



The Board of Directors of Mynews Holdings Berhad is pleased to present the unaudited interim financial report of Mynews Holdings Berhad and its subsidiaries ("Mynews" or the "Group") for the first quarter ended 31 January 2018. This report should be read in conjunction with its audited financial statements for the financial year ended 31 October 2017 and the accompanying notes attached to the interim financial report.

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FIRST QUARTER ENDED 31 JANUARY 2018**

i) Current quarter and financial year to date

	Current Quarter				Cumulative Quarters			
	3 months ended		Changes		3 months ended		Changes	
	31 Jan	31 Jan	Fav/(Unfav)	%	31 Jan	31 Jan	Fav/(Unfav)	%
	2018	2017	RM'000		2018	2017	RM'000	
	RM'000	RM'000			RM'000	RM'000		
Revenue	90,124	76,232	13,892	18.2	90,124	76,232	13,892	18.2
Cost of sales	(56,267)	(48,799)	(7,468)	(15.3)	(56,267)	(48,799)	(7,468)	(15.3)
Gross profit	33,857	27,433	6,424	23.4	33,857	27,433	6,424	23.4
Other income	979	897	82	9.1	979	897	82	9.1
Operating expenses	(25,294)	(19,108)	(6,186)	(32.4)	(25,294)	(19,108)	(6,186)	(32.4)
Other expenses	(1,851)	(1,466)	(385)	(26.3)	(1,851)	(1,466)	(385)	(26.3)
Finance costs	(104)	(116)	(12)	(10.3)	(104)	(116)	(12)	(10.3)
Share of profit in jointly controlled entity	367	411	(44)	(10.7)	367	411	(44)	(10.7)
Profit before tax	7,954	8,051	(97)	(1.2)	7,954	8,051	(97)	(1.2)
Tax expense	(1,613)	(1,689)	76	4.5	(1,613)	(1,689)	76	4.5
Profit after tax, representing comprehensive income for the period	6,341	6,362	(21)	(0.3)	6,341	6,362	(21)	(0.3)
Profit attributable to:								
Owners of the Company	6,341	6,362	(21)	(0.3)	6,341	6,362	(21)	(0.3)
Basic earnings per ordinary share (sen) (Note B12)	0.93	2.05	(1.12)	(54.6)	0.93	2.05	(1.12)	(54.6)

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**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FIRST QUARTER ENDED 31 JANUARY 2018 (Cont'd)**

ii) Current quarter compared with immediate preceding quarter

	Current Quarter 31 Jan 2018	Immediate Preceding Quarter 31 Oct 2017	Changes Fav/(Unfav)	
	RM'000	RM'000	RM'000	%
Revenue	90,124	89,262	862	1.0
Cost of sales	(56,267)	(57,475)	1,208	2.1
Gross profit	33,857	31,787	2,070	6.5
Other income	979	574	405	70.6
Operating expenses	(25,294)	(24,073)	(1,221)	(5.1)
Other expenses	(1,851)	(1,794)	(57)	(3.2)
Finance costs	(104)	(86)	(18)	(20.9)
Share of profit in jointly controlled entity	367	468	(101)	(21.6)
Profit before tax	7,954	6,876	1,078	15.7
Tax expense	(1,613)	(1,575)	(38)	(2.4)
Profit after tax, representing comprehensive income for the period	6,341	5,301	1,040	19.6
Profit attributable to:				
Owners of the Company	6,341	5,301	1,040	19.6
Basic earnings per ordinary share (sen)	0.93	1.70	(0.77)	(45.3)

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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 JANUARY 2018**

	Notes	Unaudited 31 January 2018 RM'000	Audited 31 October 2017 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment		134,865	80,595
Investment in jointly controlled entity		4,805	4,620
Other investments		5	5
Fixed deposits with licensed banks		800	800
Total non-current assets		140,475	86,020
Current assets			
Inventories	1	35,904	31,726
Trade receivables		5,727	10,652
Other receivables		28,338	31,460
Amount due from jointly controlled entity		1,300	1,201
Other investments	2	65,897	105,735
Short-term deposits with licensed banks		1,028	1,028
Cash and bank balances		12,453	22,006
Total current assets		150,647	203,808
Total assets		291,122	289,828

