (cont'd.)

##### (ii) Leasehold properties

#### Reconciliation of carrying amount:

	Group	
	2023	2022
	RM'000	RM'000
<b>Carrying amount and fair value as at 1 January</b>	46,038	44,674
Additions	-	52
Depreciation for the year	(828)	(869)
Disposal of subsidiary	(30,411)	-
Level 3 revaluation gain on revaluation as at 31 December	1,919	2,181
Reclassification from investment properties (Note 11)	280	-
<b>Carrying amount and fair value as at 31 December</b>	<b>16,998</b>	<b>46,038</b>

If the properties were measured using the cost model, the carrying amounts would be, as follows:

	Group	
	2023	2022
	RM'000	RM'000
Cost	11,047	38,750
Accumulated depreciation	(2,581)	(5,329)
Net carrying amount	<b>8,466</b>	<b>33,421</b>

During the financial year, the Group acquired leasehold properties by the following means:

	Group	
	2023	2022
	RM'000	RM'000
Cash	-	52

### Investment property

The Group's investment properties consist of seven (7) residential and commercial properties.

As at 31 December 2023 and 31 December 2022, the fair value of the investment properties are based on a valuation performed by independent professional valuers specialising in valuing these type of investment properties.

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

## 10. Right-of-use assets and lease liabilities (cont'd.)

### Group as a Lessee (cont'd.)

#### (a) Right-of-use assets (cont'd.)

##### (ii) Leasehold properties (cont'd.)

##### Investment property (cont'd.)

Fair value of the investment property was determined using the market comparison method. This means that valuation performed by the valuer is based on active market prices, adjusted for differences in the nature, location or condition of the specific property.

Profit arising from leasehold property carried at fair value is as follow:

	<b>Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM'000</b>	<b>RM'000</b>
Rental income derived from leasehold property	7	7
Direct operating expenses generating rental income (included in other operating expenses)	(1)	(1)
Profit arising from investment property carried at fair value	<u>6</u>	<u>6</u>

The Group has no restrictions on the realisability of its investment property and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

- (iii) The carrying amount of certain properties pledged to licensed bank as security for bank facilities granted to the Group as disclosed in Note 27 to the financial statements are as follows:

	<b>Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM'000</b>	<b>RM'000</b>
Leasehold land and building	-	<u>19,940</u>

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

## 10. Right-of-use assets and lease liabilities (cont'd.)

### Group as a Lessee (cont'd.)

#### (a) Right-of-use assets (cont'd.)

- (iv) Impairment losses on right-of-use assets amounting to RM2,613,000 (2022: RM Nil) have been recognised during the financial year due to recoverable amounts of right-of-use assets in the CGU, which are determined based on cash flow projections, are lower than their carrying amounts.

Additionally, impairment loss amounting to RM914,000 has been reversed out during the year due to re-opening of Singapore's border which improve the performance of two Johor Bahru's outlets that has been impaired previously during Covid-19 pandemic. This has also been determined by the cash flow projections for the said outlets which determine the recoverable amount of right-of-use assets is higher than their carrying amounts.

The recoverable amount was estimated based on value-in-use ("VIU") and the key assumptions to which the recoverable amount is most sensitive is disclosed below:

Discount rate	10.5%
Sales growth rate	4.4%

#### (b) Lease liabilities

Set out below are the carrying amounts of property and hire purchase and the movements during the year:

	Property RM'000	Hire purchase RM'000	Total RM'000
<b>At 1 January 2023</b>	692,098	361	692,459
Acquisition of a subsidiary company	4,366	62	4,428
Additions	114,554	-	114,554
Remeasurement	114,105	-	114,105
Reclassification from borrowings (Note 27)	100	210	310
Disposal	(12,233)	-	(12,233)
Disposal of subsidiary	(112,282)	(319)	(112,601)
Derecognition	(4,861)	-	(4,861)
Interest expense	38,776	22	38,798
Payment of principal	(170,425)	(265)	(170,690)
<b>At 31 December 2023</b>	<b>664,198</b>	<b>71</b>	<b>664,269</b>

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

## 10. Right-of-use assets and lease liabilities (cont'd.)

### Group as a Lessee (cont'd.)

#### (b) Lease liabilities (cont'd.)

	Property RM'000	Hire purchase RM'000	Total RM'000
<b>At 1 January 2022</b>	655,785	609	656,394
Additions	158,684	-	158,684
Remeasurement	1,633	-	1,633
Disposal	(8,316)	-	(8,316)
Interest expense	36,615	18	36,633
Lease concession	(525)	-	(525)
Payment of principal	(151,778)	(266)	(152,044)
<b>At 31 December 2022</b>	<u>692,098</u>	<u>361</u>	<u>692,459</u>

The maturity analysis of lease liabilities are disclosed in Note 36(c).

	2023 RM'000	2022 RM'000
Current liabilities	95,730	113,042
Non-current liabilities	568,539	579,417
	<u>664,269</u>	<u>692,459</u>

### Hire purchase

	Group	
	2023 RM'000	2022 RM'000
<b>Future minimum lease payments:</b>		
Not later than 1 year	34	200
Later than 1 year and not later than 2 years	18	149
Later than 2 years and not later than 5 years	19	35
	<u>71</u>	<u>384</u>
Less: Future finance charges	-	(23)
	<u>71</u>	<u>361</u>

### **Analysis of present value of finance lease payables:**

Current	<u>34</u>	<u>169</u>
Non-current:		
Later than 1 year and not later than 2 years	18	124
Later than 2 year and not later than 5 years	19	68
	<u>37</u>	<u>192</u>
	<u>71</u>	<u>361</u>

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

## 10. Right-of-use assets and lease liabilities (cont'd.)

### Group as a Lessee (cont'd.)

#### (b) Lease liabilities (cont'd.)

##### Hire purchase and finance lease liabilities

Charge over a subsidiary's equipment and motor vehicles of RM2,000 (2022: RM993,000) acquired by means of hire purchase and finance lease liabilities.

##### Property

The following are the amounts recognised in profit or loss:

	2023 RM'000	2022 RM'000
Amortisation expense of right-of-use assets	139,007	122,273
Interest expense on lease liabilities	38,776	36,615
Total amount recognised in profit or loss	<u>177,783</u>	<u>158,888</u>

The future cash outflows relating to leases that have not yet commenced are disclosed in Note 33(b).

## 11. Investment properties

	Group	
	2023 RM'000	2022 RM'000
<b>At fair value</b>		
At 1 January	20,584	21,029
Acquisition of subsidiaries	1,380	-
Fair value changes through profit or loss (Note 5)	(1,265)	1,830
Disposal	-	(550)
Disposal of subsidiary	(21,435)	-
Reclassification from/(to) property, plant and equipment (Note 9)	1,016	(1,725)
Reclassification to right of use assets (Note 10)	(280)	-
As at 31 December	<u>-</u>	<u>20,584</u>

In prior year, the Group's investment properties consist of seven (7) residential and commercial properties.

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

## 11. Investment properties (cont'd.)

Profit arising from investment properties carried at fair value is as follow:

	Group	
	2023	2022
	RM'000	RM'000
Rental income derived from investment properties	962	703
Direct operating expenses generating rental income (included in other operating expenses)	(36)	(127)
Profit arising from investment property carried at fair value	<u>926</u>	<u>576</u>

The Group has no restrictions on the realisability of its investment property and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

If the properties were measured using the cost model, the carrying amounts would be, as follows:

	Group	
	2023	2022
	RM'000	RM'000
Cost	-	20,034
Accumulated depreciation	-	(1,068)
Net carrying amount	<u>-</u>	<u>18,966</u>

### Significant unobservable valuation input:

	Group	
	2023	2022
	RM	RM
Price per square foot for investment properties	<u>-</u>	<u>812 - 2,880</u>

Significant increase/(decrease) in estimated price per square foot would result in a significantly higher/(lower) fair value on a linear basis.

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

Group	Goodwill on consolidation RM'000	Trademarks RM'000	Dealership rights RM'000	Computer software RM'000	Total RM'000
<b>At 31 December 2023</b>					
<b>Cost</b>					
At 1 January 2023	202,215	243,387	11,475	60,346	517,423
Acquisition of subsidiaries	5,209	-	1,138	2,470	8,817
Disposal of subsidiary	(207,424)	(243,387)	(12,613)	(17,384)	(480,808)
Reclassification from property, plant and equipment (Note 9)	-	-	-	155	155
At 31 December	-	-	-	45,587	45,587
<b>Accumulated amortisation and impairment</b>					
At 1 January 2023	381	23	6,202	37,442	44,048
Amortisation (Note 5)	-	12	1,643	7,176	8,831
Disposal of subsidiary	(381)	(35)	(7,845)	(10,323)	(18,584)
Reclassification from property, plant and equipment (Note 9)	-	-	-	98	98
At 31 December 2023	-	-	-	34,393	34,393
<b>Net carrying amount</b>					
At 31 December 2023	-	-	-	11,194	11,194

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

	Goodwill on consolidation RM'000	Trademarks RM'000	Dealership rights RM'000	Computer software RM'000	Total RM'000
<b>Group (cont'd.)</b>					
<b>At 31 December 2022</b>					
<b>Cost</b>					
At 1 January 2023	201,083	243,387	11,475	58,420	514,365
Additions	1,132	-	-	2,351	3,483
Write-off	-	-	-	(425)	(425)
At 31 December	202,215	243,387	11,475	60,346	517,423
<b>Accumulated amortisation and impairment</b>					
At 1 January 2022	381	-	3,948	31,087	35,416
Amortisation (Note 5)	-	23	2,254	6,607	8,884
Write-off	-	-	-	(252)	(252)
At 31 December 2022	381	23	6,202	37,442	44,048
<b>Net carrying amount</b>					
At 31 December 2022	201,834	243,364	5,273	22,904	473,375

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

## 13. Investments in subsidiary companies

	Company	
	2023	2022
	RM'000	RM'000
<b>Unquoted shares, at cost</b>		
As at 1 January/31 December	1,402,539	1,402,539

### (a) Business combination

#### Acquisitions in 2023

On 9 September 2022, Caring Pharmacy Retail Management Sdn. Bhd. ("CPRM"), an indirect 75%-owned subsidiary of the Company had entered into a share-sale agreement ("SSA") to acquire 60% equity interest in Sarawak-based retail pharmacy chain, JOM Pharmacy ("JOM"), for a cash consideration of RM3,910,000.

As at the financial year ended 31 December 2022, the Conditions Precedent of the agreement has not been met. On 1 January 2023, the Conditions Precedent were met and the acquisition was deemed effective. In addition, the respective parties have agreed to reduce the cash consideration for the acquisition of JOM by RM290,000, from RM3,910,000 to RM3,620,000, following the adjustment to provide for any increase of the Agreed Net Debt or shortfall in the minimum Net Asset Value ("NAV") or to meet the indemnity obligations of the Seller based on the Completion Accounts and thereafter the Balance Purchase Price, in accordance to the SSA.

On 25 April 2023, Caring Pharmacy Sdn. Bhd. ("CPSB"), a subsidiary of the Group, had acquired 100% equity interest in Avanti Pharmacy Sdn. Bhd. for a cash consideration of RM228,000.

On 14 June 2023, Living Glory Sdn. Bhd., a subsidiary of the Group, had acquired 51% equity interest in Newday Pharmacy Sdn. Bhd. for a cash consideration of RM567,147.

On 13 July 2023, Caring Evergreen Sdn. Bhd., a subsidiary of the Group, had acquired 60% equity interest in Maxi Care Pharmacy Sdn. Bhd. for a cash consideration of RM2,300,000.

### (b) Changes in the group structure in the current financial year

On 29 December 2023, Convenience Shopping (Sabah) Sdn Bhd ("CSSSB"), a wholly-owned subsidiary of the Company completed the disposal of its entire 75% equity interest in Caring Pharmacy Group Berhad ("Caring") to BIG Pharmacy Holdings Sdn Bhd (the "Disposal") for a consideration, after the final adjustments made to the Equity Value, amounting to RM666,248,195. Arising from the completion of the Disposal, Caring and its subsidiaries (collectively referred to as "Caring Group") has ceased to be indirect subsidiaries of the Company. Further details on the effect of the disposal is disclosed in Note 41 to the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

## 13. Investments in subsidiary companies (cont'd.)

Details of the subsidiary companies are as follows:

Name of company	Country of incorporation	Equity interest 2023	2022	Principal activity
<i>Held by the Company:</i>				
7-Eleven Malaysia Sdn. Bhd.	Malaysia	100%	100%	Operating and franchising of convenience stores under the "7-Eleven" brand name
Convenience Shopping (Sabah) Sdn. Bhd.	Malaysia	100%	100%	Investment holding company
7 Properties Sdn. Bhd.	Malaysia	70%	70%	Real property investments
Teluk Juara Sdn. Bhd.	Malaysia	83.3%	83.3%	Real property investments
SEM Infra Sdn. Bhd.	Malaysia	100%	100%	Investment holding company
Digital Flow Sdn. Bhd.	Malaysia	100%	100%	Provision of information technology solution, technical and maintenance support service and software solution
Indo Ventures Sdn. Bhd. *	Malaysia	100%	0%	Investment holding company

# NOTES TO THE FINANCIAL STATEMENTS

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## 13. Investments in subsidiary companies (cont'd.)

Details of the subsidiary companies are as follows:

Name of company	Country of incorporation	Equity interest		Principal activity
		2023	2022	
<b><i>Held through 7-Eleven Malaysia Sdn. Bhd.:</i></b>				
7 Properties Sdn. Bhd.	Malaysia	30%	30%	Real property investments
Teluk Juara Sdn. Bhd.	Malaysia	16.7%	16.7%	Real property investments
<b><i>Held through Convenience Shopping (Sabah) Sdn. Bhd.:</i></b>				
Café Decoral Sdn. Bhd. <sup>^</sup>	Malaysia	60%	60%	Supply food stuff
QVI Foods Sdn. Bhd. <sup>^</sup>	Malaysia	60%	60%	Manufacture of prepared meals and dishes
Caring Pharmacy Group Berhad	Malaysia	0%	75%	Investment holding company
<b><i>Held through SEM Infra Sdn. Bhd.:</i></b>				
SEM ALP Logistic Solutions Sdn. Bhd.	Malaysia	60%	60%	Integrated logistics solutions and warehousing provider

<sup>^</sup> Audited by a firm other than Ernst & Young PLT, Malaysia

\* Newly incorporated on 2 November 2023

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

14. Other investments	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<b>Non-current</b>				
<b>Financial asset carried at fair value through profit or loss ("FVTPL")</b>				
Unquoted shares in Malaysia				
At 1 January/31 December	1	1	-	-
<b>Financial assets designated at fair value through other comprehensive income ("FVTOCI")</b>				
Quoted shares in Malaysia (Note (a))				
At 1 January	33,391	9,800	-	-
Placement/(Withdrawal), net	35,369	(13,747)	-	-
Fair value changes	21,186	37,338	-	-
At 31 December	89,946	33,391	-	-
Investment outside of Malaysia (Note (c))				
At 1 January	-	-	-	-
Additions	4,717	-	4,717	-
At 31 December	4,717	-	4,717	-
<b>Current</b>				
<b>Financial assets carried at FVTPL</b>				
Short term investments (Note (b))				
At 1 January	77,794	41,527	-	-
Disposal of subsidiary	(59,208)	-	-	-
(Withdrawal)/Placement, net	(9,074)	34,328	-	-
Interest	-	1,989	-	-
Fair value changes	-	(50)	-	-
At 31 December	9,512	77,794	-	-
Total	104,176	111,186	4,717	-
<b>Analysed as:</b>				
Total current	9,512	77,794	-	-
Total non-current	94,664	33,392	4,717	-

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

## 14. Other investments (cont'd.)

- (a) Investments in quoted shares designated at FVTOCI include investments in Berjaya Food Berhad, Berjaya Corporation Berhad, Berjaya Land Berhad and equity investments held through Discretionary Investment Fund in Inter-Pacific Asset Management Sdn. Bhd. ("IPAM") at fair values of RM9,090,000, RM8,816,000, RM6,020,000 and RM66,020,000 as at 31 December 2023, respectively.

