

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 fourth quarter ended 31 October 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 FOURTH QUARTER ENDED 31 OCTOBER 2023**
**i) Current quarter and financial year to date**

	Current Quarter 3 months ended				Cumulative Quarters 12 months ended			
	31 Oct 2023 RM'000	31 Oct 2022 RM'000	Changes Fav/(Unfav) RM'000	%	31 Oct 2023 RM'000	31 Oct 2022 RM'000	Changes Fav/(Unfav) RM'000	%
<b>Revenue</b>	186,164	180,601	5,563	3.1	730,240	631,333	98,907	15.7
Cost of sales	(118,173)	(119,801)	1,628	1.4	(474,358)	(418,885)	(55,473)	(13.2)
<b>Gross profit</b>	67,991	60,800	7,191	11.8	255,882	212,448	43,434	20.4
Other income	2,330	2,073	257	12.4	4,280	2,957	1,323	44.7
Administration expenses	(9,456)	(7,735)	(1,721)	(22.2)	(35,932)	(33,107)	(2,825)	(8.5)
Selling and distribution expenses	(35,391)	(35,993)	602	1.7	(143,212)	(126,882)	(16,330)	(12.9)
Other expenses	(20,903)	(15,790)	(5,113)	(32.4)	(79,237)	(68,484)	(10,753)	(15.7)
Finance costs	(2,916)	(2,591)	(325)	(12.5)	(11,272)	(8,818)	(2,454)	(27.8)
Share of profit in jointly controlled entity	742	668	74	11.1	2,214	833	1,381	165.8
<b>Profit/(Loss) before tax</b>	2,397	1,432	965	67.4	(7,277)	(21,053)	13,776	65.4
Tax expense	(2,317)	(2,355)	38	1.6	(8,124)	(2,546)	(5,578)	(219.1)
<b>Net profit/(loss) for the period/year</b>	80	(923)	1,003	108.7	(15,401)	(23,599)	8,198	34.7
<b>Other comprehensive income</b>								
Revaluation surplus on land and buildings, net of tax	5,606	-	5,606	100.0	5,606	-	5,606	100.0
<b>Total comprehensive income/(loss)</b>	5,686	(923)	6,609	716.0	(9,795)	(23,599)	13,804	58.5

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

	Current Quarter				Cumulative Quarters			
	3 months ended		Changes		12 months ended		Changes	
	31 Oct 2023 RM'000	31 Oct 2022 RM'000	Fav/(Unfav) RM'000	%	31 Oct 2023 RM'000	31 Oct 2022 RM'000	Fav/(Unfav) RM'000	%
<b>Net profit/(loss)</b>								
<b>attributable to:</b>								
Owners of the Company	947	(82)	1,029	1,254.9	(10,704)	(19,618)	8,914	45.4
Non-controlling interest	(867)	(841)	(26)	(3.1)	(4,697)	(3,981)	(716)	(18.0)
	<u>80</u>	<u>(923)</u>	<u>1,003</u>	<u>108.7</u>	<u>(15,401)</u>	<u>(23,599)</u>	<u>8,198</u>	<u>34.7</u>
<b>Total comprehensive income/(loss)</b>								
<b>attributable to:</b>								
Owners of the Company	6,553	(82)	6,635	8,091.5	(5,098)	(19,618)	14,520	74.0
Non-controlling interest	(867)	(841)	(26)	(3.1)	(4,697)	(3,981)	(716)	(18.0)
	<u>5,686</u>	<u>(923)</u>	<u>6,609</u>	<u>716.0</u>	<u>(9,795)</u>	<u>(23,599)</u>	<u>13,804</u>	<u>58.5</u>
<b>Basic earnings/(loss) per ordinary share (sen)</b>								
<b>(Note B11)</b>	<u>0.13</u>	<u>(0.01)</u>			<u>(1.52)</u>	<u>(2.88)</u>		

