

myNEWS

ANNUAL REPORT 2020  
MYNEWS HOLDINGS BERHAD  
201301010004 (1039846-T)



Always  
Welcoming  
Delightfully  
Surprising

MYNEWS HOLDINGS BERHAD | Annual Report 2020

myNEWS

MYNEWS HOLDINGS BERHAD  
201301010004 (1039846-T)

Lot No. 3, Jalan Teknologi 3/1,  
Taman Sains Selangor 1, Seksyen 3,  
PJU 5 Kota Damansara,  
47810 Petaling Jaya, Selangor, Malaysia

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    myNEWS Malaysia

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### COVER RATIONALE


myNEWS aims to be at the forefront in the convenience store category with its promise of always welcoming its customers to the store greeted by friendly staff and a welcoming ambiance.

Customers are always in for delightful surprises in our stores, with exciting promotions and offers, and a satisfying shopping experience.

## 8<sup>th</sup>

### Annual General Meeting

 25 March 2021

 10.00 am.

 **Mynews Holdings Berhad**  
Lot No. 3, Jalan Teknologi 3/1,  
Taman Sains Selangor 1,  
Seksyen 3, PJU 5,  
Kota Damansara,  
47810 Petaling Jaya,  
Selangor Darul Ehsan.

# About Us



**Mynews Holdings Berhad (Mynews)** 201301010004 (1039846-T) aims to be at the forefront in the convenience store category with its promise to be always welcoming and friendly customer service.

Customers are always in for delightful surprises in our stores, with exciting promotions and offers, and a satisfying shopping experience.

## About Us

Mynews has grown from its first print media outlet, MAGBIT that was open in One Utama Shopping Centre on 25 December 1996, into a truly CVS chain. In 1997, "myNEWS.com" brand name was launched with the opening of the first outlet under this name in Mid-Valley Megamall. Currently, the Mynews Group is involved in the following businesses:



### Mynews Retail Sdn Bhd

Convenience store retail chain.

### Mycu Retail Sdn Bhd (FKA Eemerge Incorporated Sdn Bhd)

Operator and Licensee of South Korean CU CVS in Malaysia.

### WH Smith Malaysia Sdn Bhd

Retailer of magazines and convenience items.



### Bison Foods Sdn Bhd

Dine-in Café offering a variety of delightful local favorites.



### Mynews Ryoyupan Sdn Bhd

Production, manufacturing and sales of bakery products.



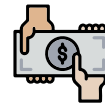
### DKE Technology Sdn Bhd

Information Technology (IT) support services.



### Mynews Management Sdn Bhd

Management services.



### Mynews Kukuh Sdn Bhd

Money changing business.



### Mynews Food Sdn Bhd

Investment holding.



### Mynews Kineya Sdn Bhd

Production, manufacturing and sales of prepared and ready to eat.

In 2012 a 50:50 partnership named WH Smith Malaysia Sdn. Bhd. was formed with WH Smith Travel Ltd (UK) to operate WH Smith outlets in Malaysia's international airports.

In May 2016, myNEWS.com brand name was licensed to two (2) outlets in the Yangon International Airport in Myanmar.

In October 2017, Mynews diversified into fresh food production in order to enhance the fresh food offerings at its stores. Its wholly-owned subsidiary, Mynews Food Sdn Bhd, entered into two separate agreements with Japanese wholly-owned companies GK Asia Sdn Bhd and MRA Bakery Sdn Bhd for the development, supply and sale of Halal ready-to-eat food and baked goods respectively. These joint ventures are able to draw upon more than 50 years of industry experience and expertise from the partners.

In meeting the new norm and changing consumer behaviour brought about by COVID-19 pandemic, Mynews has recently launched a new concept store called myNEWS SUPERVALUE. This is a bigger format store that offers more than just the grab-and-go convenience items. It carries a larger selection of day-to-day essential items to cater for the needs of consumers at selected locations, especially the residential areas.

In October 2020, Mynews unveiled a new tagline for its logo to reinforce its brand positioning as the preferred convenience store in Malaysia, in conjunction with its 24th anniversary celebration. With its new tagline "**Always Welcoming, Delightfully Surprising**", the brand myNEWS will continue to foster a trusting relationship with its customers and loyal members.

In the same month, Mynews through its wholly-owned subsidiary Mycu Retail Sdn Bhd (FKA Eemerge Incorporated Sdn Bhd) inked a licensing agreement with BGF Retail Co. Ltd, to operate CU CVS outlets in Malaysia.

Mynews is relentlessly and consistently changing and improving to bring quality products, convenience and excellent shopping experience to all Malaysians.



# Corporate Information

## BOARD OF DIRECTORS

**DING LIEN BING**, Independent Non-Executive Chairman

**DANG TAI LUK**, Executive Director/ Group Chief Executive Officer

**DANG TAI WEN**, Executive Director/Deputy Group Chief Executive Officer

**DANG TAI HOCK**, Executive Director/ Chief Executive Officer - Food

**SOON DEE HWEE**, Senior Independent Non-Executive Director

**MOHD SUFFIAN BIN SUBOH**, Independent Non-Executive Director

## AUDIT COMMITTEE

### Chairman

Soon Dee Hwee

### Members

Ding Lien Bing

Mohd Suffian Bin Suboh

## REMUNERATION COMMITTEE

### Chairman

Mohd Suffian Bin Suboh

### Members

Ding Lien Bing

Soon Dee Hwee

## NOMINATING COMMITTEE

### Chairman

Ding Lien Bing

### Members

Soon Dee Hwee

Mohd Suffian Bin Suboh

## RISK MANAGEMENT COMMITTEE

### Chairman

Dang Tai Hock

### Members

Ding Lien Bing

Mohd Suffian Bin Suboh

## COMPANY SECRETARY

Lim Fung Sern

(MIA 21288)

## REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS

Lot No.3, Jalan Teknologi 3/1  
Taman Sains Selangor 1  
Seksyen 3, PJU 5, Kota Damansara  
47810 Petaling Jaya  
Selangor Darul Ehsan  
Malaysia  
Tel No. : +603 6158 6000  
Fax No. : +603 6158 6111



## Corporate Information



### SHARE REGISTRAR

Tricor Investor & Issuing House  
Services Sdn Bhd (197101000970/11324-H)  
Unit 32-01, Level 32, Tower A  
Vertical Business Suite  
Avenue 3, Bangsar South  
No.8, Jalan Kerinchi  
59200 Kuala Lumpur  
Tel No. : +603 2783 9299  
Fax No. : +603 2783 9222

### AUDITORS

Grant Thornton Malaysia PLT (AF0737)  
(Member of Grant Thornton  
International Ltd.)  
Chartered Accountants  
Level 11, Sheraton Imperial Court  
Jalan Sultan Ismail  
50250 Kuala Lumpur  
  
Tel No. : +603 2692 4022  
Fax No. : +603 2691 5229

### PRINCIPAL BANKERS

Hong Leong Bank Berhad  
CIMB Bank Berhad

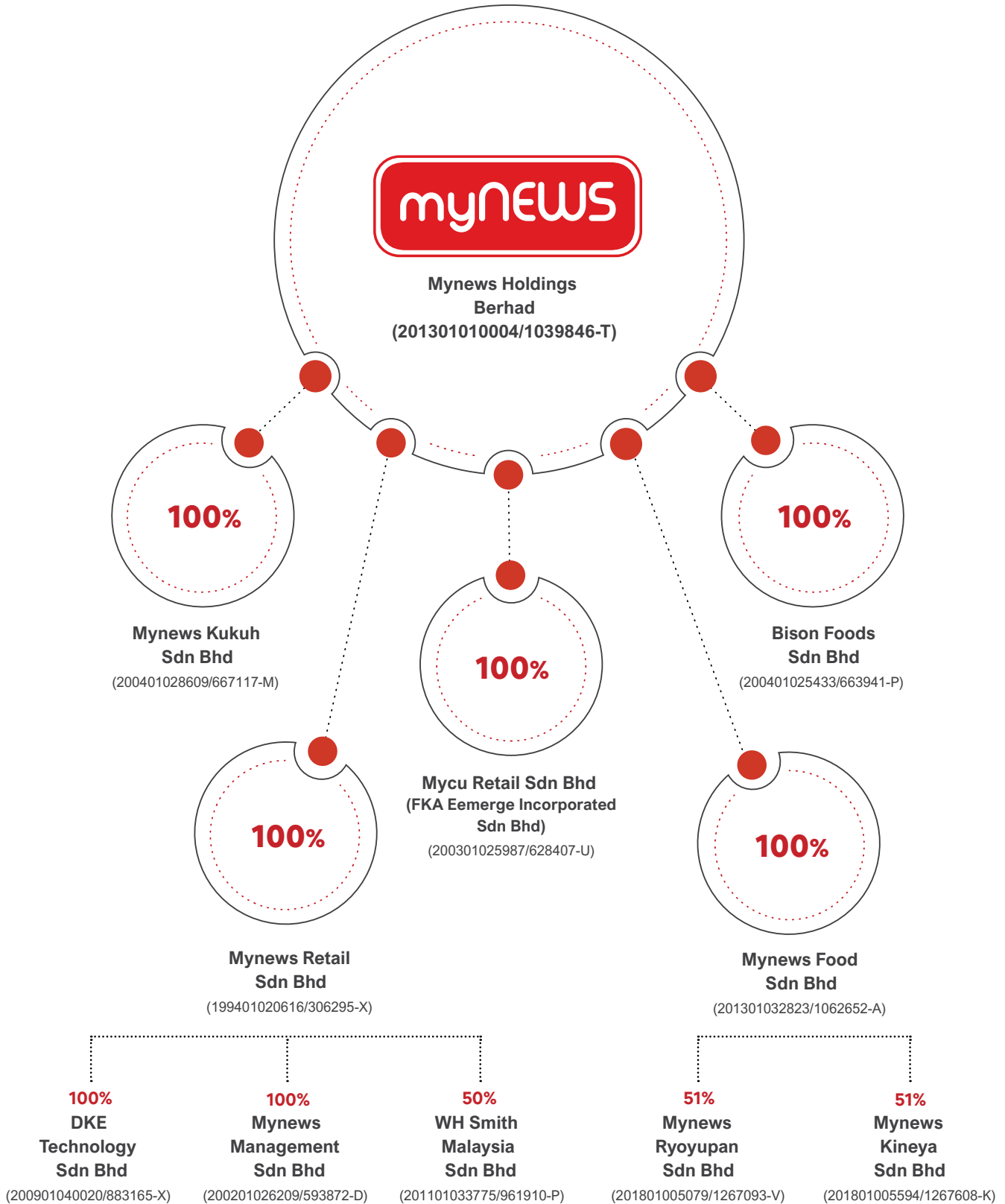
### STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia  
Securities Berhad  
Stock Name : Mynews  
Stock Code : 5275  
Sector : Consumer products and  
services  
Sub-sector : Retailers

