



**MYNEWS HOLDINGS BERHAD**  
201301010004 (1039846-T)

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    myNEWS Malaysia



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*Users are encouraged to consider the environmental impact before printing this report and, where printing is required, limit this to the relevant sections rather than the full report.*



## COVER RATIONALE

The cover represents Mynews versatility and strength. The base of these geometric shapes symbolises the foundation made of our internal talent that builds the strong structure of business facilities including retail outlets, food processing centre, E-commerce, IT systems, logistics and distribution centres. This whole structure / system works together to disperse myNEWS, CU, WHSmith, SUPERVALUE and MARU brands across the country. These multiple brands and concepts provide Mynews the *dynamism* and *versatility* in positioning the businesses and strength in meeting the demands of the consumers.

**11TH ANNUAL GENERAL MEETING      26 MARCH 2024      10.00 A.M.**

**VIRTUALLY FROM BROADCAST VENUE AT LOT NO. 3, JALAN TEKNOLOGI 3/1, TAMAN SAINS SELANGOR 1, SEKSYEN 3, PJU 5, KOTA DAMANSARA, 47810 PETALING JAYA, SELANGOR DARUL EHSAN, MALAYSIA**



## About Us

Mynews Holdings Berhad originated humbly from a 200 sq ft run-of-the-mill newsstand called MAGBIT that was opened in One Utama Shopping Mall on 25 December 1996. Today, its principal activity is investment holding, while its subsidiaries are principally involved in the business of operating retail store chains, predominantly convenience stores (CVS) and minimart. Besides retailing, two subsidiaries are in the business of producing ready-to-eat meals and bakery products to serve the retail chains.



**Mynews Retail Sdn Bhd**  
Operator of myNEWS and SUPERVALUE chainstores.



**DKE Technology Sdn Bhd**  
Information Technology (IT) support services.



**Mycu Retail Sdn Bhd**  
Operator of South Korean CU CVS in Malaysia.



**Mynews Management Sdn Bhd**  
Management services.



**WH Smith Malaysia Sdn Bhd**  
Operator of British WH Smith stores in Malaysia.



**Mynews Kukuh Sdn Bhd**  
Currently dormant.



**Mymaru Sdn Bhd (fka Bison Foods Sdn Bhd)**  
Operator of Maru Coffee café concept.



**Mynews Food Sdn Bhd**  
Investment holding.



**Mynews Ryoyupan Sdn Bhd**  
Producer of high-quality bakery products for high volume consumption.



**Mynews Kineya Sdn Bhd**  
Producer of high quality ready-to-eat meals for high volume consumption.

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

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, production, and sale of Halal ready-to-eat food and bakery products respectively. These joint ventures draw upon more than 50 years of industry experience and expertise from the partners.

In 2020, to meet the new norm and changing consumer behaviour brought about by the COVID-19 pandemic, a new concept store called myNEWS SUPERVALUE was launched. This is a bigger format store that carries a larger assortment of essential items to cater for households' needs. In 2023 myNEWS SUPERVALUE was rebranded to SUPERVALUE minimart for clarity and differentiation from myNEWS CVS.

In October 2020, Mynews through its wholly owned subsidiary, Mycu Retail Sdn Bhd inked a licensing agreement with BGF Retail Co. Ltd, to operate CU CVS in Malaysia. Six months later, on 1 April 2021, the first CU outlet which is also the first authentic Korean CVS that originated from South Korea was opened in Malaysia.



## Corporate Information

### BOARD OF DIRECTORS

**DANG TAI LUK**, Executive Chairman

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

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

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

**CHRISTOPHER KOH SWEE KIAT**, Independent Non-Executive Director

**LATIFAH BINTI ABDUL LATIFF**, Independent Non-Executive Director

### AUDIT COMMITTEE

#### CHAIRPERSON

Soon Dee Hwee

#### MEMBERS

Latifah Binti Abdul Latiff

Christopher Koh Swee Kiat

### NOMINATING COMMITTEE

#### CHAIRPERSON

Soon Dee Hwee

#### MEMBERS

Latifah Binti Abdul Latiff

Christopher Koh Swee Kiat

### REMUNERATION COMMITTEE

#### CHAIRMAN

Christopher Koh Swee Kiat

#### MEMBERS

Soon Dee Hwee

Latifah Binti Abdul Latiff

### RISK MANAGEMENT COMMITTEE

#### CHAIRMAN

Dang Tai Hock

#### MEMBERS

Soon Dee Hwee

Latifah Binti Abdul Latiff

Christopher Koh Swee Kiat

### 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

Email address: [mynews@mynews.com.my](mailto:mynews@mynews.com.my)

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

### COMPANY SECRETARIES

Lim Gim Choo

MIA 41435

PC No. 202308000632

Chia Fooi Ching

MAICSA 7051382

PC No. 202008003836

### 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

Email address: [is.enquiry@my.tricorglobal.com](mailto:is.enquiry@my.tricorglobal.com)

Website: [www.tricorglobal.com](http://www.tricorglobal.com)

### 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

Website: <http://www.grantthornton.com.my>

### STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad

Stock Name : Mynews

Stock Code : 5275

Sector : Consumer products and services

Sub-sector : Retailer

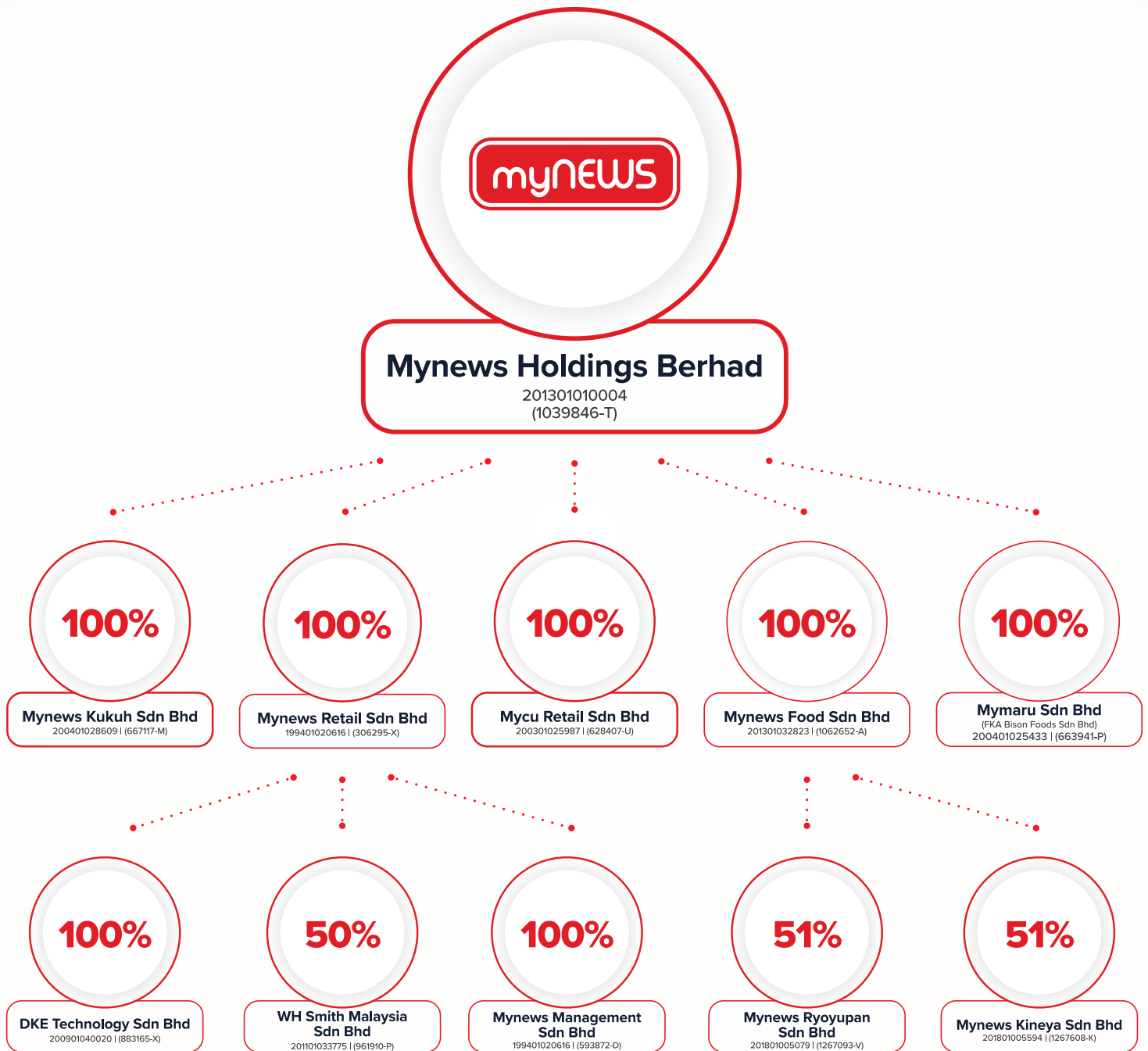
### PRINCIPAL BANKERS

Hong Leong Bank Berhad

CIMB Bank Berhad



## Corporate Structure





## Corporate Milestones

**2023 : Rebranded myNEWS SUPERVALUE to SUPERVALUE. Began expanding SUPERVALUE at a faster rate**

2022 : \*Ended the year with 460 myNEWS outlets (including myNEWS SUPERVALUE), 125 CU outlets and 15 WH Smith outlets. \*\*Awarded the SME 100 Icon Award for the second time.

2021 : Successfully open the 1st CU outlet on 1 April in Centrepont Bandar Utama PJ. Ended FY 2021 with 21 CU outlets and 6 myNEWS SUPERVALUE outlets. These two retail brands were newly launched in the middle of the pandemic.

2020 : \*Launched myNEWS SUPERVALUE \*\*Received Focus Malaysia Best Under Billion Awards for Best In Transparency  
\*\*\*Execution of CU CVS license agreement

\*\*\*\*Group CEO, Dang Tai Luk was awarded the EY Entrepreneur of the Year 2019 Malaysia \*\*\*\*\*Mynews is bestowed with the SME 100 Icon Award for the success in transforming from an SME to a PLC \*\*\*\*\*542nd outlet

2019 : \*FPC construction completed \*\*Delica and Maru Bakes rolled out \*\*\*530th outlet

2018 : \*Mynews headquarters relocated to Kota Damansara \*\*Launched myNEWS Loyalty Programme nationwide, the first in the convenience retail segment \*\*\*Launched Maru Kafe \*\*\*\*450th outlet

2017 : \*Acquired new headquarters at Kota Damansara \*\*Collaboration with GK Asia Sdn Bhd and MRA Bakery Sdn Bhd to produce Ready-To-Eat meals and bakery products \*\*\*Received the Investor Relations Award 2017 for Best IR for an IPO in 2016 by the Malaysian Investor Relations Association \*\*\*\*370th outlet

2016 : \*Listed on the Main Market of Bursa Securities Malaysia Berhad \*\*Licensed 2 myNEWS.com stores in Myanmar  
\*\*\*Registered as franchisor of myNEWS.com brand \*\*\*\*300th outlet

2015 : Received the Retail Excellence Award under Sin Chew Business Excellence Awards 2015

2014 : \*Awarded Top 10 Ranking in the SME 100 Malaysia's Fast-Moving Companies Awards  
\*\*200th outlet

2013 : \*Received the SME 100 Awards - Malaysia's Fast-Moving Companies for 5 consecutive years (2009 - 2013)  
\*\*WH Smith Malaysia was awarded the Certificate of Recognition for Outstanding Brand Concept at KLIA2

2012 : \*Equal joint venture with WH Smith Travel Limited to operate "WH Smith" outlets within Malaysia international airports  
\*\*150th outlet

2011 : Group CEO, Dang Tai Luk was recognised with the Silver Award, Entrepreneur of the Year 2011 by The Star Outstanding Business Awards (SOBA)

2009 : The Most Promising Brand and Best Brand in Press Retail by The Brand Laureate SMEs Best Brands Award

2007 : 100th outlet

1999 : 10th outlet

1997 : 1st contemporary press and convenience retail outlet "myNEWS.com"

1996 : 1st outlet - MAGBIT



## Directors' Profile

### **Dang Tai Luk (“Luk”) Executive Chairman**

**Male / Malaysian / 64 / Date appointed to the Board: 5 February 2015**

Luk is the founder of Mynews. He has been actively managing the company since its inception. Lastly, on 30 September 2023, he was appointed to the position of Executive Chairman.

He completed his bachelor's and master's degrees in Computer Science in Canada. He began his career as an information technology professional that spanned across Malaysia, Singapore and Canada. Afterwards, in 1996, he took the entrepreneurial plunge, working with his family to open a small newsstand by the car park in a shopping mall. That small newsstand has now grown into Mynews group owns and operates over 600 retail outlets domestically, including myNEWS, Korea's CU, the UK's WH Smith, SUPERVALUE minimart and MARU Coffee. Mynews group has also diversified into large scale fresh food production and partnered with renowned Japanese businesses to establish the first state-of-the-art food processing centre of its kind in Malaysia.

Luk, the 2019 EY Entrepreneur of the Year, grew up in a family of rubber tappers in a small village in Perak and attributes his success to his parents' tenacity and their insistence on education. Like his parents, he is passionate about changing lives through education. The CSR program he founded, "Allowances That Allow (ATA)," supports underprivileged students with a monthly allowance in the years leading up to major examinations.

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### **Dang Tai Wen (“Wen”) Executive Director / Group Chief Executive Officer**

**Male / Malaysian / 50 / Date appointed to the Board: 30 September 2023**

Wen was first appointed to the Board of Mynews Holdings Berhad (“Mynews”) on 25 April 2013. He was the then Deputy Chief Executive Officer of Mynews and, subsequently, re-designated as Chief Executive Officer-Retail and Deputy Group Chief Executive Officer on 1 August 2019 and 1 November 2020 respectively.

Wen resigned as Mynews Director on 1 June 2022 to adhere to a recommended best practice of the Malaysian Code on Corporate Governance as to at least half of the Board comprises independent Directors. However, Wen remains as a senior management holding the position of Deputy Group Chief Executive Officer until on 30 September 2023, he rejoined the Board as an Executive Director and assumed the position of Group Chief Executive Officer.

He has 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 Macs CVS and McDonalds in Canada. He has accumulated more than 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.

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### **Dang Tai Hock (“Hock”) Executive Director / Chief Executive Officer - Food**

**Male / Malaysian / 66 / 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

Female / Malaysian / 63 / 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 and Nominating Committees and a member of Remuneration and Risk Management Committees.

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.

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### **Latifah Binti Abdul Latiff** (“Latifah”) Independent Non-Executive Director

Female / Malaysian / 63 / Date appointed to the Board: 1 June 2022

Latifah was appointed to the Board on 1 June 2022 and is also a member of the Audit, Nominating, Remuneration and Risk Management Committees.

Latifah graduated with a Bachelor of Science Degree (majoring in Finance) from Indiana University, Bloomington, USA and a Diploma in Accountancy from UiTM.

Latifah has over 30 years' experience in the areas of commercial & investment banking, development finance and insurance. Throughout much of her banking career, she was involved in lending activities with key focus on corporate loans and serviced many Malaysian corporations both large and medium sized.

In 2009, Latifah was hired to be part of the pioneer team to set up Danajamin Nasional Berhad, Malaysia's first financial guarantee insurer, where she spearheaded the only business division of the company. As a member of the senior management team, she served on various management committees responsible for reviewing and deliberating business proposals, risk management initiatives and processes, audit and compliance as well as overall management of the organization. She was attached with Danajamin Nasional Berhad for five (5) years.

