

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 2024. This report should be read in conjunction with its audited financial statements for the financial year ended 31 October 2023 and the accompanying notes attached to the interim financial report.

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FOURTH QUARTER ENDED 31 OCTOBER 2024**
**i) Current quarter and financial year to date**

	Current Quarter 3 months ended				Cumulative Quarters 12 months ended			
	31 Oct 2024 RM'000	31 Oct 2023 RM'000	Changes Fav/(Unfav) RM'000 %		31 Oct 2024 RM'000	31 Oct 2023 RM'000	Changes Fav/(Unfav) RM'000 %	
<b>Revenue</b>	208,444	186,164	22,280	12.0	804,198	730,240	73,958	10.1
Cost of sales	(128,741)	(118,173)	(10,568)	(8.9)	(502,184)	(474,358)	(27,826)	(5.9)
<b>Gross profit</b>	79,703	67,991	11,712	17.2	302,014	255,882	46,132	18.0
Other income	942	2,893	(1,951)	(67.4)	2,767	4,843	(2,076)	(42.9)
Administration expenses	(11,313)	(9,865)	(1,448)	(14.7)	(41,811)	(36,341)	(5,470)	(15.1)
Selling and distribution expenses	(41,567)	(35,390)	(6,177)	(17.5)	(154,892)	(143,211)	(11,681)	(8.2)
Other expenses	(21,544)	(21,059)	(485)	(2.3)	(84,481)	(79,393)	(5,088)	(6.4)
Finance costs	(2,790)	(2,915)	125	4.3	(11,328)	(11,271)	(57)	(0.5)
Share of profit in jointly controlled entity	1,303	742	561	75.6	3,442	2,214	1,228	55.5
<b>Profit/(Loss) before tax</b>	4,734	2,397	2,337	97.5	15,711	(7,277)	22,988	315.9
Tax expense	(893)	(2,317)	1,424	61.5	(7,001)	(8,124)	1,123	13.8
<b>Net profit/(loss) for the period/year</b>	3,841	80	3,761	4,701.3	8,710	(15,401)	24,111	156.6
<b>Other comprehensive income</b>								
Revaluation surplus on land and buildings, net of tax	-	5,605	(5,605)	(100.0)	-	5,605	(5,605)	(100.0)
<b>Total comprehensive income/(loss)</b>	3,841	5,685	(1,844)	(32.4)	8,710	(9,796)	18,506	188.9

THE REST OF THE PAGE HAS BEEN INTENTIONALLY LEFT BLANK

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FOURTH QUARTER ENDED  
31 OCTOBER 2024 (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	31 Oct	Fav/(Unfav)	%	31 Oct	31 Oct	Fav/(Unfav)	%
	2024	2023	RM'000		2024	2023	RM'000	
	RM'000	RM'000	RM'000		RM'000	RM'000	RM'000	
<b>Net profit/(loss)</b>								
<b>attributable to:</b>								
Owners of the Company	3,758	947	2,811	296.8	9,378	(10,704)	20,082	187.6
Non-controlling interest	83	(867)	950	109.6	(668)	(4,697)	4,029	85.8
	<u>3,841</u>	<u>80</u>	<u>3,761</u>	<u>4,701.3</u>	<u>8,710</u>	<u>(15,401)</u>	<u>24,111</u>	<u>156.6</u>
<b>Total comprehensive</b>								
<b>income/(loss)</b>								
<b>attributable to:</b>								
Owners of the Company	3,758	6,552	(2,794)	(42.7)	9,378	(5,099)	14,477	283.9
Non-controlling interest	83	(867)	950	109.6	(668)	(4,697)	4,029	85.8
	<u>3,841</u>	<u>5,685</u>	<u>(1,844)</u>	<u>(32.4)</u>	<u>8,710</u>	<u>(9,796)</u>	<u>18,506</u>	<u>188.9</u>
<b>Basic earnings/(loss) per</b>								
<b>ordinary share (sen)</b>								
<b>(Note B11)</b>	<u>0.50</u>	<u>0.13</u>			<u>1.25</u>	<u>(1.52)</u>		

THE REST OF THE PAGE HAS BEEN INTENTIONALLY LEFT BLANK

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FOURTH QUARTER ENDED 31 OCTOBER 2024 (Cont'd)**
**ii) Current quarter compared with immediately preceding quarter**