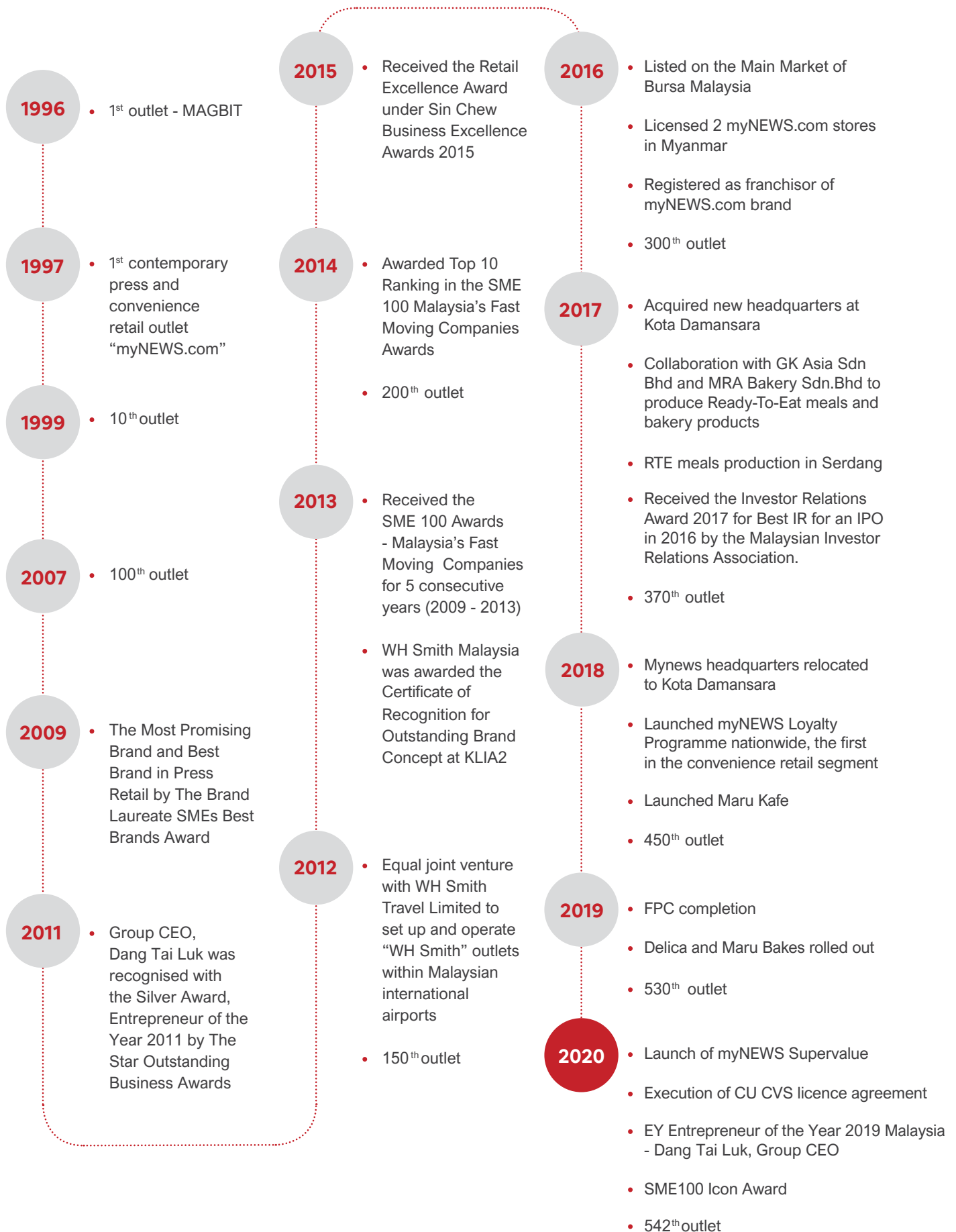
### WEBSITE

[www.mynews.com.my](http://www.mynews.com.my)

# Corporate Structure



# Corporate Milestones



# Board of Directors



**DING LIEN BING**  
Independent  
Non-Executive Chairman



**SOON DEE HWEE**  
Senior Independent  
Non-Executive Director



**MOHD SUFFIAN BIN SUBOH**  
Independent  
Non-Executive Director

## Board of Directors

**DANG TAI HOCK**

Executive Director/  
Chief Executive Officer-Food

**DANG TAI LUK**

Executive Director/  
Group Chief Executive Officer

**DANG TAI WEN**

Executive Director/  
Deputy Group  
Chief Executive Officer

**LOW CHOOI HOON**

Chief Executive Officer-Retail

# Directors' Profile

## Ding Lien Bing ("John")

**Independent  
Non-Executive Chairman**

Gender : Male  
Nationality : Malaysian  
Age : 61 Years

**Date appointed  
to the Board:**  
10 July 2015

John was appointed to the Board on 10 July 2015. He is also the Chairman of the Nominating Committee and a member of the Audit Committee, Risk Management Committee and Remuneration Committee.

John, a qualified Chartered Accountant is a member of the Malaysian Institute of Accountants ("MIA") and was a member of the Association of Chartered Certified Accountants (UK). He was previously attached to MBf Holdings Berhad Group ("MBfH") for more than twenty (20) years, from 1988 until 2010. During the period, he had left MBfH for eighteen (18) months to join OSK Holdings Berhad as Group Chief Financial Officer from May 2006 until October 2007 and thereafter re-joined MBfH. John started in MBfH as a Finance Manager with MBF Cards (M'sia) Sdn Bhd, a subsidiary involved in the credit card and charge card business. In 1998, he was transferred to the holding company to take charge of the Corporate Affairs and Finance functions of MBfH and MBf Capital Berhad which both were then listed in Bursa Malaysia. Upon re-joining MBfH, John assumed a dual role as President of MBF Cards and Chief Financial Officer of MBfH.

In January 2011, John left MBfH to join MBf Corporation Berhad ("MBf Corp"). Currently, he is the President of MBf Corp, an investment holding company which subsidiaries are involved in the promotion and sale of timeshare memberships, resort management services and investment properties. John is also the Chief Executive Officer and/or Director of the subsidiaries. He sits on the board of two (2) other public companies, Leisure Holidays Berhad and Melawati Recreation Berhad (In Liquidation), a subsidiary of MBf Corp and MBfH respectively.

## Dang Tai Luk ("Luk")

**Executive Director/  
Group Chief Executive  
Officer**

Gender : Male  
Nationality : Malaysian  
Age : 61 Years

**Date appointed  
to the Board:**  
5 February 2015

Luk was appointed to the Board on 5 February 2015 and re-designated as Chief Executive Officer from Managing Director on 3 January 2017. He was again re-designated as Group Chief Executive Officer on 1 August 2019.

He graduated with a Bachelor of Computer Science (Honours) and a Master of Science in Computer Science from the University of Manitoba, Canada. After his graduation, Luk was engaged in information technology from 1985 to 1996, mostly in banking applications, mainframe systems and computer network support. During those years, Luk was attached to the Hongkong & Shanghai Bank Malaysia, the Development Bank of Singapore and Gendis Inc Canada.

Luk left employment to be an entrepreneur and together with his family opened their first news stand under the name of "MAGBIT" on 25 December 1996. This 200 sqft news stand evolves with time to become the largest homegrown convenience chain store with more than 500 outlets and still counting.

Luk has been honoured with the title of EY Entrepreneur of The Year 2019 Malaysia at the 18th EY Entrepreneur of The Year Award. This year, Luk has been appointed a Mentor of the MBA Business Mentorship Programme Xiamen University Malaysia. He is also one of the judges of the Judging Panel for EY Entrepreneur of The Year 2020 Malaysia.

## Directors' Profile

### Dang Tai Wen

("Wen")

*Executive Director/  
Deputy Group Chief  
Executive Officer*

Gender : Male

Nationality : Malaysian

Age : 47 Years

**Date appointed  
to the Board:**

25 April 2013

Wen was appointed to the Board on 25 April 2013. He was Deputy Chief Executive Officer for Mynews. He was subsequently re-designated as Chief Executive Officer – Retail and Deputy Group Chief Executive Officer on 1 August 2019 and 1 November 2020 respectively. He holds a Bachelor of Environmental Design from the University of Manitoba, Canada.

Wen began his retail career with Mynews after working from ground up with many retailers such as Mac's CVS and McDonald's in Canada. He has accumulated more than twenty (20) years of experience in the retail and convenience sector.