Her last employment was Senior Vice President 1 / Head, Business Banking II of Bank Pembangunan Malaysia Berhad, a key government-owned development financial institution, where she served a period of two years from February 2016 to February 2018.

Latifah is also an Independent Non-Executive Director on the boards of South Malaysia Industries Berhad and MK Land Holdings Berhad.

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## Directors' Profile

### **Christopher Koh Swee Kiat ("Chris") Independent Non-Executive Director**

**Male / Malaysian / 56 / Date appointed to the Board: 1 June 2022**

Chris was appointed to the Board on 1 June 2022 and is also the Chairman of the Remuneration Committee and a member of the Audit Committee, Risk Management Committee and Nominating Committee.

Chris graduated with a Bachelor of Laws (Honours) from the University of Malaya and ACCA postgraduate diploma in Accounting and Finance from Association of Chartered Certified Accountants.

Chris was with established law firms as well as attached with an inhouse counsel of TA Enterprise Berhad. He co-founded Messrs. Chris Koh & Chew in 2004. He specialises in corporate, commercial and finance matters including merger and acquisitions, corporate restructuring, joint ventures, corporate finance, listing of companies in Malaysia and overseas stock exchange(s), private equity acquisition and acquisition of overseas and local hotels/resorts and as well as negotiations of management agreements with international hospitality brands.

He was the Independent Non-Executive Director in the Boards of TA Enterprise Berhad and TA Global Berhad up to their eventual delisting. He served as a member of both entities Audit & Risk Committee, Nomination Committee and Remuneration Committee.

He was also appointed by the Chief Judge of the High Court of Malaya upon consultation with the Bar Council as member of the Advocates & Solicitors Disciplinary Board for two (2) full terms up to August 2021. He currently sits on the investment committee of Mizuho ASEAN Investment Fund LLP.

Chris also sits on the Board of Glostrex Berhad and MBf Corporation Berhad.

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### **Additional Information**

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

Save as disclosed for Hock, Latifah and Chris, 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 having 52.59% 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 57.33% 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 and Mynews Ryoyupan Sdn Bhd.
- Hock who is not on the board of Mycu Retail Sdn Bhd and WH Smith Malaysia Sdn Bhd.

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

#### **Conflict of Interest**

Save as disclosed on Pages 77, 78 and 160 in the Annual Report 2023, the other Directors namely, Dee Hwee, Latifah and Chris 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 except Wen attended the five (5) meetings convened during the financial year under review which represents 100% attendance. There was no Board Meeting conducted during Wen's tenure during the FY 2023 from his appointment date on 30 September 2023 to 31 October 2023.



## Key Senior Management

**Dang Tai Luk** (“Luk”) Executive Chairman

**Dang Tai Wen** (“Wen”) Group Chief Executive Officer

**Dang Tai Hock** (“Hock”) Chief Executive Officer – Food

For their profiles, kindly refer to the Directors’ Profile on Page 6 of the Annual Report 2023

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**Lim Gim Choo** (“Lim”) Chief Financial Officer

Female / Malaysian / Age: 53 / Date appointed to the Position : 1 August 2023

Lim, a member of the Malaysian Institute of Accountants, has more than 27 years of experience in accounting, internal audit and finance. She started her career with Tasek Corporation Berhad as an Internal Audit Officer from 1996 to 2001. She then moved on to Johan Holdings Berhad as Internal Audit Assistant Manager and joined Adlen Resources Sdn Bhd in 2002 as Internal Audit Assistant Manager before joining GBH Bathroom Sdn Bhd as Assistant Accountant in 2005.

In 2007, she joined Mynews Holdings Berhad (Mynews), then known as Bison Stores Sdn Bhd and was one of the key team members instrumental in the listing of Mynews on the Bursa Malaysia Securities Berhad in March 2016. She left Mynews in November 2016 to join Tan Chong Motor Assemblies Sdn Bhd as Senior Finance Manager. She rejoined Mynews in 2019 and left in 2020 to handle the financial aspects of Ipoh Parade.

In May 2022, she rejoined Mynews as Senior Finance Manager and, subsequently, was re-designated to General Manager-Finance in February 2023 prior to her promotion as Chief Financial Officer of Mynews Group effective on 1 August 2023.

### Additional Information

#### Directorship in Public Companies and Listed Issuers

Save as disclosed for Hock, none of the other key senior management has any directorship in public companies and other listed issuers except for the directorship in this 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 does 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 financial year 2023 (FY 2023) was a year of recovery for the Company. The performance of the Company was consistently trending upward with the amount of loss narrowing from quarter to quarter, eventually turning profitable in the final quarter.

Since the beginning of the pandemic in January 2020, revenue was the highest in FY 2023 and loss was the lowest. For the businesses that have turned profitable, the profitability continued to increase and at the same time, the performance of the businesses with losses continued to improve during the year.

### Financial Performance

We present our financial performance for FY 2023 as follows:

	FY 2023 RM'000	FY 2022 RM'000	Variance RM'000	Variance %
Revenue	730,240	631,333	98,907	15.7
Gross profit	255,882	212,448	43,434	20.4
Gross profit margin	35.0%	33.7%		1.3 points
Loss before tax	(7,277)	(21,053)	13,776	65.4
Loss after tax	(15,401)	(23,599)	8,198	34.7
Net loss margin	(2.1)%	(3.7)%		1.6 points
Return to equity	(4.5)%	(8.9)%		4.4 points
Net assets per share (Sen)	31.53	32.59	(1.06)	(3.3)
Loss per share (Sen)	(1.52)	(2.88)	1.36	47.2
No. of outlets (myNEWS, CU & WHSmith)				
- Brought forward	600	534	66	12.4
- New	31	121	(90)	(74.4)
- Closed	(21)	(55)	34	61.8
- Total	610	600	10	1.7

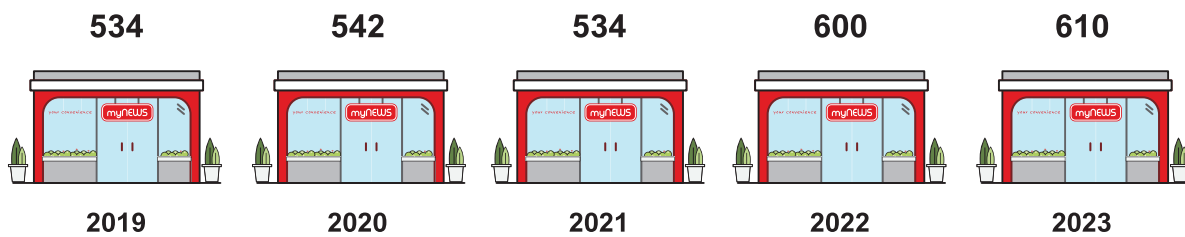


## Management Discussion and Analysis

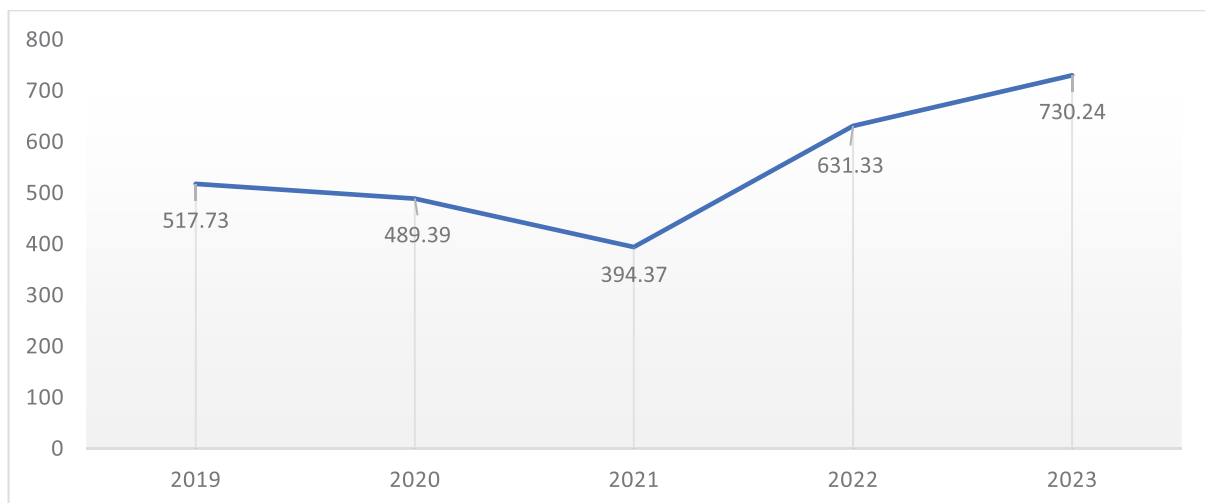
### KEY PERFORMANCE INDICATORS

	2019	2020	2021	2022	2023
<b>No. of Outlets</b>	534	542	534	600	610
<b>Revenue (RM'million)</b>	517.73	489.39	394.37	631.33	730.24
<b>Gross Profit (RM'million)</b>	185.82	159.80	120.46	212.45	255.88
<b>Profit/(Loss) Before Tax (RM'million)</b>	32.97	(14.10)	(53.43)	(21.05)	(7.28)
<b>Profit/(Loss) After Tax (RM'million)</b>	24.32	(15.90)	(49.97)	(23.60)	(15.40)

### NUMBER OF OUTLETS



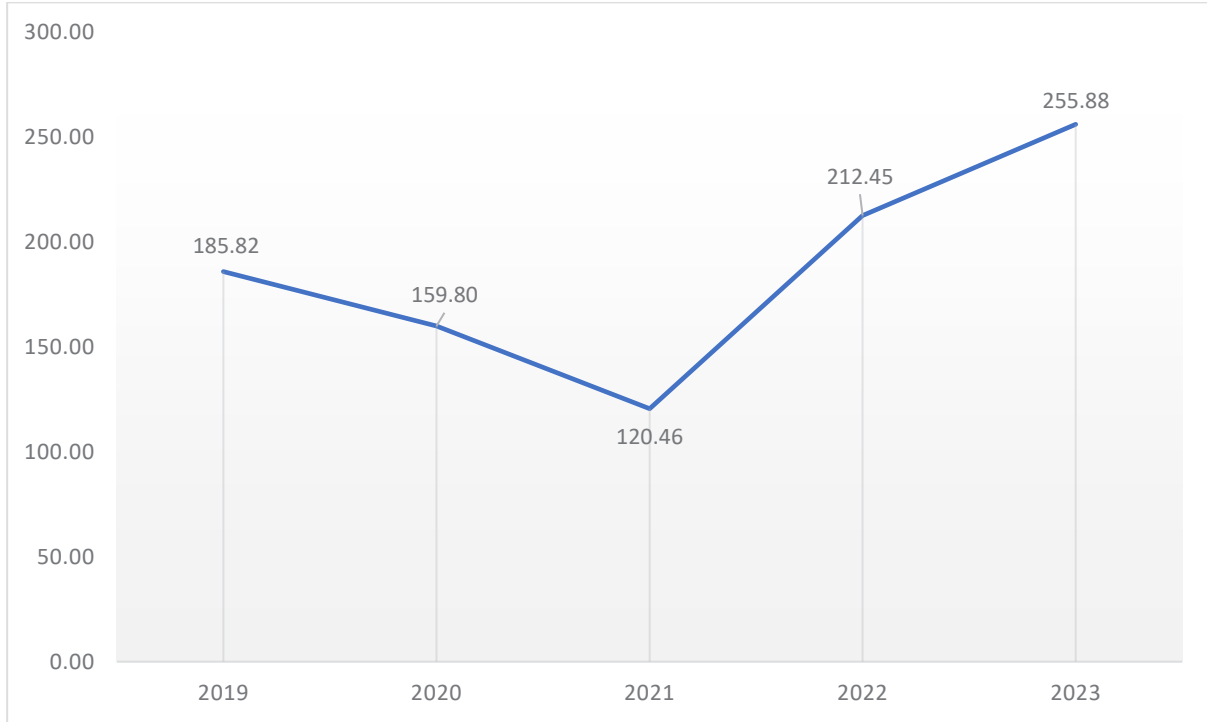
### REVENUE (RM'MILLION)