	Current Quarter 31 Oct 2024	Immediately Preceding Quarter 31 July 2024	Changes Fav/(Unfav)	
	RM'000	RM'000	RM'000	%
<b>Revenue</b>	208,444	207,465	979	0.5
Cost of sales	(128,741)	(130,191)	1,450	1.1
<b>Gross profit</b>	79,703	77,274	2,429	3.1
Other income	942	488	454	93.0
Administration expenses	(11,313)	(10,644)	(669)	(6.3)
Selling and distribution expenses	(41,567)	(39,392)	(2,175)	(5.5)
Other expenses	(21,544)	(21,378)	(166)	(0.8)
Finance costs	(2,790)	(2,784)	(6)	(0.2)
Share of profit in jointly controlled entity	1,303	913	390	42.7
<b>Profit before tax</b>	4,734	4,477	257	5.7
Tax expense	(893)	(1,835)	942	51.3
<b>Profit after tax for the period</b>	3,841	2,642	1,199	45.4
<b>Profit attributable to:</b>				
Owners of the Company	3,758	2,625	1,133	43.2
Non-controlling interest	83	17	66	388.2
	3,841	2,642	1,199	45.4
<b>Total comprehensive income attributable to:</b>				
Owners of the Company	3,758	2,625	1,133	43.2
Non-controlling interest	83	17	66	388.2
	3,841	2,642	1,199	45.4
<b>Basic earnings per ordinary share (sen)</b>	0.50	0.35		

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 OCTOBER 2024**

	<b>Unaudited 31 Oct 2024 RM'000</b>	<b>Audited 31 Oct 2023 RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	231,956	225,744
Right-of-use assets	191,141	205,048
Intangible asset	2,666	3,082
Investment properties	10,577	8,950
Investment in jointly controlled entity	7,728	7,086
Deferred tax assets	837	837
Lease receivables	202	277
<b>Total non-current assets</b>	<b>445,107</b>	<b>451,024</b>
<b>Current assets</b>		
Inventories	102,370	91,852
Contract assets	14,296	9,150
Trade receivables	10,605	4,583
Other receivables	33,239	27,382
Lease receivables	61	99
Tax recoverable	-	1,920
Fixed Deposits with licensed banks	14,587	26,801
Cash and bank balances	22,659	21,094
<b>Total current assets</b>	<b>197,817</b>	<b>182,881</b>
<b>Total assets</b>	<b>642,924</b>	<b>633,905</b>

THE REST OF THE PAGE HAS BEEN INTENTIONALLY LEFT BLANK

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 OCTOBER 2024 (Cont'd)**

	<b>Unaudited 31 Oct 2024 RM'000</b>	<b>Audited 31 Oct 2023 RM'000</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	229,417	229,417
Revaluation reserve	23,555	23,555
Merger deficit	(45,952)	(45,952)
Retained earnings	37,173	31,547
<b>Equity attributable to owners</b>	<b>244,193</b>	<b>238,567</b>
Non-controlling interests	(2,617)	(1,949)
<b>Total equity</b>	<b>241,576</b>	<b>236,618</b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Provision for restoration costs	9,723	8,568
Bank borrowings	43,260	49,642
Lease liabilities	98,140	106,695
Deferred tax liabilities	12,375	13,282
Loans from corporate shareholders of subsidiaries	5,505	4,039
<b>Total non-current liabilities</b>	<b>169,003</b>	<b>182,226</b>
<b>Current liabilities</b>		
Trade payables	91,839	82,569
Other payables	53,172	42,457
Provision for restoration costs	96	900
Contract liabilities	1,288	1,502
Bank borrowings	39,035	39,241
Lease liabilities	46,876	48,213
Amount due to jointly controlled entity	35	179
Tax payable	4	-
<b>Total current liabilities</b>	<b>232,345</b>	<b>215,061</b>
<b>Total liabilities</b>	<b>401,348</b>	<b>397,287</b>
<b>Total equity and liabilities</b>	<b>642,924</b>	<b>633,905</b>
<b>Net assets per share (RM)</b>	<b>0.32</b>	<b>0.32</b>

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FOURTH QUARTER ENDED 31 OCTOBER 2024**