Apart from overseeing the entire outlets operations, he is instrumental for Mynews' branding, store concept and business development.

### Dang Tai Hock

("Hock")

*Executive Director/  
Chief Executive Officer-  
Food*

Gender : Male

Nationality : Malaysian

Age : 63 Years

**Date appointed  
to the Board:**

25 April 2013

Hock was appointed to the Board on 25 April 2013. He was an Executive Director from January 2014 to 31 October 2016. Hock was re-appointed Executive Director on 1 August 2019 and is the Chief Executive Officer of Mynews Kineya Sdn Bhd and Mynews Ryoyupan Sdn Bhd. He is also the Chairman of the Risk Management Committee.

Hock graduated with a Bachelor of Science from University of Manitoba, Canada. He started his career with Rank Xerox Malaysia Sdn Bhd and subsequently joined Nationwide Express Sdn Bhd (now known as Nationwide Bhd) followed with Federal Express Services (M) Sdn Bhd ("FedEx") in 1988. Hock left FedEx in 1990 to set up his own business venture.

Currently, Hock sits on the board of Upayapadu Plantation Berhad which is involved in the cultivation of rubber and oil palm.

## Directors' Profile

### Soon Dee Hwee

("Dee Hwee")

**Senior Independent  
Non-Executive Director**

Gender : Female  
Nationality : Malaysian  
Age : 60 Years

**Date appointed  
to the Board:**  
10 July 2015

Dee Hwee, a member of MIA was appointed to the Board on 10 July 2015. She is also the Chairperson of the Audit Committee and a member of the Nominating Committee and Remuneration Committee.

Dee Hwee has more than 20 years of extensive experience in corporate finance where she had been attached to Bumiputra Merchant Bankers Berhad, Alliance Investment Bank Berhad and Hwang DBS Investment Bank Berhad. Prior to that she was in the auditing field attached to Messrs. Hanafiah Raslan & Mohd and subsequently Messrs KPMG. She is currently the Senior Vice President of HDM Capital Sendirian Berhad.

Dee Hwee also sits on the board of Prudential Assurance Malaysia Berhad and Asian Pac Holdings Berhad.

### Mohd Suffian Bin Suboh

("Suffian")

**Independent  
Non-Executive Director**

Gender : Male  
Nationality : Malaysian  
Age : 44 Years

**Date appointed  
to the Board:**  
10 July 2015

Suffian was appointed to the Board on 10 July 2015 and is also the Chairman of the Remuneration Committee and a member of the Audit Committee, Nominating Committee and Risk Management Committee.

He graduated from George Washington University, United States of America with a Bachelor of Business Administration in 1999 and Master of Science in Information Systems Technology in 2000.

Suffian began his career with Petroliam Nasional Berhad as a Systems Analyst, overseeing the SAP (systems, applications & products in data processing) systems. He then joined an engineering company having diverse business activities such as construction and property development, project management, oil and gas support services, manufacturing and electronics and communication.

Thereafter he joined a tin and anthracite trading firm as Logistic Manager and was later in charge of the coal and anthracite operations responsible for the implementation of structured off-take and structured finance strategies to secure supplies and mitigate operational and commercial risks. Suffian has about ten (10) years of experience in the coal mining and trading operations specialising in the logistic aspect and until today he is still offering such advisory services.

## Directors' Profile

### Additional Information

- **Directorship in Public Companies and Listed Issuers**

Save as disclosed for John, Dee Hwee and Hock, the other Directors do not have any other directorship in public companies and other listed issuers.

- **Family Relationship with Director and Major Shareholder**

Luk, Wen and Hock are siblings. They, together with two (2) other siblings, Dang Tai Kien ("DTK") and Dang Tai Gean ("DTG") are the shareholders in D&D Consolidated Sdn Bhd ("D&D") which is a substantial shareholder and holding company of the Company holding 62.23% of the issued and paid-up share capital of the Company. D&D together with DTK & DTG and Red Orchid Sdn Bhd in which their parent has an interest collectively hold 62.78% of the issued and paid-up share capital of the Company.

Luk, Wen and Hock are also directors of D&D. They also sit on the board of all the subsidiaries of the Company except for:

- Luk who is not on the board of Mynews Kineya Sdn Bhd, Mynews Ryoyupan Sdn Bhd and Mycu Retail Sdn Bhd (FKA Eemerge Incorporated Sdn Bhd).
- Hock who is not on the board of Mycu Retail Sdn Bhd (FKA Eemerge Incorporated Sdn Bhd).

The other three (3) Directors namely, John, Dee Hwee and Suffian do not have any family relationship with Directors or the major shareholders of the Company.

- **Conflict of Interest**

Save as disclosed on pages 62 to 63 in the Annual Report 2020, the other Directors namely, John, Dee Hwee and Suffian do not have any conflict of interest with Mynews.

- **Conviction for Offences**

None of the Directors had any conviction for offences (other than traffic offences) within the past five (5) years or had been imposed any public sanction or penalty by the relevant regulatory bodies during the financial year.

- **Directors' Attendance at Board Meetings**

All the Directors attended the seven (7) meetings convened during the financial year under review.

# Key Senior Management

## Dang Tai Luk

("Luk")

### *Group Chief Executive Officer*

For his profile, kindly refer to the Directors' Profile on page 9 of the Annual Report 2020.

## Dang Tai Wen

("Wen")

### *Deputy Group Chief Executive Officer*

For his profile, kindly refer to the Directors' Profile on page 10 of the Annual Report 2020.

## Dang Tai Hock

("Hock")

### *Chief Executive Officer - Food*

For his profile, kindly refer to the Directors' Profile on page 10 of the Annual Report 2020.

## Low Chooi Hoon

("CH")

### *Chief Executive Officer - Retail*

Gender : Female

Nationality : Malaysian

Age : 50 Years

CH joined Mynews in Nov 2020 as Chief Executive Officer – Retail, overseeing Mynews Retail Sdn Bhd and Mycu Retail Sdn Bhd. She graduated with a Bachelor of Business Administration (Finance) from University Utara Malaysia with First Class Honours in 1995.

CH started her career with Unilever Malaysia Sdn Bhd as a Management Trainee and in 2003, became one of the youngest Marketing Director in Malaysia with Sara Lee Malaysia Sdn Bhd. With numerous international, regional and local awards in Brand and Marketing Communications and solid 16 years in FMCG Brand Building & innovation, CH went into her first general management stint with L'Oreal Malaysia Sdn Bhd, as the General Manager for Consumer Product Division in 2012. By 2014, she became the General Manager for Disposable Soft Goods (M) Sdn Bhd and Disposable Soft Goods Private Limited Singapore, overseeing both commercial and manufacturing.

Prior to joining Mynews, CH was the Chief Operating Officer for Etika Sdn Bhd, heading up Etika Distribution Sdn Bhd, Etika Vending Sdn Bhd, Etika Fresh Milk Sdn Bhd and Etika Private Limited Singapore. CH is a Certified Coach with CCA and ICF Trained, also a member of Malaysian Association of Certified Coaches since 2010.

## Key Senior Management

### Alcent Peck Ching Tak

("Alcent")

#### *Operations Director*

Gender : Male

Nationality : Malaysian

Age : 46 Years

Alcent joined Mynews in October 2019 as Operations Director overseeing the operations of outlets, staff training and the Real Estate Department which is responsible for the procurement of premises for opening new outlets.

He graduated with a Bachelor's degree in Industrial Economics from National University of Malaysia (UKM) in 1999 and has more than 20 years of experience in retail operations management.

Before joining Mynews, he had been the Senior Manager for Operations for operators of Convenience, Pharmaceutical and Electrical retail chain stores in Malaysia.

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### Additional Information

- **Directorship in Public Companies and Listed Issuers**

None of the key senior management has any directorship in public companies and listed issuers, save for Luk, Wen and Hock who are Directors of the Company.

- **Family Relationship with Director and/or Major Shareholder**

Save for Luk, Wen and Hock, none of the key senior management has any family relationship with Directors and/or major shareholders of the Company.

- **Conflict of Interest**

Save for Luk, Wen and Hock, the other key senior management staff do not have any conflict of interest with the Company.

- **Conviction for Offences**

None of the key senior management had any conviction for offences (other than traffic offences) within the past five (5) years or had been imposed any public sanction or penalty by the relevant regulatory bodies during the financial year.

# Management Discussion and Analysis

The year 2020 was a challenging year for Mynews in the wake of Coronavirus (COVID-19) pandemic. COVID-19 was first discovered in December 2019 in Wuhan, China. The World Health Organization declared the outbreak a pandemic in March 2020.

In Malaysia, the government implemented the various forms of movement control order (MCO) to curb the spread of COVID-19 outbreak since 18 March 2020 to date. As a result of the movement control orders, Mynews had to temporarily closed up to 35% of its outlets that were located at locations which were gravely impacted. At the same time, the outlets that remained open experienced decline in daily sales. Outlets that were temporarily closed have been progressively re-opened.

The food processing centre (FPC), launched in the second half of 2019, has not reached the economies of scale when the pandemic hit, affecting its progress in the production level as the volume of retail sales was significantly reduced. Eventually, the FPC halted production for 6 weeks from 1 May 2020 to 14 June 2020. This action was necessary as the uncertain and fluid market environment caused erratic and huge fluctuation in day-to-day sales which made production planning challenging and product wastages high. Raw materials supply was inconsistent and short. The temporary halt has helped in reducing cost and optimising efficiency for the long run as the down time was used to realign and improve the operations.

As a result of the pandemic Mynews experienced a weak year and has for the first time in the history of the company failed to deliver profit. Fortunately, the Company managed to bridge the knowledge gap and was able to achieve sustainability competency throughout the organization. We are now better prepared in resilience and sustainability.

