

The Board of Directors of Mynews Holdings Berhad wishes to present the unaudited interim financial report of Mynews Holdings Berhad and its subsidiaries ("Mynews" or "the Group") for the second quarter ended 30 April 2022. This report should be read in conjunction with its audited financial statements for the financial year ended 31 October 2021 and the accompanying notes attached to the interim financial report.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE SECOND QUARTER ENDED 30 APRIL 2022
i) Current quarter and financial year to date

	Current Quarter 3 months ended				Cumulative Quarters 6 months ended			
	30 Apr 2022 RM'000	30 Apr 2021 RM'000	Changes Fav/(Unfav) RM'000	%	30 Apr 2022 RM'000	30 Apr 2021 RM'000	Changes Fav/(Unfav) RM'000	%
Revenue	141,095	103,944	37,151	35.7	280,532	202,616	77,916	38.5
Cost of sales	(93,239)	(70,930)	(22,309)	(31.5)	(189,437)	(138,131)	(51,306)	(37.1)
Gross profit	47,856	33,014	14,842	45.0	91,095	64,485	26,610	41.3
Other income	277	204	73	35.8	635	533	102	19.1
Administration expenses	(8,966)	(7,813)	(1,153)	(14.8)	(17,340)	(14,951)	(2,389)	(16.0)
Selling and distribution expenses	(30,263)	(20,761)	(9,502)	(45.8)	(57,417)	(40,603)	(16,814)	(41.4)
Other expenses	(17,647)	(13,948)	(3,699)	(26.5)	(32,922)	(27,596)	(5,326)	(19.3)
Finance costs	(2,303)	(1,547)	(756)	(48.9)	(3,941)	(3,196)	(745)	(23.3)
Share of loss in jointly controlled entity	(329)	(604)	275	45.5	(257)	(254)	(3)	(1.2)
Loss before tax	(11,375)	(11,455)	80	0.7	(20,147)	(21,582)	1,435	6.6
Tax expense	(65)	(415)	350	84.3	(131)	(873)	742	85.0
Net Loss for the period	(11,440)	(11,870)	430	3.6	(20,278)	(22,455)	2,177	9.7
Net loss attributable to:								
Owners of the Company	(10,223)	(10,320)	97	0.9	(18,082)	(19,260)	1,178	6.1
Non-controlling interest	(1,217)	(1,550)	333	21.5	(2,196)	(3,195)	999	31.3
	(11,440)	(11,870)	430	3.6	(20,278)	(22,455)	2,177	9.7
Total comprehensive loss attributable to:								
Owners of the Company	(10,223)	(10,320)	97	0.9	(18,082)	(19,260)	1,178	6.1
Non-controlling interest	(1,217)	(1,550)	333	21.5	(2,196)	(3,195)	999	31.3
	(11,440)	(11,870)	430	3.6	(20,278)	(22,455)	2,177	9.7
Basic Loss per ordinary share (sen) (Note B11)	(1.50)	(1.51)			(2.65)	(2.82)		

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SECOND QUARTER ENDED 30 APRIL 2022 (Cont'd)**
ii) Current quarter compared with immediately preceding quarter

	Current Quarter 30 Apr 2022	Immediately Preceding Quarter 31 Jan 2022 (#)	Changes Fav/(Unfav)	
	RM'000	RM'000	RM'000	%
Revenue	141,095	139,437	1,658	1.2
Cost of sales	(93,239)	(96,198)	2,959	3.1
Gross profit	47,856	43,239	4,617	10.7
Other income	277	358	(81)	(22.6)
Administration expenses	(8,966)	(8,246)	(720)	(8.7)
Selling and distribution expenses	(30,263)	(27,154)	(3,109)	(11.4)
Other expenses	(17,647)	(15,275)	(2,372)	(15.5)
Finance costs	(2,303)	(1,766)	(537)	(30.4)
Share of (loss)/profit in jointly controlled entity	(329)	72	(401)	(556.9)
Loss before tax	(11,375)	(8,772)	(2,603)	(29.7)
Tax expense	(65)	(66)	1	1.5
Loss after tax for the period	(11,440)	(8,838)	(2,602)	(29.4)
Loss attributable to:				
Owners of the Company	(10,223)	(7,859)	(2,364)	(30.1)
Non-controlling interest	(1,217)	(979)	(238)	(24.3)
	(11,440)	(8,838)	(2,602)	(29.4)
Total comprehensive loss attributable to:				
Owners of the Company	(10,223)	(7,859)	(2,364)	(30.1)
Non-controlling interest	(1,217)	(979)	(238)	(24.3)
	(11,440)	(8,838)	(2,602)	(29.4)
Loss per ordinary share (sen)	(1.50)	(1.15)		

(#): Certain comparative figures have been reclassified to conform to the current quarter presentation.