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

	Current Quarter 31 Oct 2023	Immediately Preceding Quarter 31 July 2023	Changes Fav/(Unfav)	
	RM'000	RM'000	RM'000	%
<b>Revenue</b>	186,164	185,786	378	0.2
Cost of sales	(118,173)	(119,980)	1,807	1.5
<b>Gross profit</b>	67,991	65,806	2,185	3.3
Other income	2,330	437	1,893	433.2
Administration expenses	(9,456)	(8,937)	(519)	(5.8)
Selling and distribution expenses	(35,391)	(36,887)	1,496	4.1
Other expenses	(20,903)	(19,675)	(1,228)	(6.2)
Finance costs	(2,916)	(2,779)	(137)	(4.9)
Share of profit in jointly controlled entity	742	798	(56)	(7.0)
<b>Profit/(Loss) before tax</b>	2,397	(1,237)	3,634	293.8
Tax expense	(2,317)	(2,030)	(287)	(14.1)
<b>Profit/(Loss) after tax for the period</b>	80	(3,267)	3,347	102.4
<b>Other comprehensive income</b>				
Revaluation surplus on land and buildings, net of tax	5,606	-	5,606	100.0
<b>Total comprehensive income/(loss)</b>	5,686	(3,267)	8,953	274.0
<b>Profit/(Loss) attributable to:</b>				
Owners of the Company	947	(2,161)	3,108	143.8
Non-controlling interest	(867)	(1,106)	239	21.6
	80	(3,267)	3,347	102.4
<b>Total comprehensive income/(loss) attributable to:</b>				
Owners of the Company	6,553	(2,161)	8,714	403.2
Non-controlling interest	(867)	(1,106)	239	21.6
	5,686	(3,267)	8,953	274.0
<b>Basic earnings/(loss) per ordinary share (sen)</b>	0.13	(0.32)		

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

	<b>Unaudited 31 Oct 2023 RM'000</b>	<b>Audited 31 Oct 2022 RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	227,091	247,910
Right-of-use assets	203,701	208,491
Intangible asset	3,082	3,498
Investment properties	8,950	5,110
Investment in jointly controlled entity	7,087	6,872
Deferred tax assets	837	837
Lease receivables	277	-
Fixed deposits with licensed banks	-	168
<b>Total non-current assets</b>	<b>451,025</b>	<b>472,886</b>
<b>Current assets</b>		
Inventories	91,852	81,047
Contract assets	8,781	11,756
Trade receivables	1,714	3,934
Other receivables	27,636	31,628
Amount due from jointly controlled entity	-	80
Lease receivables	99	-
Tax recoverable	1,920	6,213
Fixed Deposits with licensed banks	26,801	768
Cash and bank balances	21,094	11,737
	179,897	147,163
Non-current asset held for sale	-	7,678
<b>Total current assets</b>	<b>179,897</b>	<b>154,841</b>
<b>Total assets</b>	<b>630,922</b>	<b>627,727</b>

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

	<b>Unaudited 31 Oct 2023 RM'000</b>	<b>Audited 31 Oct 2022 RM'000</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	229,417	201,581
Revaluation reserve	23,556	17,950
Merger deficit	(45,952)	(45,952)
Retained earnings	31,547	46,003
<b>Equity attributable to owners</b>	<b>238,568</b>	<b>219,582</b>
Non-controlling interests	(1,949)	2,748
<b>Total equity</b>	<b>236,619</b>	<b>222,330</b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Provision for restoration costs	8,568	8,440
Bank borrowings	49,642	48,070
Lease liabilities	106,700	115,783
Deferred tax liabilities	13,282	7,100
Loans from corporate shareholders of subsidiaries	4,039	2,951
<b>Total non-current liabilities</b>	<b>182,231</b>	<b>182,344</b>
<b>Current liabilities</b>		
Trade payables	84,538	73,210
Other payables	37,872	62,372
Provision for restoration costs	900	756
Contract liabilities	1,133	1,844
Bank borrowings	39,241	42,432
Lease liabilities	48,209	42,439
Amount due to jointly controlled entity	179	-
<b>Total current liabilities</b>	<b>212,072</b>	<b>223,053</b>
<b>Total liabilities</b>	<b>394,303</b>	<b>405,397</b>
<b>Total equity and liabilities</b>	<b>630,922</b>	<b>627,727</b>
<b>Net assets per share (RM)</b>	<b>0.32</b>	<b>0.33</b>