	← 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 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	-	5,605	-	-	5,605	-	5,605
Total comprehensive income/(loss) for the year	-	5,605	-	(10,704)	(5,099)	(4,697)	(9,796)
<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	23,555	(45,952)	31,547	238,567	(1,949)	236,618
Net profit/(loss) for the year / Total comprehensive income/(loss) for the year	-	-	-	9,378	9,378	(668)	8,710
<b>Transactions with owners:</b>							
Dividends to owners of the Company	-	-	-	(3,752)	(3,752)	-	(3,752)
	-	-	-	(3,752)	(3,752)	-	(3,752)
<b>As at 31 October 2024</b>	229,417	23,555	(45,952)	37,173	244,193	(2,617)	241,576

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE FOURTH QUARTER ENDED 31 OCTOBER 2024**

	Cumulative 12 months ended	
	Unaudited 31 Oct 2024 RM'000	Audited 31 Oct 2023 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit/(Loss) before tax	15,711	(7,277)
Adjustments for:		
Amortisation of intangible asset	416	416
Depreciation of property, plant and equipment	30,581	29,553
Depreciation of right-of-use assets	53,109	50,716
Gain on disposal of investment properties	-	(800)
Gain on disposal of non-current asset held for sale	-	(243)
Loss/(Gain) on modification/termination of leases	8	(49)
Fair value gain on investment properties	-	(418)
Interest expense	11,328	11,271
Interest income	(1,306)	(690)
Inventories written off and wastages	20,412	21,724
Net (gain)/loss on disposal of property, plant and equipment	(13)	33
Property, plant and equipment written off	3,164	2,051
Rental rebates	(907)	(783)
Share of profit in jointly controlled entity	(3,442)	(2,214)
<b>Operating profit before working capital changes</b>	129,061	103,290
Changes in working capital:		
Inventories	(30,930)	(32,529)
Receivables	(11,879)	3,595
Payables	19,975	(14,501)
Jointly controlled entity	(144)	259
Contract assets	(5,146)	2,606
Contract liabilities	(214)	(342)
Cash generated from operations	100,723	62,378
Tax refund	125	1,522
Tax paid	(6,109)	(647)
<b>Net cash generated from operating activities</b>	94,739	63,253

THE REST OF THE PAGE HAS BEEN INTENTIONALLY LEFT BLANK

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE FOURTH QUARTER ENDED 31 OCTOBER 2024 (Cont'd)**

	Cumulative 12 months ended	
	Unaudited 31 Oct 2024 RM'000	Audited 31 Oct 2023 RM'000
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of right-of-use assets	(233)	(218)
Dividend received from jointly controlled entity	2,800	2,000
Income from lease receivables	113	70
Interest received	1,306	690
Proceeds from disposal of investment property	-	4,000
Proceeds from disposal of non-current asset held for sale	-	7,921
Proceeds from disposal of property, plant and equipment	172	48
Purchase of investment property	(1,627)	-
Purchase of property, plant and equipment	(37,139)	(11,924)
Upliftment of fixed deposits	-	936
<b>Net cash (used in)/from investing activities</b>	<b>(34,608)</b>	<b>3,523</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividend paid	(3,752)	-
Drawdown of bank borrowings	78,387	63,112
Interest paid	(11,342)	(11,183)
Loan from corporate shareholders of subsidiaries	1,490	1,000
Payment of lease liabilities	(50,588)	(46,652)
Proceeds from issue of share capital (net)	-	27,836
Repayment of bank borrowings	(84,975)	(64,731)
<b>Net cash used in financing activities</b>	<b>(70,780)</b>	<b>(30,618)</b>
<b>CASH AND CASH EQUIVALENTS</b>		
<b>Net (decrease)/increase in cash and cash equivalents</b>	(10,649)	36,158
<b>Cash and cash equivalents at 1 November</b>	47,895	11,737
<b>Cash and cash equivalents at 31 October</b>	<b>37,246</b>	<b>47,895</b>
<b>Reconciliation of cash and cash equivalents:</b>		
Cash and bank balances	22,659	21,094
Fixed Deposits with licensed banks	14,587	26,801
	<b>37,246</b>	<b>47,895</b>

**THE REST OF THE PAGE HAS BEEN INTENTIONALLY LEFT BLANK**



**NOTES TO INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 OCTOBER 2024****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, with subsidiaries involved mainly in the business of operating retail store chains and fresh food production. The Group owns and operates over 600 retail outlets in Malaysia, under the brand names myNEWS, Korea’s CU, the UK’s WHSmith, SUPERVALUE minimart and MARU Coffee. Two of our subsidiaries partnered with renowned Japanese businesses to operate Kineya Kitchen and Ryoyu Bakery respectively, to produce ready-to-eat meals and bakery products offered at the Group’s retail chains. The production facilities are collectively referred to as the Japanese Food Hub (“JFH”).