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 APRIL 2022**

	Unaudited 30 Apr 2022	Audited 31 Oct 2021
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	245,232	206,834
Right-of-use assets	177,511	140,458
Intangible asset	3,706	3,914
Investment properties	12,110	12,110
Investment in jointly controlled entity	5,783	6,039
Deferred tax assets	837	837
Fixed deposits with licensed banks	166	165
Total non-current assets	445,345	370,357
Current assets		
Inventories	76,698	58,778
Contract assets	12,311	12,990
Trade receivables	2,171	1,393
Other receivables	29,177	35,916
Amount due from jointly controlled entity	58	38
Tax recoverable	6,519	5,645
Other investments	-	176
Fixed Deposits with licensed banks	754	737
Cash and bank balances	11,299	15,336
Total current assets	138,987	131,009
Total assets	584,332	501,366

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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 APRIL 2022 (Cont'd)**

	Unaudited 30 Apr 2022 RM'000	Audited 31 Oct 2021 RM'000
EQUITY AND LIABILITIES		
Equity		
Share capital	201,581	201,581
Revaluation reserve	17,950	17,950
Merger deficit	(45,952)	(45,952)
Retained earnings	47,539	65,621
Equity attributable to owners	221,118	239,200
Non-controlling interests	4,533	6,729
Total equity	225,651	245,929
LIABILITIES		
Non-current liabilities		
Provision for restoration costs	9,820	7,560
Bank borrowings	42,505	45,565
Lease liabilities	93,547	58,648
Deferred tax liabilities	5,117	5,117
Total non-current liabilities	150,989	116,890
Current liabilities		
Trade payables	50,444	31,617
Other payables	74,502	49,477
Provision for restoration costs	318	1,538
Contract liabilities	2,516	1,525
Bank borrowings	42,668	25,420
Lease liabilities	37,244	28,970
Total current liabilities	207,692	138,547
Total liabilities	358,681	255,437
Total equity and liabilities	584,332	501,366
Net assets per share (RM)	0.33	0.36

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SECOND QUARTER ENDED 30 APRIL 2022**

	← Non-distributable →			Distributable		Non-Controlling Interests RM'000	Total Equity RM'000
	Share Capital RM'000	Revaluation Reserve RM'000	Merger Deficit RM'000	Retained Earnings RM'000	Total RM'000		
As at 1 November 2020	201,581	9,392	(45,952)	108,830	273,851	12,266	286,117
Net loss for the year	-	-	-	(43,209)	(43,209)	(6,762)	(49,971)
Other comprehensive income for the year	-	8,558	-	-	8,558	-	8,558
Total comprehensive income/(loss) for the year	-	8,558	-	(43,209)	(34,651)	(6,762)	(41,413)
Capital contribution from non-controlling interests	-	-	-	-	-	1,225	1,225
As at 31 October 2021	201,581	17,950	(45,952)	65,621	239,200	6,729	245,929
Net loss for the period / Total comprehensive loss for the period	-	-	-	(18,082)	(18,082)	(2,196)	(20,278)
As at 30 April 2022	201,581	17,950	(45,952)	47,539	221,118	4,533	225,651

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SECOND QUARTER ENDED 30 APRIL 2022**