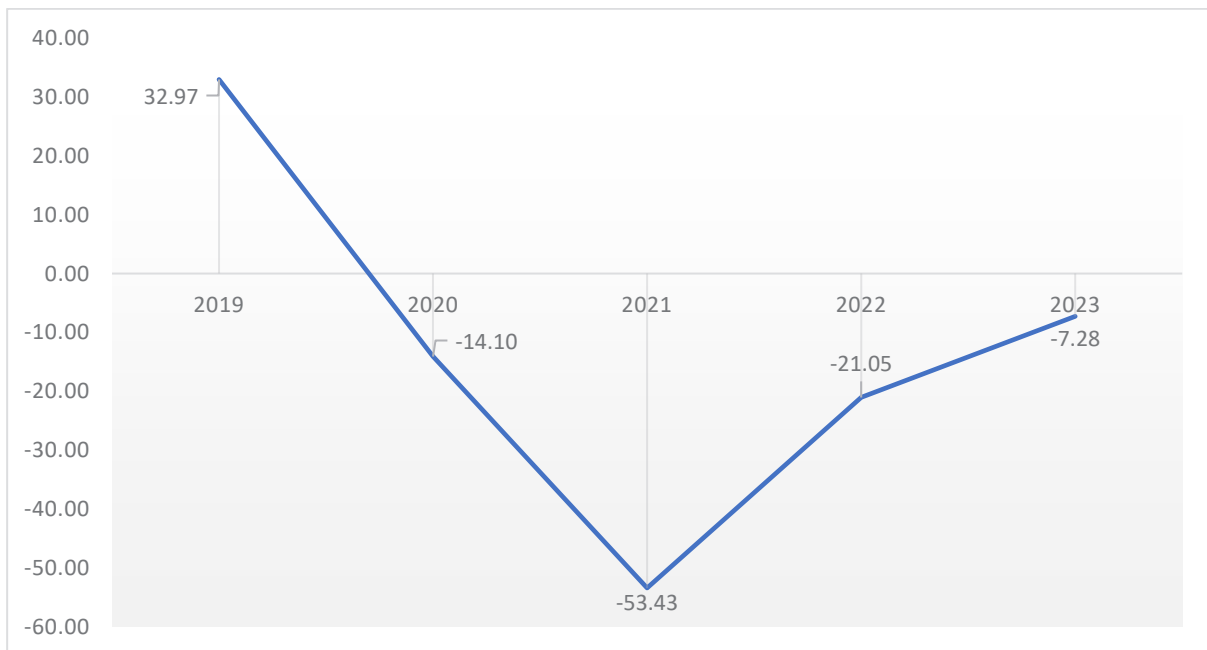


## Management Discussion and Analysis

### GROSS PROFIT (RM'MILLION)



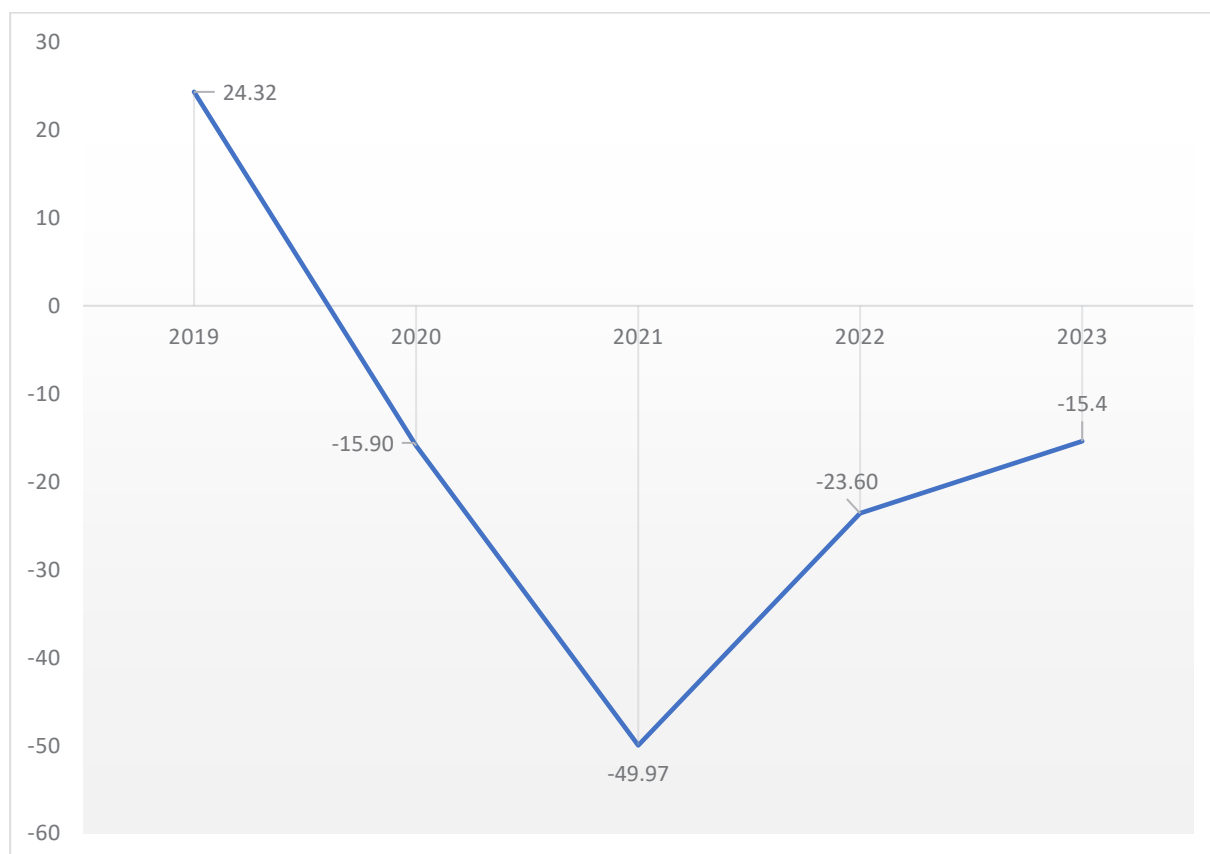
### PROFIT/(LOSS) BEFORE TAX (RM'MILLION)





## Management Discussion and Analysis

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



### Revenue

For FY 2023, Mynews recorded a revenue of RM730.24 million, an increase of RM98.91million or 15.7% in comparison with last year's revenue of RM631.33 million. The increase was principally contributed by the new outlets, longer business hours as well as the improvement in the overall in-store sales.

### Gross profit and gross profit margin

Gross profit ("GP") for FY 2023 was RM255.88 million, an increase of RM43.43 million or 20.4% as compared with the previous year of RM212.45 million. The average GP margin was also higher by 1.3%, from 33.7% to 35.0%, which was mainly contributed by the improvement in sales mix.

### Loss before taxation

Loss before taxation for FY 2023 was RM7.28 million as compared with the loss of RM21.05 million in FY 2022, which was an improvement of RM13.78 million or 65.4%. This was attributed to increase in gross profit, which was offset by operating expenses and other income as explained below:

#### 1) Selling and distribution expenses

Selling and distribution expenses was RM143.21 million, an increase of RM16.33 million or 12.9% compared with last year's of RM126.88 million. This increase was in tandem with the higher number of outlets of 610 compared with 600 at the end of FY 2022.



## Management Discussion and Analysis

### Loss before taxation (cont'd)

- 2) **Administration expenses**  
Administration expenses was RM36.34 million, an increase of RM3.23 million or 9.8% compared with FY 2022 of RM33.11 million. The increase was principally due to addition of new talents for growth plans.
- 3) **Other expenses**  
Other expenses increased by RM10.91 million or 15.9%, from RM68.48 million to RM79.39 million. The increase in other expenses was mainly due to the increase in depreciation of property, plant and equipment of RM2.18 million and depreciation of right-of-use assets of RM9.55 million.
- 4) **Finance costs**  
Finance costs increased by RM2.45 million or 27.8%, from RM8.82 million to RM11.27 million, mainly due to the increase in interest on lease liabilities from RM5.69 million to RM6.86 million. Additional bank borrowings and the increase in interest rate also caused the increase in finance costs.
- 5) **Other income**  
There was an increase in other income by RM1.66 million. The main contributing factor for the increase was the gain on disposal of investment properties of RM0.80 million and gain on disposal of non-current asset held for sale of RM0.24 million.

### Loss after Taxation

There was a reduction in losses by RM8.20 million from a loss after tax of RM23.60 million in the preceding year to RM15.40 million in FY 2023, after deduction of tax expenses of RM8.12 million.

### Liquidity and Financial Resources

The cash and cash equivalents was RM47.90 million as at the end of FY 2023, which was RM36.16 million higher compared to FY 2022. The Group had used internally generated funds of RM63.25 million, coupled with drawdown of bank facilities of RM63.11 million, in addition to funds from private placement of shares to finance the new outlets opening and working capital.

Mynews had total borrowings (including lease liabilities owing to financial institutions) of RM92.57 million in FY 2023, a decrease of RM3.17 million as compared to the previous year's amount of RM95.74 million. Its gearing ratio was 0.39 times, decreased from FY 2022 of 0.44 times.

### Corporate Exercise

Bursa Securities approved the listing and quotation of up to 68,200,000 Placement Shares on the Main Market of Bursa Securities on 7 July 2023, which represented not more than 10% of the total number of issued Mynews Shares in the Company. The issue price of RM0.41 per Placement Share was discounted by approximately 7.18% based on the 5-day volume-weighted average price ("VWAP") of Mynews Shares and the Placement raised gross proceeds of RM27.96 million which was completed on 13 July 2023.

### Challenges

The major challenges faced by Mynews in FY 2023 were:

#### 1) **Increasing Competition in the Convenience Retail Landscape**

The competition for market share and prime locations for new outlets were becoming more intense as most of the players were becoming more aggressive. As the industry becomes more attractive, more new entrants are joining the fray. However, Mynews, being one of the leading players in the industry, is well positioned to remain competitive and attractive in this industry.



## Management Discussion and Analysis

### Challenges (cont'd)

#### 2) Food Processing Centre (FPC) Production Capacity

The performance of the FPC continued to improve. However, its performance, depended on the selling strength at the retail outlets. There is still room for growth until the maximum capacity is reached.

#### 3) Gestation Process of CU Concept

In FY 2023, CU store network expanded from 125 to 131 outlets. With the rising costs in labour and materials, compounded by the onslaught of inflationary pressure and increase in other operating expenses, this new business took a slightly longer period of gestation than initially anticipated. However, the management is trying its best to shorten the period and as a result the loss continues to narrow from quarter to quarter. This business is now at the tail end of the gestation period.

#### 4) Economic Volatility

In FY 2023, the world was enveloped in economic volatility driven by geopolitical tensions, inflationary pressures and energy crises. As a business entity, the Company was affected one way or another. The management is watchful over the development.

### Dividend

In view of the business recovery, the Board declared a single-tier interim dividend of 0.5 sen per ordinary share in Mynews Holdings Berhad in respect of the financial year ending 31 October 2023 on 3 October 2023, amounting to RM3,751,770 which was paid on 9 November 2023.

### 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).

### Prospect

Mynews performance has improved significantly in FY 2023. The group is hopeful that the improvement will continue through the FY 2024.

Until now, the group operates a total of 610 outlets, made up of 460 myNEWS (including 26 SUPERVALUE), 131 CU and 19 WHSmith outlets. The rate of growth in the number of new stores will increase in FY 2024. Therefore, the group is expecting the sales revenue to grow together with the growing store network and ongoing efforts in increasing the in-store sales through improving product mix and retail strategy. At the same time, we expect the performance of the FPC to continue its trend of improvement driven by the increasing sales at the retail front. Meanwhile, the recovery of the air travel industry continues to boost the performance of WH Smith stores which are located within the airports in the country.

Over the last three years, Mynews faced new and complex challenges arising from the pandemic, geopolitical tensions and economic crises. Nonetheless, the management has taken steps to overcome the challenges. As a result of the efforts, Mynews is a more dynamic and versatile company today, operating multiple popular brands to meet the growing demands of the consumers.



## Beyond Numbers & Towards Sustainable Impact – Our ESG Journey Unveiled in the Sustainability Statement 2023





## ABOUT THIS STATEMENT

Mynews Holdings Berhad (referred to as “the Group” hereafter) has progressively integrated its Sustainability or Environment, Social and Governance (commonly referred to as (“ESG”)) across multiple facets of its operations, including manufacturing, supply chain, and various other areas. This Sustainability Statement (“Statement”) stands as evidence of the Group’s continuous endeavours to harmonise economic advancement with environmental care, social accountability, and clear governance practices.

## STATEMENT PERIOD

This Statement covers the period from 1<sup>st</sup> November 2022 to 31<sup>st</sup> October 2023.

## SCOPE & BOUNDARY

This Statement encompasses initiatives and performance metrics originating from the operations of the Group within Malaysia. Not included in this Statement are figures and disclosures from business associates, third-party contractors, suppliers, vendors, and other partners associated with the value chain.

## STATEMENT FRAMEWORK

The preparation of this Statement aligns with the guidelines outlined in Bursa Malaysia’s Sustainability Reporting Guide Second (2<sup>nd</sup>) Edition and proportionally guided by the Bursa Sustainability Reporting Guide Third (3<sup>rd</sup>) Edition in line with the United Nation Sustainable Development Goals (“UNSDG”). In instances where applicable, specific disclosures have been crafted in accordance with the standards set by the Global Reporting Initiative (“GRI”).



## INTERPRETATION

In this Statement, the following words or expression shall have the following meanings respectively: -

<b>The Group</b>	<i>Refers to Mynews Holdings Berhad and all its subsidiaries</i>
<b>We / Our / Us</b>	<i>Refers to a continuation or extension of the collective identity described under ‘the Group’ in this context</i>
<b>MESGSC</b>	<i>Refers to ‘Mynews ESG Sustainability Committee’</i>



## FOREWORD

### *Leading with Purpose: Driving Sustainable Success*



*“It’s not about taking a giant leap, but about taking a significant step towards a sustainable future.”*

**DANG TAI LUK**  
Executive Chairman

*Dear Valued Stakeholders,*

*As the Executive Chairman of Mynews Holdings Berhad, I am proud to present our FY 2023 Sustainability Statement. This Statement reflects our commitment to operating our business in a responsible and ethical manner, while also creating value for our customers, employees, communities and all our valued stakeholders.*

*In the bustling retail industry, our dedication to serving customers' satisfaction remains ceaseless. However, amidst our pursuit of customer contentment, we often overlook the impact on biodiversity and now, it's time for us, alongside Mynews Holdings Berhad, as a developed and progressive nation, to rally our stakeholders in upholding the principles of sustainability embedded within ESG values. Sustainability is not only a moral duty, but also a strategic opportunity for differentiation and growth in the convenience and forecourt retail sector. Our customers are increasingly aware of the environmental and social impacts of their choices, and they expect us to share their concerns and act accordingly. That is why we have adopted a holistic approach to sustainability, covering four key areas: environmental stewardship, social responsibility, economic performance and governance.*

*At Mynews, we heed the urgent call to safeguard the environment from potential catastrophes. We take immense pride in proactively addressing these concerns, meticulously considering them in our materiality assessments involving our stakeholders. As we delve into the financial year 2024, Mynews's focus is directed towards significant areas like carbon emissions. We understand that while it's a broad area, its impact reverberates throughout the entire supply chain, reaching its zenith. Therefore, we are excited about exploring opportunities to combat these material issues head-on in FY 2024. It's not about taking a giant leap, but about taking a significant step towards a sustainable future. It's about fostering a culture that acknowledges the imperative need to balance customer satisfaction with the preservation of our planet. Throughout this Statement, you'll witness our efforts and strides in tackling these pressing issues head-on, striving for a more sustainable tomorrow. It's a testament to the unwavering commitment and collaboration of our teams, the driving force behind our sustainability initiatives.*

*Sustainability isn't just a goal; it's a journey we embark on together. Let's forge ahead, not just as a company, but as part of a collective force dedicated to fostering positive change within our company and beyond. Thank you for your continued support and trust in Mynews Holdings Berhad.*



*“At Mynews Holdings Berhad, we firmly believe that our commitment to ESG principles is intrinsic to our identity.”*

**DANG TAI WEN**  
Group Chief Executive Officer

Dear Stakeholders,

As we present the FY 2023 Annual Sustainability Statement for Mynews Holdings Berhad, it is with immense pride that I reflect on our unwavering growth and progress of the Environmental, Social, and Governance (‘ESG’) practices. Our company’s journey toward sustainability has been pivotal, underlining our dedication to responsible business practices and our role as a conscientious corporate citizen. This Statement is a testament to our steadfast efforts to integrate sustainability into every facet of our operations. It encapsulates the strides we’ve made, the challenges we’ve encountered, and the innovative solutions we’ve implemented in pursuit of a more sustainable future. In the FY 2023, our focus on material concerns was evident as we directed efforts towards reducing energy consumption, improving financial performance, enriching communities, enhancing employee well-being, and implementing effective waste management strategies.

The year 2023, despite the inherent challenges, we remained focused on our mission to provide convenience, quality, and value to our customers, while ensuring the health and safety of our employees and customers. We also took this opportunity to review and strengthen our ESG framework, policies, and practices, in line with our company’s vision to be the most trusted and preferred convenience chain store in Malaysia.

Here are some of the new and impactful areas we tapped on through our initiatives in FY 2023:

- I. Assessing the Group’s Carbon footprint, a core element within the ESG framework.
- II. Progressively eliminating the use of degradable and bio-degradable plastics across all our establishments.
- III. Exploring the optimization of resource consumption and transitioning towards adopting solar renewable energy.
- IV. Food waste composting practices
- V. Exploring opportunities in eliminating animal cruelty practices in the value chain

We are indeed proud of our milestone and yet, we still recognise that there are always rooms for improvement. Therefore, we will continue to monitor and measure our ESG performance, and seek feedback from our stakeholders, to identify and address the gaps and challenges. We will also explore new and innovative ways to create positive impact and value for our stakeholders and society.

Looking ahead to the financial year 2024, we are excited about a slight shift in our strategic focus. This shift will emphasize research and development, the delivery of high-quality products, advancing waste management practices, and, most significantly, prioritizing the preservation of natural resources, particularly in reducing carbon emissions. At Mynews Holdings Berhad, we firmly believe that our commitment to ESG principles is intrinsic to our identity. It is not merely a compliance measure but an essence that resonates throughout our organization. It reflects our profound respect for the environment, our commitment to social responsibility, and our unwavering adherence to ethical governance standards.

Throughout this Statement, you will gain insights into our initiatives, achievements, and the ongoing evolution of our sustainability strategies. It serves as a testament to the dedication and tireless efforts of our teams whose commitment drives our sustainability agenda forward. As we delve into the contents of this Statement, it is imperative to recognize that sustainability is an ongoing journey, one that requires continual innovation, collaboration, and adaptability. While celebrating our accomplishments, we remain steadfast in our resolve to explore new avenues and elevate our impact.