**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 2023.

**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 2023. 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 2023.

**A5 SEASONAL OR CYCLICAL FACTORS**

The Group does not experience any material seasonality in sales.

**THE REST OF THE PAGE HAS BEEN INTENTIONALLY LEFT BLANK**

**NOTES TO INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 OCTOBER 2024 (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 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 24 September 2024, 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 2024, amounting to RM3,751,770 which was paid on 8 November 2024.

**THE REST OF THE PAGE HAS BEEN INTENTIONALLY LEFT BLANK**

**NOTES TO INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 OCTOBER 2024 (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.

	<b>Retail RM'000</b>	<b>Manufacturing RM'000</b>	<b>Elimination RM'000</b>	<b>Total RM'000</b>
<b>For the period ended 31 Oct 2024</b>				
<b>Revenue</b>				
External	802,856	1,342	-	804,198
Inter-segment	-	66,364	(66,364)	-
Revenue	802,856	67,706	(66,364)	804,198
<b>Results</b>				
Amortisation of intangible asset	416	-	-	416
Depreciation of property, plant and equipment	28,540	2,041	-	30,581
Depreciation of right-of-use assets	51,703	4,461	(3,055)	53,109
Interest income	(1,262)	(44)	-	(1,306)
Interest expense	13,889	2,033	(4,594)	11,328
Loss/(Gain) on disposal of property, plant and equipment	60	(149)	76	(13)
Property, plant and equipment written off	3,164	-	-	3,164
Share of results in jointly controlled entity	(3,442)	-	-	(3,442)
Profit/(Loss) before tax	21,341	(1,355)	(4,275)	15,711
Tax	(6,991)	(10)	-	(7,001)
Profit/(Loss) after tax	14,350	(1,365)	(4,275)	8,710

**NOTES TO INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 OCTOBER 2024 (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 2024.

**RM'000**

Corporate guarantee given to:

- financial institutions in respect of banking and lease facilities granted to subsidiaries	87,541
- landlords for rental of premises	859
	88,400

**A14 CAPITAL COMMITMENTS**

The capital commitments of the Group as at 31 October 2024 were as follows:

**RM'000**

Authorised and contracted for:

- Property, plant and equipment	3,303
	3,303

**A15 PROPERTY, PLANT AND EQUIPMENT**

For the twelve (12) months ended 31 October 2024, the Group acquired assets at a total cost of RM37.13 million, which comprised principally of properties and the cost of construction and set up, equipment, furniture and fittings for new and revamped outlets.

**THE REST OF THE PAGE HAS BEEN INTENTIONALLY LEFT BLANK**

**NOTES TO INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 OCTOBER 2024 (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 2024 RM'000	31 Oct 2023 RM'000	31 Oct 2024 RM'000	31 Oct 2023 RM'000
<b>Transactions with jointly controlled entity</b>				
Management fees income	223	191	876	644
Warehouse and storage income	108	108	432	432
Administration income	3	2	10	10
Trade sales	312	213	1,150	458
Advertising and promotion income	3	-	8	-
Dividend income	1,600	1,000	2,800	2,000
Sales of equipment	-	-	5	-
<b>Transactions with related parties</b>				
Advertising and promotion income	22	39	146	228
Trade purchases	2,130	1,582	7,465	6,249
Trade sales	18	65	179	222
Office rental income	3	3	12	12
Royalty and license fees expenses	69	61	235	193
Technical support expenses	(7)	75	38	305
Staff secondment expenses	81	68	338	271
Interest expenses	70	53	230	182
Hostel rental expenses	25	-	69	-
Consultancy fee expenses	40	-	500	-
Advertisement expenses	500	-	1,334	-

**THE REST OF THE PAGE HAS BEEN INTENTIONALLY LEFT BLANK**

## NOTES TO INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 OCTOBER 2024 (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 (Q4'24 vs Q4'23)**

Revenue grew by RM22.28 million or 12.0%, from RM186.16 million to RM208.44 million. Gross profit increased by RM11.71 million or 17.2%, from RM67.99 million to RM79.70 million, while the gross profit margin improved by 1.7%, from 36.5% to 38.2%. Contributing factors to the better performance include increase in number of outlets from 591 to 620 and improved in-store sales.