Despite the challenges, Mynews continues to grow and re-align for a better future. It continues to create job opportunities and gives employment priority to the locals. The percentage of local workers has been increasing and FY 2020 it made up 77% of its total workforce. As a result, the payment of EPF contribution increased by 0.6 million ringgit compared to that of the preceding year.

In FY 2020 we have accomplished the followings:

- Opening of 54 new outlets which brought about a net increase of 8 outlets after the permanent closure of 46 outlets mainly affected by the pandemic.
- Successfully completed the take back of both the dry (DDC) and cold (CDC) distribution centres' management and logistics from the third-party-logistics (3PL) provider.
- Successfully launched a new concept store - myNEWS SUPERVALUE. This is a new bigger format store to serve our customers who need more than just the grab-and-go convenience items. This bigger store carries a larger selection of day-to-day essential items to cater for the changing consumer behaviour and new norm at selected locations, especially the residential areas. To date we have opened five Mynews SUPERVALUE stores, one in Alor Setar and another in Melaka.

In addition to the above promising development Mynews through our fully owned subsidiary Mycu Retail Sdn Bhd (FKA Eemerge Incorporated Sdn Bhd) has added a popular South Korean CVS brand CU to our stable. Mycu Retail Sdn Bhd (FKA Eemerge Incorporated Sdn Bhd) has signed a licensing agreement with CU's owner BGF Retail Co Ltd to bring CU to Malaysian shores. This move is part of our expansion plan and it will also provide our consumers with more choices.

## Management Discussion and Analysis

### Financial Performance

We present our financial performance for FY 2020 as follows:

|                                 | FY 2020  | FY 2019 | Variance |               |
|---------------------------------|----------|---------|----------|---------------|
|                                 | RM'000   | RM'000  | RM'000   | %             |
| Revenue                         | 489,391  | 517,725 | (28,334) | (5.5)         |
| Gross Profit                    | 159,803  | 185,820 | (26,017) | (14.0)        |
| Gross Profit margin             | 32.7%    | 35.9%   |          | (3.20 points) |
| (Loss)/Profit before tax        | (14,098) | 32,966  | (47,064) | (142.8)       |
| (Loss)/Profit after tax         | (15,900) | 24,324  | (40,224) | (165.4)       |
| Net (loss)/profit margin        | (3.2)%   | 4.7%    |          | (7.90 points) |
| Return to equity                | (3.6)%   | 9.7%    |          | (13.3 points) |
| Net assets per share (Sen)      | 41.94    | 44.27   | (2.33)   | (5.3)         |
| (Loss)/Earnings per share (Sen) | (1.44)   | 4.04    | (5.48)   | (135.6)       |
| No. of outlets                  |          |         |          |               |
| - Brought forward               | 534      | 454     | 80       | 17.6          |
| - New                           | 54       | 97      | (43)     | (44.3)        |
| - Closed                        | (46)     | (17)    | (29)     | (170.6)       |
| - Total                         | 542      | 534     | 8        | 1.5           |

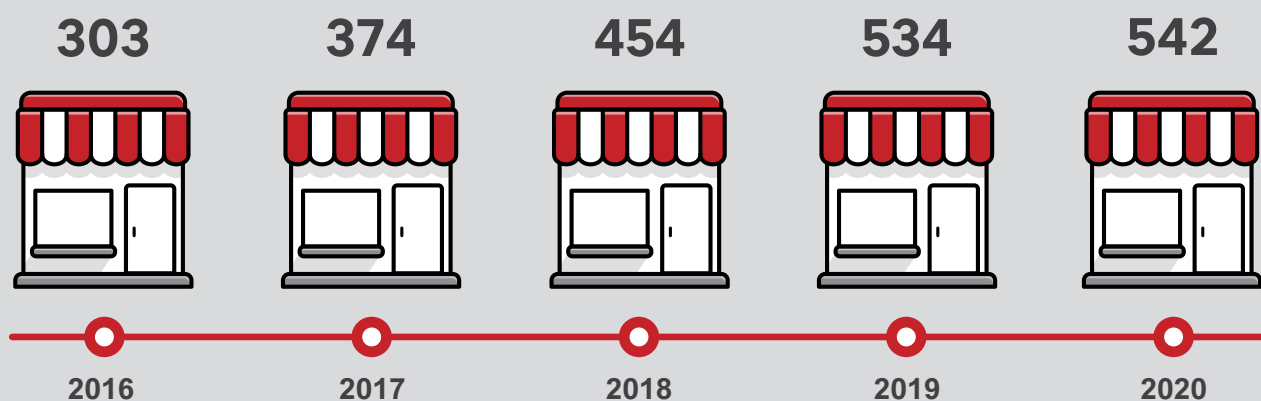


## Management Discussion and Analysis

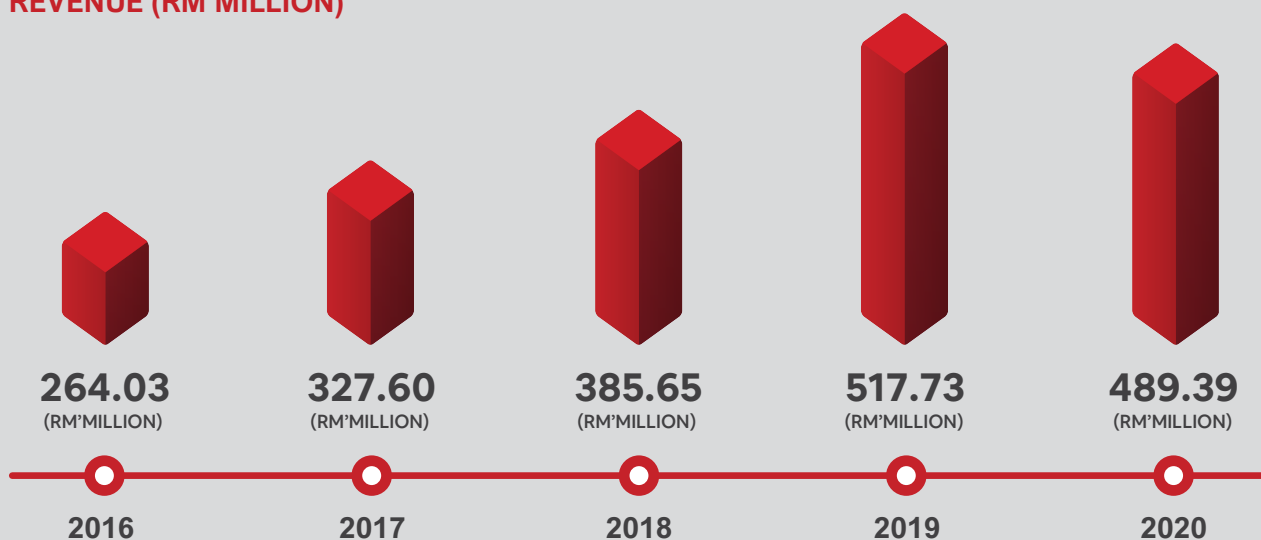
### KEY PERFORMANCE INDICATORS

|                                       | 2016   | 2017   | 2018   | 2019   | 2020    |
|---------------------------------------|--------|--------|--------|--------|---------|
| No. of Outlets                        | 303    | 374    | 454    | 534    | 542     |
| Revenue (RM'million)                  | 264.03 | 327.60 | 385.65 | 517.73 | 489.39  |
| Gross Profit (RM'million)             | 94.46  | 120.65 | 149.44 | 185.82 | 159.80  |
| Profit/(Loss) Before Tax (RM'million) | 23.62  | 30.70  | 32.22  | 32.97  | (14.10) |
| Profit/(Loss) After Tax (RM'million)  | 18.13  | 24.02  | 26.01  | 24.32  | (15.90) |

### NUMBER OF OUTLETS

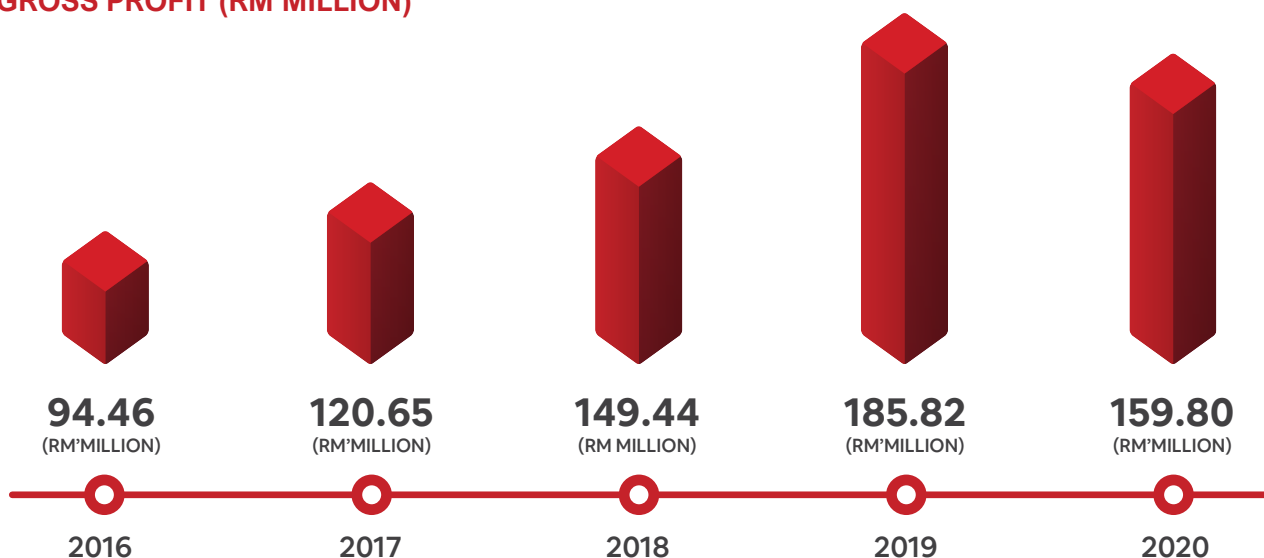


### REVENUE (RM'MILLION)



## Management Discussion and Analysis

## GROSS PROFIT (RM'MILLION)



## PROFIT/(LOSS) BEFORE TAX (RM'MILLION)



## PROFIT/(LOSS) AFTER TAX (RM'MILLION)



## Management Discussion and Analysis

### Revenue

For FY 2020, Mynews recorded a revenue of RM489.39 million, a decrease of RM28.34 million or 5.5% against FY 2019 of RM517.73 million. The decrease was due to disruptions caused by the COVID-19 pandemic in the closure of outlets and shorter operating hours. The average GP margin was also lower by 3.2%, from 35.9% to 32.7% due to change in the sales mix and price discounts offered to promote and drive the sales.

