

7-Eleven Malaysia Holdings Berhad
[Registration No: 201301028701 (1058531-W)]

Date : 21 NOVEMBER 2024

**Subject: UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED
30 SEPTEMBER 2024**

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**UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	3 months ended		9 months ended	
	30.09.2024	30.09.2023	30.09.2024	30.09.2023
	RM'000	RM'000	RM'000	RM'000
Continuing operations				
Revenue	744,045	705,307	2,180,056	2,089,275
Cost of sales	(515,386)	(484,193)	(1,503,424)	(1,436,373)
Gross profit	228,659	221,114	676,632	652,902
Other operating income	43,640	39,137	136,825	111,934
Selling and distribution expenses	(205,391)	(187,904)	(594,416)	(544,763)
Administrative and other operating expenses	(34,990)	(33,360)	(103,374)	(98,186)
Profit from operations	31,918	38,987	115,666	121,887
Finance costs	(15,943)	(16,244)	(49,669)	(48,749)
Share of results of joint ventures	(868)	(862)	(2,088)	(3,162)
Profit before tax from continuing operations	15,107	21,881	63,909	69,976
Income tax expense	(4,884)	(12,596)	(21,859)	(30,269)
Profit after tax from continuing operations	10,223	9,285	42,050	39,707
Discontinued operations				
Profit after tax from discontinued operations	-	8,517	-	21,945
Profit for the financial period	10,223	17,802	42,050	61,652
Profit after tax attributable to:				
Equity holders of the Company				
- continuing operations	10,932	9,773	44,265	40,811
- discontinued operations	-	4,609	-	14,614
	10,932	14,382	44,265	55,425
Non-controlling interest				
- continuing operations	(709)	(488)	(2,215)	(1,104)
- discontinued operations	-	3,908	-	7,331
	(709)	3,420	(2,215)	6,227
	10,223	17,802	42,050	61,652
Total comprehensive income for the financial period				
Equity holders of the Company				
- continuing operations	10,932	9,773	44,265	40,811
- discontinued operations	-	4,609	-	14,614
	10,932	14,382	44,265	55,425
Non-controlling interest				
- continuing operations	(709)	(488)	(2,215)	(1,104)
- discontinued operations	-	3,908	-	7,331
	(709)	3,420	(2,215)	6,227
	10,223	17,802	42,050	61,652
Basic/diluted earnings per ordinary share (sen) (Note B11)				
- continuing operations	0.99	0.88	3.99	3.68
- discontinued operations	-	0.42	-	1.32
	0.99	1.30	3.99	4.99

UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024
CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	The Group	
	Unaudited As at 30.09.2024 RM'000	Audited As at 31.12.2023 RM'000
Assets		
Non-current assets		
Property, plant and equipment	542,866	438,180
Right of use assets	678,066	625,433
Intangible assets	7,838	11,194
Investment in joint ventures	3,043	-
Investment in an associate	3,287	-
Other investments	196,577	94,664
Sundry receivables	42,057	42,057
Deferred tax assets	15,826	14,616
	<u>1,489,560</u>	<u>1,226,144</u>
Current assets		
Inventories	424,922	356,157
Sundry receivables	108,821	124,923
Tax recoverable	18,250	15,065
Other investment	7,979	9,512
Cash and bank balances	367,409	799,474
	<u>927,381</u>	<u>1,305,131</u>
Total assets	<u>2,416,941</u>	<u>2,531,275</u>
Equity and liabilities		
Equity attributable to equity holders of the Company		
Share capital	1,410,881	1,410,881
Treasury shares	(99,108)	(99,108)
Capital reorganisation deficit	(1,343,248)	(1,343,248)
Reserves	104,875	104,875
Retained profits	301,206	286,886
	<u>374,606</u>	<u>360,286</u>
Non-controlling interest	(4,805)	(2,990)
Total equity	<u>369,801</u>	<u>357,296</u>
Non-current liabilities		
Provisions	15,091	14,832
Borrowings	349,609	449,688
Lease liabilities	618,881	568,539
Contract liabilities	10,051	11,336
Deferred tax liabilities	6,019	4,811
	<u>999,651</u>	<u>1,049,206</u>
Current liabilities		
Provisions	1,445	1,418
Borrowings	226,840	287,710
Trade payables	491,734	498,418
Other payables	215,877	229,874
Lease liabilities	102,242	95,730
Contract liabilities	9,338	10,433
Tax payable	13	1,190
	<u>1,047,489</u>	<u>1,124,773</u>
Total liabilities	<u>2,047,140</u>	<u>2,173,979</u>
Total equity and liabilities	<u>2,416,941</u>	<u>2,531,275</u>
Net assets per share attributable to ordinary equity holders of the Company, based on number of outstanding shares in issue with voting rights (sen)	<u>33.78</u>	<u>32.47</u>

UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Attributable to Equity Holders of the Company

	Share capital RM'000	Treasury shares RM'000	Capital reorganisation deficit RM'000	Fair value adjustment reserve RM'000	Asset revaluation reserve RM'000	Retained profits RM'000	Total RM'000	Non-controlling interest RM'000	Total equity RM'000
At 1 January 2024									
As previously stated	1,410,881	(99,108)	(1,343,248)	58,524	46,351	286,886	360,286	(2,990)	357,296
Equity contributions from non-controlling interests	-	-	-	-	-	-	-	400	400
Total comprehensive income	-	-	-	-	-	44,265	44,265	(2,215)	42,050
Transaction with owners:									
Dividends on ordinary shares, representing total transaction with owners	-	-	-	-	-	(29,945)	(29,945)	-	(29,945)
At 30 September 2024	1,410,881	(99,108)	(1,343,248)	58,524	46,351	301,206	374,606	(4,805)	369,801
At 1 January 2023									
As previously stated	1,485,138	(194,302)	(1,343,248)	37,338	45,599	103,636	134,161	96,080	230,241
Total comprehensive income for the year	-	-	-	21,186	5,133	261,766	288,085	8,352	296,437
Transaction with owners:									
Acquisition of subsidiaries	-	-	-	-	-	-	-	402	402
Acquisition of joint venture from non-controlling interests	-	-	-	-	-	-	-	(2,610)	(2,610)
Acquisition of treasury shares	-	(1,960)	-	-	-	-	(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)	(57)	143	86
Disposal of subsidiary	-	-	-	-	(4,381)	4,381	-	(83,664)	(83,664)
Dividends on ordinary shares, representing total transaction with owners	-	-	-	-	-	(59,943)	(59,943)	-	(59,943)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	(21,693)	(21,693)
At 31 December 2023	1,410,881	(99,108)	(1,343,248)	58,524	46,351	286,886	360,286	(2,990)	357,296

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**

	CUMULATIVE QUARTER	
	9 months ended	
	30.09.2024	30.09.2023
	RM'000	RM'000
Cash flows from operating activities		
Cash receipts from customers and other receivables	2,363,276	3,219,090
Cash paid to suppliers and employees	<u>(2,175,872)</u>	<u>(2,918,174)</u>
Cash generated from operations	187,404	300,916
Interest paid	(17,065)	(25,644)
Tax paid	(26,221)	(63,626)
Tax refund	-	21
Net cash generated from operating activities	<u>144,117</u>	<u>211,667</u>
Cash flows from investing activities		
Acquisition of an associate/subsidiaries	(3,287)	(2,678)
Acquisition of intangible assets	-	(5,148)
Investment in joint ventures	(5,131)	(6,147)
Changes in subsidiary's ownership interests that do not result in a loss of control	-	116
Equity contributions from non-controlling interests	400	-
Purchase of property, plant and equipment	(173,234)	(116,756)
Proceeds from disposal of property, plant and equipment	305	312
Dividend income received	-	450
Interest received	8,083	4,059
(Placement)/Withdrawal with broker under a Discretionary Investment Fund, net	(102,656)	8,427
Withdrawal short term fund	-	38,412
Net cash used in investing activities	<u>(275,520)</u>	<u>(78,953)</u>
Cash flows from financing activities		
Acquisition of treasury shares	-	(1,960)
Dividends paid on ordinary shares	(29,945)	(59,943)
Dividends paid to non-controlling interests	-	(22,258)
Proceeds from bankers' acceptances	185,100	144,400
Proceeds from revolving credit	-	17,000
Payment of principal & interest portion of lease liabilities	(104,460)	(124,386)
Advances from non-controlling shareholders	-	3,893
Repayment of bankers' acceptances	(201,300)	(96,400)
Repayment of medium term notes/term loans	(150,000)	(9,318)
Repayment of hire purchase and finance lease liabilities	(56)	(39)
Net cash used in financing activities	<u>(300,662)</u>	<u>(149,011)</u>
Net decrease in cash and cash equivalents	(432,065)	(16,297)
Cash and cash equivalents at beginning of the financial period	799,474	296,777
Cash and cash equivalents at end of the financial period	<u>367,409</u>	<u>280,480</u>
Cash and cash equivalents at the end of the financial period comprises the following:-		
Cash and bank balances	367,310	280,579
Fixed deposits with licensed banks	99	1,410
	<u>367,409</u>	<u>281,989</u>
Less: Fixed deposit pledged to licensed bank	-	(1,509)
	<u>367,409</u>	<u>280,480</u>

UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024
NOTES TO THE INTERIM FINANCIAL REPORT

A1. CORPORATE INFORMATION

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

The principal activity of the Company is investment holding.