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 JANUARY 2018 (Cont'd)

Notes	Unaudited 31 January 2018 RM'000	Audited 31 October 2017 RM'000
EQUITY AND LIABILITIES		
Equity		
Share capital	201,581	201,581
Revaluation reserve	8,561	8,561
Merger deficit	(45,952)	(45,952)
Retained earnings	83,782	77,441
Total equity	247,972	241,631
LIABILITIES		
Non-current liabilities		
Bank borrowings	5,035	5,500
Finance lease liabilities	676	751
Deferred tax liabilities	2,712	2,749
Total non-current liabilities	8,423	9,000
Current liabilities		
Trade payables	22,840	23,022
Other payables	8,944	13,424
Amount due to related parties	-	61
Bank borrowings	1,414	1,414
Finance lease liabilities	290	290
Tax payable	1,239	986
Total current liabilities	34,727	39,197
Total liabilities	43,150	48,197
Total equity and liabilities	291,122	289,828
Net assets per share (RM)	0.36	0.71

Notes:

- 1 Included in inventories are foreign currencies equivalent to RM467,000 held for the money changing business.
- 2 Other investments comprised placement of funds in money market instrument funds (RM65,897,000) and Real Estate Investment Trust (RM5,000).

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FIRST QUARTER ENDED 31 JANUARY 2018**

	Share Capital RM'000	Share Premium RM'000	Revaluation Reserve RM'000	Merger Deficit RM'000	Retained Earnings RM'000	Total Equity RM'000
As at 1 November 2016	62,014	67,320	8,561	(45,952)	60,482	152,425
Transfer pursuant to S618(2) of CA 2017 ⁽¹⁾	67,320	(67,320)	-	-	-	-
Issuance of new shares ⁽²⁾	72,247	-	-	-	-	72,247
Share issuance expenses ⁽³⁾	-	-	-	-	(861)	(861)
Dividends	-	-	-	-	(6,201)	(6,201)
Total comprehensive income for the year	-	-	-	-	24,021	24,021
As at 31 October 2017	201,581	-	8,561	(45,952)	77,441	241,631
Total comprehensive income for the period					6,341	6,341
As at 31 January 2018	201,581	-	8,561	(45,952)	83,782	247,972

Notes:

- (1) Pursuant to Section 618(2) of the Companies Act 2016 ("CA 2016") which came into effect on 31 January 2017, any outstanding share premium and capital redemption reserve accounts shall become part of the share capital account. Under the transitional provision in Section 618 (3) of the CA 2016, the Company had utilised the credit of RM67,320,000 being transferred from the share premium account to the share capital account for the issuance of bonus shares on the basis of one (1) bonus share for each existing Mynews share held on 20 December 2017, being the entitlement date, at RM0.20 per bonus share being the par value of the Mynews shares immediately before the effective date of the CA 2016.
- (2) On 25 October 2017, the Company issued 31,007,000 new ordinary shares, being 10% of its existing paid-up number of shares via a private placement at an issue price of RM2.33 per share.
- (3) The share issuance expenses for the private placement as in Note (2) above which amounted to RM861,000 were written off against retained earnings in accordance to MFRS 101 Presentation of Financial Statements.

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FIRST QUARTER ENDED 31 JANUARY 2018**