There was a decrease in other income of RM1.95 million, due to no disposal of investment properties, fair value gain on investment properties and renovation discount as compared to the corresponding quarter.

Administration expenses increased by RM1.45 million or 14.7%, from RM9.87 million to RM11.31 million, due to the increase in business volume and activities. Similarly, selling and distribution expenses increased from RM35.39 million to RM41.57 million, an increase of RM6.18 million or 17.5%. Other expenses increased by RM0.49 million or 2.3% from RM21.06 million to RM21.54 million, mainly due to the increase in depreciation of right-of-use assets and depreciation of property, plant and equipment.

Profit before taxation has improved by 97.5%, from a profit of RM2.40 million to RM4.73 million. The improved quarterly performance translated to the earnings before interest, tax, depreciation (inclusive of the depreciation of right-of-use assets) and amortisation (EBITDA) of RM29.06 million as compared to RM26.06 million in the corresponding quarter.

**Review of Twelve-month Period Performance (FY24 vs FY23)**

By the end of FY2024, the number of outlets increased by 30, from 591 to 620. The revenue increased by RM73.96 million or 10.1% to RM804.20 million from RM730.24 million. The average GP margin increased by 2.6%, from 35.0% to 37.6%.

There was a decrease in other income of RM2.08 million due to no disposal of investment properties, fair value gain on investment properties, gain on disposal of non-current asset held for sale and renovation discount as compared to FY2023.

In executing the ongoing network expansion plan, coupled with the ongoing increase in business activities and volume of business, administration expenses increased by RM5.47 million or 15.1%, from RM36.34 million to RM41.81 million. Selling and distribution expenses increased by RM11.68 million or 8.2% in correspondence with the increase in business volume. Other expenses increased by RM5.09 million or 6.4%, from RM79.39 million to RM84.48 million, mainly due to the increase in depreciation of right-of-use assets of RM3.28 million and property, plant and equipment written off of RM1.11 million.

On the full year performance, profit before taxation of RM15.71 million, increased significantly by RM22.99 million, from loss before taxation of RM7.28 million in the preceding year.

**NOTES TO INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 OCTOBER 2024 (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 (Q4'24 vs Q3'24)**

Revenue grew by RM0.98 million or 0.5%, from RM207.47 million to RM208.44 million. Gross profit increased by RM2.43 million, from RM77.27 million to RM79.70 million and the margin increased from 37.2% to 38.2%.

There was an increase in administration expenses of RM0.67 million or 6.3%, from RM10.64 million to RM11.31 million, attributable to the increase in business volume and activities. With the ongoing expansion in the number of outlets, the selling and distribution expenses increased from RM39.39 million to RM41.57 million, an increase of RM2.18 million or 5.5%.

Profit before taxation for the current quarter increased by 5.7% to RM4.73 million from RM4.48 million.

Earnings before interest, tax, depreciation (inclusive the depreciation of right-of-use assets) and amortisation (EBITDA) increased by 2.7% to RM29.06 million from RM28.29 million.

**B3 PROSPECTS**

To date the store count is 644, made up of 482 myNEWS (inclusive of 34 SUPERVALUE), 141 CU, 20 WHSmith and 1 Maru Coffee. The opening of new stores throughout the country is ongoing, while the existing stores are improved and revamped whenever necessary.

The Group has successfully opened the first Maru Coffee standalone store at InterContinental Hotel KL. Maru Coffee concept offers freshly brewed bean-to-cup coffee and a range of hot and cold beverages. With the support of our Japanese Food Hub, delicious food items are available throughout the day to satisfy the cravings of the customers. Utilising the Group's existing capabilities and infrastructures, more Maru Coffee stores will be opened and this signifies the Group's penetration into the coffeehouse business segment to capture the growing coffee market.

The Japanese Food Hub production volume will continue to increase in tandem with the sales growth at the retail front and the non-stop innovation in fresh food products.