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FOURTH QUARTER ENDED 31 OCTOBER 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		
<b>As at 1 November 2021</b>	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)
<b>As at 31 October 2022</b>	201,581	17,950	(45,952)	46,003	219,582	2,748	222,330
Net loss for the year	-	-	-	(10,704)	(10,704)	(4,697)	(15,401)
Other comprehensive income for the financial year	-	5,606	-	-	5,606	-	5,606
Total comprehensive loss for the year	-	5,606	-	(10,704)	(5,098)	(4,697)	(9,795)
<b>Transactions with owners:</b>							
Dividends to owners of the Company	-	-	-	(3,752)	(3,752)	-	(3,752)
Issue of ordinary shares	27,836	-	-	-	27,836	-	27,836
	27,836	-	-	(3,752)	24,084	-	24,084
<b>As at 31 October 2023</b>	229,417	23,556	(45,952)	31,547	238,568	(1,949)	236,619

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE FOURTH QUARTER ENDED 31 OCTOBER 2023**

	Cumulative 12 months ended	
	31 Oct 2023	31 Oct 2022
	RM'000	RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before tax	(7,277)	(21,053)
Adjustments for:		
Amortisation of intangible asset	416	416
Depreciation of property, plant and equipment	29,553	27,345
Depreciation of right-of-use assets	50,715	40,869
Dividend income from other investments	-	(1)
Fair value gain on investment properties	(417)	(678)
Gain on disposal of investment properties	(889)	-
Gain on disposal of right-of-use assets	-	(70)
Gain on modification of leases	(58)	(154)
Interest expense	11,271	8,818
Interest income	(690)	(204)
Inventories written off	5,099	7,844
Inventories wastages	16,625	13,100
Net loss on disposal of property, plant and equipment	33	364
Property, plant and equipment written off	2,051	2,695
Rental rebates	(783)	(1,719)
Share of profit in jointly controlled entity	(2,214)	(833)
<b>Operating profit before working capital changes</b>	103,435	76,739
Changes in working capital:		
Inventories	(32,529)	(43,213)
Receivables	6,212	1,747
Payables	(16,924)	54,488
Jointly controlled entity	259	(42)
Contract assets	2,975	1,234
Contract liabilities	(711)	319
Cash generated from operations	62,717	91,272
Tax refund	1,488	7
Tax paid	(613)	(1,138)
<b>Net cash generated from operating activities</b>	63,592	90,141

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

	<b>Cumulative 12 months ended</b>	
	<b>31 Oct 2023</b>	<b>31 Oct 2022</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Dividend income from jointly controlled entity	2,000	-
Dividend income from other investments	-	1
Income from lease receivables	85	-
Interest received	690	204
Net proceeds from disposal of investment properties	11,617	-
Proceeds from disposal of right-of-use assets	-	155
Proceeds from disposal of property, plant and equipment	51	60
Purchase of property, plant and equipment	(10,259)	(71,388)
Placement of fixed deposits	-	(34)
Upliftment of fixed deposits	936	-
Upliftment of funds in other investments	-	177
<b>Net cash from/(used in) investing activities</b>	<b>5,120</b>	<b>(70,825)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Drawdown of bank borrowings	60,665	51,990
Interest paid	(11,183)	(8,818)
Loan from corporate shareholder of a subsidiary	1,000	2,951
Payment of lease liabilities	(48,587)	(36,565)
Proceeds from issue of share capital (net)	27,836	-
Repayment of bank borrowings	(62,285)	(32,473)
<b>Net cash used in financing activities</b>	<b>(32,554)</b>	<b>(22,915)</b>
<b>CASH AND CASH EQUIVALENTS</b>		
<b>Net increase/(decrease) in cash and cash equivalents</b>	36,158	(3,599)
<b>Cash and cash equivalents at 1 November</b>	11,737	15,336
<b>Cash and cash equivalents at 31 October</b>	<b>47,895</b>	<b>11,737</b>
<b>Reconciliation of cash and cash equivalents:</b>		
Cash and bank balances	21,094	11,737
Fixed Deposits with licensed banks	26,801	936
	47,895	12,673
Less: Fixed deposits pledged to licensed banks	-	(168)
Less: Fixed deposits with maturity more than 3 months	-	(768)
	47,895	11,737

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**NOTES TO INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 OCTOBER 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 Company owns and operates over 600 retail outlets domestically, including myNEWS, Korea’s CU, the UK’s WHSmith, SUPERVALUE minimart and MARU Coffee. Besides retailing, two of the Company’s subsidiaries, namely, Mynews Kineya Sdn Bhd and Mynews Ryoyupan Sdn Bhd, 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 FOURTH QUARTER ENDED 31 OCTOBER 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**

On 26 September 2023, the Company announced a single-tier interim dividend of 0.5 sen per ordinary share in Mynews Holdings Berhad in respect of the financial year ending 31 October 2023, amounting to RM3,751,770 which was paid on 9 November 2023.