	Cumulative Quarters 3 months ended	
	31 Jan 2018	31 Jan 2017
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	7,954	8,051
Adjustments for:		
Depreciation of property, plant and equipment	1,748	1,337
Bad debts written off	9	-
Loss on disposal of property, plant and equipment	-	4
Dividend income from other investments	(711)	(661)
Interest expense	104	116
Share of profit in jointly controlled entity	(367)	(411)
Property, plant and equipment written off	95	133
Interest income	(69)	(42)
Operating profit before working capital changes	8,763	8,527
Changes in working capital		
Increase in inventories	(4,179)	(2,830)
Decrease in receivables	3,045	5,477
Decrease in payables	(4,663)	(6,671)
Decrease in amount due to a director	-	(28)
Decrease / (Increase) in amount due from jointly controlled entity	82	(46)
(Decrease) / Increase in amount due to related parties	(61)	3
Cash generated from operations	2,987	4,432
Tax paid	(1,397)	(1,641)
Net cash generated from operating activities	1,590	2,791
CASH FLOWS FROM INVESTING ACTIVITIES		
Dividend income from other investments	711	1,051
Proceeds from disposal of property, plant and equipment	48	43
Purchase of property, plant and equipment	(51,161)	(4,207)
Upliftment / (Placement) of funds in other investments	39,838	(1,148)
Placement of fixed deposits	-	(70)
Interest income	41	51
Net cash used in investing activities	(10,523)	(4,280)

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FIRST QUARTER ENDED 31 JANUARY 2018 (Cont'd)**

	Cumulative Quarters 3 months ended	
	31 Jan 2018	31 Jan 2017
	RM'000	RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(104)	(116)
Repayment of term loans	(465)	(323)
Repayment of finance lease liabilities	(75)	(118)
Net cash used in financing activities	<u>(644)</u>	<u>(557)</u>
Net decrease in cash and cash equivalents	(9,577)	(2,046)
Cash and cash equivalents at 1 November	23,034	16,135
Cash and cash equivalents at 31 January	<u>13,457</u>	<u>14,089</u>
Reconciliation of cash and cash equivalents		
Cash and bank balances	12,453	13,119
Short-term deposits with licensed banks	1,828	1,628
	<u>14,281</u>	<u>14,747</u>
Less: Short-term deposits pledged to a licensed bank	(824)	(658)
	<u>13,457</u>	<u>14,089</u>

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NOTES TO INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 JANUARY 2018

A. COMPLIANCE WITH MALAYSIAN FINANCIAL REPORTING STANDARD NO. 134: INTERIM FINANCIAL REPORTING (“MFRS”)

A1 CORPORATE INFORMATION

The principal activity of the Company is investment holding while its subsidiaries are principally involved in the business of press and convenience retailing, predominantly operating a homegrown retail chain in Malaysia under the trade name of “myNEWS.com”.

A2 BASIS OF PREPARATION

The interim financial report is unaudited and has been prepared in accordance with the requirements of MFRS No. 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board and Appendix B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”). It should be read in conjunction with the audited financial statements of Mynews for the financial year ended 31 October 2017.

A3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of these interim financial statements are consistent with those adopted in the audited financial statements for the year ended 31 October 2017. In the previous years, the financial statements of the Group and the Company were prepared in accordance with Malaysian Financial Reporting Standard (“MFRSs”).

At the date of issuance of this quarterly report, the MFRSs, and amendments to MFRSs that have been issued but yet to be made effective are listed below:

MFRSs, Amendments to MFRSs and IC Interpretation effective 1 January 2018:

MFRS 9	Financial Instruments IFRS 9 Issued by International Accounting Standards Board (“IASB”) in July 2014
MFRS 15	Revenue from Contracts with Customers
Amendments to MFRS 2*	Share-based Payment: Clarification and Measurement of Share-based Payment Transactions
Amendments to MFRS 4*	Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts
Amendments to MFRS 7	Financial Instruments – Disclosures: Mandatory effective date of MFRS 9 and transitional disclosures
Amendments to MFRS 140*	Transfer of Investment Property
IC Interpretation 22*	Foreign Currency Transaction and Advance Consideration

NOTES TO INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 JANUARY 2018

A. COMPLIANCE WITH MALAYSIAN FINANCIAL REPORTING STANDARD NO. 134: INTERIM FINANCIAL REPORTING (“MFRS”)

A3 SIGNIFICANT ACCOUNTING POLICIES (Cont’d)

MFRSs, Amendments to MFRSs and IC Interpretation effective 1 January 2018: (Cont’d)

Annual Improvements to MFRSs 2014-2016 Cycle (except for Amendments to MFRS 12 Disclosure of Interests in Other Entities)*

