

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 third quarter ended 31 July 2023. This report should be read in conjunction with its audited financial statements for the financial year ended 31 October 2022 and the accompanying notes attached to the interim financial report.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE THIRD QUARTER ENDED 31 JULY 2023
i) Current quarter and financial year to date

	Current Quarter 3 months ended				Cumulative Quarters 9 months ended			
	31 July 2023 RM'000	31 July 2022 RM'000	Changes Fav/(Unfav) RM'000 %		31 July 2023 RM'000	31 July 2022 RM'000	Changes Fav/(Unfav) RM'000 %	
Revenue	185,786	170,200	15,586	9.2	544,076	450,732	93,344	20.7
Cost of sales	(119,980)	(109,647)	(10,333)	(9.4)	(356,185)	(299,084)	(57,101)	(19.1)
Gross profit	65,806	60,553	5,253	8.7	187,891	151,648	36,243	23.9
Other income	437	249	188	75.5	1,950	884	1,066	120.6
Administration expenses	(8,937)	(8,032)	(905)	(11.3)	(26,476)	(25,372)	(1,104)	(4.4)
Selling and distribution expenses	(36,887)	(33,472)	(3,415)	(10.2)	(107,821)	(90,889)	(16,932)	(18.6)
Other expenses	(19,675)	(19,772)	97	0.5	(58,334)	(52,694)	(5,640)	(10.7)
Finance costs	(2,779)	(2,286)	(493)	(21.6)	(8,356)	(6,227)	(2,129)	(34.2)
Share of profit in jointly controlled entity	798	422	376	89.1	1,472	165	1,307	792.1
Loss before tax	(1,237)	(2,338)	1,101	47.1	(9,674)	(22,485)	12,811	57.0
Tax expense	(2,030)	(60)	(1,970)	(3,283.3)	(5,807)	(191)	(5,616)	(2,940.3)
Net loss for the period	(3,267)	(2,398)	(869)	(36.2)	(15,481)	(22,676)	7,195	31.7

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE THIRD QUARTER ENDED
31 JULY 2023 (Cont'd)**
i) Current quarter and financial year to date (Cont'd)

	Current Quarter 3 months ended				Cumulative Quarters 9 months ended			
	31 July 2023 RM'000	31 July 2022 RM'000	Changes Fav/(Unfav) RM'000	%	31 July 2023 RM'000	31 July 2022 RM'000	Changes Fav/(Unfav) RM'000	%
Net loss attributable to:								
Owners of the Company	(2,161)	(1,454)	(707)	(48.6)	(11,651)	(19,536)	7,885	40.4
Non-controlling interest	(1,106)	(944)	(162)	(17.2)	(3,830)	(3,140)	(690)	(22.0)
	<u>(3,267)</u>	<u>(2,398)</u>	<u>(869)</u>	<u>(36.2)</u>	<u>(15,481)</u>	<u>(22,676)</u>	<u>7,195</u>	<u>31.7</u>
Total comprehensive loss attributable to:								
Owners of the Company	(2,161)	(1,454)	(707)	(48.6)	(11,651)	(19,536)	7,885	40.4
Non-controlling interest	(1,106)	(944)	(162)	(17.2)	(3,830)	(3,140)	(690)	(22.0)
	<u>(3,267)</u>	<u>(2,398)</u>	<u>(869)</u>	<u>(36.2)</u>	<u>(15,481)</u>	<u>(22,676)</u>	<u>7,195</u>	<u>31.7</u>
Basic loss per ordinary share (sen) (Note B11)	<u>(0.32)</u>	<u>(0.21)</u>			<u>(1.70)</u>	<u>(2.86)</u>		

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**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THIRD QUARTER ENDED 31 JULY 2023 (Cont'd)**
ii) Current quarter compared with immediately preceding quarter