	Cumulative 6 months ended	
	30 Apr 2022 RM'000	31 Apr 2021 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax	(20,147)	(21,582)
Adjustments for:		
Amortisation of intangible asset	208	35
Depreciation of property, plant and equipment	13,855	11,011
Depreciation of right-of-use assets	18,283	17,388
Dividend income from other investments	(1)	(29)
Gain on modification of leases	(81)	(4)
Interest expense	3,941	3,196
Interest income	(92)	(59)
Inventories written off	2,762	565
Inventories wastages	6,970	2,693
Net loss on disposal of property, plant and equipment	157	180
Property, plant and equipment written off	1,946	486
Rental rebates	(1,512)	(2,686)
Share of loss in jointly controlled entity	257	254
Operating profit before working capital changes	26,546	11,448
Changes in working capital:		
Inventories	(27,652)	8,041
Receivables	5,962	6,788
Payables	43,852	(15,688)
Jointly controlled entity	(20)	125
Contract assets	679	(997)
Contract liabilities	991	431
Cash generated from operations	50,358	10,148
Tax refund	-	3
Tax paid	(1,005)	(1,399)
Net cash generated from operating activities	49,353	8,752

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SECOND QUARTER ENDED 30 APRIL 2022 (Cont'd)**

	Cumulative 6 months ended	
	30 Apr 2022	30 Apr 2021
	RM'000	RM'000
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of intangible asset	-	(4,156)
Dividend income from other investments	1	29
Interest received	92	59
Proceeds from disposal of property, plant and equipment	39	84
Proceeds from disposal of other investments	176	3,870
Purchase of property, plant and equipment	(54,395)	(15,795)
Placement of fixed deposits	(18)	(5)
Net cash used in investing activities	<u>(54,105)</u>	<u>(15,914)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(3,941)	(3,196)
Payment of lease liabilities	(9,531)	(8,688)
Repayment of bank borrowings	(15,241)	(14,663)
Drawdown of bank borrowings	29,428	-
Net cash from/(used in) from financing activities	<u>715</u>	<u>(26,547)</u>
CASH AND CASH EQUIVALENTS		
Net decrease in cash and cash equivalents	(4,037)	(33,709)
Cash and cash equivalents at 1 November	<u>15,336</u>	<u>39,641</u>
Cash and cash equivalents at 30 April	<u><u>11,299</u></u>	<u><u>5,932</u></u>
Reconciliation of cash and cash equivalents		
Cash and bank balances	11,299	5,361
Fixed Deposits with licensed banks	920	1,476
	<u>12,219</u>	<u>6,837</u>
Less: Fixed deposits pledged to licensed banks	(166)	(165)
Less: Fixed deposits with maturity more than 3 months	(754)	(740)
	<u><u>11,299</u></u>	<u><u>5,932</u></u>

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NOTES TO INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 APRIL 2022**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 operating retail store chains, predominantly convenience store (CVS) chains. The chain stores that the Company is operating are myNEWS CVS, myNEWS SUPERVALUE, WHSmith Travel Retail and Korean CU CVS. Besides retailing, two of the Company’s subsidiaries, namely, Mynews Kineya Sdn Bhd and Mynews Ryoyupan Sdn Bhd, hereinafter jointly referred to as Food Processing Centre (FPC), are in the business of producing ready-to-eat meals and bakery products to serve its retail chains.

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 9B 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 2021.

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 2021. The financial statements of the Group have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRS”), International Financial Reporting Standards (“IFRS”) and the requirements of the Companies Act 2016 in Malaysia.

A4 AUDITORS’ REPORT

There was no qualification on the audited financial statements of the Group for the financial year ended 31 October 2021.

A5 SEASONAL OR CYCLICAL FACTORS

For the current quarter the Group’s income was affected by the Ramadan month in April and a shorter month in February. The pandemic induced control and public fear were at the tail-end and continued to bear some negative impact as the country moved towards the endemic stage on 1 April.

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NOTES TO INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 APRIL 2022 (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**

Malaysia transitioned to an endemic phase of Covid-19 on 1 April to return almost to normal life after a two-year battle with the virus. Almost all of the pandemic related restrictions such as shorter business operating hours were removed and physical distancing was no longer necessary. Unfortunately, in April the lifting of pandemic related restrictions coincided with Ramadan which negated the supposedly positive impact brought about by the lifting of restrictions.

Other than those disclosed above, in the current quarter, there were no other 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 quarter under review.

A8 DEBT AND EQUITY SECURITIES

There was no issuance, cancellation, repurchase, resale and repayment of debts and equity securities for the quarter under review.