I extend my heartfelt appreciation to every stakeholder associated with Mynews Holdings Berhad whose dedication, passion, and hard work have brought this Statement to fruition. Your collective efforts exemplify our commitment to sustainability and lay the groundwork for a brighter, more sustainable future and we look forward to working with you to achieve our ESG goals and aspirations.



## SUSTAINABILITY GOVERNANCE & FUNCTIONS

### BOARD OF DIRECTORS ("BOD")



- The Board oversees the Group's sustainability frameworks
- Half-yearly review of the Group's ESG performances and progresses
- Participate in setting the Group's ESG goals, policies, long term strategies aligning with the Group's values and objectives
- Oversee the communication and disclosure of ESG-related information in corporate reports and filings, ensuring transparency

### GROUP CHIEF EXECUTIVE OFFICER ("GCEO")



- Promote an ESG-conscious culture within the Group and ensure alignment of operations with ESG goals
- Responsible for implementing the ESG strategies set by the Board
- Engagement with various stakeholders, including investors, associates, and others, to raise awareness of the Group's direction on ESG
- Ensure compliance with ESG regulations and standards, oversee ESG-related disclosures, and report to stakeholders

### MYNEWS ESG SUSTAINABILITY COMMITTEE ("MESGSC")



- Develop and recommend ESG strategies, goals and policies to the GCEO and the BOD
- Closely monitor and drive the sustainability initiatives
- Engage with stakeholders to understand their ESG-related concerns and integrate their feedback into ESG initiatives

### MYNEWS ESG WORKING COMMITTEE ("MEWC")



- Gather and analyze ESG-related data to measure the Group's performance against ESG goals
- Coordinate with various departments to integrate ESG considerations into day-to-day operations
- Maintain records, prepare reports, and provide regular updates on the progress of ESG initiatives to the MESGSC
- Consist of Head of each units in the organisation



## SUSTAINABILITY CORE VALUES

The Group recognises that the actions today profoundly impact the world of tomorrow. Hence, sustainability is not just a buzzword but an integral part of our corporate identity and a driving force behind each and all decisions and operations as we navigate our business day-by-day.

In today's rapidly changing world, the pursuit of sustainability has evolved beyond a moral imperative; it is a strategic necessity. Our commitment to sustainability is embedded in our values which guide us to make responsible choices that not only benefit our business but also contribute positively to the environment, society, and economy. As we navigate an era of heightened environmental consciousness and evolving social expectations, we understand that achieving sustainability is not an endpoint but an ongoing journey. Similarly, our journey towards sustainability encompasses multifaceted efforts that require dedication, collaboration, and innovation.

Below, we outline the fundamental values that we embody in our path towards sustainability within the Group. These are the values embedded across the business operation and practices in the Group which includes: -



## MATERIAL SUSTAINABILITY MATTERS

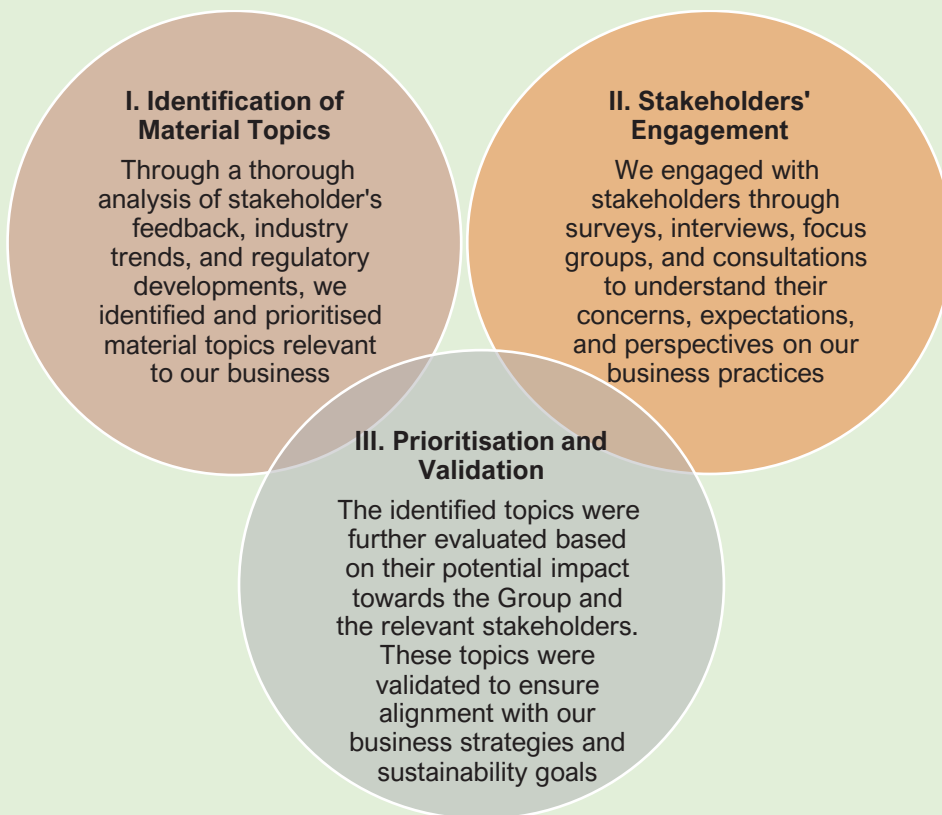
In comparison to the material matters in the FY 2022, the material matters in FY 2023 have continued to see changes significantly as there are more areas that have surfaced for MEGSC to focus, delve and embark on for FY 2023 onwards and the areas which have surfaced are areas which are of paramount importance for the Group to embrace and initiate on the material matters that were derived through the due processes guided by the mechanism introduced by Bursa Malaysia which is the Materiality Assessment ("Assessment").



## THE ASSESSMENT PROCESS

In line with the inherent guideline, the Group had conducted a robust and comprehensive Assessment in FY 2023. During the preparation of the assessment, MESGSC took into consideration those material matters reported back in FY 2022 back into the assessment for FY 2023.

Therefore, the outcome of the assessment reported hereunder is a result of all the material matters that were tabled to our stakeholders for them to evaluate and assess. The method that was adopted in carrying out the Assessment is by way of a questionnaire shared across all the relevant stakeholder in which contains ratings which determines the issues most critical to our stakeholders and the Group's long-term success. The Assessment process comprises the following flow of process to achieve an inclusive outcome.

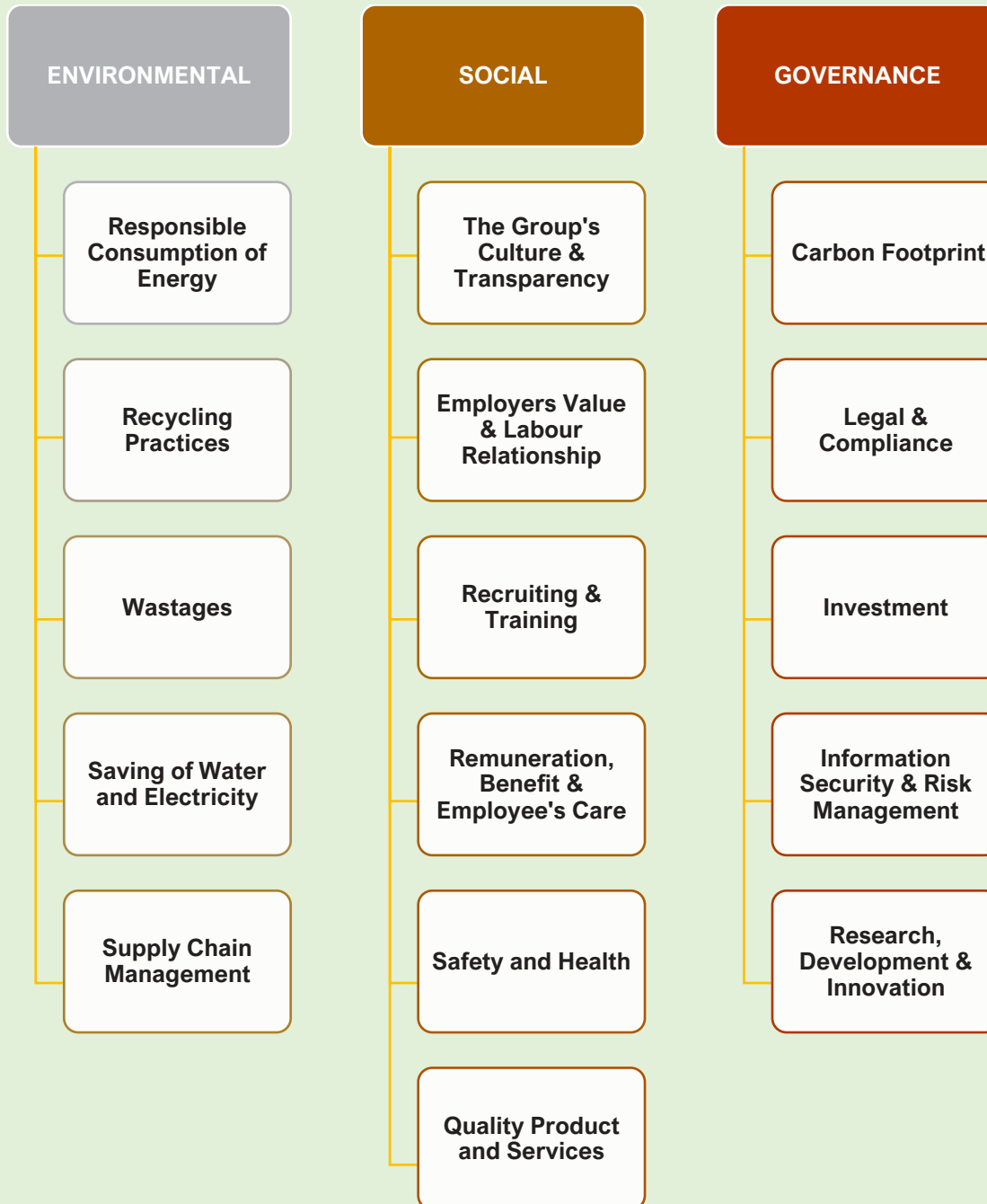




## I. IDENTIFICATION OF MATERIAL TOPICS

The MESSGSC begins by analysing and collating the topics categorically in two contexts. Firstly, the external expectations- which include but not limited to global trends, emerging regulations, and stakeholders' concerns to understand external expectations whereas secondly - the internal expectations which includes but not limited to stakeholders' concerns, risks (both existing or potential), short term and long-term visions, market trends and many others.

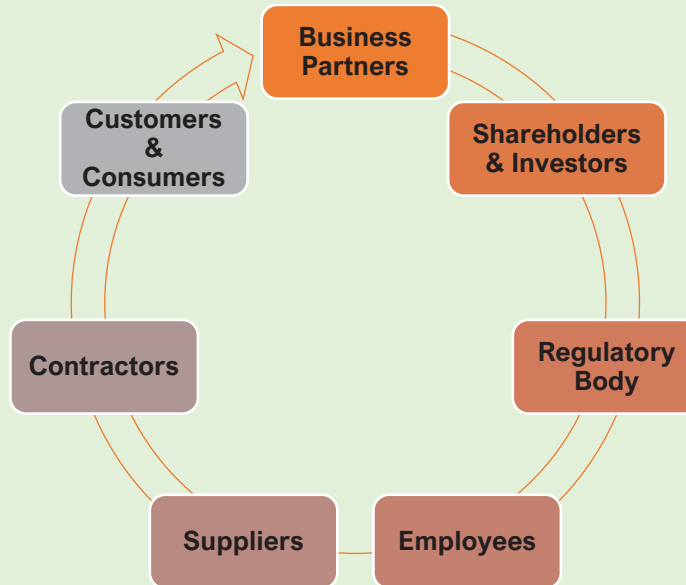
Upon these material topics are analysed and collated, they are then materialised in the formation of the Assessment for the stakeholder's participation. The overall material matters gathered were as follows: -





## II. STAKEHOLDERS' ENGAGEMENT

Secondly, the stakeholders' engagement is also a crucial element of the Assessment process. It allows the Group to gather valuable insights from diverse perspectives of our stakeholders. The stakeholders involved in the Assessment for FY 2023 are as follows: -



The election of all these stakeholders aims to embrace an inclusive approach and to ensure that the voices, perspectives, and concerns of diverse groups are considered and integrated into our sustainability planning. It's not just about catering to the needs of a few; rather, it involves creating strategies that consider the interests and concerns of all our stakeholders as they make up parts and parcels of the organisation.

The Group has meticulously documented and summarised its engagements with various stakeholders. The table below provides a comprehensive breakdown of stakeholders, types of engagement, frequency, areas of interest, and the outcomes derived from these engagements.



Stakeholder Group	Type of Engagement	Frequency	Area of Interest	Outcomes	UNSDG Covered
<b>Shareholders &amp; Investors</b>	<ul style="list-style-type: none"> <li>Shareholders &amp; Investors Briefing</li> </ul>	At least once a year	<ul style="list-style-type: none"> <li>Financial Performance</li> <li>Key Corporate development</li> <li>Corporate governance</li> <li>Brand USP</li> </ul>	<ul style="list-style-type: none"> <li>Enhanced Trust and Transparency</li> <li>Better Decision-Making</li> <li>Support for Corporate Governance</li> <li>Long-term Value Creation</li> <li>Market Perception</li> </ul>	
<b>Customers &amp; Consumers</b>	<ul style="list-style-type: none"> <li>Engagement Survey</li> <li>Face-to-face Meetings</li> <li>Loyalty Programme</li> </ul>	Periodic	<ul style="list-style-type: none"> <li>Social Welfare</li> <li>Promotions</li> <li>Product Quality</li> <li>Food Safety</li> <li>Sustainability Products</li> <li>BHG Emissions</li> </ul>	<ul style="list-style-type: none"> <li>Brand Loyalty</li> <li>Increased Customer Retention</li> <li>Enhanced Customer Satisfaction</li> <li>Competitive Advantage</li> <li>Adaptability and Innovation</li> </ul>	
<b>Employees</b>	<ul style="list-style-type: none"> <li>Internal Engagement channels</li> <li>Townhall meeting</li> <li>Whistleblowing Policy</li> <li>Internal upskilling training</li> <li>Teambuilding &amp; Internal Forum</li> <li>The 'Hero Journey Programme'</li> <li>'Voice of Employee' platform</li> <li>Viva Engage - Internal Communication</li> </ul>	Periodic	<ul style="list-style-type: none"> <li>Social Welfare</li> <li>Career development</li> <li>Equal Opportunity and Value Diversity</li> <li>Remuneration</li> <li>Benefit-in-Kind</li> <li>Recognition &amp; Appreciation</li> </ul>	<ul style="list-style-type: none"> <li>Higher Productivity</li> <li>Enhanced Creativity and Innovation</li> <li>Reduced Turnover and Retention</li> <li>Stronger Employer Brand</li> <li>Healthier Work Environment</li> <li>Higher Profitability and Business Success</li> </ul>	
<b>Regulatory Body</b>	<ul style="list-style-type: none"> <li>Inspections</li> <li>Conferences</li> <li>Ad-hoc Invitations</li> <li>Programs organized by the authorities</li> </ul>	Periodic & As and when necessary	<ul style="list-style-type: none"> <li>Labour Management</li> <li>Security &amp; Safety Issues</li> <li>Policy Matters</li> <li>Corporate Governance</li> <li>Compliance with applicable laws/ regulatory requirements</li> <li>Information Security</li> </ul>	<ul style="list-style-type: none"> <li>Legal Compliance</li> <li>Enhanced Reputation and Trust</li> <li>Access to Markets and Opportunities</li> <li>Investor Trust and Attraction of Capital</li> <li>Operational Efficiency</li> <li>Long-Term Viability</li> </ul>	
<b>Business Partners</b>	<ul style="list-style-type: none"> <li>Ongoing meetings</li> <li>Conference calls</li> <li>Site visits</li> <li>Collaborations</li> </ul>	As and when necessary	<ul style="list-style-type: none"> <li>Quality of products &amp; services</li> <li>Production capacity</li> <li>Collaboration &amp; market synergy</li> <li>Business development/partnerships</li> </ul>	<ul style="list-style-type: none"> <li>Access to New Markets and Customers</li> <li>Innovation and Collaboration</li> <li>Enhanced Credibility and Reputation</li> <li>Geographical Expansion</li> <li>Market Differentiation and Competitive Advantage</li> </ul>	
<b>Suppliers and Contractors</b>	<ul style="list-style-type: none"> <li>One-to-one meeting</li> <li>Periodic performance evaluation</li> <li>Conferences</li> <li>Referrals</li> <li>Collaboration</li> </ul>	Periodic & As and when necessary	<ul style="list-style-type: none"> <li>Agreeable contracts</li> <li>Terms of payments</li> <li>Business development/partnerships</li> <li>Corporate governance</li> <li>Product Quality</li> </ul>	<ul style="list-style-type: none"> <li>Flexibility and Scalability</li> <li>Timely Delivery and Reliability</li> <li>Access to Resources and Expertise</li> <li>Focus on Core Competencies</li> </ul>	

The table above serves as a condensed overview of the diverse stakeholders' engagements conducted by the Group, highlighting the various strategies employed to interact with and address the needs and concerns of each stakeholder category. Each engagement is tailored to cater to specific interests, ensuring a meaningful exchange that drives positive outcomes for both the Group and its stakeholders.