### Gross profit and gross profit margin

Gross profit ("GP") for FY 2020 was RM159.80 million, a decrease of RM26.02 million or 14.0% as compared to the previous year of RM185.82 million whilst GP margin was 32.7%, lower by 3.20 points as compared to previous year of 35.9%. The decrease in GP margin was due to change in sales mix, price discounts offered to promote and drive sales.

### Loss before taxation

Loss before taxation for FY 2020 was RM14.10 million, a decrease of RM47.06 million or 142.8% over FY 2019's profit before taxation of RM32.97 million. This was attributed by increased operating expenses, specifically the followings:

#### 1) Selling and distribution expenses

Selling and distribution expenses was RM87.74 million, increased by RM3.06 million or 3.6% relative to last year of RM84.68 million, in tandem with the higher number of outlets of 542 compared to 534 at the close of FY 2019. The major expenses comprised outlets staff salaries, utilities and logistic.

#### 2) Administration expenses

These consisted of staff, establishment and FPC costs amounting to RM27.09 million, decrease of RM0.24 million or 0.9% compared to FY 2019 of RM27.33 million.

#### 3) Other Expenses

Other expenses comprised principally depreciation of property, plant and equipment, bad debts written off, loss on disposal of property, plant and equipment, property, plant and equipment written off on outlets closure and depreciation of right-of-use assets, amounted to RM55.09 million, an increase of RM11.62 million or 26.7% over the previous year of RM43.47 million. The increase was attributed to the depreciation of property, plant and equipment of RM4.94 million, depreciation of right-of-use assets of RM4.65 million and property, plant and equipment written off of RM1.15 million respectively.

### Loss after Taxation

Loss after tax for FY 2020 was RM15.90 million, RM40.22 million or 165.4% lower than last year's profit before tax of RM24.32 million consequence of various movement control orders imposed by the Government to contain the spread of COVID-19 pandemic from 18 March 2020. Part of the loss was due to FPC with an amount of RM12.39 million. The effective tax rate was lower than last year, in tandem with the reported losses.

## Management Discussion and Analysis

### Liquidity and Financial Resources

As at end of FY 2020, Mynews had cash & bank balances of RM39.07 million compared to FY 2019 of RM13.74 million, an increase of RM25.33 million. The Group had used internally generated funds of RM40.56 million and utilised its bank facilities of RM31.35 million to finance the new outlets opening and working capital.

Mynews had total borrowings of RM67.56 million in FY 2020, increased from the previous year of RM26.06 million. Its gearing ratio was 0.25 times at the end of FY 2020, increased from FY 2019 of 0.11 times.

### Challenges

The major challenges faced by Mynews in FY 2020 were:

1) The Coronavirus Crisis

Like many others, Mynews was going through an unprecedented time. The crisis and its economic effects have negatively impacted our growth and performance. For the first time since its commencement in 1996, the Company delivered an annual financial loss. Fortunately, Mynews has taken prompt actions and steps to align and adjust to the new norm. While we have fiercely focused on the short-term in order to re-align and adapt, we have also responded aggressively to re-position the Company in order to maintain our long term sustainability and be able to re-establish the growth trend quickly when the crisis is over. Some of the actions taken were mentioned above in the Management Discussion and Analysis.

2) Increasing Competition in the Convenience Retail Landscape

The competition for market share was becoming more intense, especially at prime locations. The CVS players normally target prime locations for their outlets. There were also new entrants into the CVS industry. Mynews was always careful in selecting suitable locations to open new outlets. Each location was carefully assessed and the products offerings customised to meet the consumers demand at each location.

3) Food Processing Centre (FPC) Production Capacity

Before the pandemic, the roll out of the ready-to-eat food had been increasing though challenging. The products sale was trending upward as we improved amongst others, our product mix, marketing strategy, understanding of consumers' palate and pricing strategy. At the point when the production reached a 45% capacity which was in line with our target to reach 70% by year end, the country went into a pandemic MCO or lockdown which eventually caused the FPC production to halt as explained earlier. After re-opening, the FPC was gradually building back the lost production but unfortunately a new round of CMCO announced on 14 Oct has impacted its production level again.

Mynews has taken advantage of the slow period to control costs, improve efficiencies and reduce wastages. We look forward to a more cost effective and efficient production as the market condition improves.

## Management Discussion and Analysis

### Dividend

The Board continues to be mindful of the need to conserve cash for sustainability and expansion of Mynews' operations. For the first time since being publicly listed, no dividend is proposed to be paid for the FY 2020 owing to the poor financial performance.

### Employees Share Option Scheme ("ESOS")

Our ESOS approved by the shareholders on 5 December 2017 at the general meeting was effective on 21 December 2017 following the submission of the By-Laws of the ESOS and the resolution of the shareholders on the approval of the ESOS to Bursa Securities.

No options had been issued so far. The ESOS committee comprising the following persons had deliberated on the issuance of options during the FY 2020:

|   | Name          | Committee | Designation                                  |
|---|---------------|-----------|--|
| 1 | Dang Tai Luk  | Chairman  | Group CEO                                    |
| 2 | Dang Tai Wen  | Member    | Executive Director/ Deputy Group CEO         |
| 3 | Soon Dee Hwee | Member    | Senior Independent<br>Non-Executive Director |
| 4 | Teh Yen Cheen | Member    | Payroll Manager                              |



## Management Discussion and Analysis



### Corporate Governance Compliance and Transparency

The Board believes in and practices the tone from the top style of management and ensures that Mynews upholds the highest level of corporate governance and practices in the Group's entire undertakings in building a credible and sustainable business. The principles of integrity, transparency and accountability are embedded in its Code of Ethics and Conduct. Measures are put in place and constantly tested and reviewed to ensure that they stay relevant and effective in the environment of the Company's operations.

The compliances and practices adopted by Mynews in pursuance of good corporate governance are as reported in the Corporate Governance Overview Statement and the Corporate Governance Report. The latter report is to be submitted to Bursa Securities and shall be available on Mynews' website at [www.mynews.com.my](http://www.mynews.com.my).

### Moving Forward

Barring any unforeseen circumstances, and the world recovery from the COVID-19 crisis, we will continue to increase our store count and at the same time build back our business volume. We also look forward to build CU CVS to become a successful brand in Malaysia. Similarly, we are confident that myNEWS SUPERVALUE will soon become a favourite neighbourhood store.

Meanwhile, myNEWS with Maru Kafe concept will continue to grow wider geographically as we plant more stores outside Klang Valley. Our product mix will continue to be improved with ready-to-eat food and beverages being the main categories that drive the growth in sales.

At the same time, we will continue to embrace technology and retail innovation to improve the stores for better shopping experience.

### Prospect

Our major risk factor is COVID-19. Other risk factors that we must be watchful of are slower consumer spending and slower take up rate of our RTE products.

Mynews expects to grow larger and stronger with time. Our prospect hinges on the roll out of myNEWS higher store count, increase in number of Maru Kafe concept outlets and the effective utilization of the FPC.

The growth of CU CVS, myNEWS SUPERVALUE and myNEWS with Maru concept will enable the FPC to improve its production capacity.

# Sustainability Statement

## OUR SUSTAINABILITY MISSION

“

We strive towards building sustainable convenience stores by offering products of high quality that integrate with sustainable lifestyle.

We operate our business with utmost environmental consideration and social enrichment whilst creating long-term values for our stakeholders.

”

## REPORTING STANDARDS

This Sustainability Report covers our responsibilities to our stakeholders and the contributions we have made to the sustainable development during the financial year ended 2020. This Sustainability Report is prepared in accordance with Global Reporting Initiative (“GRI”) reporting guidelines and it adheres to Bursa Malaysia Sustainability Reporting Guide 2nd Edition.

Through this report, we aim to provide our stakeholders with economic, environmental and social (“EES”) information about Mynews and in doing so, it will strengthen the trust and relationship with our stakeholders through increased transparency and disclosure. This report shares Mynews’ commitment to sustainability with its important stakeholders including employees, investors, customers, business partners, suppliers and the communities it operates in.

## REPORTING BOUNDARY

This report covers the reporting period from 1 November 2019 to 31 October 2020. Its scope of coverage includes our retail outlets throughout Malaysia, Distribution Centres in Rawang, Johor and our Corporate HQ in Kota Damansara which has a Food Processing Centre (FPC) within the premises.