	Current Quarter 31 July 2023	Immediately Preceding Quarter 30 Apr 2023	Changes Fav/(Unfav)	
	RM'000	RM'000	RM'000	%
Revenue	185,786	174,196	11,590	6.7
Cost of sales	(119,980)	(114,405)	(5,575)	(4.9)
Gross profit	65,806	59,791	6,015	10.1
Other income	437	1,041	(604)	(58.0)
Administration expenses	(8,937)	(8,963)	26	0.3
Selling and distribution expenses	(36,887)	(35,475)	(1,412)	(4.0)
Other expenses	(19,675)	(19,564)	(111)	(0.6)
Finance costs	(2,779)	(2,804)	25	0.9
Share of profit in jointly controlled entity	798	390	408	104.6
Loss before tax	(1,237)	(5,584)	4,347	77.8
Tax expense	(2,030)	(2,172)	142	6.5
Loss after tax for the period	(3,267)	(7,756)	4,489	57.9
Loss attributable to:				
Owners of the Company	(2,161)	(6,277)	4,116	65.6
Non-controlling interest	(1,106)	(1,479)	373	25.2
	(3,267)	(7,756)	4,489	57.9
Total comprehensive loss attributable to:				
Owners of the Company	(2,161)	(6,277)	4,116	65.6
Non-controlling interest	(1,106)	(1,479)	373	25.2
	(3,267)	(7,756)	4,489	57.9
Loss per ordinary share (sen)	(0.32)	(0.92)		

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 JULY 2023**

	Unaudited 31 July 2023 RM'000	Audited 31 Oct 2022 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	232,206	247,910
Right-of-use assets	201,904	208,491
Intangible asset	3,186	3,498
Investment properties	1,910	5,110
Investment in jointly controlled entity	7,344	6,872
Deferred tax assets	837	837
Lease receivables	302	-
Fixed deposits with licensed banks	267	168
Total non-current assets	447,956	472,886
Current assets		
Inventories	81,073	81,047
Contract assets	10,097	11,756
Trade receivables	608	3,934
Other receivables	24,155	31,628
Amount due from jointly controlled entity	-	80
Lease receivables	97	-
Tax recoverable	5,362	6,213
Fixed Deposits with licensed banks	27,922	768
Cash and bank balances	15,112	11,737
	164,426	147,163
Non-current asset held for sale	3,200	7,678
Total current assets	167,626	154,841
Total assets	615,582	627,727

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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 JULY 2023 (Cont'd)**

	Unaudited 31 July 2023 RM'000	Audited 31 Oct 2022 RM'000
EQUITY AND LIABILITIES		
Equity		
Share capital	229,421	201,581
Revaluation reserve	17,950	17,950
Merger deficit	(45,952)	(45,952)
Retained earnings	34,352	46,003
Equity attributable to owners	235,771	219,582
Non-controlling interests	(1,082)	2,748
Total equity	234,689	222,330
LIABILITIES		
Non-current liabilities		
Provision for restoration costs	8,434	8,440
Bank borrowings	51,645	48,070
Lease liabilities	106,745	115,783
Deferred tax liabilities	12,194	7,100
Loans from corporate shareholders of subsidiaries	4,039	2,951
Total non-current liabilities	183,057	182,344
Current liabilities		
Trade payables	76,258	73,210
Other payables	35,979	62,372
Provision for restoration costs	900	756
Contract liabilities	1,486	1,844
Bank borrowings	35,404	42,432
Lease liabilities	47,505	42,439
Amount due to jointly controlled entity	304	-
Total current liabilities	197,836	223,053
Total liabilities	380,893	405,397
Total equity and liabilities	615,582	627,727
Net assets per share (RM)	0.31	0.33

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE THIRD QUARTER ENDED 31 JULY 2023**