Disposals of equity investments in prior year were due to changes in the investment strategy and investment risk profile of the Group.

- (b) Short term investments consists of investments in highly liquid money market instruments, which are readily convertible and are subject to risks of change in value. There is no maturity period for the money market funds as these money are callable on demand.

- (c) Relates to investment outside of Malaysia designated at FVTOCI.

Information on the fair value hierarchy is disclosed in Note 35(B) to the financial statements.

## 15. Investment in an associate

	Group	
	2023	2022
	RM'000	RM'000
<b>At cost</b>		
<b>Unquoted shares in Malaysia</b>		
Cost of investment	7,512	7,512
Accumulated share of result and impairment loss	(7,512)	(7,512)
Carrying amount	<u>-</u>	<u>-</u>

On 27 December 2019, 7-Eleven Malaysia Sdn. Bhd. ("7EMSB"), a subsidiary of 7-Eleven Malaysia Holdings Berhad had entered into a subscription agreement for the subscription of 490,030 new ordinary shares ("Subscription Shares") representing about 46.45% equity interest in the enlarged issued share capital of Dego Malaysia Sdn. Bhd. ("DEGO") for a cash consideration of RM7,512,160. The Subscription had been completed on 3 January 2020.

The cost of investment in an associate was fully impaired in 2021.

# NOTES TO THE FINANCIAL STATEMENTS

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## 16. Investment in joint ventures

	Group	
	2023	2022
	RM'000	RM'000
<b>Unquoted shares in Indonesia</b>		
At 1 January	9,665	-
Additions	6,147	13,014
Impairment (Note 5)	(9,439)	-
Share of results	(6,373)	(3,349)
At 31 December	<u>-</u>	<u>9,665</u>

On 1 April 2022, CPRM, a former indirect 75%-owned subsidiary of the Company, completed the joint venture with PT Era Prima Indonesia ("EPI") to establish pharmaceutical business in Indonesia through the following:

- (i) establishment of PT Era Caring Indonesia ("ECI"), a joint-venture company which undertakes the distribution business of pharmaceutical products via a Shareholder's Agreement for a cash consideration of RM1.48 million; and
- (ii) subscription of convertible bonds in PT Era Farma Indonesia ("EFI"), a subsidiary of EPI which undertakes the retailing business of pharmaceutical products via a Mandatory Convertible Bond Subscription Agreement ("MCBSA") for a cash consideration of RM7.16 million.

On 25 November 2022, CPRM invested an additional RM4.37 million in ECI.

Subsequently, on 24 March 2023 and 20 June 2023, CPRM invested an additional RM6.15 million in ECI.

During the year, Indo Ventures Sdn. Bhd. ("IVSB"), a wholly-owned subsidiary of CSSSB had on 30 November 2023 entered into the following agreements:

- (i) the deed of shares sale and purchase with CPRM for the acquisition by IVSB of the entire 50.1% equity interest in ECI held by CPRM for a cash consideration of RM5,510,581;
- (ii) the adherence agreement with CPRM, PT Era Prima Indonesia and ECI to bind IVSB to the terms of the shareholders' agreement executed between CPRM and PT Era Prima Indonesia governing the relationship between CPRM and PT Era Prima Indonesia as the existing shareholders of ECI; and

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

## 16. Investment in joint ventures (cont'd.)

During the year, Indo Ventures Sdn. Bhd. ("IVSB"), a wholly-owned subsidiary of CSSSB had on 30 November 2023 entered into the following agreements: (cont'd.)

- (iii) the adherence agreement with CPRM, PT Era Prima Indonesia and EFI which:
- (a) records the sale and transfer of the entire unsecured mandatory convertible bonds held by CPRM in EFI to IVSB for a cash consideration of RM5,074,060; and
  - (b) binds IVSB to the terms of the governance agreement executed between CPRM, PT Era Prima Indonesia and EFI governing the relationship between CPRM (as the existing bondholder) and PT Era Prima Indonesia (as the controlling and majority shareholder of EFI).

As a result, legal transfer of shares of ECI and EFI from CPRM to IVSB was completed on 30 November 2023.

Summarised financial information in respect of ECI and EFI, the Group's material joint ventures is set out below. The summarised financial information represents the amounts in the financial statements of the joint ventures after modification of fair value adjustments arising from business combination and not the Group's share of those amounts.

<b>31 December 2023</b>	<b>ECI RM'000</b>	<b>EFI RM'000</b>	<b>Total RM'000</b>
Non-current assets	664	8,972	9,636
Current assets, including cash and cash equivalents	14,494	17,721	32,215
Non-current liabilities	(493)	(307)	(800)
Current liabilities	(5,711)	(16,461)	(22,172)
Net assets	<u>8,954</u>	<u>9,925</u>	<u>18,879</u>
Revenue	14,263	13,306	27,569
Loss for the year, representing total comprehensive income for the year	<u>(7,585)</u>	<u>(5,157)</u>	<u>(12,741)</u>
Group's interest in the joint ventures	50.1%	49.9%	
Group's share in the carrying amount of net assets	4,486	4,953	9,439
Group's share of loss in joint ventures	<u>(3,800)</u>	<u>(2,573)</u>	<u>(6,373)</u>

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

## 16. Investment in joint ventures (cont'd.)

<b>31 December 2022</b>	<b>ECI RM'000</b>	<b>EFI RM'000</b>	<b>Total RM'000</b>
Non-current assets	703	10,150	10,853
Current assets, including cash and cash equivalents	10,784	8,497	19,281
Non-current liabilities	-	(1,775)	(1,775)
Current liabilities	(6,801)	(2,208)	(9,009)
Net assets	<u>4,686</u>	<u>14,664</u>	<u>19,350</u>
Revenue	759	2,694	3,453
(Loss)/Profit for the year, representing total comprehensive income for the year	<u>(6,944)</u>	<u>260</u>	<u>(6,684)</u>
Group's interest in the joint ventures	50.1%	49.9%	
Group's share in the carrying amount of net assets	2,348	7,317	9,665
Group's share of (loss)/profits in joint ventures	<u>(3,479)</u>	<u>130</u>	<u>(3,349)</u>

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

## 17. Trade and other receivables

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<b>Non-current</b>				
Other receivables (b)	42,057	23,598	-	-
<b>Current</b>				
Trade receivables (a)	-	1,315	-	-
Other receivables				
Sundry receivables (b)	84,877	77,589	22	1
Amount due from broker under a Discretionary Investment Fund	-	93,921	-	-
Deposits	26,539	36,802	5	5
Prepayments	12,223	8,498	17	746
Amount due from subsidiaries (c)	-	-	488,790	561,521
Dividend receivable	-	-	60,000	-
Amount due from other related parties (d)	2,496	3,550	-	-
Less: Allowance for impairment on other receivables	(1,212)	(1,319)	-	-
Total current trade and other receivables	124,923	220,356	548,834	562,273
Total non-current and current trade and other receivables	166,980	243,954	548,834	562,273
Less: Prepayments	(12,223)	(8,498)	(17)	(746)
Dividend receivable	-	-	(60,000)	-
	154,757	235,456	488,817	561,527
Add: Cash and bank balances (Note 19)	799,474	298,633	146	847
<b>Financial assets at amortised cost</b>	<b>954,231</b>	<b>534,089</b>	<b>488,963</b>	<b>562,374</b>

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.

### (a) Trade receivables

The Group's sales are normally conducted on cash basis. The trade receivables represent amount owing from transactions conducted with business associates and credit terms are assessed and approved on case-by-case basis.

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

## 17. Trade and other receivables (cont'd.)

### (b) Other receivables

Included in sundry receivables is an amount of RM82,615,000 (2022: RM57,375,000), comprising of rebates and incentives income receivable from vendors. These rebates and incentives have been estimated based on terms in trade agreements entered into with vendors.

Included in other receivables is an amount of Nil (2022: RM93,921,000) due from IPAM.

#### Other receivables that are impaired

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

	Group	
	2023	2022
	RM'000	RM'000
<b>Individually impaired</b>		
Other receivables - nominal amounts	1,212	1,319
Less: Allowance for impairment	(1,212)	(1,319)
	<u>-</u>	<u>-</u>

Movement in allowance accounts:

	Group	
	2023	2022
	RM'000	RM'000
At 1 January	1,319	791
Charge for the financial year	-	528
Disposal of subsidiary	(107)	-
At 31 December	<u>1,212</u>	<u>1,319</u>

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.

### (c) Amount due from subsidiaries

Amount due from subsidiaries is unsecured, interest bearing at 4.5% (2022: 4.4%) and is repayable upon demand.

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

## 17. Trade and other receivables (cont'd.)

### (d) Amount 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	
	2023 RM'000	2022 RM'000
Refundable deposits (Non-trade in nature)	2,496	3,550

## 18. Inventories

	Group	
	2023 RM'000	2022 RM'000
At cost:		
General merchandise held for resale	344,103	447,870
Consumables	12,054	5,184
	356,157	453,054
Cost of inventories recognised as an expense during the financial year, pertaining to continuing operations	1,917,513	1,685,480

## 19. Cash and bank balances

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Cash on hand and at banks	798,096	289,081	47	748
Cash pledged on term loan	-	6,882	-	-
Cash with money market	1,279	-	-	-
Fixed deposits with licensed banks	99	2,670	99	99
	799,474	298,633	146	847
Less: Pledged deposits	-	(1,509)	-	-
Cash and cash equivalents	799,474	297,124	146	847

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

## 19. Cash and bank balances (cont'd.)

Included in cash on hand and at banks of the Group are overnight placements with licensed banks amounted to RM668,181,009 (2022: RM158,271,294), with interest ranging from 0.05% to 4.00% (2022: 0.05% to 2.66%) per annum.

As at the reporting date, the interest rate of fixed term deposits of the Group and the Company was 2.32% to 2.77% (2022: 1.76% to 3.06%) per annum.

Included in the fixed deposits with licensed banks of the Group at the end of reporting year is an amount of Nil (2022: RM1,509,000), which has been pledged to a licensed bank for bank guarantee granted to a subsidiary.

Included in cash and bank of the Group are amounts of Nil (2022: RM6,881,659) placed in the property loan linked current account under full flexi loan arrangement. The Group has placed excess cash equal to the term loan balances hence there is no interest charged for the financial period. The cash placed in the property loan linked current account are readily convertible to know amounts of cash and subject to an insignificant risk of change in value.

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

	Group		Company	
	2023	2022	2023	2022
	Days	Days	Days	Days
Deposits with licensed banks	30-90	30 - 90	90	90

## 20. Share capital

	Group and Company			
	2023		2022	
	Number of	Amount	Number of	Amount
	ordinary	RM'000	ordinary	RM'000
	shares		shares	
	'000		'000	
<b>Issued and fully paid up</b>				
At 1 January	1,233,385	1,485,138	1,233,385	1,485,138
Cancellation of treasury shares	(61,669)	(74,257)	-	-
31 December	1,171,716	1,410,881	1,233,385	1,485,138

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares, net of treasury shares, carry one vote per share without restrictions and rank equally with regard to the Company's residual assets.

On 14 July 2023, the Company had cancelled 61,669,000 treasury shares amounting RM74,257,000 pursuant to Section 127 of Companies Act 2016.

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

## 21. Treasury shares

	Group and Company			
	2023		2022	
	Number of ordinary shares '000	Amount RM'000	Number of ordinary shares '000	Amount RM'000
At 1 January	123,339	194,302	107,065	161,410
Shares bought back	980	1,960	16,274	32,892
Cancellation of shares	(61,669)	(97,154)	-	-
At 31 December	<u>62,650</u>	<u>99,108</u>	<u>123,339</u>	<u>194,302</u>

Treasury shares relate to ordinary shares of the Company that are held by the Company. The amount consists of the acquisition costs of treasury shares.

The Directors of the Company are committed to enhance the value of the Company for its shareholders and believe that the repurchase plan can be applied in the best interests of the Company and its shareholders. The repurchase transactions were financed by internally generated funds and held as treasury shares.

The Company bought back 980,000 (2022: 16,274,000) shares from the open market for RM1,960,000 (2022: RM32,892,000) or at an average price of RM2.00 (2022: RM2.02) per share. The shares bought back are held as treasury shares and 61,669,000 of the shares were cancelled during the financial year.

The details of the shares bought back during the financial year are as follows:

Month	Price per share (RM)			Number of shares '000	Total consideration RM'000
	Lowest	Highest	Average		
Jul 2023	1.99	2.01	2.00	<u>980</u>	<u>1,960</u>

## 22. Capital reorganisation deficit

	Group	
	2023 RM'000	2022 RM'000
<b>Capital reorganisation deficit</b>		
At 1 January/31 December	<u>(1,343,248)</u>	<u>(1,343,248)</u>

Capital reorganisation deficit represents the difference between the purchase consideration paid to acquire 7EMSB and the equity interest of 7EMSB being acquired.

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

## 23. Fair value adjustment reserve

Fair value adjustment reserve represents the cumulative fair value changes in investments in equity instruments, net of tax.

## 24. Assets revaluation reserve

Asset revaluation reserve represents the cumulative fair value changes in land and buildings, net of tax.