Annual Improvements to MFRSs 2014-2016 Cycle (except for Amendments to MFRS 12 Disclosure of Interests in Other Entities)*

MFRS 16 Leases

Amendments to MFRS 9* Prepayment Features with Negative Compensation

Amendments to MFRS 128 Long-term Interests in Associates and Joint Ventures

IC Interpretation 23* Uncertainty over Income Tax Treatments

Annual Improvements to MFRS Standards 2015 - 2017 Cycle

MFRS effective 1 January 2021:

MFRS 17* Insurance Contract

Amendments to MFRSs - Effective date deferred indefinitely:

MFRS 10 and MFRS 128 Consolidated Financial Statements and Investment in Associates and Joint Venture: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

* Not applicable to the Group’s and the Company’s operations

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. The Group intends 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, other than MFRS 16: Leases which will be effective from 1 January 2019. The adoption of MFRS 16: Leases will have an effect on the classification and measurement of the Group's lease assets and liabilities.

A4 AUDITORS’ REPORT

There was no qualification on the audited financial statements of the Group for the financial year ended 31 October 2017.

A5 SEASONAL OR CYCLICAL FACTORS

The Group does not experience any material seasonality in sales except for the shorter month in February.



NOTES TO INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 JANUARY 2018 (Cont'd)

A. COMPLIANCE WITH MALAYSIAN FINANCIAL REPORTING STANDARD NO. 134: INTERIM FINANCIAL REPORTING ("MFRS") (Cont'd)

A6 UNUSUAL ITEMS AFFECTING ASSETS, LIABILITIES, EQUITY, NET INCOME OR CASH FLOW

There was no unusual items affecting assets, liabilities, equity, net income or cash flow of the Group during the quarter under review.

A7 CHANGES IN ESTIMATES

There were no changes in estimates that had a material effect in the financial quarter under review.

A8 DEBT AND EQUITY SECURITIES

On 20 December 2017, the Company undertook a bonus shares issuance of 341,077,000 new Mynews ordinary shares, on the basis of one (1) new ordinary share for each existing Mynews ordinary share held by the entitled shareholders. The new shares were listed on Bursa Securities on 21 December 2017.

A9 DIVIDEND PAID

There was no dividend declared or paid during the quarter review.

A10 SEGMENTAL INFORMATION

The Group operates in the press and retail convenience segment in Malaysia and has a licensing arrangement in Myanmar. The contribution from Myanmar is insignificant and as such the Group does not present its results by geographical or industry segment.

A11 SUBSEQUENT MATERIAL EVENTS

Except for the incorporation of the following 51%- owned subsidiaries, there is no material subsequent event after the financial period ended 31 January 2018 until the date of this report:

- a) Mynews Ryoyupan Sdn Bhd was incorporated on 6 February 2018 pursuant to the Joint Venture Agreement entered by Mynews Food Sdn Bhd (formerly known as Otaru Fine Food Sdn Bhd), a wholly-owned subsidiary of the Company with MRA Bakery Sdn Bhd on 5 October 2017; and
- b) Mynews Kineya Sdn Bhd, incorporated on 8 February 2018 pursuant to the Joint Venture Agreement between the Company and Gourmet Kineya Co Ltd on 5 October 2017.

A12 CHANGES IN COMPOSITION OF THE GROUP

There was no change in the composition of the Group during the financial quarter under review.

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NOTES TO INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 JANUARY 2018 (Cont'd)

A. COMPLIANCE WITH MALAYSIAN FINANCIAL REPORTING STANDARD NO. 134: INTERIM FINANCIAL REPORTING ("MFRS") (Cont'd)

A13 CONTINGENT LIABILITIES OR CONTINGENT ASSETS

There were no contingent assets as at the date of this interim report.

Contingent liabilities of the Group as at 31 January 2018 comprised bank guarantees totalling RM754,000 issued as security deposits in respect of tenancy of outlets of the jointly controlled entity and subsidiaries, including security deposit for the money remittance business.