	← 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 2021	201,581	17,950	(45,952)	65,621	239,200	6,729	245,929
Net loss for the year / Total comprehensive loss for the year	-	-	-	(19,618)	(19,618)	(3,981)	(23,599)
As at 31 October 2022	201,581	17,950	(45,952)	46,003	219,582	2,748	222,330
Net loss for the period / Total comprehensive loss for the period	-	-	-	(11,651)	(11,651)	(3,830)	(15,481)
Transactions with owners:							
Issue of ordinary shares	27,840	-	-	-	27,840	-	27,840
As at 31 July 2023	229,421	17,950	(45,952)	34,352	235,771	(1,082)	234,689

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE THIRD QUARTER ENDED 31 JULY 2023**

	Cumulative 9 months ended	
	31 July 2023 RM'000	31 July 2022 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax	(9,674)	(22,485)
Adjustments for:		
Amortisation of intangible asset	312	312
Depreciation of property, plant and equipment	22,208	22,925
Depreciation of right-of-use assets	37,416	28,713
Dividend income from other investments	-	(1)
Gain on modification of leases	(58)	(149)
Interest expense	8,356	6,227
Interest income	(286)	(137)
Inventories written off	3,615	4,718
Inventories wastages	11,659	8,968
Net loss on disposal of property, plant and equipment	49	357
Property, plant and equipment written off	1,010	2,633
Rental rebates	(631)	(1,216)
Share of profit in jointly controlled entity	(1,472)	(165)
Operating profit before working capital changes	72,504	50,700
Changes in working capital:		
Inventories	(15,300)	(26,810)
Receivables	10,799	3,439
Payables	(23,363)	54,181
Jointly controlled entity	384	(40)
Contract assets	1,659	2,026
Contract liabilities	(358)	174
Cash generated from operations	46,325	83,670
Tax refund	652	7
Tax paid	(514)	(1,005)
Net cash generated from operating activities	46,463	82,672

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE THIRD QUARTER ENDED 31 JULY 2023 (Cont'd)**

	Cumulative 9 months ended	
	31 July 2023	31 July 2022
	RM'000	RM'000
CASH FLOWS FROM INVESTING ACTIVITIES		
Dividend income from jointly controlled entity	1,000	-
Dividend income from other investments	-	1
Income from lease receivables	56	-
Interest received	286	137
Net proceeds from disposal of investment property	7,678	-
Proceeds from disposal of property, plant and equipment	11	56
Purchase of property, plant and equipment	(7,574)	(66,394)
Placement of fixed deposits	-	(21)
Upliftment of fixed deposits	669	-
Upliftment of funds in other investments	-	176
Net cash from/(used in) investing activities	2,126	(66,045)
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of bank borrowings	48,833	37,142
Interest paid	(8,250)	(6,227)
Loan from corporate shareholder of a subsidiary	1,000	-
Payment of lease liabilities	(34,428)	(27,771)
Proceeds from issue of share capital (net)	27,840	-
Repayment of bank borrowings	(52,287)	(23,714)
Net cash used in financing activities	(17,292)	(20,570)
CASH AND CASH EQUIVALENTS		
Net increase/(decrease) in cash and cash equivalents	31,297	(3,943)
Cash and cash equivalents at 1 November	11,737	15,336
Cash and cash equivalents at 31 July	43,034	11,393
Reconciliation of cash and cash equivalents:		
Cash and bank balances	15,112	11,393
Fixed Deposits with licensed banks	28,189	922
	43,301	12,315
Less: Fixed deposits pledged to licensed banks	-	(167)
Less: Fixed deposits with maturity more than 3 months	(267)	(755)
	43,034	11,393

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NOTES TO INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 31 JULY 2023**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, Korean CU CVS, SUPERVALUE minimart and WHSmith travel retail. 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 2022.

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 2022. 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 2022.

A5 SEASONAL OR CYCLICAL FACTORS

The Group does not experience any material seasonality in sales.