	<b>Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Revaluation of land and buildings classified as property, plant and equipment and right-of-use assets (Note 9 &amp; Note 10)</b>		
As 1 January	52,960	50,011
Disposal of subsidiary	(4,334)	-
Increase in fair value	5,775	3,725
At 31 December	<u>54,401</u>	<u>53,736</u>
Attributable to non-controlling interest	-	(776)
Attributable to equity holders of the Company	<u>54,401</u>	<u>52,960</u>
<b>Deferred taxation</b>		
As 1 January	(7,361)	(6,775)
Disposal of subsidiary	(47)	-
Provision during the year (Note 28)	(642)	(586)
At 31 December	<u>(8,050)</u>	<u>(7,361)</u>
<b>Total asset revaluation reserve, net of tax</b>	<u>46,351</u>	<u>45,599</u>

## 25. Retained profits

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

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

## 26. Provisions

	Group	
	2023	2022
	RM'000	RM'000
At 1 January	17,233	11,848
Disposal of subsidiary	(1,815)	-
Provisions during the year	1,041	5,581
Utilised during the year	(209)	(166)
Reversal	-	(30)
At 31 December	<u>16,250</u>	<u>17,233</u>

	Group	
	2023	2022
	RM'000	RM'000
<b>At 31 December</b>		
Current	<u>1,418</u>	<u>1,982</u>
Non-current:		
Later than 1 year but not later than 2 years	1,456	1,822
Later than 2 years but not later than 5 years	1,981	3,437
Later than 5 years	11,395	9,992
	<u>14,832</u>	<u>15,251</u>
	<u>16,250</u>	<u>17,233</u>

Provisions mainly represent the estimated costs of dismantlement, removal or restoration of property, plant and equipment arising from the use of such assets, which are capitalised and included in the right-of-use assets.

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

## 27. Borrowings

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<b>Current</b>				
<b>Secured:</b>				
Term loan	-	12,066	-	-
<b>Unsecured:</b>				
Bankers' acceptances	77,900	5,500	-	-
Medium term notes	149,810	-	149,810	-
Revolving credit	60,000	60,000	-	-
	<u>287,710</u>	<u>65,500</u>	<u>149,810</u>	<u>-</u>
Total current borrowings	<u>287,710</u>	<u>77,566</u>	<u>149,810</u>	<u>-</u>
<b>Non-current</b>				
<b>Secured:</b>				
Term loan	-	43,476	-	-
<b>Unsecured:</b>				
Medium term notes (a)	449,688	600,000	449,688	600,000
Total non-current borrowings	<u>449,688</u>	<u>643,476</u>	<u>449,688</u>	<u>600,000</u>
	Group	Company	Group	Company
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
<b>Total borrowings</b>				
Bankers' acceptances	77,900	5,500	-	-
Term loan	-	55,542	-	-
Revolving credit	60,000	60,000	-	-
Medium term notes	599,498	600,000	599,498	600,000
<b>Total current and non-current borrowings</b>	<u>737,398</u>	<u>721,042</u>	<u>599,498</u>	<u>600,000</u>

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

## 27. Borrowings (cont'd.)

### (a) Medium term notes

In the previous financial year, the Company has established a 15-year medium term notes (“MTN”) programme of RM600 million in nominal value (“MTN Programme”), which was lodged with the Securities Commission Malaysia (“SC”) on 15 April 2021 in accordance with the SC’s Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework. On 28 June 2021, the Company has completed its maiden MTN issuance of RM500 million (“Series 1 MTN”) under the MTN Programme. The tenure is up to 15 years from the date of the first issuance of MTN.

The remaining maturities of the borrowings as at 31 December 2023 and 31 December 2022, other than hire purchase and finance lease liabilities as disclosed in Note 10, are as follows:

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
<b>At 31 December</b>				
Non-current:				
Later than 1 year but not later than 2 years	100,000	162,037	100,000	150,000
Later than 2 years but not later than 5 years	349,688	368,499	349,688	350,000
Later than 5 years	-	112,940	-	100,000
Total non-current borrowings	<u>449,688</u>	<u>643,476</u>	<u>449,688</u>	<u>600,000</u>
Current:				
Not later than 1 year	<u>287,710</u>	<u>77,566</u>	<u>149,810</u>	<u>-</u>
Total non-current and current borrowings	<u>737,398</u>	<u>721,042</u>	<u>599,498</u>	<u>600,000</u>

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

## 27. Borrowings (cont'd.)

Changes in liabilities arising from financing activities:

Group	At 1 January 2023	Acquisition of subsidiary companies	Disposal of subsidiary	Drawdown	Repayment/ Adjustment	Reclassification (Note 10)	At 31 December 2023
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Bankers' acceptances	5,500	-	-	234,300	(161,900)	-	77,900
Term loan	55,542	2,265	(45,265)	-	(12,232)	(310)	-
Revolving credit	60,000	-	(16,000)	17,000	(1,000)	-	60,000
Medium term notes	600,000	-	-	-	(502) <sup>^^</sup>	-	599,498
	721,042	2,265	(61,265)	251,300	(175,634)	(310)	737,398
Group	At 1 January 2022	At 1 January 2022	At 1 January 2022	At 1 January 2022	At 31 December 2022	At 31 December 2022	At 31 December 2022
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Bankers' acceptances	7,000	7,000	7,000	68,200	(69,700)	5,500	5,500
Term loan	73,237	73,237	73,237	-	(17,695)	55,542	55,542
Revolving credit	60,000	60,000	60,000	-	-	60,000	60,000
Medium term notes	500,000	500,000	500,000	100,000	-	600,000	600,000
	640,237	640,237	640,237	168,200	(87,395)	721,042	721,042

<sup>^^</sup> Adjustment to discount the medium term notes to its present value.

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

## 27. Borrowings (cont'd.)

Changes in liabilities arising from financing activities: (cont'd.)

	At 1 January 2023 RM'000	Drawdown RM'000	Repayment/ Adjustment RM'000	At 31 December 2023 RM'000
Company				
Medium term notes	600,000	-	(502) <sup>^^</sup>	599,498
Company				
Medium term notes	500,000	100,000	-	600,000

<sup>^^</sup> Adjustment to discount the medium term notes to its present value.

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

## 27. Borrowings (cont'd.)

Borrowings are secured by the following:

- (i) Legal charge over the Group's properties as disclosed in Notes 9 and 10 to the financial statements.
- (ii) Other information on financial risks of borrowings are disclosed in Note 36(b).

## 28. Deferred tax liabilities/(assets)

	<b>Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM'000</b>	<b>RM'000</b>
As at 1 January	53,405	61,090
Disposal of subsidiary	(60,062)	-
Recognised in profit or loss - continuing operations (Note 8(a))	(3,507)	(8,489)
Recognised in profit or loss - discontinued operation	(283)	218
Recognised in other comprehensive income	642	586
As at 31 December	<u>(9,805)</u>	<u>53,405</u>

Presented after appropriate offsetting as follows:

	<b>Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM'000</b>	<b>RM'000</b>
Deferred tax assets	(14,616)	(12,382)
Deferred tax liabilities	4,811	65,787
	<u>(9,805)</u>	<u>53,405</u>

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

## 28. Deferred tax liabilities/(assets) (cont'd.)

The components and movements of deferred tax assets and liabilities during the financial year after offsetting are as follows:

### Deferred tax assets

	At 1 January 2023 RM'000	Disposal of subsidiary RM'000	Recognised in profit or loss RM'000	At 31 December 2023 RM'000
<b>Group</b>				
Right-of-use assets	(14,875)	(189)	338	(14,726)
Property, plant and equipment	211	(836)	625	-
Provisions	(25,478)	2,145	(1,779)	(25,112)
Unabsorbed tax losses	4	(4)	-	-
Unutilised capital allowances	-	4	(4)	-
	<u>(40,138)</u>	<u>1,120</u>	<u>(820)</u>	<u>(39,838)</u>
Less: Set off deferred tax liabilities				25,222
<b>As at 31 December 2023</b>				<u>(14,616)</u>

	At 1 January 2022 RM'000	Recognised in profit or loss RM'000	At 31 December 2022 RM'000
<b>Group</b>			
Right-of-use assets	(13,208)	(1,667)	(14,875)
Property, plant and equipment	211	-	211
Provisions	(12,264)	(13,214)	(25,478)
Unabsorbed tax losses	4	-	4
	<u>(25,257)</u>	<u>(14,881)</u>	<u>(40,138)</u>
Less: Set off deferred tax liabilities			27,756
<b>As at 31 December 2022</b>			<u>(12,382)</u>

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

## 28. Deferred tax liabilities/(assets) (cont'd.)

### Deferred tax liabilities

Group	At 1 January	Disposal of subsidiary	Recognised	Recognised	At 31 December
	2023		in profit or loss	in other comprehensive income	
	RM'000	RM'000	RM'000	RM'000	RM'000
Property, plant and equipment	28,112	(2,804)	(2,804)	175	22,679
Right-of-use assets	(368)	405	(37)	-	-
Intangible assets	62,208	(62,208)	-	-	-
Revaluation of land and buildings to fair value	6,807	221	-	467	7,495
Fair value of investment property	100	(100)	-	-	-
Other temporary differences	(3,316)	3,304	(129)	-	(141)
	<u>93,543</u>	<u>(61,182)</u>	<u>(2,970)</u>	<u>642</u>	<u>30,033</u>
Less: Set off deferred tax assets					(25,222)
<b>As at 31 December 2023</b>					<u><u>4,811</u></u>

Group	At 1 January	Disposal of subsidiary	Recognised	Recognised	At 31 December
	2022		in profit or loss	in other comprehensive income	
	RM'000	RM'000	RM'000	RM'000	RM'000
Property, plant and equipment	18,479		9,144	489	28,112
Right-of-use assets	(43)		(325)	-	(368)
Intangible assets	62,750		(542)	-	62,208
Revaluation of land and buildings to fair value	6,710		-	97	6,807
Fair value of investment property	100		-	-	100
Other temporary differences	(1,649)		(1,667)	-	(3,316)
	<u>86,347</u>		<u>6,610</u>	<u>586</u>	<u>93,543</u>
Less: Set off deferred tax assets					(27,756)
<b>As at 31 December 2022</b>					<u><u>65,787</u></u>

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

## 28. Deferred tax liabilities/(assets) (cont'd.)

The amounts of temporary differences for which no deferred tax assets have been recognised in the statements of financial position are as follows:

	Group	
	2023	2022
	RM'000	RM'000
Unabsorbed tax losses	-	4,207
Unutilised capital allowances	-	265
Other temporary differences	-	3,808
	-	8,280

The unabsorbed tax losses and unutilised capital allowances of the Group are available for offsetting against future taxable profits subject to the Income Tax Act, 1967 and guidelines issued by the tax authority. The Ministry of Finance via Finance Bill 2021 announced that the unused tax losses carried forward shall be extended from a maximum period of 7 to 10 consecutive years of assessment. This amendment is deemed to have effect for the year of assessment 2019 and subsequent years of assessment.

## 29. Trade payables

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
<b>Current</b>				
<b>Third parties (a)</b>				
Merchandise suppliers	389,218	585,212	-	-
Phone reload coupon and in-store services suppliers	19,870	58,424	-	-
<b>Related parties (b)</b>				
Merchandise suppliers	194	2,581	-	-
Phone reload coupon and in-store services suppliers	89,136	22,153	-	-
Total trade payables	498,418	668,370	-	-
Total trade payables	498,418	668,370	-	-
Add:				
Lease liabilities (Note 10(b))	664,269	692,459	-	-
Other payables (Note 30)	229,874	211,332	107	695
Borrowings (Note 27)	737,398	721,042	599,498	500,000
Total financial liabilities, carried at amortised cost	2,129,959	2,293,203	599,605	500,695

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

## 29. Trade payables (cont'd.)

### (a) Third parties

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

	<b>Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM'000</b>	<b>RM'000</b>
Merchandise suppliers	30 - 120	30 - 120
Phone reload coupon and in-store services suppliers	7 - 60	7 - 60

The normal trade credit terms granted to the Group ranged from 7 to 120 (2022: 7 to 120) days. However, suppliers will generally extend their credit terms to 90 (2022: 90) days upon request by the Group.

### (b) Related parties

As at 31 December 2023, related party refers to companies in which Tan Sri Vincent Tan Chee Yioun ("TSVT") are deemed to have an interest. The trade credit term granted ranged from 7 to 60 (2022: 7 to 60) days.

## 30. Other payables and contract liabilities

	<b>Group</b>		<b>Company</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Other payables:</b>				
<b>Current</b>				
Sundry payables	60,463	54,428	-	-
Accruals	133,372	120,513	107	695
Amount due to broker	1,073	-	-	-
Refundable deposits	31,964	28,669	-	-
Due to non-controlling shareholders	-	3,804	-	-
Due to related parties	3,002	3,918	-	-
<b>Total other payables</b>	<b>229,874</b>	<b>211,332</b>	<b>107</b>	<b>695</b>
<b>Contract liabilities:</b>				
<b>Current and non-current</b>				
Initial franchise fees	13,314	14,636	-	-
Loyalty points programme	8,455	9,845	-	-
<b>Total contract liabilities</b>	<b>21,769</b>	<b>24,481</b>	<b>-</b>	<b>-</b>

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

## 30. Other payables and contract liabilities (cont'd.)

The current and non-current portions of contract liabilities are as below:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Non-current	11,336	12,698	-	-
Current	10,433	11,783	-	-
	<u>21,769</u>	<u>24,481</u>	<u>-</u>	<u>-</u>

### (a) Payables

Payables, other than amounts due to a subsidiary company, are unsecured, non-interest bearing and are normally settled on 30 to 60 (2022: 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	
		2023 RM'000	2022 RM'000
Securexpress Services Sdn. Bhd.	Transportation costs	<u>545</u>	<u>544</u>

### (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) Contract liabilities

Contract liabilities comprised deferred revenue from initial franchise fees and loyalty points not yet redeemed.

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

## 31. Dividends

	Group and Company			
	2023	Net dividend per ordinary share	2022	Net dividend per ordinary share
	Amount, net of tax RM'000	Sen	Amount, net of tax RM'000	Sen
<b>Dividend for the financial year ended 31 December 2023</b>				
Interim single-tier cash dividend of 5.4 sen on 1,110,046,500 <sup>#</sup> ordinary shares, declared on 13 April 2023 and paid on 25 May 2023	59,943	5.4	-	-
<b>Dividend for the financial year ended 31 December 2022</b>				
Interim single-tier cash dividend of 2.6 sen on 1,126,320,000 <sup>^^</sup> ordinary shares, declared on 20 April 2022 and paid on 27 May 2022	-	-	29,284	2.6
	<b>59,943</b>	<b>5.4</b>	<b>29,284</b>	<b>2.6</b>

<sup>#</sup> Dividends were distributed to the holders of ordinary shares of the Company in issue as at 11 May 2023 (being the entitlement date), net of 107,065,000 treasury shares.

<sup>^^</sup> Dividends were distributed to the holders of ordinary shares of the Company in issue as at 11 May 2022 (being the entitlement date), net of 107,065,000 treasury shares.