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**NOTES TO INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 OCTOBER 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
<b>For the period ended 31 October 2023</b>				
<b>Revenue</b>				
External	729,524	716	-	730,240
Inter-segment	-	56,889	(56,889)	-
Revenue	729,524	57,605	(56,889)	730,240
<b>Results</b>				
Amortisation of intangible asset	416	-	-	416
Depreciation of property, plant and equipment	27,642	1,911	-	29,553
Depreciation of right-of-use assets	48,947	4,823	(3,055)	50,715
Fair value gain on investment properties	(417)	-	-	(417)
Gain on disposal of investment properties	(889)	-	-	(889)
Interest income	(657)	(33)	-	(690)
Interest expense	11,349	2,145	(2,223)	11,271
Loss on disposal of property, plant and equipment	33	-	-	33
Property, plant and equipment written off	2,051	-	-	2,051
Share of results in jointly controlled entity	(2,214)	-	-	(2,214)
Profit/(Loss) before tax	3,472	(9,586)	(1,163)	(7,277)
Tax	(8,124)	-	-	(8,124)
Loss after tax	(4,652)	(9,586)	(1,163)	(15,401)

**NOTES TO INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 OCTOBER 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 October 2023.

**RM'000**

Corporate guarantee given to:

- financial institutions in respect of banking and lease facilities granted to subsidiaries	94,714
- landlords for rental of premises	1,090
	95,804

**A14 CAPITAL COMMITMENTS**

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

**RM'000**

Authorised and contracted for:

- Property, plant and equipment	6,665
	6,665

**A15 PROPERTY, PLANT AND EQUIPMENT**

For the twelve (12) months ended 31 October 2023, the Group acquired assets at the cost of RM10.26 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 FOURTH QUARTER ENDED 31 OCTOBER 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		12 months ended	
	31 Oct 2023 RM'000	31 Oct 2022 RM'000	31 Oct 2023 RM'000	31 Oct 2022 RM'000
<b>Transactions with jointly controlled entity</b>				
Management fees income	191	109	644	284
Warehouse and storage fee	108	108	432	432
Administration fee	2	2	10	12
Trade sales	213	-	458	-
Dividend income	1,000	-	2,000	-
<b>Transactions with related parties</b>				
Advertising & promotion income	39	53	228	238
Trade purchases	1,582	1,529	6,249	5,308
Trade sales	65	-	222	-
Office rental income	3	3	12	12
Royalty and license fees expenses	61	38	193	125
Technical support expenses	75	72	305	274
Staff secondment	68	63	271	250
Interest expenses	53	27	182	40

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**NOTES TO INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 OCTOBER 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 final quarter ended 31 October 2023, Mynews recorded a revenue of RM186.16 million, an increase of RM5.56 million or 3.1% over the preceding year's corresponding quarter's RM180.60 million. At the same time the number of outlets increased by 6 from 585 to 591. Gross profit increased by RM7.19 million or 11.8% from RM60.80 million to RM67.99 million, while its margin increased from 33.7% to 36.5%. The revenue increase was principally contributed by the increase in number of outlets and improvement in the overall in-store sales. There was an increase in other income by RM0.26 million attributed to the increase in interest income.

Selling and distribution expenses decreased by RM0.60 million or 1.7% from RM35.99 million to RM35.39 million, mainly attributed to lease rental. As the group was preparing for faster growth towards year 2024, administration expenses increased by RM1.72 million or 22.2% from RM7.74 million to RM9.46 million, mainly in HQ staff cost. Other expenses increased by RM5.11 million or 32.4% from RM15.79 million to RM20.90 million. The increase was mainly due to the increase in depreciation of property, plant and equipment of RM2.96 million, depreciation of right-of-use assets of RM1.16 million and property, plant and equipment written off of RM1.10 million. Finance costs increased by RM0.33 million or 12.5%, from RM2.59 million to RM2.92 million. This was mainly due to the increase in interest expense caused by the increase in lease liabilities from RM1.65 million to RM1.77 million, and the increase in bank interest charges consequent of the higher borrowing interest rate.