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NOTES TO INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 31 JULY 2023 (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**

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

Saved as disclosed in Note B7, 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 THIRD QUARTER ENDED 31 JULY 2023 (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 31 July 2023				
Revenue				
External	543,645	431	-	544,076
Inter-segment	-	41,021	(41,021)	-
Revenue	543,645	41,452	(41,021)	544,076
Results				
Amortisation of intangible asset	312	-	-	312
Depreciation of property, plant and equipment	20,769	1,439	-	22,208
Depreciation of right-of-use assets	36,097	3,610	(2,291)	37,416
Interest income	(262)	(24)	-	(286)
Interest expense	8,559	1,620	(1,823)	8,356
Loss on disposal of property, plant and equipment	49	-	-	49
Property, plant and equipment written off	1,010	-	-	1,010
Share of results in jointly controlled entity	(1,472)	-	-	(1,472)
Loss before tax	(1,254)	(7,816)	(604)	(9,674)
Tax	(5,807)	-	-	(5,807)
Loss after tax	(7,061)	(7,816)	(604)	(15,481)

NOTES TO INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 31 JULY 2023 (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 31 July 2023.

RM'000

Corporate guarantee given to:

- financial institutions in respect of banking and lease facilities granted to subsidiaries	92,983
- landlords for rental of premises	1,137
	94,120

A14 CAPITAL COMMITMENTS

The capital commitments of the Group as at 31 July 2023 were as follows:

RM'000

Authorised and contracted for:

- Property, plant and equipment	4,089
	4,089

A15 PROPERTY, PLANT AND EQUIPMENT

For the nine (9) months ended 31 July 2023, the Group acquired assets at the cost of RM7.57 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 THIRD QUARTER ENDED 31 JULY 2023 (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		9 months ended	
	31 July 2023 RM'000	31 July 2022 RM'000	31 July 2023 RM'000	31 July 2022 RM'000
Transactions with jointly controlled entity				
Management fees income	196	98	453	175
Warehouse and storage fee	108	108	324	324
Administration fee	2	2	7	9
Trade sales	169	-	245	-
Transactions with related parties				
Advertising & promotion income	49	79	189	186
Trade purchases	1,455	1,309	4,668	3,240
Trade sales	65	-	156	-
Office rental income	3	3	9	9
Royalty and license fees expenses	53	34	132	87
Technical support expenses	75	67	230	201
Staff secondment	69	63	203	187
Interest expenses	51	8	129	13

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NOTES TO INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 31 JULY 2023 (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 31 July 2023, Mynews recorded a revenue of RM185.79 million, an increase of RM15.59 million or 9.2% over the preceding year's corresponding quarter. At the same time the number of outlets increased by 20 from 573 to 593. Gross profit increased by RM5.25 million or 8.7% from RM60.55 million to RM65.81 million, while its margin dropped a little from 35.6% to 35.4%. The revenue increase was principally contributed by the increase in number of outlets and improvement in the overall in-store sales. Other income increased by RM0.19 million which was partly contributed by the interest income of RM0.07 million.

With the increase in business volume and activities, selling and distribution expenses increased from RM33.47 million to RM36.89 million, an increase of RM3.42 million or 10.2%. Meanwhile, administration expenses increased by RM0.91 million or 11.3% from RM8.03 million to RM8.94 million, mainly due to the increase of approximately RM1.10 million in HQ staff cost. Finance costs increased by RM0.49 million or 21.6%, from RM2.29 million to RM2.78 million. This was mainly attributed to the increase in interest expense caused by the increase in lease liabilities from RM1.49 million to RM1.66 million; and the increase in bank interest charges caused by the additional RM2.64 million bank borrowings, from RM84.41 million in the preceding year's corresponding quarter to RM87.05 million in the current quarter.

In summary, at a loss before taxation of RM1.24 million, the current quarter performance has improved significantly by 47.1% compared to RM2.34 million loss in the corresponding quarter of the preceding year. The improved performance translated to an improved earnings before interest, tax, depreciation (inclusive of the depreciation of right-of-use assets) and amortization (EBITDA) of RM21.45 million as compared to RM19.55 million.