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

## 32. Significant related party transactions

### (a) Significant related party transactions

		Company	
		2023	2022
Type of transaction		RM'000	RM'000
<b>With a subsidiary company</b>			
<b><i>Held by the Company:</i></b>			
7-Eleven Malaysia Sdn. Bhd. ("7EMSB")	Dividend income from 7EMSB	60,000	60,000
	Net advances from/(to) 7EMSB	66,120	48,002
	Interest income to 7EMSB	2,362	2,355
		<hr/>	<hr/>
Convenience Shopping (Sabah) Sdn. Bhd. ("CSSSB")	Repayment from/(advance to) CSSSB	30,000	(60,000)
	Interest income on advances to CSSSB	21,045	19,681
		<hr/>	<hr/>
<b>With companies in which TSVT is deemed interested*</b>			
U Mobile Sdn. Bhd. ("U Mobile")	Receipts from U Mobile for commission on sale of mobile phone reloads	9,162	8,614
	Payments to U Mobile for transaction values reload for sale of mobile phone reloads	(178,086)	(154,138)
	Receipts from U Mobile for advertisement placement fees	10,853	7,976
		<hr/>	<hr/>

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

## 32. Significant related party transactions (cont'd.)

### (a) Significant related party transactions (cont'd.)

		Group	
		2023 RM'000	2022 RM'000
	<b>Type of transaction</b>		
<b>With companies in which TSVT is deemed interested* (cont'd.)</b>			
Sun Media Corporation Sdn. Bhd.	Advertising fees on placement of advertisement in The Sun newspaper	(366)	(263)
	Display fees from placement of The Sun newspaper in 7-Eleven's stores	314	(360)
Securexpress Services Sdn. Bhd. ("Securexpress")	Payment to Securexpress for transportation fees on delivery of merchandise goods to stores	(10,819)	(7,806)
Berjaya Food Trading Sdn. Bhd. ("B Food")	Payment to B Food for purchase of beverages	(952)	(5,681)
Nural Enterprise Sdn. Bhd. ("NESB")	Payment to NESB for rental of property	(2,076)	(2,056)
Berjaya Times Square Sdn. Bhd. ("BTSB")	Payment to BTSB for rental of property	(820)	(1,063)
Ace Print Sdn. Bhd. ("Ace Print")	Purchase of consumables	(1,009)	(1,395)

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

## 32. Significant related party transactions (cont'd.)

### (a) Significant related party transactions (cont'd.)

Type of transaction	Group		
	2023 RM'000	2022 RM'000	
<b>With companies in which TSVT is deemed interested* (cont'd.)</b>			
Razer Pay Holdings Pte. Ltd. and its subsidiary companies ("Razer")	Receipt of commission by 7EMSB for in-store services such as reloads of mobile phone, TNG and online games, gift cards and bill payments	43,210	38,913
	Transaction values paid by 7EMSB for in-store services such as reloads of mobile phones, TNG and online games, gift cards and bill payments	(4,972,935)	(4,408,147)
	Commission receivable for e-wallet transactions	(1,913)	1,503
	Transaction value receivable by 7EMSB for e-wallet transactions	560,683	412,986
<b>With companies in which Director of a subsidiary is deemed interested</b>			
Bioscenergy International Sdn. Bhd. ("BIO")	Purchase of healthcare products by Caring	(34,360)	(2,999)

\* TSVT is a substantial shareholder of the Company.

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

## 32. Significant related party transactions (cont'd.)

### (a) Significant related party transactions (cont'd.)

The Directors are of the opinion that all the transactions above have been entered into in the normal course of business and have been established on negotiated terms and conditions.

Information regarding outstanding balances arising from related party transactions as at 31 December 2023 and 2022 are disclosed in Notes 17, 29 and 30.

### (b) Compensation of key management personnel

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

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Short-term employee benefits	10,513	11,094	-	-
Post-employment benefits:				
Defined contribution plan	1,112	1,396	-	-
	<u>11,625</u>	<u>12,490</u>	<u>-</u>	<u>-</u>
Included in the total key management personnel are:				
Directors' benefits (Note 6)	<u>5,050</u>	<u>3,429</u>	<u>1,046</u>	<u>515</u>

## 33. Commitments

### (a) Capital commitments

	Group	
	2023 RM'000	2022 RM'000
Property, plant and equipment		
- approved and contracted for	15,071	10,595
- approved but not contracted for	32,372	237,611
	<u>47,443</u>	<u>248,206</u>

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

## 33. Commitments (cont'd.)

### (b) Operating lease commitments - as lessor

The Group has entered into commercial property leases on their properties. These non-cancellable leases have an average lease terms of 3 years. All leases include a clause to enable upward revision of the rental charge upon renewal of the leases based on prevailing market conditions.

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

	Group	
	2023	2022
	RM'000	RM'000
Not later than 1 year	349	516
Later than 1 year but not later than 5 years	186	670
	<u>535</u>	<u>1,186</u>

## 34. Contingent liabilities

### (a) Bank guarantee

The Group has bank guarantees of RM12,312,147 as at 31 December 2023 (2022: RM10,122,912) as security deposits in favour of various government bodies, private companies and landlord of the tenancies. The bank guarantee facilities are granted to 7EMSB as at 31 December 2023 (2022: 7EMSB and CPRM) on a clean basis.

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

## 34. Contingent liabilities (cont'd.)

### (b) Material litigation

#### (i) Former employees of 7EMSB

##### (a) Former employee A ("Plaintiff A")

On 26 October 2021, Plaintiff A of 7EMSB commenced an action against 7EMSB alleging, amongst others, breach of employment agreement, negligence and harassment, claiming damages in the sum of over RM96,032,956, as well as general damages to be assessed by the Court. 7EMSB applied for the claim to be struck out, however the High Court dismissed the striking out application and directed the Plaintiff to amend the Statement of Claim. On 21 April 2022, Plaintiff A amended her claim to RM6,032,956 and for damages be assessed by the Court.

Thereafter, 7EMSB filed an appeal against the dismissal of the striking out application in the Court of Appeal which was heard on 14 March 2023. The Court of Appeal unanimously allowed 7EMSB's appeal with costs of RM8,000. This means that Plaintiff A's suit against 7EMSB in the High Court has been struck out. Plaintiff A has a final appeal avenue to the Federal Court if she is dissatisfied with the outcome. Plaintiff A will need to first obtain leave from the Federal Court which must be made within 1 month from the day the Court of Appeal delivered its decision. The time for the Plaintiff to file her application for leave to appeal to the Federal Court has lapsed on 13 April 2023. 7EMSB's solicitors have not been served with the Plaintiff's leave application as of to-date.

The matter is now deemed closed.

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

## 34. Contingent liabilities (cont'd.)

### (b) Material litigation (cont'd.)

#### (i) Former employees of 7EMSB (cont'd.)

##### (b) Former employee B ("Plaintiff B")

On 11 October 2022, Plaintiff B who was a former employee of 7EMSB commenced an action against 7EMSB alleging, amongst others, breach of employment agreement, constructive dismissal, tort of intentional infliction of emotional distress and tort of harassment. The claim is primarily based on Plaintiff B being dissatisfied with the proposed restructuring exercise within the team suggested by his superior. Plaintiff B is claiming special damages in the sum of RM4,708,992. 7EMSB has filed its Defence on 11 November 2022 and the Plaintiff has served his Reply to Defence on 7EMSB on 23 November 2022. The matter was fixed for full trial on 3 and 4 July 2023.

Trial fixed on 3 July 2023 has been vacated by the High Court Judge and the Judge directed 7EMSB to file an application to strike out the claim instead. 7EMSB filed the said striking out application on 18 July 2023 as directed by the Judge. On 7 March 2024, the High Court has found in favour of SEM's striking out application. As such, the Plaintiff's claim via the Writ of Summons and Statement of Claim was struck out with costs of RM7,000. The Plaintiff has filed his appeal to the Court of Appeal on 11 March 2024. As of to-date, the Court of Appeal has not fixed any case management for the appeal.

The Directors of 7EMSB are of the opinion that there is a fair chance of succeeding in their defence over the disputed claim. Accordingly, no provision for any liability has been made in the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

## 35. Fair value of financial instruments

### A. 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:

	<b>Note</b>
Trade and other receivables (current)	17
Trade and other payables (current)	29, 30
Borrowings (current and non-current)	27
Lease liabilities (current and non-current)	10

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.

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

## 35. Fair value of financial instruments (cont'd.)

### B. 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:

	<b>Fair value measurement using</b>			
	<b>Total</b>	<b>Quoted</b>	<b>Significant</b>	<b>Significant</b>
	<b>(Level 1)</b>	<b>observable</b>	<b>un-</b>	<b>observable</b>
	<b>RM'000</b>	<b>markets</b>	<b>inputs</b>	<b>inputs</b>
		<b>(Level 1)</b>	<b>(Level 2)</b>	<b>(Level 3)</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Group</b>				
<b>31 December 2023</b>				
<b>Assets carried at fair value:</b>				
Land and buildings classified as property, plant and equipment (Note 9(d))	85,842	-	-	85,842
Land and buildings classified as right-of-use assets (Note 10(a))	16,998	-	-	16,998
Other investments (Note 14)	99,459	99,458	-	1
Investment in unquoted instrument outside Malaysia designated at FVTOCI (Note 14)	4,717	-	-	4,717

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

## 35. Fair value of financial instruments (cont'd.)

### B. Fair value hierarchy (cont'd.)

Group	Fair value measurement using			
	Total RM'000	Quoted prices in active markets (Level 1) RM'000	Significant observable inputs (Level 2) RM'000	Significant un- observable inputs (Level 3) RM'000
<b>31 December 2022</b>				
<b>Assets carried at fair value:</b>				
Land and buildings classified as property, plant and equipment (Note 9)	98,207	-	-	98,207
Asset-in-progress classified as property, plant and equipment (Note 9)	1,750	-	-	1,750
Land and buildings classified as right-of-use assets (Note 10(a))	46,038	-	-	46,038
Investment property classified as right-of-use assets (Note 10(a))	380	-	-	380
Investment properties (Note 11)	20,584	-	-	20,584
Other investments (Note 14)	111,186	111,185	-	1

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

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

## 36. Financial risk management objectives and policies

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, interest rate risk, liquidity risk and foreign currency risk.

The Board of Directors reviews and agrees the policies and procedures for the management of these risks, in order to minimise the effects of the unpredictability of the financial markets on the performance of the Group and of the Company, which are executed by the senior management of the Company.

It is the Group's policy that no derivatives shall be undertaken except for the use as hedging instruments where appropriate and cost-efficient. The Group and the Company do not apply hedge accounting.

The following sections provide details regarding the Group's and the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

### (a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and sundry receivables. For other financial assets (including cash and bank balances), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

The Group uses ageing analysis to monitor the credit quality of trade receivables. Any receivables having significant balances past due or more than 60 days, which are deemed to have higher credit risk, are monitored individually.

The Group's objective is to seek continual growth while minimising losses incurred due to increased credit risk exposure. Receivable balances are monitored on an ongoing basis.

#### Credit risk concentration profile

The Group does not have any major concentration of credit risk related to any individual customer or counterparty.

#### 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.

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

## 36. Financial risk management objectives and policies (cont'd.)

### (a) Credit risk (cont'd.)

#### Amounts due from related companies, subsidiaries and other related parties

There is minimal risk of default as these related companies holds substantial amount of properties, while the other related parties and subsidiary company are prospectively profitable. The credit standing of these related companies are periodically monitored and reviewed.

### (b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates.

The interest bearing assets made up of deposits with licensed banks. The Group and the Company manage the interest rate risk of their deposits with licensed banks by placing them at the most competitive interest rates obtainable, which yield better returns than cash at bank.

Borrowings at floating rates expose the Group and the Company to cash flow interest rate risk. Borrowings obtained at fixed rate expose the Group and the Company to fair value interest rate risk. The Group and the Company manage their interest rate exposure by maintaining a mix of fixed and floating rate borrowings.

#### 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 RM5,326,000 (2022: RM5,386,000) lower/higher, arising mainly as a result of higher/lower interest income on deposits with licensed banks and interest expenses on borrowings.

At the reporting date, if interest rates had been 50 basis points higher/lower, with all other variables held constant, the Company's profit net of tax would have been RM144,000 (2022: RM146,000) lower/higher, arising mainly as a result of higher/lower interest income on deposit with licensed banks and interest expenses on borrowings and amount due from a subsidiary company.

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

## 36. Financial risk management objectives and policies (cont'd.)

### (b) Interest rate risk (cont'd.)

The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment. The carrying amounts, the range of applicable interest rates as at the reporting date and the remaining maturities of the Group's financial instruments that are exposed to interest rate risk are disclosed in Notes 10, 27 and 31 and the table below:

Group	Note	Range of interest %	Within 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000	Over 5 years RM'000	Total RM'000
<b>At 31 December 2023</b>							
<b>Fixed rate</b>							
Hire purchase and finance lease	10(b)	5.03 - 5.32	34	18	19	-	71
Lease liabilities	10(b)	4.4 - 5.8	95,696	90,694	205,899	271,909	664,198
Medium term notes	27	4.0 - 4.8	149,810	100,000	349,688	-	599,498
<b>Variable rate</b>							
Bankers' acceptances	27	4.5 - 5.1	77,900	-	-	-	77,900
Revolving credit	27	5.1 - 5.3	60,000	-	-	-	60,000
<b>Company</b>							
<b>Fixed rate</b>							
Medium term notes	27	4.0 - 4.8	149,810	100,000	349,688	-	599,498

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

## 36. Financial risk management objectives and policies (cont'd.)

### (b) Interest rate risk (cont'd.)

At 31 December 2022

Group	Note	Range of interest %	Within 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000	Over 5 years RM'000	Total RM'000
<b>Fixed rate</b>							
Hire purchase and finance lease	10(b)	2.2 - 6.3	169	124	68	-	361
Lease liabilities	10(b)	3.34 - 5.8	112,873	141,741	437,484	-	692,098
Medium term notes	27	4.0 - 4.7	-	150,000	350,000	100,000	600,000
<b>Variable rate</b>							
Bankers' acceptances	27	3.0 - 3.8	5,500	-	-	-	5,500
Term loans	27	2.3 - 8.1	12,066	12,037	18,499	12,940	55,542
Revolving credit	27	3.5 - 3.7	60,000	-	-	-	60,000
Amount owing to non-controlling shareholders	31	1.8 - 1.9	3,804	-	-	-	3,804
<b>Company</b>							
<b>Fixed rate</b>							
Medium term notes	27	4.0 - 4.7	-	150,000	350,000	100,000	600,000

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

## 36. Financial risk management objectives and policies (cont'd.)

### (c) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

The Group actively manages its operating cash flows and the availability of funding so as to ensure that all funding needs are met. As part of its overall prudent liquidity management, the Group maintains the availability of funding through adequate amount of committed credit facilities.

### Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and the Company's liabilities at the reporting date based on contractual undiscounted repayment obligations.