The principal activities of its subsidiaries are in the operating and franchising of convenience stores under the "7-Eleven" brand name and investment holdings.

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

A2. BASIS OF PREPARATION

The interim financial report is unaudited and has been prepared in accordance with the requirements of Malaysian Financial Reporting Standard ("MFRS") 134 Interim Financial Reporting issued by the Malaysian Accounting Standards Board and paragraph 9.22 and Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad. It should be read in conjunction with the Group's annual audited financial statements for the year ended 31 December 2023.

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

A3. CHANGES IN ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of the interim financial report are consistent with those adopted in the audited financial statements for the year ended 31 December 2023 except as follows:

On 1 January 2024, the Group adopted the following amended MFRSs mandatory for annual financial period beginning on or after 1 January 2024:

Description	Effective for annual financial periods beginning on or after
MFRS 7 & MFRS 107: Supplier Finance Arrangements (Amendments to MFRS 107 and MFRS 7)	1 January 2024
MFRS 16: Lease Liability in a Sale and Leaseback (Amendments to MFRS 16)	1 January 2024
MFRS 101: Non-current Liabilities with Covenants (Amendments to MFRS 101)	1 January 2024
MFRS 107: Supplier Finance Arrangements (Amendments to MFRS 107 and MFRS 7)	1 January 2024

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

UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024
NOTES TO THE INTERIM FINANCIAL REPORT

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

Description	Effective for annual financial periods beginning on or after
MFRS 128: Sales or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to MFRS 10 and MFRS 128)	Deferred
MFRS 121: Lack of Exchangeability (Amendments to MFRS 121)	1 January 2025
MFRS 1, MFRS 7, MFRS 9, MFRS 10 & MFRS 107: Annual Improvements to MFRS Accounting Standards - Volume 11	1 January 2026
MFRS 7 & MFRS 9: Amendments to the Classification and Measurement of Financial Instruments (Amendments to MFRS 9 and MFRS 7)	1 January 2026
MFRS 18: Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19: Subsidiaries without Public Accountability: Disclosures	1 January 2027

The Group has not early adopted any of the new or revised standards and amendments to standards that have been issued but not yet effective for the Group's accounting period beginning on or after 1 January 2024. The Group intend to adopt these standards, if applicable, when they become effective. The initial application of the new or revised MFRSs and Amendments to MFRSs, which will be applied prospectively or which requires extended disclosures, is not expected to have any significant financial impacts to the financial statements of the Group upon their initial adoption.

A4. SEASONALITY OR CYCLICALITY OF OPERATIONS

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

A5. ITEMS OF UNUSUAL NATURE

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

A6. CHANGES IN ESTIMATES

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

A7. CHANGES IN COMPOSITION OF THE GROUP

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

A8. DEBT AND EQUITY SECURITIES

There were no issuances and repayments of debt and equity securities, share buy-backs, share cancellations and resales of treasury shares for the current financial period ended 30 September 2024 and period up to the date of this announcement.

A9. DIVIDEND PAID

During the financial period ended 30 September 2024, the Company paid a single tier cash dividend of 2.7 sen per ordinary share in 1,109,066,500 ordinary shares with voting rights. The entitlement date was fixed on 13 May 2024 and the cash dividend was paid on 28 May 2024.

UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024
NOTES TO THE INTERIM FINANCIAL REPORT

A10. SEGMENT REPORT

The results of the Continuing Operations are as follows:

	External RM'000	Inter- segment RM'000	Total RM'000
Revenue			
For the nine months ended 30 September 2024			
Convenience stores	2,179,674	-	2,179,674
Others	382	340	722
Inter-segment elimination	-	(340)	(340)
	<u>2,180,056</u>	<u>-</u>	<u>2,180,056</u>
For the nine months ended 30 September 2023			
Convenience stores	2,088,940	-	2,088,940
Others	335	393	728
Inter-segment elimination	-	(393)	(393)
	<u>2,089,275</u>	<u>-</u>	<u>2,089,275</u>

	CUMULATIVE QUARTER	
	9 months ended	
	30.09.2024	30.09.2023
	RM'000	RM'000
Results		
Convenience stores	108,959	121,466
Others	(1,393)	(1,720)
	<u>107,566</u>	<u>119,746</u>
Interest income	8,100	2,141
Profit from operations	115,666	121,887
Finance costs	(49,669)	(48,749)
Share of results of joint ventures	(2,088)	(3,162)
Profit before tax	63,909	69,976
Income tax expense	(21,859)	(30,269)
Net profit for the year	42,050	39,707

UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024
NOTES TO THE INTERIM FINANCIAL REPORT

A11. PROPERTY, PLANT AND EQUIPMENT

During the 9 months ended 30 September, the Group acquired assets at costs of RM173.2 million (2023 : RM116.8 million). The assets acquired comprise mainly of renovation, furniture, fittings, equipment and computer equipment.

A12. SIGNIFICANT RELATED PARTY TRANSACTIONS

Transacting party	Type of transaction	CUMULATIVE QUARTER 9 months ended	
		30.09.2024 RM'000	30.09.2023 RM'000
With subsidiaries company			
7-Eleven Malaysia Sdn Bhd ("7-Eleven Malaysia" or "7EMSB")	Advances from 7EMSB	195,544	47,780
	Interest income on advances to 7EMSB	1,274	2,067
	Interest expense on advances from 7EMSB	(1,803)	-
Convenience Shopping (Sabah) Sdn Bhd ("CSSSB")	Repayment from CSSSB	-	30,000
	Interest income on advances to CSSSB	16,217	21,045
With companies in which TSVT is deemed interested*			
U Mobile Sdn. Bhd. ("U Mobile")	Receipts of payment from U Mobile for commission for sale of mobile phone reloads	6,719	6,838
	Payments to U Mobile for reload transaction values for in-store services for sale of mobile phone reloads	(131,003)	(132,915)
	Receipts of payment from U Mobile for advertisement placement fees	8,901	8,144
	Prepaid incentive receivable for sale of mobile phone reloads	866	800
	Securexpress Services Sdn. Bhd. ("Securexpress")	Payments to Securexpress for fees relating to the delivery of merchandise to stores	(6,814)
Berjaya Food Trading Sdn Bhd ("B Food")	Payment to B Food for purchase of beverages	(228)	(938)
Berjaya Times Square Sdn. Bhd. ("Berjaya Times Square")	Payment to BTSB for rental of property	(1,197)	(986)
Nural Enterprise Sdn Bhd ("Nural")	Payments to Nural for rental of property	(571)	(1,557)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024
NOTES TO THE INTERIM FINANCIAL REPORT

A12. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONT'D)

Transacting party	Type of transaction	CUMULATIVE QUARTER 9 months ended	
		30.09.2024 RM'000	30.09.2023 RM'000
With companies in which TSVT is deemed interested*			
Sun Media Corporation Sdn Bhd ("Sun Media")	Advertising fees on placement of advertisement in The Sun newspaper	(1)	(328)
	Display fees from placement of The Sun newspaper in 7-Eleven's stores	-	270
Razer Fintech Holdings Pte. Ltd. and its subsidiary companies ("Razer")	Receipts of commission from Razer for in-store services	29,504	32,428
	Payments to Razer for transaction values for in-store services	(3,787,272)	(3,697,403)
	Commission paid for e-wallet transactions (Merchant Discount Rate)	(2,760)	(1,360)
	Receipts of transaction values from Razer for e-wallet transactions	623,285	399,552

A13. CONTINGENT LIABILITIES

The Group has bank guarantees amounting to RM15.9million (31 December 2023: RM12.3million) as security deposits in favour of various government and statutory bodies, and private companies.

The bank guarantee facility is granted to 7-Eleven Malaysia Sdn. Bhd. on a clean basis.

A14. CAPITAL COMMITMENTS

	The Group	
	Unaudited As at 30.09.2024 RM'000	Audited As at 31.12.2023 RM'000
Property, plant and equipment		
- approved and contracted for	6,035	15,071
- approved but not contracted for	178,005	32,372
	<u>184,040</u>	<u>47,443</u>

A15. SUBSEQUENT EVENT

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

B1. REVIEW OF THE PERFORMANCE OF THE GROUP

Review of Current Quarter Performance versus Corresponding Quarter Last Year

The Convenience Stores had in 3Q-2024, recorded a Revenue of RM744.0m, an increase of RM38.7m or +5.5% as compared to RM705.3m achieved in the same quarter last year. The growth in Revenue was mainly driven by the net addition of 79 new stores as compared to the corresponding quarter last year, alongside the festivities of Awal Muharram, Merdeka and other public holidays in the current quarter, leading to a higher APSD.