In summary, at a profit before taxation of RM2.40 million, the current quarter performance has improved significantly by 67.4% compared to RM1.43 million of 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 RM26.06 million; in comparison to the preceding year's RM20.94 million.

**Review of Twelve-month Period Performance**

From the beginning until the end of FY2023, the number of outlets increased by 8, from 585 to 593. The revenue increased by RM98.91 million or 15.7% to RM730.24 million from RM631.33 million. The average GP margin increased by 1.3%, from 33.7% to 35.0%.

There was an increase of RM1.32 million in other income contributed by the gains from disposal of investment properties, renovation discount and interest income. However, this amount was partially offset by the decrease in government's Hiring Incentive Programme to RM0.46 million from RM1.13 million in FY2022.

In preparing for a faster expansion in FY2024 coupled with the ongoing increase in business activities and volume of business, administration expenses increased by RM2.83 million or 8.5%, from RM33.11 million to RM35.93 million, principally due to the addition of human resources. Selling and distribution expenses increased by RM16.33 million or 12.9% in correspondence with the increase in business volume. Other expenses increased by RM10.75 million or 15.7%, from RM68.48 million to RM79.24 million, mainly due to the increase in depreciation of property, plant and equipment of RM2.18 million and depreciation of right-of-use assets of RM9.55 million. Finance costs increased by RM2.45 million or 27.8%, from RM8.82 million to RM11.27 million, mainly due to the increase in interest expense on lease liabilities from RM5.69 million to RM6.86 million and borrowing costs from RM3.09 million to RM4.23 million.

**NOTES TO INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 OCTOBER 2023 (Cont'd)**

**B. COMPLIANCE WITH APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (Cont'd)****B1 REVIEW OF PERFORMANCE (Cont'd)****Review of Twelve-month Period Performance (Cont'd)**

On the full year performance, loss before taxation decreased significantly by RM13.78 million to RM7.28 million from RM21.05 million in the preceding year.

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

The current quarter continued with the increasing trend of the revenue. Revenue ended at RM186.16 million from RM185.79 million in the beginning of the quarter. Gross profit increased by RM2.19 million and the average gross profit margin improved to 36.5% from 35.4%.

There was an increase of RM1.89 million in other income, mainly contributed by the net gain on disposal of investment properties and fair value gain on investment properties. The current quarter's administration expenses increased by RM0.52 million or 5.8% from RM8.94 million to RM9.46 million, mainly due to the increase in HQ staff payroll and related costs. The selling and distribution expenses of RM35.39 million is a decrease of RM1.50 million or 4.1% from RM36.89 million mainly due to decrease in lease rental.

Profit before taxation for the current quarter was RM2.40 million as compared to a loss before taxation of RM1.24 million in the immediately preceding quarter. The FPC's performance continued to improve, with the loss decreased to RM1.77 million from RM2.26 million.

Earnings before interest, tax, depreciation (inclusive the depreciation of right-of-use assets) and amortisation (EBITDA) increased by 21.5% to RM26.06 million from RM21.45 million.

**B3 PROSPECTS**

Mynews performance is improving, from quarter to quarter. Until now, the group is operating a total of 610 outlets, made up of 460 myNEWS (including 26 SUPERVALUE), 131 CU and 19 WHSmith outlets. The rate of growth in the number of new stores will increase in FY2024. Therefore, we expect the sales revenue to grow with the growing store network and ongoing efforts in increasing the in-store sales through improving product mix and retail strategy. At the same time, we expect the performance of the FPC to continue its trend of improvement driven by the increasing sales at the retail front. Meanwhile, the recovery of the air travel industry continues to boost the performance of WH Smith stores which are located within the airports in the country.

Like others, over the last three years Mynews faced challenges brought about by the pandemic, geopolitical tensions and economic crises, all at the same time. But every dark cloud has a silver lining. Today, Mynews has become more versatile and efficient. It is set to flourish again through its five retail brands, namely, myNEWS, Korea's CU, the U.K.'s WHSmith, SUPERVALUE minimart, MARU Coffee.