## FEEDBACK AND COMMENTS

A softcopy of this report can be found online at [www.mynews.com.my](http://www.mynews.com.my). We invite our readers to share their views on our approach to sustainability and to make suggestions for the development of our sustainability efforts and programmes. Comments and suggestions can be directed to:

### Sustainability

#### Mynews Holdings Berhad

Lot No.3, Jalan Teknologi 3/1,  
Taman Sains Selangor 1,  
Seksyen 3, PJU 5, Kota Damansara,  
47810 Petaling Jaya  
Selangor Darul Ehsan,  
Malaysia  
Tel No. : +603 6158 6000  
Fax No. : +603 6158 6111

## Sustainability Statement

### MESSAGE FROM GROUP CEO

With sincere gratitude to all, we hereby present the Sustainability Report of Mynews Holdings Berhad for the financial year 2020. We are pleased to take you through our 2020 initiatives, highlighting the progress we have made and the value we have created for our stakeholders. These achievements reflect our performance in addressing economic, environmental and social risks and opportunities.

### ETHICAL AND RESPONSIBLE BUSINESS PRACTICES

Sustainability is important to our business and stakeholders. We have identified and reviewed 11 sustainability issues that are material to us.

As we move forward, we will conduct good Sustainability practices in our day-to-day business operations. Our daily business activities will take Sustainability agenda as key priority and we will continue to promote good environmental, social and governance (“ESG”) practices. The Company will always comply with the laws and regulations of the country. Open and transparent discussions within the Company to promote the cause of Sustainability is always encouraged. We strive to ensure that best practices are being maintained and that good governance is always integral to our business strategy and decision making processes for the benefit of our stakeholders.

We have been an innovative homegrown convenience store throughout the years of our journey. We truly believe that being sustainable will make us more resilient. We have implemented initiatives to help the environment in a green way such as going paperless, using renewable energy and reducing wastages. We are stringent in choosing our products and business partners that are in line with our goals of being an agent of change in sustainability.

We have established a long term program and mission of giving back to the society through education as we believe education is the best and most impactful way to change lives and it is the key foundation in building a good society. It is also through education that students will be well equipped with knowledge that improves their awareness in Sustainability. As of today, 362 students have benefitted from our Allowances that Allow (ATA) program. We are proud to have distributed RM434,400 of



**Dang Tai Luk**  
Group Chief Executive Officer  
Mynews Holdings Berhad

cash to poor students to help them to get by from month to month until they sit for their major examination. This program continues to grow in tandem with our business and we will be helping more and more students from year to year.

Our ambition in Sustainability is only achievable with the support of all our stakeholders. On behalf of Mynews, I would like to thank all our stakeholders for your continuing support and encouragement. Together with you, we will continue to improve and do better year after year.

# Sustainability Statement

## OUR SUSTAINABLE DEVELOPMENT

# GOALS



Source: United Nation Sustainable Development Goals (UNSDG) 17 goals

Sustainability is embedded in our culture. We strive to ensure that all Mynews businesses take into account the Environmental, Social, Governance (ESG) agenda. We are committed to minimizing our environmental footprint and are dedicated to supporting the communities where we operate. We do this by collaborating, throughout our value chain and across the supply chain, with our business partners to address systemic challenges. We also seek to engage our employees and stakeholders in our effort to build a more sustainable world. Our commitment to sustainable practices enables us to balance our business opportunities and sustainable risk that we are facing globally today.

As the largest homegrown convenience store, we recognise that we need to contribute to address systemic social and environmental challenges. That is why we have aligned our sustainability strategy with United Nation Sustainable Development Goals (“UNSDG”).

The UNSDG is an internationally recognised framework that aims to address the three elements of economic growth, environmental protection and social inclusion. There are 17 goals, accompanied by 169 specific targets. Businesses, alongside governments, are encouraged to implement actions in support of these goals to achieve the framework’s ambitious goals by 2030. We kept all 17 SDGs in mind, whenever practicable when it comes to determining our approach and strategy in our sustainability approach.

## Sustainability Statement

## OUR CONTRIBUTION TO SUSTAINABLE DEVELOPMENT GOALS (SDG)

|   |  |  |
|---|--|--|
|    | <b>NO POVERTY</b>                                | We reduce poverty through jobs creation. The rapid growth of Mynews retail stores offer job opportunities to the communities as well as supporting supply chain value.   |
|    | <b>ZERO HUNGER</b>                               | We reduce hunger through the offerings of fresh food and wide variety of food items in our stores and on online. People could reach out to our stores to grab a meal conveniently as well as order it online for home delivery.      |
|    | <b>GOOD HEALTH AND WELL BEING</b>                | We have a sports club that organised sports activity to keep the staff healthy. Our weekly activities have contributed to the good health. We contribute towards public sports activities to encourage good health and well being.   |
|   | <b>QUALITY EDUCATION</b>                         | We have long term and sustainable programme (Allowances that Allow) that provides financial aid to students. This programme provides financial support to help poor students get by so that they are able to focus on their studies. |
|  | <b>ENCOURAGING GENDER EQUALITY</b>               | We encourage women into the workforce and our culture discourages any form of discrimination on gender. 43% of our staff comprises women who are well qualified for the job.   |
|  | <b>AFFORDABLE AND CLEAN ENERGY</b>               | We are concerned over the limited natural resources and we are looking towards solar energy. We use energy saving and technologically advance devices whenever possible.   |
|  | <b>DECENT WORK AND ECONOMIC GROWTH</b>           | We provide fair remunerations to our employees and create an environment conducive to their professional growth and strength development.  |
|  | <b>INDUSTRIES, INNOVATION AND INFRASTRUCTURE</b> | We invest in innovative technology that addresses the needs of our business and the community, for example, cashless payment and online delivery.  |
|  | <b>RESPONSIBLE CONSUMPTION AND PRODUCTION</b>    | We take care of food wastages in our FPC by converting food wastages to animal feeds. In order to reduce outlet food wastage, we carry out time sales to minimise the unsold stocks.   |
|  | <b>CLIMATE ACTION</b>                            | We care about the climate change through reducing single-use plastic bags and using plastic bags that are biodegradable.   |

# Sustainability Statement



## VISION

Our vision is “To be the country’s best retail company that understands our customers, provides quality products and ensures a satisfying shopping experience.”  
This encompasses our endeavour to achieve sustainable business practices by creating value across Economic, Environmental, Social aspects of our business.

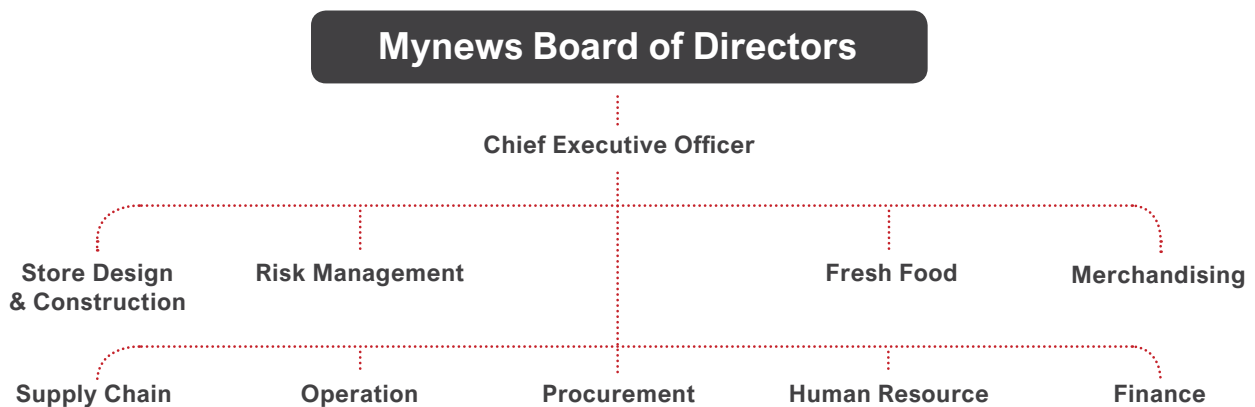


## SUSTAINABILITY GOVERNANCE

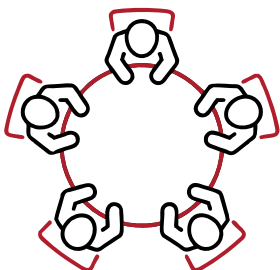
We have implemented a governance structure to ensure that our Sustainability meets our company’s social and environmental goals to support our business.

Good corporate governance means having structures and processes in place to ensure that decisions and actions are in the best interest of our stakeholders. The Board of Directors, supported by the Sustainability Committee oversees the formulation and implementation of sustainability strategy and related matters. The CEO with the help of the Sustainability Management Committee oversees the activities executed by the various divisions of the Company to ensure conformity to the strategies and objectives.

## SUSTAINABILITY COMMITTEE STRUCTURE



## SUSTAINABILITY COMMITTEE RESPONSIBILITIES



- Advising the Board on the sustainability strategies;
- Monitoring the implementation of sustainability strategies;
- Overseeing stakeholder engagement to ensure that all issues and suggestions raised are taken into consideration in managing sustainability matters;
- Recommending to the Board for its approval the identified material sustainability matters, sustainability-related policies and its goals; and
- Overseeing the management of sustainability matters by focusing on matters material to the Group.

# Sustainability Statement

## MATERIALITY ASSESSMENT

Materiality, in sustainability terms, is not limited to matters that may have a significant impact on our organisation but also includes matters that may impinge our ability to meet present and future needs. Our definition of materiality is drawn from the guidelines provided by Bursa Malaysia where material issues are defined as such:

- Reflect an organisation’s significant economic, environment and social (“EES”)
- Influence the assessment and decisions of stakeholders

We acknowledge the needs and interest of our communities. The key stakeholders’ groups that have been identified include our employees, shareholders, business partners, external interest groups and customers. Our goal is to understand and address the different needs of each group to build a sustainable and successful business. Through the materiality assessment process, we have identified 11 issues material to us. Each of these initiatives has been grouped under the relevant sustainability that manages our EES impact.