	2023			
	On demand or within 1 year RM'000	1 to 5 years RM'000	Over 5 years RM'000	Total RM'000
<b>Group</b>				
<b>Financial liabilities:</b>				
Lease liabilities	127,419	380,318	316,638	824,375
Trade payables	498,418	-	-	498,418
Other payables	229,874	-	-	229,874
Borrowings	318,001	484,539	-	802,540
Total undiscounted financial liabilities	1,173,712	864,857	316,638	2,355,207
<b>Company</b>				
<b>Financial liabilities:</b>				
Trade and other payables	107	-	-	107
Borrowings	173,171	484,539	-	657,710
Total undiscounted financial liabilities	173,278	484,539	-	657,817

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

## 36. Financial risk management objectives and policies (cont'd.)

### (c) Liquidity risk (cont'd.)

#### Analysis of financial instruments by remaining contractual maturities (cont'd.)

Group	2022			Total RM'000
	On demand or within 1 year RM'000	1 to 5 years RM'000	Over 5 years RM'000	
<b>Financial liabilities:</b>				
Lease liabilities	145,684	578,703	124,715	849,102
Trade payables	668,370	-	-	668,370
Other payables	211,332	-	-	211,332
Borrowings	108,402	589,478	117,976	815,856
Total undiscounted financial liabilities	1,133,788	1,168,181	242,691	2,544,660
<b>Company</b>				
<b>Financial liabilities:</b>				
Trade and other payables	695	-	-	695
Borrowings	26,240	555,639	102,333	684,212
Total undiscounted financial liabilities	26,935	555,639	102,333	684,907

### (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.

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

## 37. Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the financial years ended 31 December 2023 and 2022.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital. The Group's policy is to keep the gearing ratio of less than 1.80 times. The Group includes within net debt, loans and borrowings, less cash and bank balances. Capital represent total equity excluding treasury shares.

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Borrowings	27	737,398	721,042	599,498	600,000
Less: Cash and bank balances	19	(799,474)	(298,633)	(146)	(847)
Net (cash)/debt		<u>(62,076)</u>	<u>422,409</u>	<u>599,352</u>	<u>599,153</u>
Total capital as defined above		<u>456,404</u>	<u>424,543</u>	<u>1,455,610</u>	<u>1,559,391</u>
<b>Capital and net debts</b>		<u>394,328</u>	<u>846,952</u>	<u>2,054,962</u>	<u>2,158,544</u>
<b>Gearing ratio</b>		<u>-0.14</u>	<u>0.99</u>	<u>0.41</u>	<u>0.38</u>

The gearing ratio is not governed by the MFRS and its definition and calculation may vary from one group/company to another.

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

## 38. Segment information

The Group is essentially involved in operation of convenience stores, pharmaceutical, investment holding and real property investments. Operating segments of the Group are best segregated as follows:

### (a) Convenience stores

The convenience stores segment is the operating and franchising of convenience stores under the "7-Eleven" brand name, which offers a range of grocery and food items including hot food and beverages and manages the distribution of reloads of mobile phone, Touch 'n Go and online game and bill payment services.

### (b) Pharmaceutical

The pharmaceutical segment is the operating chain of pharmacies under the "Caring", "Pill House" and "Wellings" brand name, which retails pharmaceutical, healthcare and personal care products. Upon the completion of the disposal of Caring Group, the pharmaceutical segment has been discontinued.

### (c) Others

The other segments consist of investment holding and real property investments.

All inter-segment transactions were carried out in the normal course of business and established under negotiated terms.

	External	Group Inter- segment/ Adjustment	Total
For the financial year ended 31 December 2023	RM'000	RM'000	RM'000
<b>Revenue from continuing operations</b>			
Convenience stores	2,783,106	-	2,783,106
Others	446	525	971
Inter-segment elimination	-	(525)	(525)
	<u>2,783,552</u>	<u>-</u>	<u>2,783,552</u>
<b>Revenue from discontinued operation</b>			
Pharmaceutical	<u>1,381,632</u>	<u>-</u>	<u>1,381,632</u>

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

## 38. Segment information (cont'd.)

For the financial year ended 31 December 2022	External RM'000	Group Inter- segment RM'000	Total RM'000
<b>Revenue from continuing operations</b>			
Convenience stores	2,484,463	-	2,484,463
Others	228	594	822
Inter-segment elimination	-	(594)	(594)
	<u>2,484,691</u>	<u>-</u>	<u>2,484,691</u>
<b>Revenue from discontinued operation</b>			
Pharmaceutical	<u>1,279,587</u>	<u>-</u>	<u>1,279,587</u>

## Results

	Group 2023 RM'000	2022 RM'000
<b>Profit from continuing operations:</b>		
Convenience stores	123,145	137,599
Others	(32,184)	(1,863)
	<u>90,961</u>	<u>135,736</u>
Interest income	2,820	1,433
Share of results of joint ventures	(6,373)	(3,349)
Finance costs	(65,837)	(60,389)
<b>Profit before tax</b>	<u>21,571</u>	<u>73,431</u>
Income tax expense	(36,031)	(39,849)
<b>Net profit for the year</b>	<u>(14,460)</u>	<u>33,582</u>
<b>Profit from discontinued operations:</b>		
Pharmaceutical	316,858	70,000
Interest income	2,900	2,693
Finance costs	(7,063)	(5,316)
<b>Profit before tax</b>	<u>312,695</u>	<u>67,377</u>
Income tax expense	(12,642)	(16,631)
<b>Net profit for the year</b>	<u>300,053</u>	<u>50,746</u>

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

## 38. Segment information (cont'd.)

### Assets and liabilities

	Assets RM'000	Liabilities RM'000
<b>For the financial year ended 31 December 2023</b>		
<b>Continuing operations</b>		
Convenience stores	2,339,118	1,529,117
Others	192,157	644,862
	<u>2,531,275</u>	<u>2,173,979</u>
<b>Discontinued operation</b>		
Pharmaceutical	<u>1,078,332</u>	<u>609,905</u>
<b>For the financial year ended 31 December 2022</b>		
<b>Continuing operations</b>		
Convenience stores	1,496,383	1,412,824
Others	542,487	579,104
	<u>2,038,870</u>	<u>1,991,928</u>
<b>Discontinued operation</b>		
Pharmaceutical	<u>638,357</u>	<u>455,058</u>

### Other information

	←	Group	→	
	Capital expenditure RM'000	Depreciation and amortisation RM'000	Impairment/ written-off RM'000	Other non-cash expenses RM'000
<b>For the financial year ended 31 December 2023</b>				
<b>Continuing operations</b>				
Convenience store	189,281	181,864	3,969	-
<b>Discontinued operation</b>				
Pharmaceutical	10,687	47,809	2,830	-
	<u>199,968</u>	<u>229,673</u>	<u>6,799</u>	<u>-</u>

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

## 38. Segment information (cont'd.)

### Other information (cont'd.)

	←	Group	→	
	Capital expenditure RM'000	Depreciation and amortisation RM'000	Impairment loss/ written-off RM'000	Other non-cash expenses RM'000
<b>For the financial year ended 31 December 2022</b>				
<b>Continuing operations</b>				
Convenience store	94,670	164,410	2,990	-
<b>Discontinued operation</b>				
Pharmaceutical	13,812	41,278	170	-
	108,482	205,688	3,160	-

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

## 39. 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 2023	2022
Net profit attributable to equity holders of the Company (RM'000)	261,766	66,875
Weighted average number of ordinary shares in issue ('000)	1,109,620	1,123,309
Basic/diluted earnings per ordinary share (sen)	23.59	5.95

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

## 40. Significant event disclosure

On 29 December 2023, Convenience Shopping (Sabah) Sdn Bhd ("CSSSB"), a wholly-owned subsidiary of the Company completed the disposal of its entire 75% equity interest in Caring Pharmacy Group Berhad ("Caring") to BIG Pharmacy Holdings Sdn Bhd (the "Disposal") for a consideration, after the final adjustments made to the Equity Value, amounting to RM666,248,195. Arising from the completion of the Disposal, Caring and its subsidiaries (collectively referred to as "Caring Group") has ceased to be indirect subsidiaries of the Company. Further details on the effects of the Disposal are disclosed in Note 41.

## 41. Discontinued operation

On 21 September 2023, RHB Investment Bank Berhad had, on behalf of the Board of Directors of the Company, announced that CSSSB, a wholly-owned subsidiary of the Company, had entered into a conditional sale and purchase agreement with BIG Pharmacy Holdings Sdn Bhd ("BIG Pharmacy") and Motivasi Optima Sdn Bhd ("MOSB") ("SPA") for the following:

- The proposed disposal by CSSSB of its entire 75% equity interest in Caring to BIG Pharmacy for a cash consideration of RM675.0 million, subject to the terms and conditions of the SPA ("Proposed Disposal").
- The proposed disposal by MOSB of its entire 25% equity interest in Caring to BIG Pharmacy ("Proposed MOSB Disposal").
- The Proposed Disposal and the Proposed MOSB Disposal, collectively shall be referred to as "Proposed Transaction".
- For the avoidance of doubt, the Proposed MOSB Disposal shall not form part of the Company's corporate exercise.

The Proposed Transaction does not include the disposal of the Indonesian businesses operated by Caring in the Republic of Indonesia ("Indonesian Businesses"). The Indonesian Businesses would be carved out from the Proposed Transaction as a condition precedent in accordance with the terms and conditions of the SPA and as mutually agreed between the parties.

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

## 41. Discontinued operation (cont'd.)

On 29 December 2023, the disposal of Caring by the Company was completed and the results of Caring Group's operations was classified as a discontinued operation as at 31 December 2023. The business of Caring Group represented the entirety of the Group's pharmaceutical segment until 29 December 2023. With Caring Group being classified as a discontinued operation, the pharmaceutical segment is no longer presented in the segment note. The results of Caring Group for the year are presented below:

	2023 RM'000	2022 RM'000
Revenue	1,381,632	1,279,587
Cost of sales	(1,109,340)	(1,024,898)
Gross profit	272,292	254,689
Other operating income	44,135	50,452
Gain on disposal of subsidiary	262,798	-
Selling and distribution expenses	(200,823)	(168,490)
Administrative and other operating expenses	(74,119)	(63,958)
Profit from operations (Note 5)	304,283	72,693
Finance costs	(7,063)	(5,316)
Profit before tax	297,220	67,377
Income tax expense (Note 8)	(12,642)	(16,631)
Profit for the year from discontinued operation	284,578	50,746

The major classes of assets and liabilities of Caring Group that has been disposed off as at 31 December 2023 are as follows:

	2023 RM'000
<b>Non current assets</b>	
Property, plant and equipment	41,270
Investment property	21,435
Right-of-use assets	136,811
Intangible assets	462,224
Deferred tax assets	1,120
	<u>662,860</u>
<b>Current assets</b>	
Inventories	229,838
Sundry receivables	46,511
Tax recoverable	11,547
Other investment	59,208
Cash and bank balances	67,149
	<u>414,253</u>
<b>Total assets</b>	<u>1,077,113</u>

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

## 41. Discontinued operation (cont'd.)

	<b>2023</b> <b>RM'000</b>
<b>Non current liabilities</b>	
Borrowings	33,485
Lease liabilities	78,260
Contingent considerations	35,623
Deferred tax liabilities	61,182
	<u>208,550</u>
<b>Current liabilities</b>	
Provisions	1,815
Borrowings	27,780
Lease liabilities	34,341
Trade payables	274,338
Other payables	50,662
Contract liabilities	3,189
	<u>392,125</u>
<b>Total liabilities</b>	<u>600,675</u>
Net assets	476,438
Less: Non controlling interests	(83,664)
Share of net assets of Caring Group	<u>392,774</u>
<b>Amounts included in accumulated OCI:</b>	
Revaluation reserve of land and buildings	2,022
Deferred tax	(175)
Reserve of disposal group classified as held for sale	<u>1,847</u>

The effects on the financial position of the Group arising from the disposal of Caring Group are as follows:

	<b>Group</b> <b>2023</b> <b>RM'000</b>
Disposal proceeds	666,248
Net assets disposed	(392,774)
Fair value effects of deferred considerations receivable on Balance Disposal Consideration	(1,870)
Disposal expenses	(8,806)
Gain on disposal	<u>262,798</u>
Disposal proceeds	666,248
Cash and bank balances disposed	(67,149)
Fixed deposit pledged to licensed bank	1,509
Deferred consideration	(30,000)
Net cash inflow on disposal	<u>570,608</u>

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

## 41. Discontinued operation (cont'd.)

The net cash flows incurred by Caring Group are as follows:

	<b>2023</b>	<b>2022</b>
	<b>RM'000</b>	<b>RM'000</b>
Operating	115,202	107,733
Investing	(355)	(55,766)
Financing	(107,931)	(68,648)
	<u>6,916</u>	<u>(16,681)</u>

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:

	<b>2023</b>	<b>2022</b>
Profit for the year from discontinued operation (RM'000)	284,578	50,746
Weighted average number of ordinary shares in issue ('000)	1,109,620	1,123,309
Basic/diluted EPS for the year from discontinued operation (sen)	<u>25.65</u>	<u>4.52</u>

# LIST OF PROPERTIES

As at 31 December 2023

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	37,400,000
2	No.49, Jalan Sultan Ismail, 50250 Kuala Lumpur.	A Commercial Land Accommodating An Intermediate Unit 2½ Storey Terraced Shop Office	Ground floor as 7-Eleven Convenience Store and other floors for rental purpose	66	Land Area : 1,302 Build-up : 3,750	Freehold	28 May 2004	5,200,000
3	No. 2, Jalan Hang Lekiu, 50100 Kuala Lumpur.	Corner Unit Four (4) Storey Shop Office	Ground floor as 7-Eleven Convenience Store and other floors for rental purpose	25	Land Area : 1,033 Build-up : 4,113	Freehold	3 Oct 2005	5,000,000
4	No. 1, Block 6, Jalil Link, Jalan Jalil Jaya 7, Bukit Jalil, 57000 Kuala Lumpur.	Corner Unit Four (4) Storey Shop Office	Ground floor as 7-Eleven Convenience Store and other floors for rental purpose	14	Land Area : 1,787 Build-up : 7,140	Freehold	25 Sep 2007	5,600,000
5	No. 58, Jalan PJS 11/28A, Sunway Metro, Bandar Sunway, 47500 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	27	Land Area : 1,647 Build-up : 6,584	Leasehold (99-Year) Expiring Date : 28 Dec 2092 (H.S.(D) 85458) 11 Mar 2095 (H.S.(M) 9321)	11 May 2006	4,100,000
6	No. 211, Jalan Perkasa 1, Taman Maluri, 55100 Kuala Lumpur.	Corner Unit Four (4) Storey Shop Office	Ground floor as 7-Eleven Convenience Store and other floors for rental purpose	40	Land Area : 2,208 Build-up : 8,654	Leasehold (99-Year)	6 Oct 2004	5,600,000
7	No. 213, Jalan Perkasa 1, Taman Maluri, 55100 Kuala Lumpur.	Intermediate Unit Four (4) Storey Shop Office	Ground floor as 7-Eleven Convenience Store and other floors for rental purpose	39	Land Area : 1,760 Build-up : 6,864	Expiring Date : 24 May 2076	6 Oct 2004	5,600,000
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	31	Land Area : 1,647 Build-up : 6,402	Leasehold (99-Year) Expiring Date : 8 May 2093	24 Aug 2004	1,500,000
9	Lot No.G-17 & G18, Ground Floor, Wisma Cosway, Jalan Raja Chulan, 50200 Kuala Lumpur.	Two (2) adjoining Ground Floor strata Shop Lot	As 7-Eleven Convenience Store	40	Land Area : - Build-up : 602.78	Freehold	30 Sep 2009	1,440,000
10	No. 46, Jalan Permas 10, Bandar Baru Permas Jaya, 81750 Masai, Johor Darul Takzim.	Corner Unit Four (4) Storey Shop Office	Ground floor as 7-Eleven Convenience Store and other floors for rental purpose	28	Land Area : 2,583 Build-up : 10,332	Freehold	9 Dec 2008	2,700,000
11	No. 2, Jalan Impian Mahkota 1, Taman Saujana Impian, 43000 Kajang, Selangor Darul Ehsan.	Intermediate Unit Three (3) Storey Shop Office	Lower Ground Floor used as car park and other floors for rental purpose	16	Land Area : 1,604 Build-up : 5,003	Freehold	25 Jan 2006	1,450,000