Through these engagements, the Group fosters open dialogue, builds stronger relationships, and endeavours to create shared value that extends beyond mere transactions. The outcomes achieved through these engagements underscore the Group's commitment to responsible and sustainable business practices, reflecting our dedication to creating lasting positive impacts within our sphere of influence.

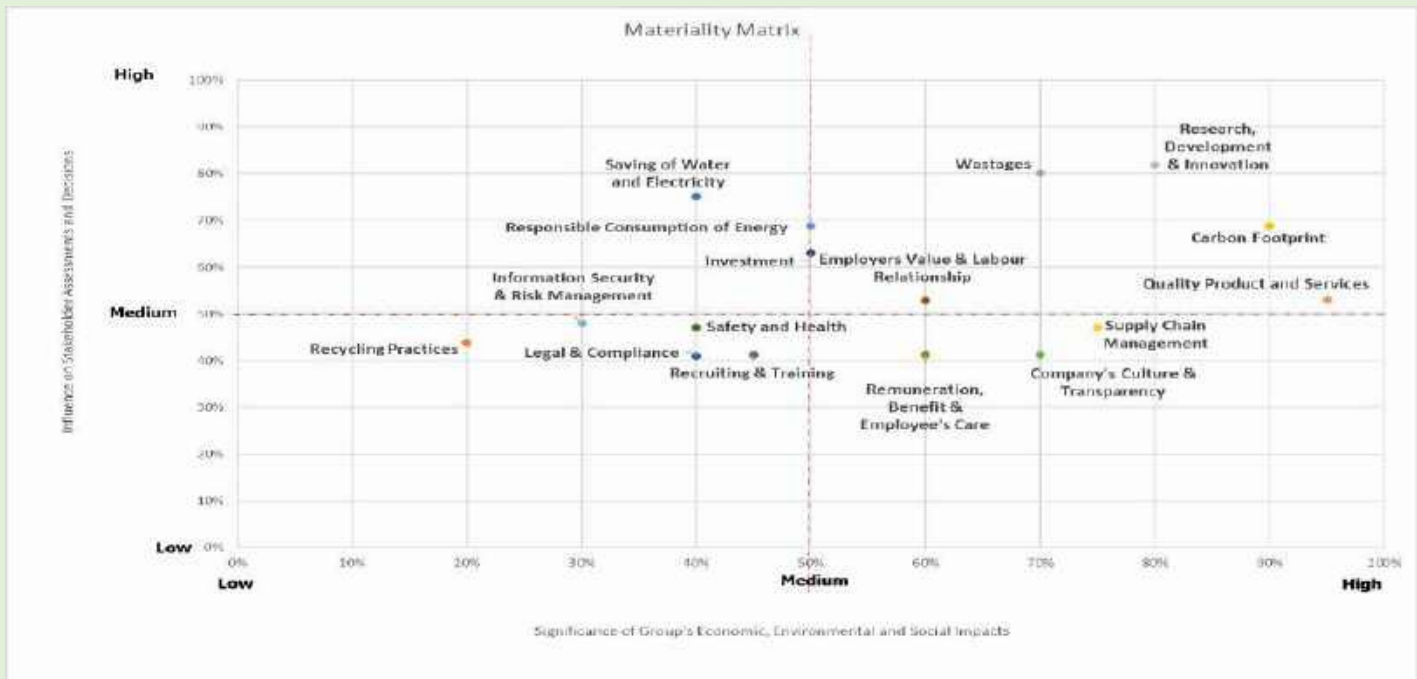


### III. PRIORITISATION AND VALIDATION

Thirdly, following from the identification and engagement with stakeholders, the next crucial steps in the Assessment process are prioritisation and validation. These steps ensure that the identified material topics are addressed with the appropriate level of attention and focus, reflecting their relative importance and relevance. By prioritising and validating material topics effectively, the Group ensures that their sustainability efforts are focused, strategic, and impactful, ultimately contributing to their long-term success and positive societal contribution.



### MATERIALITY MATRIX





The visual matrix presented is a clear depiction of the outcome of the Assessment. This matrix outlines the most significant ESG issues relevant to the Group and its stakeholders for FY 2023 which has been reviewed by MESGSC, Executive Committee and the Board. The Group also demonstrates its commitment to continuous improvement by reviewing its assessment process. This ensures that the identified material topics remain relevant and reflect the evolving business context and stakeholders' expectations. The Assessment undertaken for FY 2023 was a fresh full-scale assessment and the outcome of which is set to be the long-term target of the Group, at least for the next Three (3) years. Therefore, the frequency of the Assessment will be between every Three (3) years as it enables the Group in implementing significant and viable shift towards achieving its sustainability goals.







The validated material matters for FY 2023 are well-aligned with the Group's long-term goal. This demonstrates a strategic approach to sustainability that focuses on long-term impact and value creation, recognising the vastness and complexity of material topic. The Group plans to utilise its current material matters for the next Three (3) years. This timeframe allows for progressive steps towards achieving its sustainability goals and targets. Implementing and measuring progress on these material matters over a Three (3) years' period, allows for a focused and data-driven approach, ensuring that efforts are directed towards the most impactful areas.

## RISKS, IMPACTS AND OPPORTUNITIES OF THE MATERIAL MATTERS

However, at the time of writing this Statement, the specific targets and goals for achieving these material matters are still under careful consideration and finalisation by the Group. Due to the Group's commitment to setting feasible and impactful goals, the finalised targets will be reported in the subsequent annual report. This ensures that the goals are well-defined, measurable, and achievable, contributing to the Group's long-term sustainability vision.

	RISKS AND IMPACTS	OPPORTUNITIES	UNSDG Covered
 <p><b>Food Waste Management</b></p>	<p>Subsidiaries under the Group are actively involved in producing ready-to-eat (RTE) foods. Aiming to serve our customers fresh foods with uncompromising quality, the tendency of the RTEs being disposing after a good duration of shelf life is highly probable. An improper handling of the Food Waste Management could potentially lead to: -</p> <p><b>Environmental Impact: -</b></p> <ul style="list-style-type: none"> <li>Greenhouse Gas Emissions</li> <li>Resource Depletion</li> <li>Biodiversity Loss</li> </ul> <p><b>Social Impact: -</b></p> <ul style="list-style-type: none"> <li>Ethical Concerns</li> <li>Food Insecurity</li> </ul> <p><b>Governance Impact: -</b></p> <ul style="list-style-type: none"> <li>Financial Loss</li> <li>Waste Management Costs</li> <li>Reputational issues</li> </ul>	<p>The Group considers the risks and impacts associated with food waste management to be significant and of great concern whereby the following shall be the approaches that the Group, through its Sustainability Committee will leverage onto: -</p> <ul style="list-style-type: none"> <li><b>Source Reduction:</b> Implementing measures to reduce food waste at the source, such as improved inventory management, portion control, and consumer education on food storage and expiration dates.</li> </ul>	 



	RISKS AND IMPACTS	OPPORTUNITIES	UNSDG Covered
 <p><b>NATURAL RESOURCES</b></p>	<p>Natural resources play a pivotal role in influencing the Group's operations, sustainability, and growth. Mismanaging or omission towards fostering and preserving the natural resources could lead to a significant impact such as: -</p> <p><b>Environmental Impact: -</b></p> <ul style="list-style-type: none"> <li>• Depletion of natural resources</li> <li>• Environmental degradation</li> <li>• Climate instability</li> <li>• Ecological Imbalances</li> </ul> <p><b>Social Impact: -</b></p> <ul style="list-style-type: none"> <li>• Adverse health effects due to resource extraction or misuse</li> <li>• Compromised access to basic and clean provisions.</li> </ul> <p><b>Governance Impact: -</b></p> <ul style="list-style-type: none"> <li>• Stakeholder mistrust due to unsustainable resource practices board accountability issues related to resource usage.</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Adopting sustainable business practices to minimize environmental impact: -</b> Optimising renewable energy sources, recyclable materials, and reducing dependency on finite resources.</li> <li>• <b>Innovation and Efficiency: -</b> Developing and implementing sustainable technologies and practices to reduce resource consumption, enhance efficiency, and minimize waste.</li> <li>• <b>Embracing circular economy: -</b> models that promote recycling, reuse, and resource recovery to minimize waste and maximize resource utilization.</li> </ul>	    



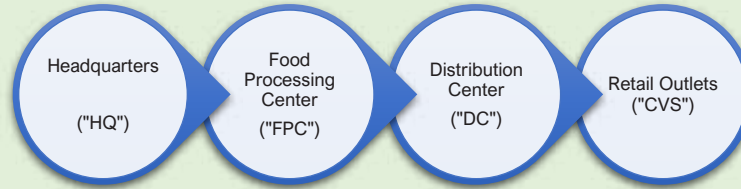
	RISKS AND IMPACTS	OPPORTUNITIES	UNSDG Covered
 <b style="color: red;">RESEARCH &amp; DEVELOPMENT</b>	<p>Research and Development (“R&amp;D”) stands as a cornerstone of innovation and growth within companies across industries. It encompasses the pursuit of new technologies, product enhancements, and novel solutions. However, while R&amp;D offers promising avenues for progress, it also poses inherent risks that necessitate careful management.</p> <p><b>Environmental Impact: -</b></p> <ul style="list-style-type: none"> <li>• <b>Resource Intensity</b> R&amp;D activities may require significant resources, leading to higher energy consumption and waste generation.</li> <li>• <b>Environmental Degradation</b> R&amp;D processes might contribute to pollution or environmental degradation if not conducted sustainably.</li> </ul> <p><b>Social Impact: -</b></p> <ul style="list-style-type: none"> <li>• <b>Community Displacement</b> Some R&amp;D activities might displace communities or impact local livelihoods.</li> <li>• <b>Health and Safety</b> R&amp;D processes could pose health risks to workers or nearby communities if safety measures are inadequate.</li> </ul> <p><b>Governance Impact: -</b></p> <ul style="list-style-type: none"> <li>• <b>Regulatory Compliance</b> Non-compliance with R&amp;D regulations or ethical standards poses governance risks.</li> <li>• <b>Intellectual Property Protection</b> Ensuring governance around protecting intellectual property from theft or infringements is crucial.</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Adopting Sustainable Business Practices to Minimise Environmental Impact</b> Optimising renewable energy sources, recyclable materials, and reducing dependency on finite resources.</li> <li>• <b>Innovation and Efficiency</b> Developing and implementing sustainable technologies and practices to reduce resource consumption, enhance efficiency, and minimise waste.</li> <li>• <b>Embracing Circular Economy</b> Models that promote recycling, reuse, and resource recovery to minimise waste and maximise resource utilisation.</li> </ul>	<div style="display: flex; flex-direction: column; gap: 10px;"> <div style="background-color: #c00000; color: white; padding: 5px; text-align: center;"> <b>4</b> QUALITY EDUCATION   </div> <div style="background-color: #800040; color: white; padding: 5px; text-align: center;"> <b>8</b> DECENT WORK AND ECONOMIC GROWTH   </div> <div style="background-color: #ff4500; color: white; padding: 5px; text-align: center;"> <b>9</b> INDUSTRY, INNOVATION AND INFRASTRUCTURE   </div> <div style="background-color: #ff8c00; color: white; padding: 5px; text-align: center;"> <b>11</b> SUSTAINABLE CITIES AND COMMUNITIES   </div> <div style="background-color: #000080; color: white; padding: 5px; text-align: center;"> <b>17</b> PARTNERSHIPS FOR THE GOALS   </div> </div>



	RISKS AND IMPACTS	OPPORTUNITIES	UNSDG Covered
 <b>Quality Product &amp; Services</b>	<p>The commitment to delivering quality products and services stands as a cornerstone of success for businesses across industries. However, beyond the pursuit of excellence lies a landscape of risks, impacts, and opportunities that arise from the delivery of high-quality offerings.</p> <p><b>Environment Impact: -</b></p> <ul style="list-style-type: none"> <li> <b>Accessibility and Affordability</b>            High-quality products might be less accessible or affordable to lower-income groups, potentially creating social disparities.         </li> <li> <b>Waste Disposal</b>            The disposal of non-recyclable or non-biodegradable components in high-quality products poses environmental risks.         </li> </ul> <p><b>Social Impact: -</b></p> <ul style="list-style-type: none"> <li> <b>Labour Conditions</b>            Ensuring high quality might lead to increased pressure on labour, affecting working conditions if not managed ethically.         </li> </ul> <p><b>Governance Impact: -</b></p> <ul style="list-style-type: none"> <li> <b>Quality Control Issues</b>            Failure to meet quality standards can lead to reputational damage, legal issues, and compliance issue.         </li> <li> <b>Data Security</b>            Ensuring the security and privacy of customer data associated with high quality products is critical.         </li> </ul>	<ul style="list-style-type: none"> <li> <b>Green Technologies</b>            R&amp;D offers opportunities to develop sustainable solutions that mitigate environmental harm.         </li> <li> <b>Efficiency Improvements</b>            Innovations in energy-efficient technologies or processes stemming from R&amp;D can reduce environmental impact.         </li> <li> <b>Ethical Practices</b>            Embracing ethical R&amp;D practices fosters positive social impacts and community relations.         </li> <li> <b>Stakeholders' Engagement</b>            Effective governance in R&amp;D encourages stakeholders' engagement, leading to informed decisions and sustainable practices.         </li> </ul>	<div style="text-align: center; margin-bottom: 10px;">  </div> <div style="text-align: center; margin-bottom: 10px;">  </div> <div style="text-align: center;">  </div>



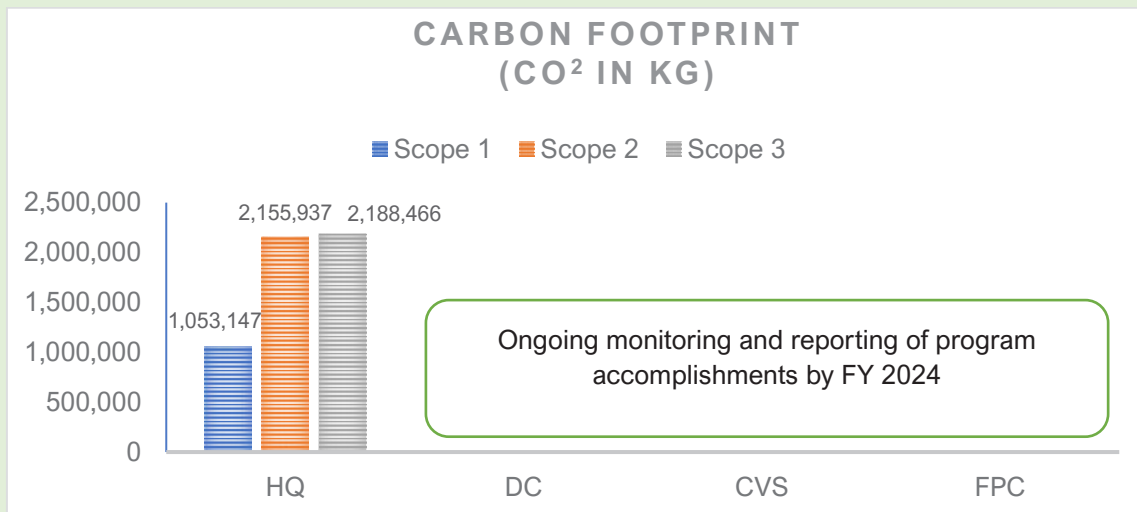
## CARBON FOOTPRINT



In our pursuit of comprehensive carbon footprint analysis, we have embarked on a structured approach to assess and address the environmental impact across integral segments of our business operations. Recognising the significance of our carbon emissions, we have strategically divided our assessment into Four (4) key parts.