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

The current quarter revenue of RM185.79 million was an increase of RM11.59 million or 6.7% as compared to that of the immediately preceding quarter of RM174.20 million. Gross profit increased by RM6.02 million or 10.1%. As there was no external factor affecting the sales in the current quarter as compared to the month of Ramadhan in the immediately preceding quarter, the average gross profit margin improved to 35.4% from 34.3%.

In the current quarter, there was a decrease of RM0.60 million in other income, mainly due to the government's Hiring Incentive Programme of RM0.42 million and net gain on disposal of investment property of RM0.15 million in the immediately preceding quarter. The selling and distribution expenses of RM36.89 million is an increase of RM1.41 million or 4.0%, as compared to RM35.48 million. This was mainly due to increase in utilities cost of RM0.58 million and lease rental of RM0.55 million which was not within the scope of MFRS16.

NOTES TO INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 31 JULY 2023 (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)**

Loss before taxation decreased by RM4.35 million to RM1.24 million as compared to RM5.58 million. The FPC's performance has improved, with the loss decreased to RM2.26 million from RM3.02 million.

Earnings before interest, tax, depreciation (inclusive the depreciation of right-of-use assets) and amortisation (EBITDA) increased by 23.6% to RM21.45 million from RM17.35 million.

B3 PROSPECTS

Currently, the group operates a total of 612 outlets, made up of 461 myNEWS (including SUPERVALUE), 132 CU and 19 WHSmith outlets. The rate of growth in the number of new stores will be carefully managed against the current volatile economic environment. We expect the sales performance to improve driven by the growing store network and ongoing efforts in increasing the in-store sales through improving product mix and retail strategy. We expect the production volume of the FPC to grow in tandem with the increasing retail revenue at the front-end. Meanwhile, the recovery of the air travel industry continues to boost the performance of WH Smith stores which are located in the airports in the country.

During the current quarter, the group has successfully rebranded, repositioned and upgraded its myNEWS SUPERVALUE concept. It has been rebranded to SUPERVALUE without "myNEWS" as prefix, for clearer differentiation with myNEWS CVS. The concept has been repositioned from being a larger CVS store to a minimart which is classified under the general trade segment. It has been upgraded to a larger store, with larger assortment of essential household items sold at lower prices. To date, 5 out of 17 myNEWS SUPERVALUE stores have been renovated and realigned to the new SUPERVALUE concept. Due to their suitability, 14 myNEWS CVS have also been converted to SUPERVALUE. The group expects the remaining 12 myNEWS SUPERVALUE stores to be fully renovated to the new concept by this calendar year end thereby ending the year with 31 SUPERVALUE minimarts. With this successful realignment, moving forward, the group will continue to grow this minimart network to improve revenue performance and serve the communities better, especially in the residential areas.

Through innovation, the group has established an array of store concepts for its core retail business. The concepts are positioned according to their suitability at selected locations. myNEWS CVS is a popular grab-and-go convenience store that can go many places, CU is a food centric Korean concept CVS that attracts the young and the K-culture followers, WHSmith is a popular air travel retail store and SUPERVALUE is an upcoming neighbourhood minimart.

The management expects the profitability in the short-term to improve but gradually owing to the volatility of the economic environment, increasing cost of business caused by inflation and the young CU business that has yet to breakeven. In spite of the challenges, the management remains confident and optimistic of the longer term prospects underpinned by the strong retail brands, driven by internal talents that are relentless in improving and innovating the business and supported by essential infrastructure and technology that have been built over the years.