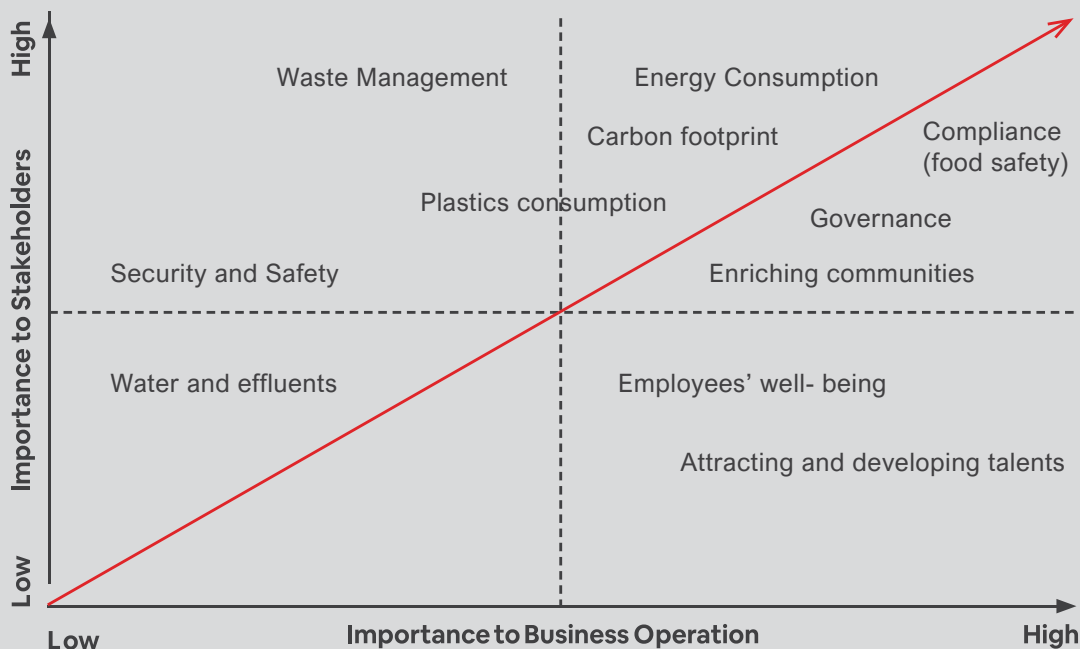
## PROCESS OF PREPARING MYNEWS MATERIALITY MATRIX

| IDENTIFICATION   | PRIORITISATION   | VALIDATION   | REVIEW  |
|--|--|--|---|
| Analysis of the EES trends and identification of relevant issues at any point in the value chain | Presentation of issues to management in order to validate and prioritise action plan | Matters prioritised are validated by seeking input and verification with relevant subject matter experts | Stakeholders’ conclusion regarding processes and results are taken into consideration |

The materiality assessment will be used in the following ways:

- To identify the most material sustainability issues for Mynews in terms of business value, risks and opportunities for long-term planning
- To understand how sustainability and key business issues intersect
- To inform about future sustainability commitments and resource allocation
- To support Mynews engagement with external stakeholders

**Materiality Matrix**



# Sustainability Statement

## STAKEHOLDER ENGAGEMENT

We are committed in engaging in constructive and meaningful dialogue with stakeholders. Effective communication with stakeholders helps us build trust, leverage on their expertise and gain insights into the most pressing issues. Stakeholders' engagement helps to reaffirm the most material issues and devise way to address them within the Group.

We engage with diverse group of stakeholders comprising employees, customers, shareholders, NGOs such as WWF, suppliers and local communities. Stakeholders' views on a wide range of topics are useful and have influenced our sustainability strategy in several key areas. The salient issues for each stakeholders' group and our engagement with each during 2020 are presented below:



### SHAREHOLDERS AND INVESTORS

#### Areas of Interest

- Group financial performance
- Business direction
- Key corporate developments
- Corporate governance

#### Forms of Engagement

- Annual General Meeting
- Investor updates and briefings for fund analysts and investment community
- Annual reports
- Corporate website
- Announcements on Bursa Malaysia



### CUSTOMERS

#### Areas of Interest

- Pricing
- Product quality
- Service satisfaction
- Customer appreciation

#### Forms of Engagement

- Store opening
- Social media (Facebook, IG)
- Customer feedback channel
- Marketing promotions
- Customer loyalty programme



### GOVERNMENT AND REGULATORY AUTHORITIES

#### Areas of Interest

- Compliance
- Security and safety issues
- Waste management
- Quarterly and annual reporting

#### Forms of Engagement

- Inspections and audit by local authority (JAKIM)
- Attended dialogues/seminars organized by Bursa Malaysia
- Participated in survey conducted by authorities



### EMPLOYEES

#### Areas of Interest

- Competitive remunerations
- Career development
- Employee well-being and safety
- Value diversity and equal opportunity
- Staff training

#### Forms of Engagement

- Employee appreciation awards
- Open communication
- Events and functions
- Whistleblowing policy
- Skills development and training opportunities
- Management meetings
- Operational Safety and Health
- Townhall sessions

## Sustainability Statement

## STAKEHOLDER ENGAGEMENT

## SUPPLIERS



## Areas of Interest

- Fair procurement
- Transparency
- Product quality
- Service delivery
- Inventory/supply commitment
- Speedy payment

## Forms of Engagement

- Group procurement policies and procurement system
- Yearly suppliers' evaluation
- Supply chain management

## LOCAL COMMUNITIES AND PUBLIC



## Areas of Interest

- Transparent and quality products and services
- Reaching out to communities

## Forms of Engagement

- Community programmes
- Donations and financial aids
- Local sourcing

## Environmental (Climate Change)



## Areas of Interest

- Energy
- Climate
- Carbon footprint
- Plastic consumption
- Waste Management

## Forms of Engagement

- Energy saving evaluation
- Renewable energy sourcing
- Green energy evaluation
- Plastic reduction evaluation
- Food wastage reduction

## Health Authority



## Areas of Interest

- Food Safety and Quality
- Food Hygiene

## Forms of Engagement

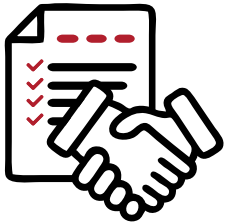
- Authority inspection
- QA/QC reports
- Internal Audits



## Sustainability Statement



### OUR GOVERNANCE



#### Regulatory Compliance

Our business practices are governed by integrity, honesty and compliance with applicable laws. Our group stands for lawful and ethical business practices and zero tolerance for unethical and illegal conducts. To ensure our behaviour and communications are aligned with our values, we have code of conduct which must be signed by all our employees before they commence employment at Mynews.

Mynews also complies with the new requirements on Corporate Liability Section 17(A) of MACC Amendment Act which takes effect on 1 June 2020. We had implemented and communicated Mynews integrity pledge and our anti-bribery policy to our employees and vendors prior to the implementation of the above Act and it has been posted on our corporate website.

We encourage employees, suppliers and stakeholders to report any suspected illegal or non-compliance activities that occurred within the Group. Whistleblowing practice is encouraged and is open to any employee, supplier or third-party, with the assurance that any report will be properly investigated and treated with confidentiality.

In FY 2020, Mynews did not receive any complaint detrimental to the Group.

## Sustainability Statement

### OUR ENVIRONMENT



#### Sustainable Procurement

At Mynews, we focus on long-lasting relationship with our external suppliers and working with them collaboratively and transparently, while setting clear objectives for addressing social and environmental issues. In each partnership, we take a long-term view, evaluate the technological and product quality in serious consideration of environmental impact. We prefer to work with companies that share the same values and vision with us in improving the environment.

#### Sustainable Operation

In FY 2020 we improved the impact of our operational issues through the followings:

##### LOGISTICS & WAREHOUSE

- **Efficient Logistics** - Logistics is a significant source of environmental stress, especially in the form of carbon emission. We strive to achieve the most efficient routes and delivery planning in our distribution plan to improve transportation efficiency while reducing our carbon emission in the long run.
- **Recycle** - Our warehouses practice recycle program of 3R (Reduce, Reuse & Recycle) and that has been embedded and remain strong in the culture of Mynews Group. For example, our logistic collects corrugated boxes from our stores for reuse by the warehouse for packing and delivering goods. We dispose all recyclable materials to the recycling plants.

##### STORES

- **No Plastic Bags & Use Biodegradable Bags** - Product packaging plays an important role in protecting our goods during transportation and at the point of sale to our customers. We recognise that packaging materials have a major impact on our environment. We work hard in minimizing the use of single-use packaging materials and investing in multi-use containers and using materials that are renewable.

Mynews sells and constantly promotes recycle bags in all our outlets. We do not give plastic bags unless upon request. All our plastic bags are made of biodegradable ingredients which helps to breakdown the plastic molecules from centuries to months.

“ **Plastic Bag to Sales Transaction Ratio = 1 / 10** ”

- **LED Lights** - All our new outlets use LED lights which consume minimal energy. The LED lights are known to release lower CO<sub>2</sub> emission and in our case the reduction is 546 tonnes per year and this is helping to reduce the carbon footprint.
- **Air-conditioners Energy Monitoring System** - Air-conditioning is vital to our daily business operations and air-conditioners consume the largest portion of our energy usage. We work hard to reduce energy consumption through installation of energy device to monitor the efficiency of our air-conditioners. The energy monitoring system has helped to reduce the energy usage by 15% which amount to 6 million KWH. Four thousand two hundred and forty-two (4,242) tonnes of CO<sub>2</sub> carbon footprint emissions have been eliminated via this project.