At present, we are pleased to announce the successful completion of the carbon emission calculation for our HQ. The meticulous efforts of our dedicated teams and the guidance of our MESSGSC have resulted in the accurate determination of our emissions at this primary operational hub. However, our commitment to transparent reporting and thoroughness does not end here. The MESSGSC is actively engaged in the ongoing process of calculating the carbon emissions for our FPC, DC and CVS. This meticulous analysis involves collating and verifying data with internal and external stakeholders to ensure accuracy and reliability.

We acknowledge that this endeavour, while crucial, is time-consuming due to the complexities involved in data collection, analysis, and verification across multiple operational domains. As we uphold our commitment to transparency and accuracy, we anticipate finalising and reporting the carbon emissions for these segments in the subsequent annual reports. Despite the inherent complexities and challenges, our dedication to providing a comprehensive and transparent overview of our environmental impact remains unwavering. We are resolute in our pursuit of sustainable practices and strive to offer a holistic view of our carbon footprint across all facets of our business operations in forthcoming statements.



The following analysis presents the Greenhouse Gas (“GHG”) calculation outcomes for the HQ of the Group, delineated into Scope 1, Scope 2, and Scope 3 emissions. These metrics, measured in kilograms (“KG”), offer insights into the direct and indirect GHG emissions associated with our operational activities. Understanding these figures is pivotal in evaluating our environmental impact, identifying areas for improvement, and steering our sustainability efforts towards reduced emissions and enhanced environmental stewardship.



## GHG Calculation Outcome for HQ:

### 1. SCOPE 1 EMISSIONS: 1,053,147 KG

- Scope 1 emissions encompass direct GHG emissions arising from sources owned or controlled by the organisation. The reported value reflects emissions from onsite fuel combustion and other direct sources under our operational control.

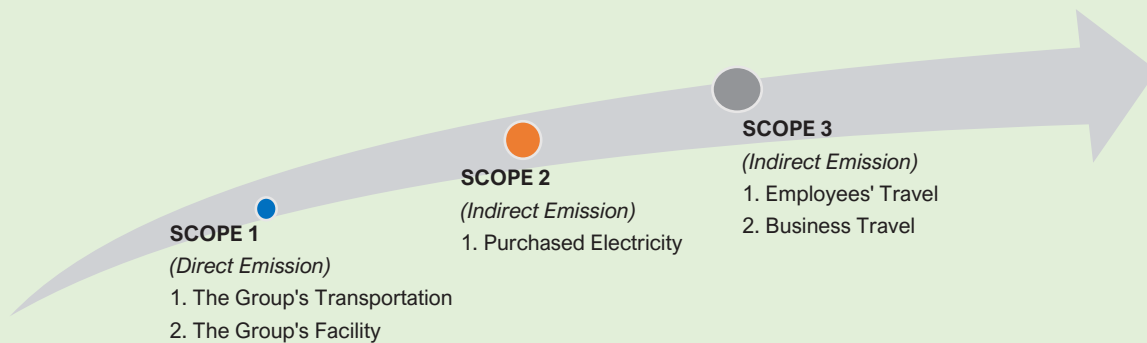
### 2. SCOPE 2 EMISSIONS: 2,155,937 KG

- Scope 2 emissions include indirect GHG emissions from purchased electricity, heat, or steam. The recorded figure indicates the total emissions associated with energy consumption sourced externally but utilised by our HQ.

### 3. SCOPE 3 EMISSIONS: 2,188,466 KG

- Scope 3 emissions refer to indirect emissions arising from sources outside our direct control but linked to our activities, such as business travel and supply chain. The reported value signifies the total Scope 3 emissions attributed to our HQ's activities across the value chain.

In summary, while Scope 1 emissions are noteworthy, the significantly higher Scope 2 and Scope 3 emissions emphasise the need for a comprehensive approach to reduce indirect emissions and advance sustainability initiatives across the organisation.



The Group is currently focused on bolstering its sustainability initiatives and adhering to the outlined standards stipulated by Bursa Malaysia for comprehensive reporting. As part of this commitment, the Group has initiated the meticulous calculation of its GHG emissions starting from the FY 2023.

At present, the GHG calculation has been completed solely for the HQ of the Group. However, the Group is still in the process of computing and evaluating the GHG emissions for the other three significant business segments - the FPC, DC and its CVS. The delay in reporting for these areas is primarily due to several ongoing factors:

- I. **Data Collection:** The Group is actively engaged in gathering the necessary data essential for accurate GHG emission calculations. This data encompasses a wide array of factors, such as energy consumption, transportation logistics, waste production, and other pertinent elements contributing to carbon emissions.
- II. **Newly Forming Data:** In certain instances, crucial data required for precise GHG calculations in the FPC and DC sectors may be in the nascent stages of generation or structuring. As a result, the formation or availability of this data might not align with the immediate reporting timeline, necessitating additional time for completion.
- III. **Meticulous Calculation Procedures:** GHG calculations demand a rigorous and detailed approach to ensure accuracy. Given the complexity of evaluating emissions across multiple business sectors, the calculation process necessitates thoroughness and precision, thus elongating the timeframe for completion.

It is crucial for the Group to maintain transparency throughout this process, providing stakeholders with updates on the progress made in data collection and calculation efforts. Once the GHG calculations for FPC, DC and CVS are finalised, they will be seamlessly incorporated into the Statement. This comprehensive report will furnish a holistic perspective on the environmental impact of the Group's operations across diverse business areas, further reinforcing its dedication to sustainability and accountability.

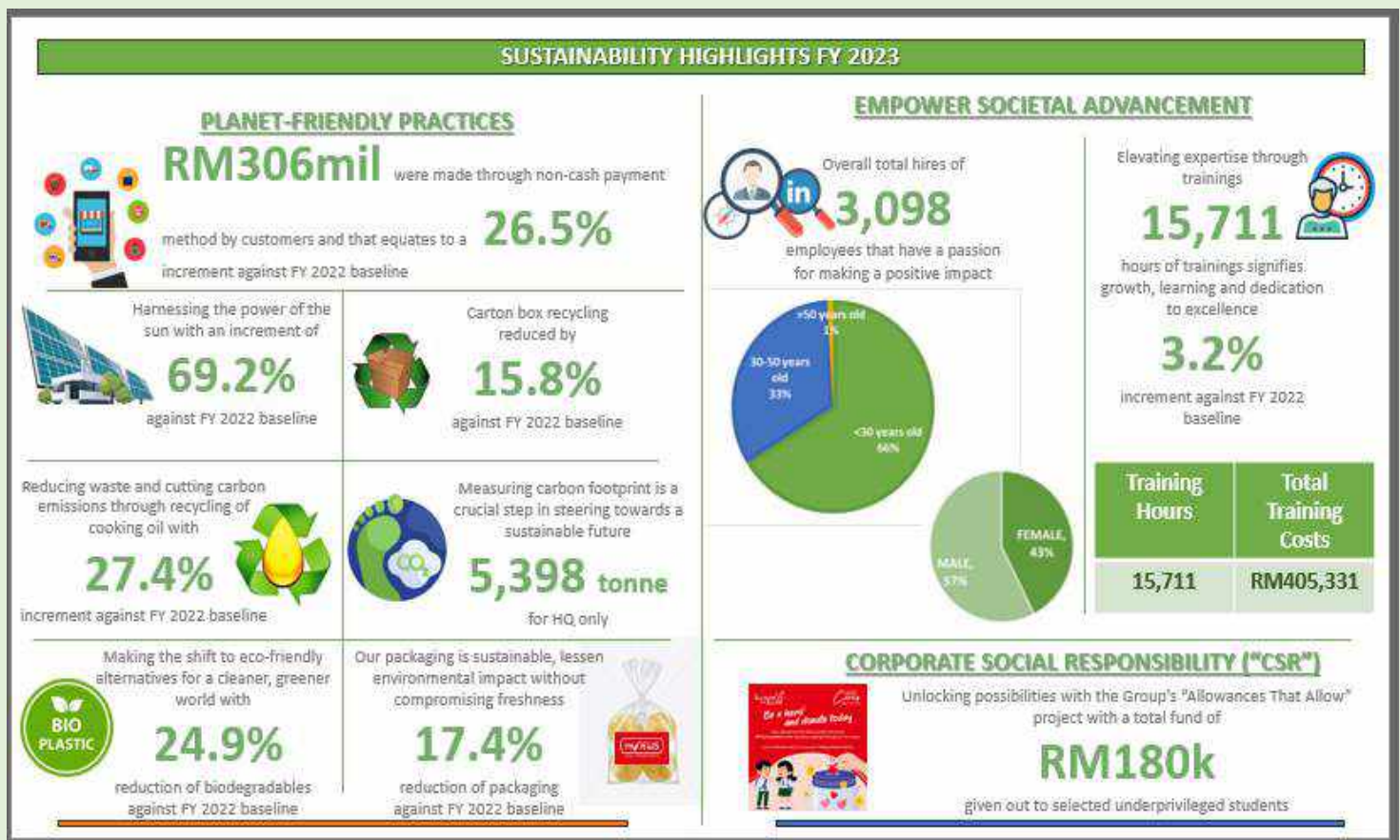


## SUSTAINABILITY STATEMENT SUMMARY

Advancing towards a business model that prioritises sustainability and fairness, the Group consistently discloses its initiatives and achievements over the years. Ongoing improvements to our programs have enabled us to extend our reach into various areas that contribute positively to ESG factors, such as energy, GHG emissions, water quality, and food waste management. Throughout this timeframe, the Group has taken substantial strides in realising its vision of becoming a sustainable organisation. The Group's steadfast dedication to fostering sustainability across environmental, social, cultural, and economic dimensions has positioned the Group favourably.

As the Group's mindset has evolved in tandem with shifting customers' expectations and business trends, they have embraced a comprehensive and holistic approach, guided by a commitment to continuous improvement. This strategy has allowed the Group to effectively address customer's demands for a sustainable business trajectory.

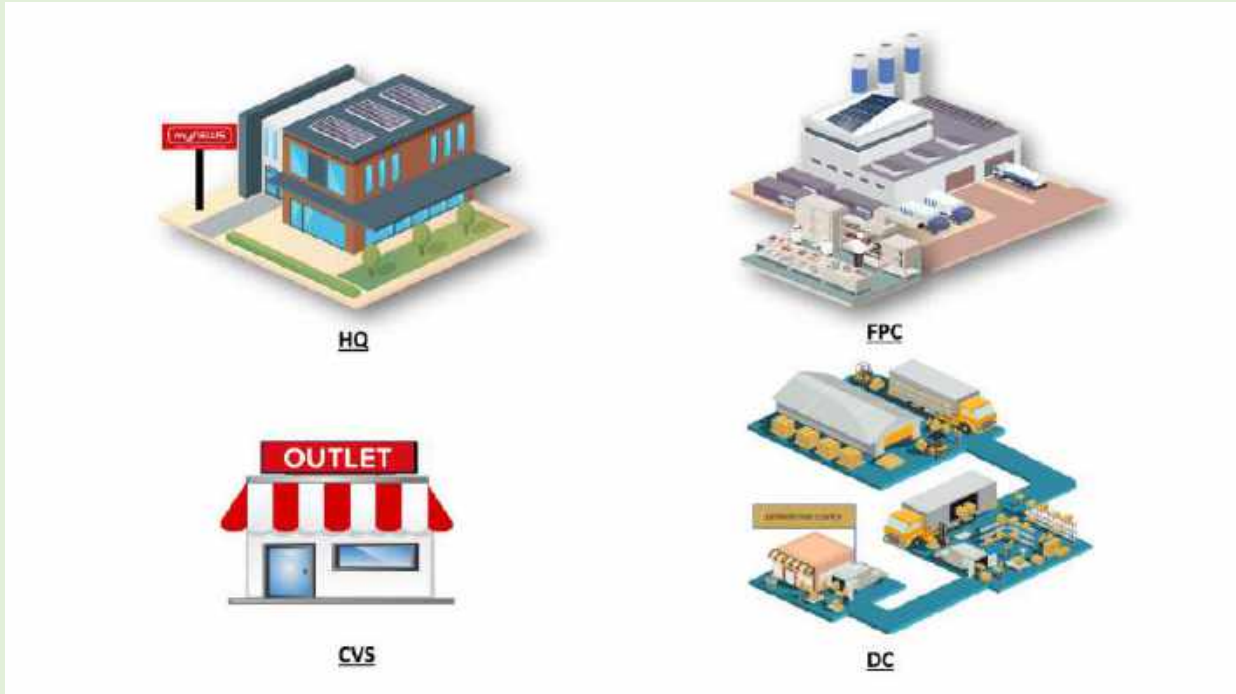
This Statement provides an overview of the Group's progress for FY 2023, presenting a more extensive reporting approach considering the Group's advancements in initiating a wide array of new programs, particularly those related to the social and cultural aspects of building a sustainable community. The expanded scope of topics enables a more comprehensive depiction of the company's sustainability achievements compared to the previous statements.



In FY 2023, the Group demonstrated significant progress across its ESG pillars, aligning its business strategy with sustainable and responsible practices. The Group's commitment to ESG principles not only contributes to a positive impact on the planet and society but also strengthens its long-term resilience and competitiveness in the market.



## THE GROUP'S VALUE CHAIN SEGMENTS



The Group's ESG strategy is anchored in its HQ, DC, FPC and CVS. The HQ drives the formulation of policies aligning with environmental sustainability, social responsibility, and ethical governance. The DC significantly contributes to the Group's environmental goals through optimised logistics, sustainable packaging, and waste reduction measures.