A14 CAPITAL COMMITMENTS

The capital commitments of the Group as at 31 January 2018 were as follows:

	RM'000
Authorised and contracted for:	
- purchase of property, plant and equipment	4,520
- investment in joint venture companies	35,700
	40,220
	40,220

A15 PROPERTY, PLANT AND EQUIPMENT

For the quarter ended 31 January 2018, the Group acquired assets at the cost of RM56.16 million, which comprised the new Headquarter at Kota Damansara; and the renovations, furniture and fittings, equipment and computers that were mainly used for the setting up of new outlets and the Distribution Centre in Johor Bharu.

A16 SIGNIFICANT RELATED PARTY TRANSACTIONS

	Cumulative Quarters	
	3 months ended	
	31 Jan	31 Jan
	2018	2017
	RM'000	RM'000
Transactions with jointly controlled entity		
Management fees income	(160)	(135)
Transactions with related parties		
Inventories	173	143
Office rental expense	18	18
Hostel rental expense	17	17

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NOTES TO INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 JANUARY 2018 (Cont'd)

B. COMPLIANCE WITH APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B1 REVIEW OF PERFORMANCE

Review of current quarter performance

For the first quarter ended 31 January 2018, Mynews recorded a revenue of RM90.12 million, an increase of RM13.89 million or 18.2% compared with RM76.23 million in the preceding year quarter. Gross profit for the current quarter was RM33.86 million with a margin of 37.6%, an increase of RM6.42 million or 23.4% compared with RM27.43 million or 36.0% in the preceding year quarter. This improved performance was attributed to the new stores opened within the recent 2 years, better products mix and the higher other operational income.

The operating expenses which comprised principally establishment, staff and marketing costs amounted to RM25.29 million, an increase of RM6.19 million or 32.4% compared with RM19.11 million in the preceding year quarter. This was in tandem with the increase in the number of outlets to 366 stores compared to 307 as at 31 January 2017. In summary, our first fiscal quarter 2018 ended with a profit before taxation of RM7.95 million, marginally lower by RM0.10 million or 1.2% compared with RM8.05 million in the preceding year quarter. The marginal decrease in profit is mainly due to the higher staff costs as we implement our ready-to-eat food and bakery projects, and the higher rental costs for the outlets.

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

Revenue for the current quarter was higher by RM0.86 million or 1.0% compared with RM89.26 million in the immediate preceding quarter. Gross profit increased by RM2.07 million or 6.5%. This is mainly due to the improved overall gross margin from 35.6% to 37.6%. Profit before taxation for the current quarter stood at RM7.95 million, an increase of RM1.08 million or 15.7% compared with RM6.88 million in the immediate preceding quarter. This is mainly contributed by increase in marketing activities that coincide with festive seasons during the period.

B3 PROSPECTS

The Board acknowledges that the general business landscape is challenging and getting increasingly competitive. The year 2018 is a transformation year for the Group as it steadfastly implements its strategies together with its Japanese partners to offer ready-to-eat food and bakery to offer better quality and product mix in its stores. Meanwhile, the growth in the number of outlets continues unabated. Mynews will continue to pursue excellence in retailing through continual improvement in strategy and operational excellence. It will continue to attract customers to its stores by improving its customers shopping experience.

Barring unforeseen circumstances, the Board anticipates Mynews to continue to deliver profitable results.

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NOTES TO INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 JANUARY 2018 (Cont'd)

B. COMPLIANCE WITH APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (Cont'd)

B4 VARIANCE OF ACTUAL PROFIT FROM PROFIT FORECAST AND PROFIT GUARANTEE

The Group has not issued any profit forecast or profit guarantee in any form of public document or announcement.

B5 NOTES TO THE CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Cumulative Quarters 3 months ended	
	31 Jan 2018 RM'000	31 Jan 2017 RM'000
Profit before tax is arrived at after charging:		
Depreciation of property, plant and equipment	1,748	1,337
Property, plant and equipment written off	95	133
Loss on disposal of property, plant and equipment	-	4
Interest expense	104	116
Bad debts written off	9	-
And after crediting:		
Interest Income	(69)	(42)
Dividend income from other investments	(711)	(661)

Other disclosure items pursuant to Appendix 9B Note 16 of the Main Market Listing Requirements are not applicable.