A9 DIVIDEND PAID

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

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NOTES TO INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 APRIL 2022 (Cont'd)
A. COMPLIANCE WITH MALAYSIAN FINANCIAL REPORTING STANDARD NO. 134: INTERIM FINANCIAL REPORTING ("MFRS") (Cont'd)
A10 SEGMENTAL INFORMATION

The Group operates in the retail convenience segment in Malaysia and also produces ready-to-eat food and bakery products to serve its retail chains.

	Retail RM'000	Manufacturing RM'000	Elimination RM'000	Total RM'000
For the period ended 30 April 2022				
Revenue				
External	295,033	-	(14,501)	280,532
Inter-segment	-	19,373	(19,373)	-
Revenue	295,033	19,373	(33,874)	280,532
Results				
Amortisation of intangible asset	208	-	-	208
Depreciation of property, plant and equipment	12,916	939	-	13,855
Depreciation of right-of-use assets	17,628	2,334	(1,679)	18,283
Interest income	(83)	(9)	-	(92)
Interest expense	4,174	1,078	(1,311)	3,941
Loss on disposal of property, plant and equipment	157	-	-	157
Property, plant and equipment written off	1,946	-	-	1,946
Share of results in jointly controlled entity	257	-	-	257
Loss before tax	(15,007)	(4,482)	(658)	(20,147)
Tax	(131)	-	-	(131)
Loss after tax	(15,138)	(4,482)	(658)	(20,278)

NOTES TO INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 APRIL 2022 (Cont'd)
A. COMPLIANCE WITH MALAYSIAN FINANCIAL REPORTING STANDARD NO. 134: INTERIM FINANCIAL REPORTING ("MFRS") (Cont'd)
A11 SUBSEQUENT MATERIAL EVENTS

There were no material events subsequent to the current quarter under review and up to the date of this report.

A12 CHANGES IN COMPOSITION OF THE GROUP

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

A13 CONTINGENT LIABILITIES OR CONTINGENT ASSETS

Save as disclosed below, there were no material contingent liabilities or assets for the reporting quarter ended 30 April 2022.

RM'000

Corporate guarantee given to financial institutions in respect of banking and lease facilities and for rental of premises granted to subsidiaries

88,437

A14 CAPITAL COMMITMENTS

The capital commitments of the Group as at 30 April 2022 were as follows:

RM'000

Authorised and contracted for:

- Property, plant and equipment

14,181

A15 PROPERTY, PLANT AND EQUIPMENT

For the six (6) months ended 30 April 2022, the Group acquired assets at the cost of RM54.40 million, which comprised principally of construction and set up costs, and purchase of equipment, furniture and fittings for new outlets and outlets revamp.

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NOTES TO INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 APRIL 2022 (Cont'd)
A. COMPLIANCE WITH MALAYSIAN FINANCIAL REPORTING STANDARD NO. 134: INTERIM FINANCIAL REPORTING ("MFRS") (Cont'd)
A16 SIGNIFICANT RELATED PARTY TRANSACTIONS

	Current Quarter		Cumulative Quarters	
	3 months ended		6 months ended	
	30 Apr 2022 RM'000	30 Apr 2021 RM'000	30 Apr 2022 RM'000	30 Apr 2021 RM'000
Transactions with jointly controlled entity				
Management fees income	41	7	78	21
Warehouse and storage fee	108	108	216	216
Administration fee	3	7	7	14
Transactions with related parties				
Advertising & promotion income	48	5	107	169
Trade purchases	886	830	1,824	1,620
Office rental income	3	3	6	6
Medical expenses	-	-	-	5
Royalty and license fees expenses	26	18	53	33
Technical support expenses	67	67	134	139
Staff secondment	63	60	124	119
Purchase of property, plant and equipment	-	6	-	12
Interest expense	4	-	5	-

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NOTES TO INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 APRIL 2022 (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 quarter ended 30 April 2022, Mynews recorded a revenue of RM141.10 million which was RM37.15 million or 35.7% higher than the preceding year's corresponding quarter, while the number of outlets increased from 519 to 556. Gross profit increased to RM47.86 million from RM33.01 million while its margin increased to 33.9% from 31.8%. The improved revenue was principally contributed by the growth in the number of outlets and increase in footfall upon relaxation of the full lockdown by government.