The FPC emphasises social responsibility by sourcing ethically produced ingredients and supporting local communities. CVS serving as community touchpoints, play a key role in social and governance dimensions, fostering economic opportunities through local employment and upholding transparent business practices. Together, these business segments showcase the Groups' commitment to a comprehensive ESG framework, integrating environmental stewardship, social responsibility, and ethical governance into its core operations.



## OUR ENVIRONMENTAL PILLAR

As we embark on our journey to integrate environmental sustainability into our corporate 'DNA', we proudly affirm our commitment to the environment as a crucial element of our ESG initiatives.



In an era where businesses are increasingly recognising their role in shaping a sustainable future, we stand at the forefront, acknowledging that a thriving environment is not just a key stakeholder but the very foundation upon which our business flourishes.

Our commitment to the environment is not just a checkbox on a corporate agenda. It's a reflection of our values, our acknowledgment of the interconnectedness of all living things, and our understanding that a healthy environment is the bedrock of a thriving society and economy.

From reducing our carbon footprint to embracing eco-friendly practices, whether it is through energy-efficient operations, waste reduction initiatives, or sourcing eco-friendly materials, our commitment is reflected in the choices we make every day. For us, this is not just about meeting regulatory standards; it is about going above and beyond. We strive to be a force for positive change, setting a new standard for environmental responsibility within our industry. The Group continued its efforts to enhance energy efficiency across operations. Implementation of cutting-edge technologies and operational improvements resulted in an overall energy consumption. In line with our commitment to clean energy, part of our energy consumption is now sourced from renewable energy, contributing to a decrease in GHG emissions. A comprehensive review of our transportation practices led to the integration of better arrangement of supply chain, resulting in reduced carbon emissions related to logistics.

As we reflect on our achievements in the environmental sphere during FY 2023, we recognise that the journey towards sustainable practices is ongoing. Looking ahead, the Group commits to do more in the areas of:





## RECLAIMING WOOD: THE ART OF PALLETS RECYCLING

The Group has implemented a comprehensive recycling program for wooden pallets as part of our ESG initiatives. This program aims to reduce waste and promote the reuse of materials, specifically focusing on the recycling of wooden pallets. Wooden pallets, being an environmental-friendly and versatile raw material, can be easily recycled instead of being sent to landfills. Wooden pallets play a crucial role in the logistics and transportation of goods, ensuring that products reach their destinations safely and efficiently. We also recognise the environmental impact of these pallets and have implemented a recycling program to give them a second life.



In addition to the environmental benefits, the use of recycled wooden pallets also has economic advantages. By reusing or recycling discarded pallets, we can reduce the cost of raw materials for pallets production. This, in turn, can result in cost savings for the Group and potentially higher returns for the reuse or recycling of pallets.



Our recycling journey begins with the careful collection and sorting of wooden pallets at our DC. Each pallet is inspected to determine its condition and whether it can be repaired and reused or if it needs to be recycled. Whenever possible, we prioritise the repair and reuse of wooden pallets. Skilled craftsmen at our DC assess the structural integrity of each pallet and make necessary repairs to extend its lifespan. This not only reduces waste but also saves valuable resources.



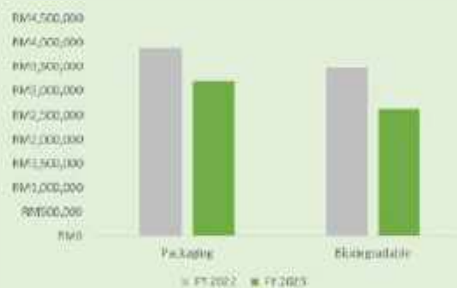
The Group believes in the power of sustainable practices to create a positive impact on the environment and society. Our commitment to the recycling of wooden pallets at our DC reflects our dedication to reducing waste, conserving resources, and fostering a circular economy. In our upcoming financial year, we will be tracking the recycling of wooden pallets in more detail. Through these initiatives, we strive to set an example for others in the industry and inspire a collective effort toward a greener and more sustainable future.



## EMBRACING CHANGE: THE GROUP'S JOURNEY WITH BIO-DEGRADABLE PLASTICS

In response to the global challenge of plastic pollution, we have embraced the use of bio-degradable alternatives to traditional plastics, taking a significant step towards minimising our environmental impact. Throughout the year, business operating under the Group has successfully implemented the use of bio-degradable plastics in our packaging of goods. This transition reflects our commitment to providing convenience to our customers while minimising the environmental repercussions associated with traditional plastics.

Traditional plastics have long been a cause for environmental concern, contributing to pollution and harming ecosystems. Recognising the urgency of the global plastic problem, we have embraced bio-degradable plastics as a solution to reduce our environmental footprint. These materials break down naturally, offering a more sustainable alternative to their conventional counterparts. The journey does not end with the adoption of bio-degradable plastics as we appreciate the importance of staying at the forefront of exploring and implementing sustainable packaging solutions. We are also committed to continuous innovation, exploring new technologies and materials that further align with our environmental goals.



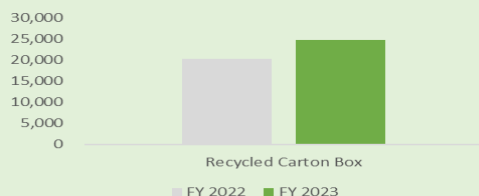
We are excited about the positive changes underway. We believe that every decision, no matter how small, can contribute to a better world. As our stakeholders continue to choose our subsidiaries, they are not just selecting convenience – they too are opting for a brand that is committed to creating a positive impact.

YEAR	%
FY 2022	90.13%
FY 2023	81.97%

## RECYCLING OF CARTON BOXES MADE EASY

Our subsidiaries continue to recycle their used carton boxes in an environmental-friendly manner despite the value of the buy-back price has dropped by 50% per kg in FY 2023 yet we are committed in recycling the materials as it encourages good practice and exemplary behaviour for our businesses.

These boxes will then be collected, sorted, and processed by our vendor and the boxes will then be transformed into new products, reducing waste and conserving resources. This initiative not only helps the environment by reducing waste, but it also creates new opportunities to support local businesses that rely on recycled materials. By keeping carton boxes out of landfills, we are contributing to the preservation of our planet for future generations.



The Group's carton box recycling initiative, a total of about RM6,634 and a 23% increase in recycling rates, reflects the Group's genuine dedication to sustainable practices. By continuing to prioritise environmental responsibility, the Group set a positive example for the industry and broader business community. The commitment to carton box recycling is a strategic move towards a greener and more sustainable practices within the industry.

YEAR	KG
FY 2022	20,201
FY 2023	24,775



## EMPOWERING TOMORROW: HARNESSING SOLAR ENERGY TODAY

As climate change continues to pose a significant threat to our planet, it is crucial for businesses to take proactive steps towards reducing their carbon footprint and embracing more sustainable practices. The Group recognises this responsibility and has made a bold commitment to renewable energy. This is evident in the installation of solar panels at both our HQ and FPC.

By harnessing the power of the sun, the Group aims to minimise its carbon footprint and become a more environmentally responsible organisation. This decision aligns perfectly with the Group's commitment towards sustainability and its core values. Incorporating renewable energy sources into its operations not only helps to preserve the environment but also promotes a cleaner and greener future for all.

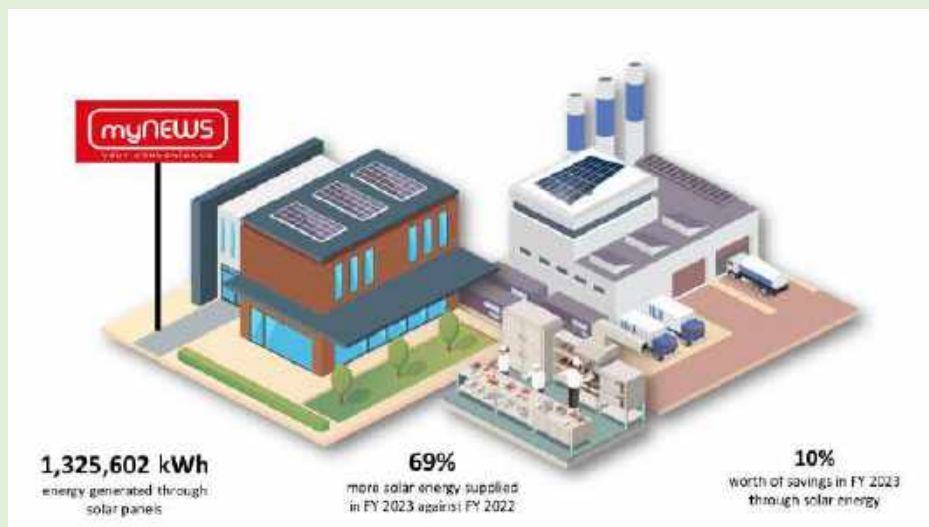


*HQ and FPC solar panels adorn our rooftops, silently converting sunlight into clean, renewable energy. This eco-friendly power generation not only reduces our reliance on traditional energy sources but also minimises our carbon footprint, contributing to a healthier planet.*

The implementation of solar energy solutions at our HQ and FPC is a pioneering move in the industry. By having the solar panels and related infrastructure, the Group can generate clean and sustainable energy on-site. The adoption of solar panels empowers the Group with a degree of energy independence. By generating our own electricity, the Group becomes less susceptible to fluctuations in energy prices and contributes to a more stable and resilient energy infrastructure.

This not only reduces reliance on traditional forms of energy but also provides a reliable and consistent power source for its operations. The solar panels installed on the rooftops of the HQ and FPC are strategically positioned to capture maximum sunlight throughout the day. These panels are made up of photovoltaic cells that convert sunlight into electricity, which is then used to power the facilities. Any excess energy generated is stored in batteries or fed back into the grid, further reducing reliance on non-renewable energy sources.

The figures below would provide an insight into the figures generated through the solar and how much electricity it has saved throughout FY 2023.





## THE SIGNIFICANCE OF SOLAR RENEWABLE ENERGY TO THE GROUP

### SUSTAINABLE POWER GENERATION

Solar energy is a clean and renewable resource that provides a sustainable alternative to traditional energy sources. By harnessing the power of the sun, our business can reduce the dependence on finite fossil fuels, contributing to a more sustainable and resilient energy landscape

### ENVIRONMENTAL STEWARDSHIP

The implementation of solar energy systems significantly reduces GHG emissions, mitigating the impact of climate change. Solar power is a key player in the global transition to a low-carbon economy, aligning with international efforts to combat environmental degradation

### COST SAVINGS AND ECONOMIC RESILIENCE

Solar energy systems offer long-term cost savings, with reduced reliance on external energy sources. Our solar power does not only provide the opportunity for lower operational costs but also enhance their economic resilience by stabilising energy expenses

### ENERGY INDEPENDENCE

Solar energy provides a pathway to energy independence. By generating power on-site, the Group can insulate themselves from the volatility of energy markets, reducing vulnerability to supply chain disruptions and price fluctuations

## COOKING OIL RECYCLING MANAGEMENT

In an era defined by depleting natural resources and mounting environmental concerns, the importance of sustainable practices cannot be overstated. As the world continues to grapple with waste management, our business segments have taken a proactive step by adopting the recycling of used cooking oil. This commendable initiative serves to reduce the negative environmental impact of this waste product while also presenting a unique opportunity for the outlets to contribute to a greener future.

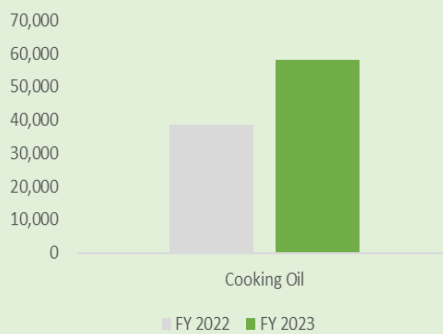
Used cooking oil, resulting from food preparation in homes and businesses, has long posed significant challenges in waste management. This oily substance is infamous for clogging drains and causing blockages in the sewage system, leading to costly maintenance and repairs. Furthermore, when disposed of improperly, used cooking oil can contaminate water bodies, harming the ecosystem within.

The Group further recognises the necessity for sustainable waste management solutions through our collaboration with a fully accredited and insured company registered under the Association of Used Cooking Oil Development Malaysia (AUCO) as a part of the Group's participation for a responsible disposal of natural resources such as cooking oil.

Through this collaboration, our business segments throughout the country actively contribute to the reduction of both environmental harm and costly maintenance issues. The adoption of recycling methods enables the transformation of used cooking oil into valuable materials, such as biofuels and biodiesel, thereby reducing reliance on fossil fuels and promoting resource conservation.



## STANDARD OPERATING PROCEDURE (“SOP”) OF COOKING OIL RECYCLING MANAGEMENT



The Group’s cooking oil recycling initiative, driven by the remarkable contributions from its subsidiaries, stands as a testament to its commitment towards sustainability. The notable variance of 51%, amounted to RM19,479, reflects the positive impact of responsible business practices. As the Group continues to prioritise environmental responsibility, the cooking oil recycling initiative serves as a beacon for other businesses to follow suit, contributing collectively to a greener and more sustainable future.

YEAR	KG
<b>FY 2022</b>	38,550
<b>FY 2023</b>	58,029

## KEY BENEFITS REAPED FROM COOKING OIL RECYCLING MANAGEMENT



### Improved Food Quality and Consistency

• One of the key factors in the success of prepared food offerings is the quality and consistency of the food itself. With our oil recycling management, we ensure that our food always tastes delicious. By automating the oil disposal and refilling tasks, the management encourages more frequent oil changes, eliminating the use of burnt or old oil. This results in consistency high-quality food that keeps our customers coming back for more.



### Conservation of Resources

• Recycling used cooking oil and grease helps in conserving natural resources that would otherwise be used in the production of new cooking oil and other products. This reduction in resource consumption contributes to sustainable resource management.



## FURTHER COMMITMENTS TO ECO-FRIENDLY PRACTICES – INSTALLATION OF GREASE TRAP IN OUR CVS



Our CVS are also equipped and installed with grease traps at the sinks which primarily aims to block the oils and other deleterious materials from releasing into the sinkholes.

This initiative aims to preserve the quality of water from the verge of contamination which is directly hazard to the soil, ecosystem, and wildlife.



## SOCIAL

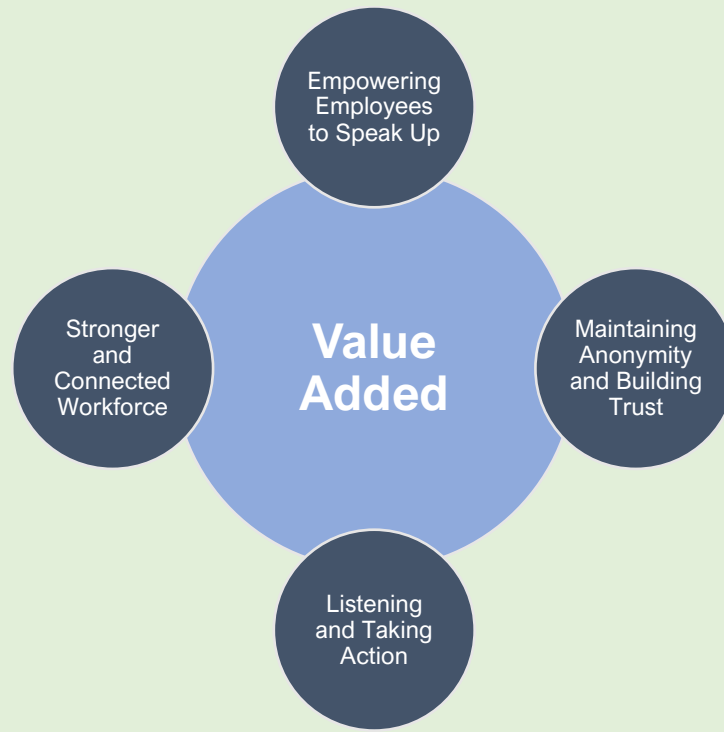
Our commitment to excellence extends beyond our products and services; it encompasses a profound dedication to social responsibility. As we delve into the heart of our ESG commitment, we are proud to illuminate the "S" in ESG – Social Responsibility – a core pillar that underscores our mission to make a positive impact on the communities we serve. In an inter-connected world, we understand that the success of any business is inherently linked to the well-being of the societies it operates within. The Group embraces this ethos, recognising the immense potential for positive change when businesses actively engage with and uplift their communities.