As compared to the same quarter last year, we had successfully added 285 of our 7-CAFé store formats, bringing the total count to 471 7-CAFé stores in 3Q-2024. We had introduced a range of affordably priced Ready-To-Eat (“RTE”) packed meals, prepared with high-quality locally sourced ingredients which had contributed positively to the Fresh Food sales growth in 3Q-2024.

Operating Expenses increased by RM19.1m or +8.6%, primarily due to higher operational costs associated with store operations and logistics, including longer operating hours and expanded workforce is in tandem with a net increase of 79 new stores. Our total store count in 3Q-2024 stood at 2,611.

Review of 9 Months Period Performance versus Corresponding Period Last Year

The Convenience Stores recorded revenue of RM2,180.1m for the period ended 30 September 2024, reflecting an increase of RM90.8m or +4.3% compared to RM2,089.3m in the same period last year. This Revenue growth was accompanied by a Gross Profit of RM676.7m, up RM23.8m or +3.6%, maintaining a stable Gross Profit margin of 31.0%.

Operating Expenses for the Convenience Stores increased by RM54.7m or +8.5%. This rise is attributed to higher store rental costs as a result of a broadened retail network, increase in store depreciation, and including IT and non-IT maintenance expenses.

The Convenience Stores PAT for the period ended 30 September 2024 stood at RM42.1 million, an increase of RM2.4m or +5.9% from RM39.7m recorded in the same period last year.

Due to the successful disposal of discontinued operations at the end of FYE2023, the Group’s consolidated PAT for YTD 3Q-2024 is lower in comparison. The absence of RM21.9m from discontinued operations, which contributed to a total PAT of RM61.7m in YTD 3Q-2023, resulted in a decrease in overall PAT to RM42.1m for YTD 3Q-2024.

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

The Group recorded a lower Profit before Tax for the third quarter by RM15.6m or -50.8% against the immediate preceding quarter mainly due to lower profit margin in current quarter.

B3. PROSPECTS

Malaysia’s gross domestic product (“GDP”) grew by 5.3% in 3Q-2024, supported by the strong expansion in overall investment activities, growth in goods exports, tourism and household spending. In spite of the government’s diesel subsidy rationalization, Malaysia’s inflation rate stayed stable at 1.9% in Q3-2024, accompanied with a higher vehicle insurance inflation offset with a lower food and beverage inflation. The Group remains committed to navigating these economic conditions by focusing on strategic initiatives that align with market trends. With the upcoming year-end festivities and considering the civil services’ Phase 1 salary adjustments in December, the Group’s performance for 4Q-2024 is anticipated to be relatively stronger in comparison with 3Q-2024.

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024
ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LR**

Our focus for the Convenience Stores segment continues to be on the expansion of our 7-CAFé store format, which is important in expanding our product selections, improving in-store customer experience, and driving growth in the fresh food category. Notable accomplishments to-date include the highest number of 7-CAFé stores opened in a quarter (Note: 88 stores in 3Q-2024; 79 stores in 2Q-2024). Our ongoing initiatives include the continued establishment of our 7-CAFés beyond Klang Valley, expanding into high-potential areas, and strengthening our partnership with our Japanese counterpart to broaden fresh food offerings, maximizing commissary production yields via adopting best operational practices and discipline.

Additionally, we are dedicated to expanding our private label portfolio as we seek to serve the growing number of the value-driven brand-agnostic consumers who prioritize accessibly priced high-quality products over perceived brand value. In order to align with our customer-centric approach, we will continue our efforts in consumer research and insights, leveraging advanced analytics, social listening, and brand health surveys to continuously improve our services and product offerings.

With regards to the Indonesian pharmaceutical business, we will continue to focus on the overall strategic roadmap, including store expansion plans, product range and pricing review, marketing activation and driving a consumer centric operation in collaboration with our joint venture partner.