With the continuous efforts of expanding its businesses, while committed to operational improvement, the Group expects the sales revenue to continue its upward trend.

**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.

**NOTES TO INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 OCTOBER 2024 (Cont'd)**
**B. COMPLIANCE WITH APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (Cont'd)**
**B5 NOTES TO THE CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	Current Quarter		Cumulative Quarter	
	3 months ended		12 months ended	
	31 Oct 2024	31 Oct 2023	31 Oct 2024	31 Oct 2023
	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	8,086	7,345	30,581	29,553
Depreciation of right-of-use assets	13,349	13,300	53,109	50,716
Property, plant and equipment written off	705	1,041	3,164	2,051
Interest expense	2,790	2,915	11,328	11,271
Net loss/(gain) on disposal of property, plant and equipment	1	(16)	(13)	33
<b>And after crediting:</b>				
Fair value gain on investment property	-	(418)	-	(418)
Gain on disposal of investment property	-	(650)	-	(800)
Gain on disposal of non-current asset held for sale	-	-	-	(243)
Interest Income	(318)	(404)	(1,306)	(690)

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 2024	31 Oct 2023	31 Oct 2024	31 Oct 2023
	RM'000	RM'000	RM'000	RM'000
<b>Current tax:</b>				
Provision for current period/year	779	2,706	7,884	3,478
(Over)/Under provision in prior year	-	(1)	24	(60)
<b>Deferred tax:</b>				
Provision/(Reversal) for current period/year	114	(231)	(907)	4,863
Overprovision in prior year	-	(157)	-	(157)
Total tax expense	893	2,317	7,001	8,124



**NOTES TO INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 OCTOBER 2024 (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 are no announced corporate proposals that are not completed during the period under review.

Utilisation of Proceeds from Private Placement as at 31 October 2024 is as follows:

Description of use of proceeds	Estimated timeframe for use of proceeds from the listing date of the Placement Shares	Amount	Re-	Actual	Balance to
		RM'000	allocation	Utilisation	be utilised
			RM'000	RM'000	RM'000
Capital expenditure	Within 24 months	22,880	-	(9,553)	13,327
Working capital	Within 12 months	4,952	4	(4,956)	-
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>(14,635)</b>	<b>13,327</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.

On 21 June 2024, the Board approved an extension of timeframe for the utilisation of proceeds for another 12 months to 13 July 2025 for the capital expenditure and the change in capex utilisation ratio between Mynews and CU outlets.

**THE REST OF THE PAGE HAS BEEN INTENTIONALLY LEFT BLANK**

**B8 BORROWINGS AND DEBT SECURITIES**

The Group's borrowings as at 31 October 2024 are as follows:

	<b>Unaudited As at 31 Oct 2024 RM'000</b>	<b>Audited As at 31 Oct 2023 RM'000</b>
<b>Short term borrowings – Secured</b>		
Term loans	2,652	1,860
Revolving credit	14,989	16,697
Supplier financing	10,210	10,914
Banker acceptance	11,184	9,770
	<u>39,035</u>	<u>39,241</u>
<b>Long term borrowings – Secured</b>		
Term loans	23,572	20,432
Revolving credit	19,688	29,210
	<u>43,260</u>	<u>49,642</u>
<b>Total borrowings – Secured</b>		
Term loans	26,224	22,292
Revolving credit	34,677	45,907
Supplier financing	10,210	10,914
Banker acceptance	11,184	9,770
	<u>82,295</u>	<u>88,883</u>

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.

**THE REST OF THE PAGE HAS BEEN INTENTIONALLY LEFT BLANK**

**NOTES TO INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 OCTOBER 2024 (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 12 months ended	
	31 Oct 2024 RM'000	31 Oct 2023 RM'000	31 Oct 2024 RM'000	31 Oct 2023 RM'000
Profit/(Loss) attributable to owners of the Company (RM'000)	3,758	947	9,378	(10,704)
Weighted average number ordinary shares in issue ('000)	<u>750,354</u>	<u>750,354</u>	<u>750,354</u>	<u>702,707</u>
Basic earnings/(loss) per share (sen)	<u>0.50</u>	<u>0.13</u>	<u>1.25</u>	<u>(1.52)</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.

**THE REST OF THE PAGE HAS BEEN INTENTIONALLY LEFT BLANK**