# LIST OF PROPERTIES

As at 31 December 2023

No.	Location	Description of Properties	Existing Use	Estimated Age of Building (Years)	Approximate Area / Size (sq ft)	Tenure	Date of Acquisition	Net Book Value (RM)
12	No. 20, Jalan Tun Abdul Razak, Susur 6, Taman Suria Muafakat, 80200 Johor Bahru, Johor Darul Takzim.	Intermediate Stratified Unit Three (3) Storey Shop Office	Ground floor as 7-Eleven Convenience Store and other floors for rental purpose	13	Land Area : 1,701 Build-up : 4,620	Leasehold (99-Year) Expiring Date : 23 May 2105	11 Dec 2008	1,500,000
13	No. 1, Lorong Sungai Emas, Eden Square, Batu Ferringhi, 11100 Pulau Pinang.	Corner Unit Three (3) Storey Shop Office	Ground floor as 7-Eleven Convenience Store and other floors for rental purpose	20	Land Area : 1,604 Build-up : 4,516	Freehold	16 May 1997	1,350,000
14	No. 65, Jalan Badik 1, Taman Sri Tebrau, 80050 Johor Bahru, Johor Darul Takzim.	Intermediate Unit Two (2) Storey Terraced Shop Office	Ground floor as 7-Eleven Convenience Store and other floors for rental purpose	47	Land Area : 1,760 Build-up : 2,916	Freehold	27 Apr 2006	1,500,000
15	No. 7, Jalan SS 12/1B, Subang Jaya, 47500 Petaling Jaya, Selangor Darul Ehsan.	Intermediate Unit Two (2) Storey Shop Office	Ground floor as 7-Eleven Convenience Store and other floors for rental purpose	33	Land Area : 1,324 Build-up : 2,408	Freehold	22 Jan 1998	2,100,000
16	No. A-G-08, Block A, Jalan PJU 1A/41B, Diaman Crimson (Pusat Dagangan NZX), 47301 Petaling Jaya, Selangor Darul Ehsan.	Intermediate Unit Ground Floor Shop	As 7-Eleven Convenience Store	16	Land Area : - Build-up : 1,711	Freehold	10 Mar 2005	1,250,000
17	No. 30, Jalan Setia Tropika 1/24, Taman Setia Tropika, Kempas, 81200 Johor Bahru, Johor Darul Takzim.	End Unit Three (3) Storey Shop Office	Ground floor as 7-Eleven Convenience Store and other floors for rental purpose	15	Land Area : 1,680 Build-up : 5,040	Freehold	25 Mar 2008	1,800,000
18	No. 1, Jalan Kesidang 3/11, Melaka Mall, Off Jalan Tun Perak, 75300 Melaka.	End Unit Four (4) Storey Shop Office	Ground floor as 7-Eleven Convenience Store and other floors for rental purpose	31	Land Area : 2,271 Build-up : 7,928	Freehold	25 Aug 2007	850,000
19	No. 47, Jalan Yang Kalsom, 30250 Ipoh, Perak Darul Ridzuan.	Intermediate Unit Two (2) Storey Shop Office	Ground floor as 7-Eleven Convenience Store and other floors for rental purpose	74	Land Area : 1,740 Build-up : 3,040	Freehold	15 Jun 2007	700,000
20	No. D-0-5 & D-0-6, Block D, Ground Floor, Arena Green Apartment, Jalan 1/155A, Bukit Jalil, 57000 Kuala Lumpur.	Two (2) adjoining Ground Floor strata Shop Lot	As 7-Eleven Convenience Store	21	Land Area : - Build-up : 1,378	Freehold	14 April 2009	690,000
21	No.31, Jalan Utama 44, Mutiara Square, Mutiara Rini, 81300 Skudai, Johor Bahru, Johor Darul Takzim.	Intermediate Unit Two (2) Storey Shop Office	Ground floor as 7-Eleven Convenience Store and other floors for rental purpose	16	Land Area : 1,647 Build-up : 3,124	Leasehold (991-Year) Expiring Date : 4 Sep 2911	14 May 2009	740,000
22	19, Jalan Sungai Damansara B 32/B, Berjaya Park, Seksyen 32, 40460 Shah Alam, Selangor Darul Ehsan.	Corner Unit Single Storey Shop	As 7-Eleven Convenience Store	18	Land Area : 1,647 Build-up : 1,640	Freehold	17 Aug 2007	550,000
23	No 47, Jalan TTJS/A, Taman Tuanku Jaafar, 71450 Seremban, Negeri Sembilan Darul Khusus.	Corner Unit Two (2) Storey Shop Office	Ground floor as 7-Eleven Convenience Store and other floors for rental purpose	24	Land Area : 1,991 Build-up : 3,851	Freehold	22 Apr 1996	520,000

# LIST OF PROPERTIES

As at 31 December 2023

No.	Location	Description of Properties	Existing Use	Estimated Age of Building (Years)	Approximate Area / Size (sq ft)	Tenure	Date of Acquisition	Net Book Value (RM)
24	No 422, Jalan Cenderawasih 2, Taman Paroi Jaya, 70400 Seremban, Negeri Sembilan Darul Khusus.	Intermediate Unit Two (2) Storey Shop Office	Ground floor as 7-Eleven Convenience Store and other floors for rental purpose	40	Land Area : 1,755 Build-up : 3,515	Freehold	29 Sep 2008	395,000
25	No 155, Jalan Bandar Senawang 8, Pusat Bandar Senawang, 70450 Seremban, Negeri Sembilan Darul Khusus.	Intermediate Unit Two (2) Storey Shop Office	For rental purpose	21	Land Area : 1,399 Build-up : 2,800	Leasehold (99-Year) Expiring Date : 4 Dec 2088	21 Jun 1997	380,000
26	No. 2-G & 2-1 , Jalan Aman Sinaria 9, Bandar Tropicana Aman, 42500 Telok Panglima Garang, Selangor Darul Ehsan	Corner Unit Two (2) Storey Shop Office	Vacant / For rental purpose	4	Land Area : 2,626 Build-up : 5,246	Leasehold (91-Year) Expiring Date: 9 Nov 2110	26 Mar 2021	2,850,000
27	No 57, Jalan PBS 14/10, Taman Perindustrian Bukit Serdang, 43300 Seri Kembangan	Intermediate Unit One and a Half (1.5) Storey Shop Office	For production of fresh food products	22	Land Area : 2,002 Build-up : 2,602	Leasehold	01 Jan 2021	1,600,000
28	Lot 1911-A, Jalan KPB7, Kawasan Perindustrian Kampung Baru Balakong, 43300 Seri Kembangan, Selangor	Single Storey Factory And Two (2) Storey Office Building	For production of fresh food products	21	Land Area : 2,002 Build-up : 36,931	Freehold	01 Oct 2022	14,200,000

# ADDITIONAL COMPLIANCE INFORMATION

## 1. Audit and Non-Audit Fees

The amounts of audit and non-audit fees paid to the External Auditors or a firm affiliated to the External Auditors by the Company and the Group for the financial year ended 31 December 2023 are as follows:-

	Group (RM)	Company (RM)
Audit	1,116,000	126,000
Non-Audit	563,830	17,000

## 2. Material Contracts

Save as disclosed below, neither 7-Eleven Malaysia Holdings Berhad nor any of its subsidiary companies have entered into any contract which is or may be material (not being contracts entered into in the ordinary course of business of the Company or any of its subsidiary companies) for the financial year ended 31 December 2023:

- (a) Contracts in relation to the acquisition of PT Era Caring Indonesia ("ECI") by Indo Ventures Sdn Bhd ("IVSB") from CPRM to facilitate IVSB's entry into the pharmaceutical business in Indonesia and the transfer of the Indonesia businesses held by the Caring Group to facilitate the completion of the Disposal of Caring:-
- (i) a Deed of Shares Sale and Purchase dated 30 November 2023 entered into between IVSB (as purchaser) and CPRM (as vendor), wherein IVSB acquired the entire 50.1% equity interest in ECI held by CPRM for a cash consideration of RM5,510,581.
  - (ii) an Adherence Agreement dated 30 November 2023 entered into between IVSB, CPRM, PT Era Prima Indonesia, and ECI to bind IVSB to the terms of the shareholders' agreement executed between CPRM and PT Era Prima Indonesia as the existing shareholders of ECI.
  - (iii) an Adherence Agreement dated 30 November 2023 entered into between IVSB, CPRM, PT Era Prima Indonesia, and PT Era Indonesia ("EFI"), which records the sale and transfer of the entire unsecured mandatory convertible bonds held by CPRM in EFI to IVSB for a cash consideration of RM5,074,060. This agreement also binds IVSB to the terms of the governance agreement executed between CPRM (as the existing bondholder), PT Era Prima Indonesia (as the controlling and majority shareholder of EFI).

The transfer of the Indonesian businesses held by the Caring Group to IVSB was completed on 30 November 2023.

Subsequently, on 19 March 2024, IVSB invested an additional RM3.48 million in ECI.

## 3. Recurrent Related Party Transactions

At the AGM held on 26 May 2023, the Company has obtained shareholder's mandate to allow the Company and its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature ("RRPT Mandate") which are necessary for the day-to-day operations of the Group and in the ordinary course of business, with related parties.

The RRPT Mandate is valid until the conclusion of the forthcoming Eleventh Annual General Meeting of the Company to be held on 30 May 2024. The Company proposes to seek renewal of the existing and new RRPT Mandate at its forthcoming Eleventh Annual General Meeting. The renewal of the existing and new RRPT Mandate, if approved by the shareholders, will be valid until the conclusion of the Company's next Annual General Meeting. Details of the RRPT Mandate being sought is provided in the Circular to Shareholders dated 29 April 2024 sent together with this Annual Report.

Pursuant to paragraph 10.09(2)(b) and paragraph 3.1.5 of Practice Note 12 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, details of the recurrent related party transactions of a revenue or trading nature entered into during the financial year ended 31 December 2023 by the Company and Group are as follows:-

Related Party	Nature of Transaction	Value of Transaction RM'000
Razer Pay Holdings Pte. Ltd. and its subsidiary companies	Transaction value paid	4,972,935
Razer Pay Holdings Pte. Ltd. and its subsidiary companies	Commission from in-store services	43,210
Razer Pay Holdings Pte. Ltd. and its subsidiary companies	Transaction value received for e-wallet transactions	560,683

# ADDITIONAL COMPLIANCE INFORMATION

## 3. Recurrent Related Party Transactions (Cont'd)

Pursuant to paragraph 10.09(2)(b) and paragraph 3.1.5 of Practice Note 12 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, details of the recurrent related party transactions of a revenue or trading nature entered into during the financial year ended 31 December 2023 by the Company and Group are as follows (Cont'd):-

Related Party	Nature of Transaction	Value of Transaction RM'000
Razer Pay Holdings Pte. Ltd. and its subsidiary companies	Commission paid for e-wallet transactions	1,913
Razer Pay Holdings Pte. Ltd. and its subsidiary companies	Transaction value received for thermal paper	493
U Mobile Sdn Bhd	Transaction value paid	178,086
U Mobile Sdn Bhd	Commission from in-store services	9,162
U Mobile Sdn Bhd	Advertisement placement fees	10,647
U Mobile Sdn Bhd	Prepaid incentive receivable	1,063
Securexpress Services Sdn Bhd	Transportation services for delivery of merchandise to 7-Eleven stores	10,819
Berjaya Food Trading Sdn Bhd	Purchase of goods	952
Berjaya Food Trading Sdn Bhd	Advertising service income	443
Nural Enterprise Sdn Bhd	Rental of properties	2,076
Sun Media Corporation Sdn Bhd	Advertisement placement fees	366
Sun Media Corporation Sdn Bhd	Display incentives received	314
Berjaya Times Square Sdn Bhd	Rental of properties	1,255
Ansa Hotel Sdn Bhd	Rental of property	553
Angsana Gemilang Sdn Bhd	Rental of property	162
Sparkling Hallmark Sdn Bhd	Rental of properties	334
BTS Carpark Sdn Bhd	Parking fees	161
Regal Class Residence Sdn Bhd	Rental of property	119
TREC Holdings Sdn Bhd	Rental of property	104
BLoyalty Sdn Bhd	Loyalty reward fees	260
Berjaya Sompo Insurance Berhad	Rental of property	55
Berjaya Registration Services Sdn Bhd	Share Registration and related services	35
Berjaya Hartanah Berhad	Rental of property	85
Berjaya Waterfront Sdn Bhd	Rental of property	33
Berjaya Hills Resort Berhad	Rental of property	49
Tan Tee Ming & Nerine Tan Sheik Ping	Rental of property	53
Tropicana Indah Sdn Bhd	Rental of property	126
Singer (Malaysia) Sdn Bhd	Purchase Chest Freezer & Microwave	534
Aces Parking Sdn Bhd	Parking fees	557
JL Morison (Malaya) Sdn Bhd	Purchase of consumer products	404
Country Farms Sdn Bhd	Purchase of consumer products	1,078
Ace Print Sdn Bhd	Purchase of consumables	1,009
Jejari Artistik Sdn Bhd	Rental income	19
TDR Jaya Sdn Bhd	Rental income	19
Zenzari World Sdn Bhd	Rental income	12
Zenzari World Sdn Bhd	Purchase of personal care products	30
Motivasi Optima Sdn Bhd	Accounting service fee	6
Bioscenergy International Sdn Bhd	Purchase of healthcare products	34,360
Caring Pharmacy Holdings Sdn Bhd	Rental fee	65
Caring Pharmacy Holdings Sdn Bhd	Accounting service fee	6

These transactions are based on normal commercial terms that are not more favourable to its related parties than those generally available to the public.

## 4. Status of Utilization of Proceeds

The Company completed the disposal of Caring Pharmacy Group Berhad ("Caring") on 29 December 2023. As at 31 December 2023, there had been no utilization of proceeds from the disposal of Caring.