There was an increase in administration expenses from RM7.81 million to RM8.97 million, which was an increase of RM1.16 million or 14.8%. This was attributed to the continual addition of new talents, and cost of marketing materials to promote the new retail brands, new products and the sixty six (66) new CU stores launched over the most recent two quarters. Selling and distribution expenses increased from RM20.76 million to RM30.26 million, which was an increase of RM9.50 million or 45.8%. This was mainly due to the increase in number of CU outlets and longer operating hours brought about by the lifting of full lockdown. Meanwhile, other expenses increased by RM3.70 million or 26.5% from RM13.95 million to RM17.65 million. The increase was mainly due to the increase in depreciation of property, plant and equipment of RM1.57 million, depreciation of right-of-use assets of RM1.03 million and property, plant and equipment written off of RM0.94 million. For finance costs, the amount increased by RM0.76 million or 48.9%, from RM1.55 million to RM2.03 million. The increase was mainly due to the increase in interest expense on lease liabilities from RM0.95 million in the preceding year's corresponding quarter to RM1.37 million.

In summary, at a loss before taxation of RM11.38 million, Mynews second quarter 2022 performance has improved marginally over the corresponding quarter of year 2021 despite the fact that the one-year old CU business was still undergoing the painstaking gestation period and the aggressive opening of new stores has also crimped the bottom line. The increase in retail sales positively benefited the FPC's performance, which resulted in a reduction of the loss from RM3.16 million to RM2.49 million. The jointly controlled entity, WH Smith, brought in a lesser share of loss of RM0.33 million in the current quarter as compared to RM0.60 million in the preceding year quarter. The improvement was due to the opening of international borders and lifting of travel restrictions in the last month (April) of the current quarter

The improved quarterly performance translated to the earnings before interest, tax, depreciation and amortisation (EBITDA) of RM8.02 million as compared to RM4.12 million in the preceding year corresponding quarter, an improvement of 94.5%.

B2 MATERIAL CHANGE IN THE PROFIT/(LOSS) BEFORE TAXATION FOR THE CURRENT QUARTER AS COMPARED WITH THE IMMEDIATELY PRECEDING QUARTER

Revenue for the current quarter of RM141.10 million improved by RM1.66 million or 1.2% as compared to that of the immediately preceding quarter of RM139.44 million. Gross profit increased by RM4.62 million or 10.7% while the average gross profit margin increased to 33.9% from 31.0%. This increase in margin is mainly attributed to better margin from CU operation and better inventory wastages control.

NOTES TO INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 APRIL 2022 (Cont'd)

B. COMPLIANCE WITH APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (Cont'd)**B2 MATERIAL CHANGE IN THE PROFIT/(LOSS) BEFORE TAXATION FOR THE CURRENT QUARTER AS COMPARED WITH THE IMMEDIATELY PRECEDING QUARTER (Cont'd)**

The current quarter's administration expenses increased by RM0.72 million or 8.7%, as compared to RM8.25 million in the immediately preceding quarter. This increase was mainly attributed to the addition of new talents and revision of salaries. As for selling and distribution expenses, the amount increased by RM3.11 million or 11.4%, from RM27.15 million to RM30.26 million. This increase was mainly attributed to the increase in the total number of CU outlets to 66 as at the end of the current quarter. Other expenses increased by RM2.37 million or 15.5%, from RM15.28 million to RM17.65 million. The increase was mainly due to the increase in depreciation of right-of-use assets and property, plant and equipment written off by RM1.66 million and RM0.67 million respectively.

Loss before taxation for the current quarter increased by RM2.60 million or 29.7% to RM11.38 million as compared to the immediately preceding quarter of RM8.77 million. The increase in retail revenue and gross profit margin was offset by the additional costs incurred in establishing and promoting the CU business as twenty-six (26) new CU stores were launched in several states during the quarter, and the business was still undergoing the period of gestation. The FPC's performance was impacted during the month of Ramadan, with the loss increased to RM2.49 million from RM2.00 million in the immediately preceding quarter.

Earnings before interest, tax, depreciation and amortisation (EBITDA) decreased slightly to RM8.02 million in current quarter from RM8.12 million in the immediately preceding quarter.