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NOTES TO INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 JANUARY 2018 (Cont'd)

B. COMPLIANCE WITH APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (Cont'd)

B6 TAX EXPENSE

	Cumulative Quarters 3 months ended	
	31 Jan 2018 RM'000	31 Jan 2017 RM'000
Income tax expense:		
Provision for current period	1,650	1,699
Deferred tax:		
Provision for current period	(37)	(10)
Total tax expense	<u>1,613</u>	<u>1,689</u>

Tax expense is recognised based on management's best estimates. The Group's effective tax rate is lower than the Malaysian's statutory tax rate because one of its wholly-owned subsidiaries is a MSC status company which enjoys certain tax incentives.

B7 STATUS OF CORPORATE PROPOSAL

Except for the bonus share issuance on 20 December 2017 there was no other corporate proposal during the period under review.

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NOTES TO INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 JANUARY 2018 (Cont'd)

B. COMPLIANCE WITH APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (Cont'd)

B8 UTILISATION OF PROCEEDS

The status of utilisation of the proceeds from the corporate exercises as at 31 January 2018 was as follows:

(a) Initial public offering of 80,620,000 new ordinary shares at RM1.10 per share in March 2017

	Purpose	Proposed Utilisation RM'000	Actual Utilisation RM'000	Deviation RM'000	Balance RM'000	Estimated Timeframe for Utilisation
a)	Capital expenditure	50,000	50,656	656	-	Within 36 months (until 28 March 2019)
b)	Working capital	32,230	25,053	(593)	6,584	
c)	Listing expenses	6,450	6,387	(63)	-	
	Total	88,680	82,096	-	6,584	

(b) Private placements of 31,007,000 new ordinary shares at RM2.33 per share in January 2018

	Purpose	Proposed Utilisation RM'000	Actual Utilisation RM'000	Deviation RM'000	Balance RM'000	Estimated Timeframe for Utilisation
a)	Acquisition of property	50,000	50,000	-	-	
b)	Investment in food preparation and packaging facilities*	19,116	-	(31)	19,085	Within 12 months (until 31 October 2018)
c)	Private placement and other proposal expenses	3,130	3,161	31	-	
	Total	72,246	53,161	-	19,085	

* Utilisation of the fund is expected to be in the second quarter of 2018.

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NOTES TO INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 JANUARY 2018 (Cont'd)

B. COMPLIANCE WITH APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (Cont'd)

B9 BORROWINGS AND DEBT SECURITIES

The Group's borrowings as at 31 January 2018 are as follows:

	Unaudited As at 31 Jan 2018 RM'000	Audited As at 31 Oct 2017 RM'000
Short term borrowings – Secured		
Term loans	1,414	1,414
Finance lease liabilities	290	290
	1,704	1,704
Long term borrowings – Secured		
Term loans	5,035	5,500
Finance lease liabilities	676	751
	5,711	6,251
Total borrowings – Secured		
Term loans	6,449	6,914
Finance lease liabilities	966	1,041
	7,415	7,955

Note: All the loans in the Group are denominated in Ringgit Malaysia.

B10 MATERIAL LITIGATION

There is no material litigation against or by the Group as at the date of this report.

B11 DIVIDEND

The Board of Directors does not recommend any interim dividend for this quarter ended 31 January 2018.

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NOTES TO INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 JANUARY 2018 (Cont'd)

B. COMPLIANCE WITH APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (Cont'd)

B12 EARNINGS PER SHARE

	Cumulative Quarters 3 months ended	
	31 Jan 2018	31 Jan 2017
Profit attributable to owners of the Company (RM'000)	6,341	6,362
Number of ordinary shares in issue ('000)	682,154	310,070
Basic earnings per share (sen)	0.93	2.05

The basic earnings per share is computed based on the profit attributable to the owners of the Company divided by the weighted average number of ordinary shares issued for the period under review. The Company does not have any dilutive potential ordinary shares in issue for the period under review.

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