# STATISTICS OF SHAREHOLDINGS

As at 29 March 2024

Total Number of Issued Shares : 1,109,066,500 (excluding treasury shares of 62,649,500)  
 Class of Shares : Ordinary shares  
 Voting Rights : One vote per ordinary share

## ANALYSIS OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares Held	%
Less than 100	715	36.72	13,565	0.00
100 - 1,000	465	23.88	127,677	0.01
1,001 - 10,000	532	27.32	1,799,225	0.16
10,001 - 100,000	136	7.00	3,475,063	0.31
100,001 – 55,453,325	97	4.98	663,209,023	59.81
55,453,326 and above	2	0.10	440,441,947	39.71
<b>TOTAL</b>	<b>1,947</b>	<b>100.00</b>	<b>1,109,066,500</b>	<b>100.00</b>

## 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 29 March 2024 are as follows:-

Substantial Shareholders	Direct	%	Indirect	%
Tan Sri Dato' Seri Vincent Tan Chee Yioun	248,024,163	22.36	63,277,924 <sup>(1)</sup>	5.71
Classic Union Group Ltd	291,396,226	26.27	-	-
Berjaya Corporation Berhad	18,910,000	1.71	140,435,669 <sup>(2)</sup>	12.66
Berjaya Group Berhad			140,435,669 <sup>(3)</sup>	12.66
Berjaya Land Berhad	39,343,000	3.55	53,422,669 <sup>(4)</sup>	4.82
Juara Sejati Sdn Bhd			125,365,669 <sup>(5)</sup>	11.30
Tsai, Tzung-Han			291,396,226 <sup>(6)</sup>	26.27
Tsai, Hong-Tu			291,396,226 <sup>(6)</sup>	26.27

### Notes:

- (1) Deemed interested by virtue of its interests in the following companies:-
- HQZ Credit Sdn Bhd, the ultimate holding company of Berjaya Retail Sdn Bhd, True Ascend Sdn Bhd and Berjaya Infrastructure Sdn Bhd;
  - Berjaya Assests Berhad, the holding company of Berjaya Bright Sdn Bhd;
  - U Telemedia Sdn Bhd;
  - Hotel Resort Enterprise Sdn Bhd; and
  - B & B Enterprise Sdn Bhd.
- (2) Deemed interested by virtue of its interests in the following companies:-
- Berjaya Group Berhad, the holding company of Berjaya Philippines Inc., Magna Mahsuri Sdn Bhd, Bukit Kiara Resort Berhad, KDE Recreation Berhad, Berjaya Vacation Club Berhad, Nural Enterprise Sdn Bhd, Berjaya Land Berhad, Inter-Pacific Securities Sdn Bhd, Inter-Pacific Capital Sdn Bhd, Regal Class Residence Sdn Bhd and Berjaya Food (International) Sdn Bhd; and
  - REDtone Digital Berhad.

# STATISTICS OF SHAREHOLDINGS

As at 29 March 2024

## Notes:

- (3) Deemed interested by virtue of its interests in the following companies:-
- Berjaya Land Berhad, the holding company of Berjaya Philippines Inc., Magna Mahsuri Sdn Bhd, Bukit Kiara Resort Berhad, KDE Recreation Berhad, Berjaya Vacation Club Berhad and Nural Enterprise Sdn Bhd;
  - Berjaya Capital Berhad, the holding company of Inter-Pacific Securities Sdn Bhd and Inter-Pacific Capital Sdn Bhd;
  - REDtone Digital Berhad;
  - Regal Class Residence Sdn Bhd; and
  - Berjaya Food Berhad, the holding company of Berjaya Food (International) Sdn Bhd.
- (4) Deemed interested by virtue of its interests in the following companies:-
- Berjaya Philippines Inc., Magna Mahsuri Sdn Bhd, Bukit Kiara Resort Berhad, KDE Recreation Berhad, Berjaya Vacation Club Berhad and Nural Enterprise Sdn Bhd.
- (5) Deemed interested by virtue of its interests in the following companies:-
- Berjaya Land Berhad, the holding company of Berjaya Philippines Inc., Magna Mahsuri Sdn Bhd, Bukit Kiara Resort Berhad, KDE Recreation Berhad, Berjaya Vacation Club Berhad and Nural Enterprise Sdn Bhd;
  - Berjaya Capital Berhad, the holding company of Inter-Pacific Securities Sdn Bhd and Inter-Pacific Capital Sdn Bhd; and
  - REDtone Digital Berhad.
- (6) Deemed interested by virtue of his interest in Classic Union Group Ltd.

## DIRECTORS' INTERESTS

The Directors' interests based on the Register of Directors' Shareholdings of the Company as at 29 March 2024 are as follows:-

### Number of ordinary shares

Directors	Direct Interest		Indirect Interest	
	No. of Shares Held	%	No. of Shares Held	%
Datuk Wira Farhash Wafa Salvador	-	-	-	-
Dato' Richard Alexander John Curtis	-	-	-	-
Chan Kien Sing	103,584	0.01	-	-
Puan Sri Datuk Seri Rohani Parkash Binti Abdullah	-	-	-	-
Muhammad Lukman Bin Musa @ Hussain	30,801	0.00	-	-
Tan U-Ming	621,509	0.06	-	-
Tsai, Tzung-Han	-	-	291,396,226 <sup>(1)</sup>	26.27
Wong Wai Keong	-	-	-	-
Moyra Binti Ibrahim	-	-	-	-

Notes:-

- (1) Deemed interested by virtue of his interest in Classic Union Group Ltd.

# STATISTICS OF SHAREHOLDINGS

As at 29 March 2024

## LIST OF THIRTY (30) LARGEST SHAREHOLDERS

AS AT 29 MARCH 2024

(without aggregating the securities from different securities accounts belonging to the same registered holder)

No.	Name of Shareholders	No. of Shareholding	% of Issued Capital
1.	<b>HSBC Nominees (Asing) Sdn. Bhd.</b> <i>Exempt An For JPMorgan Chase Bank, National Association (SingaporeJPMPB)</i>	292,165,947	26.34
2.	<b>AMSEC Nominees (Tempatan) Sdn Bhd</b> <i>Pledged Securities Account For Vincent Tan Chee Yioun</i>	148,276,000	13.37
3.	<b>Pertubuhan Keselamatan Sosial</b>	51,000,000	4.60
4.	<b>CIMB Group Nominees (Tempatan) Sdn Bhd</b> <i>Pembangunan Sumber Manusia Berhad</i>	50,000,000	4.51
5.	<b>Cimsec Nominees (Tempatan) Sdn Bhd</b> <i>CIMB For Lim Wee Chai (PB)</i>	44,304,619	3.99
6.	<b>Amsec Nominees (Tempatan) Sdn Bhd</b> <i>RCE Factoring Sdn Bhd For Kong Hon Kong</i>	43,100,000	3.89
7.	<b>Inter-Pacific Equity Nominees (Tempatan) Sdn Bhd</b> <i>Inter-Pacific Asset Management Sdn Bhd For Koperasi Angkatan Tentera Malaysia Berhad</i>	36,764,000	3.31
8.	<b>CGS International Nominees Malaysia (Tempatan) Sdn Bhd</b> <i>Pledged Securities Account for Vincent Tan Chee Yioun (MY3309)</i>	35,699,001	3.22
9.	<b>CIMB Group Nominees (Tempatan) Sdn Bhd</b> <i>Pledged Securities Account For Berjaya Land Berhad (GB-RC3-Conglo2)</i>	29,000,000	2.61
10.	<b>CIMB Group Nominees (Tempatan) Sdn Bhd</b> <i>CIMB Bank Berhad (EDP 2)</i>	26,821,699	2.42
11.	<b>Citigroup Nominees (Asing) Sdn Bhd</b> <i>Exempt An For Citibank New York (Norges Bank 22)</i>	26,575,300	2.40
12.	<b>Cimsec Nominees (Tempatan) Sdn Bhd</b> <i>CIMB for Vincent Tan Chee Yioun (PB)</i>	24,701,292	2.23
13.	<b>Inter-Pacific Equity Nominees (Tempatan) Sdn Bhd</b> <i>Fabulous Channel Sdn Bhd (IPM)</i>	20,849,881	1.88
14.	<b>Magna Mahsuri Sdn Bhd</b>	17,525,300	1.58
15.	<b>SJ Sec Nominees (Tempatan) Sdn Bhd</b> <i>Pledged Securities Account for Al Rajhi Bank for Nural Enterprise Sdn Bhd</i>	15,200,000	1.37
16.	<b>Berjaya Food (International) Sdn Bhd</b>	11,870,000	1.07
17.	<b>MIDF Amanah Investment Nominees (Tempatan) Sdn Bhd</b> <i>Pledged Securities Account for Vincent Tan Chee Yioun (MGN-UTS0001M)</i>	11,200,000	1.01
18.	<b>CIMB Group Nominees (Tempatan) Sdn Bhd</b> <i>Pledged Securities Account for Vincent Tan Chee Yioun (EDG&amp;CBD)</i>	10,700,000	0.96
19.	<b>MIDF Amanah Investment Nominees (Tempatan) Sdn Bhd</b> <i>Pledged Securities Account for U Telemedia Sdn Bhd (MGN-UTS0001M)</i>	10,432,300	0.94
20.	<b>RHB Nominees (Tempatan) Sdn Bhd</b> <i>Bank of China (Malaysia) Berhad Pledged Securities Account for Inter-Pacific Capital Sdn Bhd</i>	10,000,000	0.90

# STATISTICS OF SHAREHOLDINGS

As at 29 March 2024

## LIST OF THIRTY (30) LARGEST SHAREHOLDERS (CONT'D)

AS AT 29 MARCH 2024

(Without aggregating the securities from different securities accounts belonging to the same registered holder)

No.	Name of Shareholders	No. of Shareholding	% of Issued Capital
21.	<b>CIMB Group Nominees (Tempatan) Sdn Bhd</b> <i>Pledged Securities Account for Berjaya Corporation Berhad (BCBCBM-C2-TL3)</i>	8,510,000	0.77
22.	<b>Casi Management Sdn Bhd</b>	8,313,291	0.75
23.	<b>CGS International Nominees Malaysia (Tempatan) Sdn Bhd</b> <i>Pledged Securities Account for B &amp; B Enterprise Sdn Bhd (MY3764)</i>	8,055,600	0.73
24.	<b>Inter-Pacific Equity Nominees (Asing) Sdn Bhd</b> <i>Berjaya Philippines Inc</i>	7,892,175	0.71
25.	<b>RHB Nominees (Tempatan) Sdn Bhd</b> <i>Bank Of China (Malaysia) Berhad Pledged Securities Account for Inter-Pacific Securities Sdn Bhd</i>	7,800,000	0.70
26.	<b>Phillip Nominees (Tempatan) Sdn Bhd</b> <i>Pledged Securities Account for Berjaya Land Berhad</i>	7,500,000	0.68
27.	<b>CIMB Group Nominees (Tempatan) Sdn Bhd</b> <i>Pledged Securities Account for Berjaya Retail Sdn Bhd (TSVT-RC CBM)</i>	7,435,251	0.67
28.	<b>Inter-Pacific Securities Sdn Bhd</b> <i>IVT (9C55)</i>	7,300,000	0.66
29.	<b>RHB Nominees (Tempatan) Sdn Bhd</b> <i>Lim Wee Chai</i>	7,250,942	0.65
30.	<b>CGS International Nominees Malaysia (Tempatan) Sdn Bhd</b> <i>Pledged Securities Account for Berjaya Retail Sdn Bhd (M3764B)</i>	7,000,000	0.63
		<b>993,242,598</b>	<b>89.55</b>

Notes:-

- (1) Excluding a total of 62,649,500 shares bought back by the Company and retained as treasury shares based on the Register of Depositors dated 29 March 2024.

# NOTICE OF ELEVENTH ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** the Eleventh Annual General Meeting ("**11th AGM**") of 7-Eleven Malaysia Holdings Berhad ("**the Company**") will be conducted virtually for the purpose of considering and if thought fit, passing with or without modifications the resolutions setting out in this notice.

Day and Date : Thursday, 30 May 2024  
Time : 10.00 a.m.  
Broadcast Venue : Manhattan V, Level 14, Berjaya Times Square Hotel Kuala Lumpur, No. 1, Jalan Imbi, 55100 Kuala Lumpur, Malaysia  
Mode of Communication: 1) Typed text in the Meeting Platform Mode of Communication  
2) E-mail questions to ir@7eleven.com.my prior to Meeting.

## AGENDA

### AS ORDINARY BUSINESS

- To receive the Audited Financial Statements for the financial year ended 31 December 2023 together with the Reports of the Directors and the Auditors' thereon. [Please refer to Explanatory Note (i)]
- To approve the payment of Directors' fees for an amount up to RM574,000/- payable to the Non-Executive Directors of the Company on a monthly basis for the period from 31 May 2024 until the next Annual General Meeting of the Company to be held in year 2025. **Resolution 1**
- To approve the benefits payable to the Non-Executive Directors for an amount of up to RM100,000/- for the period from 31 May 2024 until the next Annual General Meeting of the Company to be held in year 2025. **Resolution 2**
- To re-elect the following Directors who retire by rotation in accordance with Article 99 of the Company's Constitution and being eligible, have offered themselves for re-election:-  
(1) Mr. Tan U-Ming **Resolution 3**  
(2) Mr. Wong Wai Keong **Resolution 4**  
(3) Encik Muhammad Lukman Bin Musa @ Hussain **Resolution 5**
- To re-appoint Messrs. Ernst & Young PLT as the Company's Auditors for the ensuing year and to authorise the Board of Directors to fix their remuneration. **Resolution 6**

### AS SPECIAL BUSINESS

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

- ORDINARY RESOLUTION** **Resolution 7**  
**- AUTHORITY TO ISSUE SHARES PURSUANT TO THE COMPANIES ACT 2016**

**"THAT**, subject always to the Companies Act 2016, the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**") and the approvals of the relevant governmental/ regulatory authorities, if applicable, the Directors be and are hereby empowered, pursuant to the Companies Act 2016, to issue shares in the capital of the Company at any time to such persons and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion deem fit, provided that the aggregate number of shares to be issued pursuant to this Resolution does not exceed ten per centum (10%) of the total number of issued shares of the Company for the time being; **AND THAT** the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Securities; **AND FURTHER THAT** such authority shall commence immediately upon passing of this Resolution and continue to be in force until the conclusion of the next Annual General Meeting of the Company.

**THAT** in connection with the above, pursuant to Section 85 of the Companies Act 2016 and Clause 55 of the Company's Constitution, the shareholders do hereby waive the statutory pre-emptive rights of the offered shares in proportion of their holdings at such price and at such terms to be offered arising from any issuance of new shares pursuant to this mandate by the Company.

**AND THAT** the new shares to be issued shall, upon allotment and issuance, rank equally in all respects with the existing shares of the Company, save and except that they shall not be entitled to any dividends, rights, allotments and/or any other forms of distribution that which may be declared, made or paid before the date of allotment of such new shares."