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

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

UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024
ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LR

B5. PROFIT FROM OPERATIONS

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

	CURRENT QUARTER		CUMULATIVE QUARTER	
	3 months ended		9 months ended	
	30.09.2024	30.09.2023	30.09.2024	30.09.2023
	RM'000	RM'000	RM'000	RM'000
Amortisation of intangible assets	1,119	1,119	3,356	3,356
Amortisation of right of use	27,227	26,434	81,348	76,171
Depreciation of property, plant and equipment	24,475	22,129	68,616	55,626
Dividend income	-	(75)	-	(450)
Loss/(Gain) on foreign exchange translation differences	(1)	5	16	(24)
Interest income	(1,295)	(677)	(8,101)	(2,140)
Interest expense	6,592	7,891	22,205	23,545
Loss on disposal of property, plant and equipment	358	297	1,037	718
Property, plant and equipment written off	1,491	566	3,307	2,093
Provision for and write off of inventories	12,543	8,601	33,532	25,972

Other than as presented in the condensed consolidated statements of comprehensive income and as disclosed above, there were no gain or loss on disposal of quoted or unquoted investments or properties, impairment of other assets, gain or loss on derivatives and exceptional items included in the results of the current quarter and financial period ended 30 September 2024.

B6. TAXATION

	CURRENT QUARTER		CUMULATIVE QUARTER	
	3 months ended		9 months ended	
	30.09.2024	30.09.2023	30.09.2024	30.09.2023
	RM'000	RM'000	RM'000	RM'000
Income tax:				
Current period provision	6,812	12,886	23,692	31,043
Overprovision in prior year	(1,617)	-	(1,617)	-
	5,195	12,886	22,075	31,043
Deferred tax:				
Relating to reversal of temporary differences	(311)	(290)	(216)	(774)
	4,884	12,596	21,859	30,269

Income tax expense is recognised based on management's best estimation. The Group's consolidated effective tax rates for the current quarter and financial period ended 30 September 2024 were higher than the Malaysian's statutory tax rate mainly due to certain expenses not deductible under tax legislation.

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024
ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LR**

B7. STATUS OF CORPORATE PROPOSALS

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

B8. STATUS OF UTILISATION OF PROCEEDS FROM DISPOSAL OF CARING

The status of utilisation of the proceeds from disposal of Caring on 30 September 2024 are as follows:

Purpose	Proposed utilisation RM'000	Actual utilisation on 30 September 2024 RM'000	Balance RM'000	Estimated time frame for utilisation
Repayment of borrowings	250,000	(250,000)	-	within 12 months
7-CAFÉ expansion	407,442	(158,877)	248,565	Within 24 months
Estimated expenses in relation to the Proposed Disposal	8,806	(8,806)	-	Within 6 months
Total gross proceeds	666,248	(417,683)	248,565	

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024
ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LR**

B9. GROUP BORROWINGS

The Group borrowings which are denominated in Ringgit Malaysia ("RM") as at 30 September 2024 are as follows: -

	Unaudited As at 30.09.2024 RM'000	Audited As at 31.12.2023 RM'000
Short term borrowings		
Unsecured:		
Bankers' acceptances	61,700	77,900
Medium term notes	105,140	149,810
Revolving credit	60,000	60,000
	<u>226,840</u>	<u>287,710</u>
Long term borrowings		
Unsecured:		
Medium term notes	349,609	449,688
Total borrowings		
Bankers' acceptances	61,700	77,900
Medium term notes	454,749	599,498
Revolving credit	60,000	60,000
	<u>576,449</u>	<u>737,398</u>

B10. MATERIAL LITIGATION

There was no material litigation for the current financial period to date.

B11. DIVIDEND

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

B12. EARNINGS PER SHARE

	CURRENT QUARTER 3 months ended		CUMULATIVE QUARTER 9 months ended	
	30.09.2024	30.09.2023	30.09.2024	30.09.2023
Net profit attributable to equity holders of the company (RM'000)				
- Continuing operations	10,932	9,773	44,265	40,811
- Discontinued operations	-	4,609	-	14,614
	<u>10,932</u>	<u>14,382</u>	<u>44,265</u>	<u>55,425</u>
Weighted average number of ordinary shares in issue ('000)	1,109,067	1,110,047	1,109,067	1,110,047
Basic/diluted earnings per ordinary share (sen)				
- Continuing operations	0.99	0.88	3.99	3.68
- Discontinued operations	-	0.42	-	1.32
	<u>0.99</u>	<u>1.30</u>	<u>3.99</u>	<u>4.99</u>

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

B13. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors' report on the financial statements for the financial year ended 31 December 2023 was not qualified.