B3 PROSPECTS

Since the opening of the first CU outlet on 1 April 2021 to date, the Group managed to launch ninety-five (95) CU outlets while traversing through the difficult pandemic time. The current number of myNEWS outlets stood at 463 and it is growing as new ones are built to gradually regain the number that was scrapped during the pandemic. With the anticipated improvement in business performance contributed by the increasing number of outlets and post-pandemic customers footfall, along with the better utilisation of the FPC, the rejuvenated WH Smith stores business brought about by the reopening of international borders and the improvement in gross margin, we are hopeful of a turnaround in the financial performance in the near future, barring any unforeseen circumstances.

Although Mynews group's consecutive quarterly earnings since the beginning of the pandemic have been affected by the challenging situation, the Group continues to expand its operations. We are hopeful that the current uneven recovery of the different components of our business will be mitigated by our increasing effort to reduce costs and wastages as well as to shorten the gestation period of the CU business. We believe that all the components, which are cohesively related to the main retail business, will continue to grow steadily in the post pandemic environment.

NOTES TO INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 APRIL 2022 (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

	Current Quarter 3 months ended		Cumulative Quarter 6 months ended	
	30 Apr 2022 RM'000	30 Apr 2021 RM'000	30 Apr 2022 RM'000	30 Apr 2021 RM'000
Loss before tax is arrived at after charging:				
Amortisation of intangible asset	104	35	208	35
Depreciation of property, plant and equipment	7,018	5,185	13,855	11,011
Depreciation of right-of-use assets	9,970	8,811	18,283	17,388
Property, plant and equipment written off	1,307	363	1,946	486
Interest expense	2,303	1,547	3,941	3,196
Net loss on disposal of property, plant and equipment	12	154	157	180
And after crediting:				
Interest Income	(47)	(18)	(92)	(59)
Dividend income from other investments	-	(9)	(1)	(29)

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

B6 TAX EXPENSE

	Current Quarter 3 months ended		Cumulative Quarters 6 months ended	
	30 Apr 2022 RM'000	30 Apr 2021 RM'000	30 Apr 2022 RM'000	30 Apr 2021 RM'000
Current tax:				
Provision for current period	65	424	131	887
Overprovision in prior year	-	(9)	-	(9)
Deferred tax:				
Overprovision in prior year	-	-	-	(5)
Total tax expense	65	415	131	873

Tax expense is recognised based on management's best estimates.

NOTES TO INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 APRIL 2022 (Cont'd)
B. COMPLIANCE WITH APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (Cont'd)
B7 STATUS OF CORPORATE PROPOSAL

There was no corporate proposal during the period under review.

B8 BORROWINGS AND DEBT SECURITIES

The Group's borrowings as at 30 April 2022 are as follows:

	Unaudited As at 30 Apr 2022 RM'000	Audited As at 31 Oct 2021 RM'000
Short term borrowings – Secured		
Term loans	2,161	2,157
Revolving credit	26,455	13,455
Supplier financing	9,807	9,808
Banker acceptance	4,245	-
	42,668	25,420
Long term borrowings – Secured		
Term loans	23,717	24,799
Revolving credit	18,788	20,766
	42,505	45,565
Total borrowings – Secured		
Term loans	25,878	26,956
Revolving credit	45,243	34,221
Supplier financing	9,807	9,808
Banker acceptance	4,245	-
	85,173	70,985

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

B9 MATERIAL LITIGATION

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

B10 DIVIDEND

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

NOTES TO INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 APRIL 2022 (Cont'd)
B. COMPLIANCE WITH APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (Cont'd)
B11 EARNINGS PER SHARE

	Current Quarter 3 months ended		Cumulative Quarters 6 months ended	
	30 Apr 2022 RM'000	30 Apr 2021 RM'000	30 Apr 2022 RM'000	30 Apr 2021 RM'000
Loss attributable to owners of the Company (RM'000)	(10,223)	(10,320)	(18,082)	(19,260)
Number of ordinary shares in issue ('000)	<u>682,154</u>	<u>682,154</u>	<u>682,154</u>	<u>682,154</u>
Basic Loss per share (sen)	<u>(1.50)</u>	<u>(1.51)</u>	<u>(2.65)</u>	<u>(2.82)</u>

The basic loss per share is computed based on the loss attributable to the owners of the Company divided by the number of ordinary shares in issue 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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