## Sustainability Statement

### OUR ENVIRONMENT



#### HEADQUARTERS

For our office buildings, a “turn off before you take off” campaign has been implemented to encourage our employees to turn off their computers, laptops and other equipment when they are not used. Most of the office lights that are not in used will also be switched off during lunch hours and outside business hours. On top of that, regular maintenance is conducted on all office equipment to keep them running efficiently.

- **Solar Panel for Buildings** - We are embarking on solar renewable energy for both our head office and Food Production Center. Based on our analysis, the solar system is estimated to harvest an 772,757 KWH of energy per year and 546 tonnes of CO<sub>2</sub> emissions will be eliminated at the same time. This will reduce our electricity consumption and positively impact the environment while benefiting Mynews on long term cost savings.

#### FOOD PROCESSING CENTER

- **Food Waste Conversion to Animal Feed** - We do not take food wastage lightly as we consider wastage an inefficient utilization of raw materials and natural resources as well as pollutant of environment if not properly disposed. Since Sept 2020, we have converted 4,782 kg of food waste into animal feed, which is able to feed 1,758 chicken into full size, while saving the environment.
- **Food Waste at the Outlets** - Outlets food wastages caused by unsold food products have been reduced by the implementation of time-sales discounts off normal selling price after certain time. This time-sales discount entices our customers to purchase more which in turn helps us reduce the unsold stocks. This initiative has helped in our food wastage reduction.
- **Water and Effluents** - As a fresh food manufacturing facility our Food Processing Center uses water. We manage water pollution risk through wastewater treatment. The water discharged in the production center are treated and cleaned prior to discharging it to the public drain.
- **On-Site Detention Tank** - We have constructed a 1,125 cubic meter underground OSD tank in our HQ-cum-FPC premises to drain and retain storm water. We exercise our duty of care for the environment by providing temporary storage of storm water run-off so that it will not overload the public drainage.

## Sustainability Statement

### OUR PEOPLE



People are the heart of everything we do. From our employees, customers, suppliers and other business associates, we endeavour to bring about a positive impact on every person we deal with, through business or otherwise. “Touch a life” is part of our culture and what we practice daily. This tagline is displayed brightly and boldly at our Centre of Excellence to remind ourselves to touch lives daily in whatever we do and to remind ourselves that business is not just about making profit.

We have cultivated a work environment in which our employees are constantly challenged to do their best. We have a strong brand identity that we’ve built through a creative approach, “Always Welcoming, Delightfully Surprising”.

In return, we provide our employees with a unique work culture that is open, friendly and promoting a happy workplace. By operating openly, respectfully and honestly we ensure that everyone can be instrumental in helping steer the business towards future opportunities and growth. We live, create and work in a world surrounded by like-minded people and by peers that inspire us.

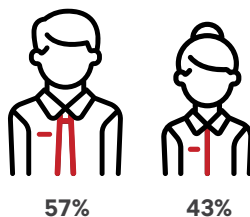
We could not succeed as a Company without the support of our most prized asset – our employees. In line with the goals set out by the United Nation Sustainable Development Goals. Mynews has created stable and quality jobs in line with its sustainable financial and business growth. By having 2000 full time employees under our umbrella, Mynews focus its energy by giving employees stable and quality jobs while running a healthy company to ensure job security.



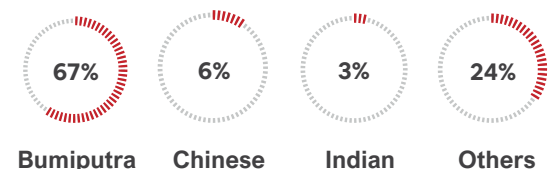
#### Diversity and Inclusion

Mynews is an equal opportunity employer that strictly practices non-discrimination and encourages diversity in its staff policy. There is no preference for gender or ethnicity and the prime consideration for employment is solely the staff’s ability to add value and contribute to the Group.

#### Employees by Gender



#### Employees by Ethnicity



## Sustainability Statement

### OUR PEOPLE



The diversity of its workforce as at 31 October 2020 is as follows:

| Age Group    | Gender       |            |              |            | Nationality  |            |              |            |
|--------------|--------------|------------|--------------|------------|--------------|------------|--------------|------------|
|              | Male         | Female     | No.          | %          | Local        | Foreigner  | No.          | %          |
| <20          | 45           | 44         | 89           | 5          | 84           | 5          | 89           | 5          |
| 20-29        | 712          | 542        | 1,254        | 63         | 972          | 282        | 1,254        | 63         |
| 30-39        | 284          | 194        | 478          | 24         | 348          | 130        | 478          | 24         |
| 40-49        | 74           | 61         | 135          | 7          | 109          | 26         | 135          | 7          |
| 50-59        | 5            | 7          | 12           | 1          | 12           | 0          | 12           | 1          |
| 60-69        | 3            | 1          | 4            | 0          | 3            | 1          | 4            | 0          |
| <b>Total</b> | <b>1,123</b> | <b>849</b> | <b>1,972</b> | <b>100</b> | <b>1,528</b> | <b>444</b> | <b>1,972</b> | <b>100</b> |

The ethnicity of the workforce is as follows:

| Ethnicity          | No.          | %          |
|--------------------|--------------|------------|
| Bumiputra          | 1,323        | 67         |
| Chinese            | 111          | 6          |
| Indian             | 58           | 3          |
| Others             | 480          | 24         |
| Total locals       | 1,528        | 77         |
| Total foreigners   | 444          | 23         |
| <b>Grand total</b> | <b>1,972</b> | <b>100</b> |

#### Empowering Local Talents

It is also one of Mynews' priorities to hire and train suitable local employees to work in the outlets that we operate. As a homegrown convenience store in Malaysia, recruiting and developing local talents with local knowledge have always been our strategy. We seek to develop local resources and content to benefit the communities we operate in by increasingly providing the talent, competence and capability of local workforce.

#### Employees Development and Growth

As a responsible organisation, we believe in caring and training our people to be the best that they can be. We recognise that a comfortable workplace that provides all the necessary opportunities and incentives is critical for our people to grow professionally and personally so they can contribute both to the company and to the society as a whole.

To achieve that, we carry out constant training and internal promotions as a mean of developing and maximizing our human capital, strengthening teamwork and building loyalty among our employees as well as enriching them with better knowledge. Regular and structured training is provided to all levels of employees, from incoming recruits to frontline employees, supervisors, right up to top management levels.

## Sustainability Statement

### OUR PEOPLE



Employees Internal Training Programmes carried out in FY 2020, in addition to the continual on-site training carried out at the outlets:

| Outlet Staff                                  |                      |               |
|---|----------------------|---------------|
| Types of Training                             | No. of Staff Trained | Hours Trained |
| Basic Operations Training                     | 1,299                | 32,920        |
| New Launch Product                            | 853                  | 2,068         |
| New Outlet Opening                            | 70                   | 1,680         |
| Refresher                                     | 412                  | 946           |
| Management Soft Skill and Leadership Training |                      |               |
| Types of Training                             | No. of Staff Trained | Hours Trained |
| Business Writing                              | 45                   | 360           |
| Business Social Etiquettes                    | 13                   | 104           |
| Psychology in Workplace                       | 20                   | 160           |
| Negotiation Mechanism                         | 14                   | 112           |
| Workforce Building                            | 28                   | 224           |
| Communication and Trust                       | 31                   | 248           |
| Leadership Methods                            | 45                   | 360           |
| Supervisory Skills                            | 26                   | 208           |
| Train the Trainer                             | 111                  | 888           |
| Excel in Reporting                            | 27                   | 216           |
| <b>Total</b>                                  | <b>2,994</b>         | <b>40,494</b> |

#### Open Workforce Communication

At Mynews, we value transparency and take our employees' feedback seriously to make Mynews a better place to work. We therefore promote and practice open communication across all levels of employees and departments through various regular interactive sessions between employees and senior management. All employees are encouraged to bring up their work-related concern directly to the attention of the senior management. Mynews HR is tasked with ensuring that our employment practices are in compliance with the latest statutes and legislations. By identifying and understanding our employees' needs, we are able to improve their well-beings and in turn enable them to perform better at work.

#### Occupational Safety and Health Management

Mynews never compromises on staff safety and takes all possible actions and precautions to ensure the safety of the staff at work. All staff are trained to handle incidents such as fire and robbery with personal safety as the primary priority and importance as it is the Company's priority to protect the staff. In 2020, we recorded 35 robbery incidents that affected 0.5% of our total number of outlets. There was no staff casualty arising from these robbery cases.

# Sustainability Statement

## OUR COMMUNITY



### Allowance That Allow (ATA) – Educational Support

As part of our passion in touching lives and ensuring that we are bringing a positive social impact to our country, we established a long term sustainable program in helping our poor students through Allowances That Allow (ATA). The focus of this program is to help the financially deprived and deserving students get by, so that they could be empowered in pursuing their studies and realising their full potentials. In year 2020, Mynews Cares distributed a total of RM434,400 in cash through the ATA program. It has helped 362 underprivileged students in 61 schools. Mynews ATA will reach more students as the fund grow with time and our business.



**NO. OF STUDENTS  
BENEFITED**  
362 students

**CONTRIBUTION MADE**  
RM434,400

### COVID 19 – Support to Frontliners

In challenging times of COVID 19, Mynews recognised the hardwork and sacrifices of our frontliners. Mynews contributed fresh food and refreshment to hospitals, and police stations and road-blocks as a token of appreciation for their invaluable contributions in saving lives.

Mynews also issued cash vouchers through its website to journalists in the field to allow them to redeem products at the outlets. The fresh foods and beverages would be refreshing for those out there. Mynews believed that during the pandemic the media have done a great and difficult job in disseminating important and useful information to keep the public calm and safe.



## Sustainability Statement

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