NOTES TO INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 31 JULY 2023 (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 9 months ended	
	31 July 2023 RM'000	31 July 2022 RM'000	31 July 2023 RM'000	31 July 2022 RM'000
Loss before tax is arrived at after charging:				
Amortisation of intangible asset	104	104	312	312
Depreciation of property, plant and equipment	7,438	9,070	22,208	22,925
Depreciation of right-of-use assets	12,368	10,430	37,416	28,713
Property, plant and equipment written off	649	687	1,010	2,633
Interest expense	2,779	2,286	8,356	6,227
Net loss on disposal of property, plant and equipment	-	200	49	357
And after crediting:				
Dividend income from other investments	-	-	-	(1)
Net gain on disposal of investment property	-	-	(150)	-
Interest Income	(114)	(45)	(286)	(137)

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 9 months ended	
	31 July 2023 RM'000	31 July 2022 RM'000	31 July 2023 RM'000	31 July 2022 RM'000
Current tax:				
Provision for current period	478	64	772	195
Over provision in prior year	(59)	(3)	(59)	(3)
Deferred tax:				
Provision for current period	1,611	-	5,094	-
Over provision in prior year	-	(1)	-	(1)
Total tax expense	<u>2,030</u>	<u>60</u>	<u>5,807</u>	<u>191</u>

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

NOTES TO INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 31 JULY 2023 (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

Save as disclosed below, there are no announced corporate proposals that are not completed during the period under review.

On 27 June 2023, the Company announced to undertake a placement of up to 68,200,000 new Mynews Shares ("Placement Shares"), representing not more than 10% of the total number of issued Mynews Shares in the Company ("Proposed Placement"). Bursa Securities has, vide its letter dated 7 July 2023, approved the listing and quotation of up to 68,200,000 Placement Shares on the Main Market of Bursa Securities.

The issue price of RM0.41 per Placement Share represents a discount of approximately 7.18% to the 5-day volume-weighted average price ("VWAP") of Mynews Shares and the Placement raised gross proceeds of RM27.96 million which was completed on 13 July 2023.

Utilisation of Proceeds from Private Placement as at 31 July 2023 are as follows:

Description of use of proceeds	Estimated timeframe for use of proceeds from the listing date of the Placement Shares	Amount RM'000	Actual Utilisation RM'000	Balance to be utilised RM'000
Capital expenditure	Within 12 months	22,880	-	22,880
Working capital	Within 12 months	4,952	3	4,949
Defray estimated expenses relating to the Proposed Placement	Within 2 months	130	122	8
Total		27,962	125	27,837

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NOTES TO INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 31 JULY 2023 (Cont'd)
B. COMPLIANCE WITH APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (Cont'd)
B8 BORROWINGS AND DEBT SECURITIES

The Group's borrowings as at 31 July 2023 are as follows:

	Unaudited As at 31 July 2023 RM'000	Audited As at 31 Oct 2022 RM'000
Short term borrowings – Secured		
Term loans	1,860	2,172
Revolving credit	18,750	22,840
Supplier financing	8,841	10,361
Banker acceptance	5,953	7,059
	35,404	42,432
Long term borrowings – Secured		
Term loans	20,897	22,639
Revolving credit	30,748	25,431
	51,645	48,070
Total borrowings – Secured		
Term loans	22,757	24,811
Revolving credit	49,498	48,271
Supplier financing	8,841	10,361
Banker acceptance	5,953	7,059
	87,049	90,502

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

The Board of Directors of Mynews is pleased to announce that a single tier interim dividend of 0.5 sen per share in respect of the year ending 31 October 2023, amounting to RM3,751,770.

The above dividend payment date, entitlement date and all other relevant information shall be announced at a later date.

NOTES TO INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 31 JULY 2023 (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 9 months ended	
	31 July 2023 RM'000	31 July 2022 RM'000	31 July 2023 RM'000	31 July 2022 RM'000
Loss attributable to owners of the Company (RM'000)	(2,161)	(1,454)	(11,651)	(19,536)
Weighted average number ordinary shares in issue ('000)	<u>685,517</u>	<u>682,154</u>	<u>685,517</u>	<u>682,154</u>
Basic Loss per share (sen)	<u>(0.32)</u>	<u>(0.21)</u>	<u>(1.70)</u>	<u>(2.86)</u>

The basic loss per share is computed based on the loss attributable to the owners of the Company divided by the weighted average 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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