**NOTES TO INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 OCTOBER 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		Cumulative Quarter	
	3 months ended		12 months ended	
	31 Oct 2023	31 Oct 2022	31 Oct 2023	31 Oct 2022
	RM'000	RM'000	RM'000	RM'000
<b>Profit/(Loss) before tax is arrived at after charging:</b>				
Amortisation of intangible asset	104	104	416	416
Depreciation of property, plant and equipment	7,345	4,420	29,553	27,345
Depreciation of right-of-use assets	13,299	12,156	50,715	40,869
Property, plant and equipment written off	1,041	62	2,051	2,695
Interest expense	2,915	2,591	11,271	8,818
Net (gain)/loss on disposal of property, plant and equipment	(16)	7	33	364
<b>And after crediting:</b>				
Dividend income from other investments	-	-	-	(1)
Fair value gain on investment properties	(417)	(678)	(417)	(678)
Gain on disposal of right-of-use assets	-	(70)	-	(70)
Interest Income	(404)	(67)	(690)	(204)
Net gain on disposal of investment properties	(739)	-	(889)	-

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

**B6 TAX EXPENSE**

	Current Quarter		Cumulative Quarters	
	3 months ended		12 months ended	
	31 Oct 2023	31 Oct 2022	31 Oct 2023	31 Oct 2022
	RM'000	RM'000	RM'000	RM'000
<b>Current tax:</b>				
Provision for current period	2,705	370	3,477	565
(Over)/Under provision in prior year	-	1	(59)	(2)
<b>Deferred tax:</b>				
Provision for current period	(388)	3,042	4,706	3,042
Over provision in prior year	-	(1,058)	-	(1,059)
<b>Total tax expense</b>	<b>2,317</b>	<b>2,355</b>	<b>8,124</b>	<b>2,546</b>

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



**NOTES TO INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 OCTOBER 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 October 2023 are as follows:

Description of use of proceeds	Estimated timeframe for use of proceeds from the listing date of the Placement Shares	Amount	Re-allocation	Actual Utilisation	Balance to be utilised
		RM'000	RM'000	RM'000	RM'000
Capital expenditure	Within 12 months	22,880	-	246	22,634
Working capital	Within 12 months	4,952	4	1,757	3,199
Defray estimated expenses relating to the Proposed Placement	Within 2 months	130	(4) <sup>(i)</sup>	126	-
<b>Total</b>		<b>27,962</b>	<b>-</b>	<b>2,129</b>	<b>25,833</b>

(i) Surplus of RM4,000 (of the RM130,000 allocated for the estimated listing expenses) was re-allocated to the working capital requirements of the Group.

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**NOTES TO INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 OCTOBER 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 October 2023 are as follows:

	<b>Unaudited</b> <b>As at</b> <b>31 Oct 2023</b> <b>RM'000</b>	<b>Audited</b> <b>As at</b> <b>31 Oct 2022</b> <b>RM'000</b>
<b>Short term borrowings – Secured</b>		
Term loans	1,860	2,172
Revolving credit	16,697	22,840
Supplier financing	10,914	10,361
Banker acceptance	9,770	7,059
	39,241	42,432
<b>Long term borrowings – Secured</b>		
Term loans	20,432	22,639
Revolving credit	29,210	25,431
	49,642	48,070
<b>Total borrowings – Secured</b>		
Term loans	22,292	24,811
Revolving credit	45,907	48,271
Supplier financing	10,914	10,361
Banker acceptance	9,770	7,059
	88,883	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**

Saved as disclosed in Note A9, there was no dividend declared or paid during the quarter under review.

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**NOTES TO INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 OCTOBER 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		Cumulative Quarters	
	3 months ended		12 months ended	
	31 Oct	31 Oct	31 Oct	31 Oct
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Profit/(Loss) attributable to owners of the Company (RM'000)	947	(82)	(10,704)	(19,618)
Weighted average number ordinary shares in issue ('000)	<u>702,707</u>	<u>682,154</u>	<u>702,707</u>	<u>682,154</u>
Basic earnings/(loss) per share (sen)	<u>0.13</u>	<u>(0.01)</u>	<u>(1.52)</u>	<u>(2.88)</u>

The basic earnings/(loss) per share is computed based on the profit/(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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