# NOTICE OF ELEVENTH ANNUAL GENERAL MEETING

## 7. ORDINARY RESOLUTION

Resolution 8

### - PROPOSED RENEWAL OF AND NEW SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

"**THAT**, subject to the provisions of the Bursa Malaysia Securities Berhad's Main Market Listing Requirements, approval be and is hereby given for the Company and its subsidiary companies, to enter into recurrent related party transactions of a revenue or trading nature with the related parties as specified in Section 2.3 of the Circular/Statement to Shareholders dated 29 April 2024 ("**Proposed Mandate**") which are necessary for the day-to-day operations and/or in the ordinary course of business of the Company and its subsidiary companies on terms not more favourable to the related parties than those generally available to the public and are not detrimental to the minority shareholders of the Company and that such approval shall continue to be in force until:-

- (a) the conclusion of the next Annual General Meeting ("**AGM**") of the Company following the general meeting at which such ordinary resolution for the Proposed Mandate was passed, at which time it will lapse, unless by ordinary resolution passed at that general meeting, the authority is renewed;
- (b) the expiration of the period within which the next AGM of the Company after the date it is required to be held pursuant to Section 340(2) of the Companies Act 2016 ("**the Act**") (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (c) revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting;

whichever is the earlier;

**AND FURTHER THAT** authority be and is hereby given to the Directors of the Company and its subsidiary companies to complete and do all such acts and things (including executing such documents as may be required) as they may consider expedient or necessary to give effect to such transactions as authorised by this Resolution."

## 8. ORDINARY RESOLUTION

Resolution 9

### - PROPOSED RENEWAL OF AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN SHARES

"**THAT**, subject always to the Companies Act 2016 ("**the Act**"), rules, regulations and orders made pursuant to the Act, provisions of the Company's Constitution and the requirements of Bursa Malaysia Securities Berhad ("**Exchange**") and any other relevant authority, the Directors of the Company be and are hereby authorised to purchase such number of ordinary shares in the Company ("**7-Eleven Holdings Shares**") through the Exchange and to take all such steps as are necessary (including the opening and maintaining of central depositories accounts under the Securities Industry (Central Depositories) Act, 1991) and enter into any agreement, arrangement and guarantee with any party or parties to implement, finalise and give full effect to the aforesaid purchase with full powers to assent to any condition, modification, revaluation, variation and/or amendment (if any) as may be imposed by the relevant authorities from time to time and to do all such acts and things in the best interests of the Company, subject further to the following:-

1. the maximum number of ordinary shares which may be purchased and held by the Company shall be equivalent to ten per centum (10%) of the existing total number of issued shares in the ordinary share capital of the Company;
2. the maximum funds to be allocated by the Company for the purpose of purchasing the ordinary shares shall not exceed the total retained profits of the Company;

# NOTICE OF ELEVENTH ANNUAL GENERAL MEETING

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

## BY ORDER OF THE BOARD

**TAI YIT CHAN (SSM PC No. 202008001023) (MAICSA 7009143)**  
**TIA HWEI PING (SSM PC No. 202008001687) (MAICSA 7057636)**  
Company Secretaries

Selangor Darul Ehsan  
29 April 2024

## NOTES:

### Proxy

1. The Company will conduct the 11th AGM entirely via remote participation and electronic voting facilities. Kindly refer to the Administrative Guide for the 11th AGM for more information.
2. The only venue involved is the broadcast venue for the compliance with Section 327(2) of the Companies Act 2016 that the Chairman of the Meeting shall be present at the main venue of the 11th AGM. No shareholder or proxy from the public should be physically present nor admitted at the broadcast venue on the day of the 11th AGM.
3. As the 11th AGM will be conducted via a virtual meeting, a member who is not able to participate in the 11th AGM may appoint the Chairman of the Meeting as his/her proxy and indicate the voting instruction in the Form of Proxy.
4. In respect of deposited securities, only members whose names appear in the Record of Depositors on 23 May 2024 shall be eligible to attend the Meeting.
5. A member entitled to attend and vote at the 11th AGM is entitled to appoint a proxy or proxies to attend and vote on his behalf. A proxy may but need not be a member of the Company and a member may appoint any person to be his proxy without limitation save that the proxy must be of full age.
6. A member shall be entitled to appoint not more than two (2) proxies to attend and vote at the same meeting. Where a member appoints more than one (1) proxy, he shall specify the proportion of his holdings to be represented by each proxy, failing which the appointment shall be invalid.

# NOTICE OF ELEVENTH ANNUAL GENERAL MEETING

7. Where a member is an authorised nominee as defined under the Central Depositories Act, it may appoint one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
8. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("**Omnibus Account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds.
9. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or if the appointor is a corporation either under its common seal, or the hand of its officer or its duly authorised attorney.
10. The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the 11th AGM or adjourned General Meeting at which the person named in the appointment proposes to vote:
  - (i) In hard copy form  

In the case of an appointment made in hard copy form, this Form of Proxy must be deposited at the Company's Share Registrar's office situated at 09-27 Level 9, Berjaya Times Square, No. 1 Jalan Imbi, 55100 Kuala Lumpur.
  - (ii) By electronic forms  

In the case of an appointment made via email transmission, the Form of Proxy can be electronically lodged with the Poll Administrator via Boardroom Smart Investor Portal at <https://investor.boardroomlimited.com>. Please refer to the Administrative Guide for further information on submission via Boardroom Smart Investor Portal.
11. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions at the 11th AGM shall be put to vote by way of poll.

## Explanatory Notes on Ordinary and Special Business

- (i) Item 1 of the Agenda  

This Agenda item is meant for discussion only, as the provision of Section 340(1)(a) of the Companies Act 2016 does not require a formal approval of the shareholders for the Audited Financial Statements. Hence, this Agenda item is not put forward for voting.
- (ii) Item 2 of the Agenda – Payment of Directors' fees for the period from 31 May 2024 until the next Annual General Meeting of the Company to be held in year 2025  

Pursuant to Section 230(1) of the Act, the fees of the directors and any benefits payable to the Directors of a Listed Company and its subsidiaries shall be approved at a general meeting. In this respect, the Board agreed that the shareholders' approval shall be sought at the 11th AGM.

In determining the estimated Directors' benefits to the Non-Executive Directors of the Company, the Board has considered various factors including the current Board size and provisional sum as a contingency for future appointment of Directors on the Board.
- (iii) Item 3 of the Agenda – Benefits payable to the Non-Executive Directors  

The meeting allowances are calculated based on the number of scheduled Board and Committee meetings for the said period and assuming that all Non-Executive Directors will hold office from 31 May 2024 to the date of the next Annual General Meeting.

In the event the proposed amount is insufficient (e.g. due to more meetings or enlarged Board size), approval will be sought at the next Annual General Meeting for additional meeting allowance to meet the shortfall.
- (iv) Items 4 of the Agenda - Re-election of Directors  

The profiles of the Directors who are standing for re-election as per Agenda item no. 4 is set out in the Board of Directors' profile of the Annual Report 2023.

The Board has through the Nominating Committee, considered their assessment of and agreed that they meet the criteria as prescribed by Paragraph 2.20A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad on character, experience, integrity, competence and time commitment to effectively discharge their role as Directors and recommend the Directors who are standing for re-election based on the following justifications:-

  - (a) Ordinary Resolution 3 – Re-election of Tan U-Ming as Executive Director cum Co-Chief Executive Officer  

Mr. Tan U-Ming is primarily responsible for managing daily operations which include driving profitability, managing the company organisational structure, strategy and communicating with the Board. He assures the Board that the management team is carrying out their duties in line with the long-term strategies and targets set by the Board and ensures the Board's decisions are executed effectively.

# NOTICE OF ELEVENTH ANNUAL GENERAL MEETING

(iv) Items 4 of the Agenda - Re-election of Directors (Cont'd)

(b) Ordinary Resolution 4 – Re-election of Wong Wai Keong as Executive Director cum Co-Chief Executive Officer

Mr. Wong Wai Keong is primarily responsible for managing daily operations which include driving profitability, managing the company organisational structure, strategy and communicating with the Board. He assures the Board that the management team is carrying out their duties in line with the long-term strategies and targets set by the Board and ensures the Board's decisions are executed effectively.

(c) Ordinary Resolution 5 – Re-election of Muhammad Lukman Bin Musa @ Hussain as Non-Independent Non-Executive Director

Muhammad Lukman Bin Musa @ Hussain was appointed as Independent Non-Executive Director on 21 August 2013 and was redesignated as Non-Independent Non-Executive Director on 22 March 2022. He has vested experience in audit/accountancy and managing business operations. He exercised his due care and carried out his professional duties proficiently during his tenure as an Non-Independent Non-Executive Director of the Company.

(v) Item 6 of the Agenda – Authority to Issue Shares pursuant to the Companies Act 2016

The Company wishes to renew the mandate on the authority to issue shares pursuant to the Companies Act 2016 at the 11th AGM of the Company (hereinafter referred to as the "**General Mandate**").

The Company had been granted a general mandate by its shareholders at the Tenth Annual General Meeting of the Company held on 26 May 2023 (hereinafter referred to as the "**Previous Mandate**").

As at the date of this Notice, the Company has not issued any new ordinary shares pursuant to the Previous Mandate granted by the shareholders and hence, no proceeds were raised therefrom.

The proposed resolution, if passed, will provide flexibility to the Directors of the Company to undertake any possible fund raising activities, including but not limited to placement of shares for the purpose of funding Company's future investment projects, working capital, acquisitions and/or such other purposes to such persons at any time as the Directors may deem fit, without having to convene a general meeting, provided that the aggregate number of shares issued pursuant to the General Mandate does not exceed 10% of the total number of issued shares of the Company. This authority, unless revoked or varied by the Company in a general meeting, will expire at the conclusion of the next Annual General Meeting of the Company.

(vi) Item 7 of the Agenda – 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/Statement to Shareholders dated 29 April 2024 for further information.

(vii) Item 8 of the Agenda – Proposed Renewal of Authority for the Company to purchase its own shares

The proposed resolution, if passed, will allow the Company to purchase its own shares up to 10% of the total issued share capital of the Company by utilising the funds allocated which shall not be exceed the total retained profits of the Company. The Board of Directors may resolve to cancel all the shares purchased, retain all the shares purchased as treasury shares, or retain part thereof as treasury shares and subsequently cancelling the balance.

Please refer to the Circular/Statement to Shareholders dated 29 April 2024 for further information.

## **Personal data privacy:**

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the 11th Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the 11th Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the 11th Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

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# Form of Proxy

<b>CDS Account No.</b>
<b>Number of ordinary shares</b>

I/We \_\_\_\_\_ NRIC No./Passport No./Company No. \_\_\_\_\_

of \_\_\_\_\_

being a member/members of 7-Eleven Malaysia Holdings Berhad ("the Company") hereby appoint Mr/Ms \_\_\_\_\_

\_\_\_\_\_ NRIC No./Passport No. \_\_\_\_\_

of \_\_\_\_\_

or failing him/her, Mr/Ms \_\_\_\_\_ NRIC No./Passport No. \_\_\_\_\_

of \_\_\_\_\_

or failing him/her, the Chairman of the Meeting as \*my/\*our proxy to vote for \*me/\*us and on \*my/\*our behalf at the Eleventh Annual General Meeting ("11th AGM") of the Company to be held virtually at the broadcast venue at Manhattan V, Level 14, Berjaya Times Square Hotel Kuala Lumpur, No. 1 Jalan Imbi, 55100 Kuala Lumpur, Malaysia on Thursday, 30 May 2024 at 10.00 a.m. and at any adjournment thereof.

The Proportion of \*my/\*our holding to be represented by \*my/\*our proxies are as follows:

Proxy 1	%	Proxy 2	%	100%
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Please indicate with an "X" in the spaces provided below on how you wish your vote to be casted. If no specific direction as to voting is given, the proxy shall vote as he/she thinks fit or, at his/her discretion, abstain from voting.

Item	Agenda	Resolution	For	Against
1.	To receive the Audited Financial Statements for the financial year ended 31 December 2023 together with the Reports of the Directors and the Auditors thereon.			
<b>Ordinary Business</b>				
2.	To approve the payment of Directors' fees for an amount of up to RM574,000/- payable to the Non-Executive Directors of the Company on a monthly basis for the period from 31 May 2024 until the next Annual General Meeting of the Company to be held in year 2025.	1		
3.	To approve the benefits payable to the Non-Executive Directors for an amount of up to RM100,000/- for the period from 31 May 2024 until the next Annual General Meeting of the Company to be held in year 2025.	2		
4.	To re-elect Tan U-Ming who retires by rotation in accordance with Article 99 of the Company's Constitution and who being eligible, has offered himself for re-election.	3		
5.	To re-elect Wong Wai Keong who retires by rotation in accordance with Article 99 of the Company's Constitution and who being eligible, has offered himself for re-election.	4		
6.	To re-elect Muhammad Lukman Bin Musa @ Hussain who retires by rotation in accordance with Article 99 of the Company's Constitution and who being eligible, has offered himself for re-election.	5		
7.	To re-appoint Messrs. Ernst & Young PLT as the Company's Auditors for the ensuing year and to authorise the Board of Directors to fix their remuneration.	6		
<b>Special Business</b>				
8.	Authority to Issue Shares pursuant to the Companies Act 2016.	7		
9.	Proposed Renewal of and New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature.	8		
10.	Proposed Renewal of Authority for the Company to Purchase its own Shares.	9		

Dated this day \_\_\_\_\_ of \_\_\_\_\_ 2024

\_\_\_\_\_  
Signature/Common Seal of Shareholder  
[\*Delete if not applicable]

**Notes:-**

- The Company will conduct the 11th AGM entirely via remote participation and electronic voting facilities. Kindly refer to the Administrative Guide for the 11th AGM for more information.
- The only venue involved is the broadcast venue for the compliance with Section 327(2) of the Companies Act 2016 that the Chairman of the Meeting shall be present at the main venue of the 11th AGM. No shareholder or proxy from the public should be physically present nor admitted at the broadcast venue on the day of the 11th AGM.
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- 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.
- The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the 11th AGM or adjourned General Meeting at which the person named in the appointment proposes to vote:
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- Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions at the 11th AGM shall be put to vote by way of poll.

**PERSONAL DATA PRIVACY**

By submitting an instrument appointing a proxy(ies) and /or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of the 11th AGM dated 29 April 2024.

Fold this flap for sealing

**AFFIX  
STAMP**

**7-ELEVEN MALAYSIA HOLDINGS BERHAD**  
**Registration No. 201301028701 (1058531-W)**

c/o Berjaya Registration Services Sdn. Bhd.  
Registration No. 199401008064 (293743-X)  
09-27 Level 9,  
Berjaya Times Square, No.1 Jalan Imbi,  
55100 Kuala Lumpur,  
Wilayah Persekutuan, Malaysia

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1st fold here

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