Beyond financial performance, the Group places a premium on contributing to the welfare and development of the communities that form the tapestry of our existence. We firmly believe that a thriving society reflects a business's commitment to social responsibility. From fostering a culture of diversity and inclusion to engaging in philanthropic endeavours, the Group is committed to being a responsible corporate citizen. Our goal is not just to meet societal expectations but to exceed them, creating a positive ripple effect that extends far beyond our business.

### FOSTERING EMPLOYEE WELL-BEING THROUGH "VOICE OF EMPLOYEES"

The Group understands that a happy and healthy workforce is the foundation of our success. Therefore, we prioritise employee's well-being through innovative programs like "Voice of Employees." This unique program goes beyond traditional suggestion boxes by offering two convenient options for anonymous feedback: a secure online portal and a dedicated email address. This empowers our employees to share their thoughts, concerns, and suggestions anonymously and without fear of judgment, fostering a positive and inclusive work environment.

Through "Voice of Employees," employees have a platform to voice their opinions on workplace policies and procedures, raise concerns about any issues they face, and suggest improvements for the overall employee experience. This valuable feedback allows us to identify and address issues promptly, build a stronger connection with our workforce, and continuously improve our operations. The program has already proven instrumental in boosting employee's morale and engagement, leading to a more productive and thriving company culture. We remain dedicated to further enhancing the "Voice of Employees" by introducing new features to the online portal, conducting regular surveys to gather feedback, and organising workshops on effective communication and feedback. This commitment to open communication and employee empowerment underscores our belief that by prioritising the well-being of our employees, we can achieve sustainable success and build a brighter future for every stakeholder involved in the operation of the Group, some of the notable ongoing and freshly introduced efforts under the 'S' pillar is as narrated hereinbelow.



**1. EMPOWERING EMPLOYEES TO SPEAK UP**

The "Voice of Employees" program empowers our employees to:

- I. Share their feedback on workplace policies and procedures.
- II. Raise concerns about any issues they may be facing.
- III. Suggest improvements for overall employee experience.
- IV. Provide valuable insights and ideas for the company's growth.

**2. MAINTAINING ANONYMITY AND BUILDING TRUST**

We take the employee's privacy and trust seriously. All submissions through the "Voice of Employees" program are completely anonymous. We ensure that no employee is identified or penalised for their feedback. This fosters an environment of open communication and encourages honest feedback.

**3. LISTENING AND TAKING ACTION**

We are also committed to actively listen to the voices of our employees and taking concrete actions to address their concerns. Feedback received through the program is carefully reviewed and analysed by a designated team. We develop action plans based on the feedback and regularly communicate progress updates to the employees.

**4. STRONGER AND CONNECTED WORKFORCE**

Empowering employees to make decisions, work independently and be creative can help foster a sense of ownership and promote employee retention.

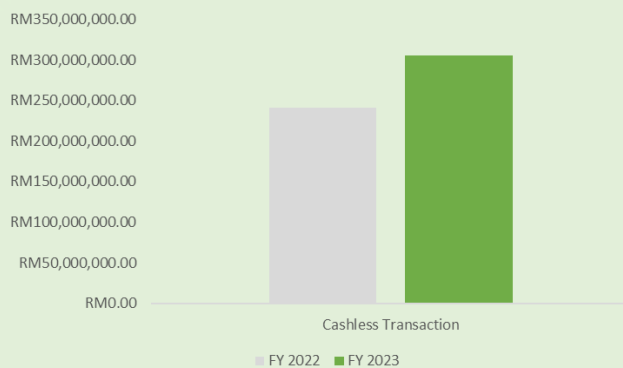


## CASHLESS TRANSACTIONS - TRANSFORMING TO MODERN AGE

Today, the digital revolution has ushered in a new era where speed, efficiency, and security are paramount. We have always strived at the forefront of innovation, recognised the need to adapt to this change and introduced cashless transactions.

The Group offers seamless and convenient way for customers to make purchases without the hassle of handling physical currency. Whether it's buying a morning coffee, grabbing a quick snack, or picking up essentials on-the-go, customers can now enjoy a frictionless experience by simply tapping their cards or using digital wallets.

By encouraging cashless transactions, the Group is contributing to environmental sustainability. Reduced reliance on physical currency translates to smaller carbon footprint.



YEAR	CASHLESS (%)
FY 2022	41.7%
FY 2023	45.7%

## ESG AWARENESS INTEGRATED INTO INDUCTION MODULES

Understanding the pivotal role of education and awareness, the Group incorporated a comprehensive ESG introductory module into its induction program. This strategic move was aimed at enlightening every incoming employee about the significance of environmental stewardship, social responsibility, and effective governance practices within the Group.

### WHAT IS ESG?

ESG stands for Environmental, Social, and Governance (Corporate). It is a set of practices used to evaluate a company's operational performance as it relates to social and environmental impact. This evaluation can be done internally or externally by investors or other stakeholders.

For sustainable development to be achieved, it is crucial to harmonize three core elements: Economic Growth, Social Inclusion & Environmental Protection.

### GOALS?

The United Nation Sustainability Development Goals (UNSDG) is the universal goal the ESG Committee all around the world is striving to achieve.

The Sustainable Development Goals are the blueprint to achieve a better and more sustainable future for all.

### ESG NEW INITIATIVES - MYNEWS

FY 2023



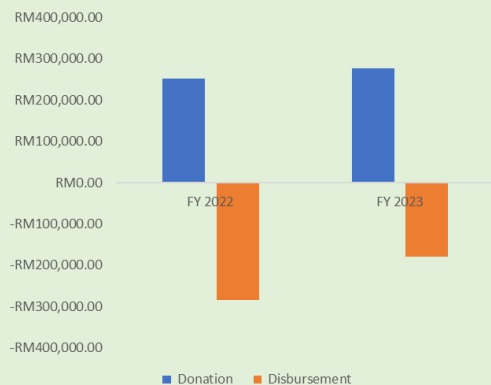
## CSR - ALLOWANCES THAT ALLOW (“ATA”)

The Group has taken a remarkable initiative to support these students by creating a unique program that turns loose change donated at their outlets into financial aid. This program not only provides financial assistance but also allows these students to focus better on their studies and achieve more.

Our ATA program is designed to make a meaningful impact on the lives of underprivileged students. The program works by encouraging customers to donate their loose change at the counter while making their purchases. This spare change is then collected and pooled together, creating a fund that is distributed as financial aid to students in need that meets the criteria set by the Group. Students that are eligible need to submit a form through the selected school and assessed based on their eligibility.

The beauty of this program lies in its simplicity and community involvement. Every time a customer contributes their spare change, they become an important part of the support system for these deserving students. With each donation, they play a critical role in helping these students access the resources they need to succeed academically. The impact of ATA program goes far beyond just providing financial assistance. By receiving this financial aid, students can now worry less about their daily expenses and focus more on their studies. They can afford to purchase essential school supplies, access educational resources, and even participate in extra-curricular activities that contribute to their overall development. As a result, their motivation and enthusiasm for learning increase, leading to improved academic performance and greater opportunities for success.

Furthermore, this program fosters a sense of support and empathy within the community. Customers who contribute their spare change are not only making a financial donation but also sending a message of encouragement and belief in the potential of these students.



### Number of schools participated in the ATA programme:

- **Forty (40) Schools**

It is a testament to the Group's commitment towards CSR and making a positive impact on the society it serves, by leveraging on its nationwide network of CVS.

This program is a reminder that small acts of kindness and generosity can lead to transformative change. Through this program, we witness the power of collective effort and the immense impact it can have on the lives of those in need. It highlights the potential within each community to make a meaningful difference and create a better future for our

younger generations.

YEAR	USAGE (%)
FY 2022	112.6%
FY 2023	64.8%



## ENHANCING GROWTH AND SUCCESS - THROUGH TRAINING & DEVELOPMENT PROGRAMME

Investing in employee training and development is crucial for the long-term success of any organisation. The implementation of a comprehensive Training & Development programme has been instrumental in enhancing employee performance, increasing customer satisfaction, and driving business growth. In this section, we will explore the significance of the Training & Development programme and its impact on the Group's success.



There are 3 Training Methodologies and Delivery Channels that are practiced by the Group:

- Classroom Training:** The Group organises face-to-face training sessions to provide hands-on learning experiences for its employees.
- E-Learning Platforms:** To ensure accessibility and flexibility, the Group utilises online learning platforms that offer self-paced courses, quizzes, and interactive modules.
- On-The-Job Training:** Employees have opportunities to receive real-time training through shadowing experienced colleagues or mentors.



## Key Components & Initiatives



### Onboarding & Orientation

New hires undergo a comprehensive orientation session, familiarising them with the Group's mission, values, and operating procedures



### Customer Service Excellence

Training sessions focus on enhancing employees' communication skills, customer handling techniques, and problem-solving abilities to ensure exceptional customer experience



### Product Knowledge

Employees receive regular product training to stay informed about the extensive range of items offered by the Group, enabling them to provide accurate information to customers

### Leadership Development

The Group imparts leadership training to identify and nurture future leaders within the organisation, facilitating career growth and succession planning



Measuring the Effectiveness of the Group's Training & Development Programme:

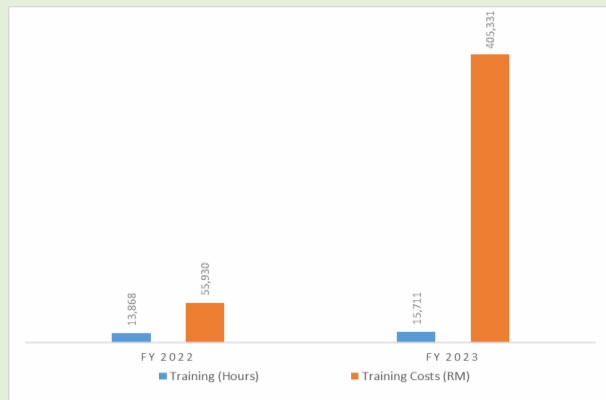
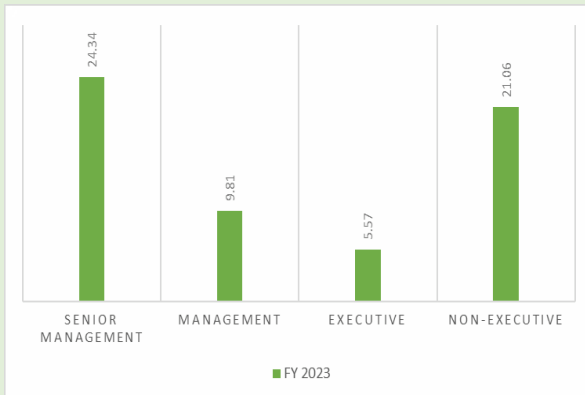
- **Employee Performance Reviews:** Regular assessments help track improvements and identify areas for further development.
- **Customer Feedback and Surveys:** Customer satisfaction surveys provide insights into the impact of training initiatives on the overall customer experience.
- **Key Performance Indicators:** Tracking metrics like sales, customer retention rates, and employee engagement scores helps quantify the program's success.



The Group recognises that investing in its employees through a robust Training & Development programme is not only beneficial for individual growth but also essential for the sustained success of the organisation. By providing ongoing training opportunities, the Group empowers its employees to deliver exceptional customer service, stay updated with industry trends, and contribute to the company's bottom line. Through a combination of face-to-face, online, and on-the-job training, the Group ensures that its Training & Development programme equips employees with the necessary skills and knowledge needed to excel in their roles. As a result, the Group continues to thrive in the competitive convenience store market, setting the standard for excellence in the industry as this can be a game-changer for the organisation, driving growth, and fostering a culture of continuous improvement.

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#### AVERAGE TRAINING HOURS BY EMPLOYMENT TYPE, TOTAL TRAINING HOURS & TRAINING COSTS



#### COSTS

TRAINING FY 2023			
Training Hours / Class	Total Training Hours	Total Participants	Average Training Hour/ Employee
212	15,711	11,385	45.01



## EMPLOYEES' ENGAGEMENT PROGRAMS

### I. Blood Donation Drive in collaboration with the Ministry of Health at HQ



### II. Employees 'Merdeka & Malaysia Day' program



### III. Deepavali celebration & Best Dress contest





IV. Christmas celebration & Secret Santa Exchange



V. Mynews Mobile Application contest



VI. Monthly Sustainability Hour at HQ





VII. Embracing Inclusiveness in The Group Sustainability Journey – Quarterly Internal Bulletin

As part of this ongoing journey, MESSGC has introduced a dedicated internal bulletin, fostering a culture of transparency, knowledge-sharing, and engagement among our stakeholders.

This internal bulletin serves as a comprehensive repository, encapsulating the efforts, progress, and initiatives. More than just a collection of updates, it stands as an enhanced effort to our dedication to fostering a sustainable future while nurturing a sense of collective responsibility.





## GOVERNANCE

### POLICIES

The Group recognises the importance of establishing clear guidelines to promote compliance, protect sensitive information, and maintain a high standard of professionalism. These policies encompass a wide range of areas including but not limited to:



Number of cases enforced and reported under the policy throughout year FY 2023:

RELEVANT POLICIES	CASES REPORTED
Whistleblowing	No cases reported
No Gift	No cases reported
Anti Bribery	No cases reported
Anti-Corruption	No cases reported

By having these inherent policies, the Group aims to foster trust among our Board of Directors, shareholders, investors, employees, suppliers, community, and all other relevant stakeholders. It is crucial that everyone associated with our organization understands and follows these guidelines in order to maintain a positive reputation in the industry.

On the other hand, amidst of the escalating urgency to tackle environmental challenges, the MESSGSC is poised to delve deeper into the prospect of implementing an overarching 'environmental policy' that will govern every facet of the Group's operations especially in relation to addressing the environmental element. Recognising the growing clamor and necessity to address ecological concerns, this initiative aims to ingrain sustainability practices at the core of its business framework, fostering a culture of responsible stewardship and contributing meaningfully to a healthier planet.



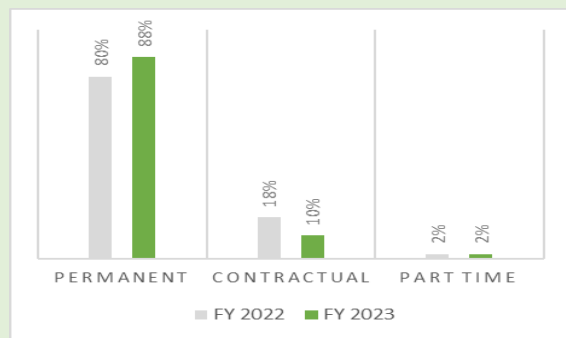
## WORKFORCE DIVERSITY BY ETHNICITY, EMPLOYMENT TYPE, AGE COMPOSITION AND GENDER

The Group's commitment towards inclusivity in its workforce is not just a reflection of compliance with diverse standards but a core value that strengthens the organisation. By embracing individuals of all genders, ages, and ethnicities, the Group not only creates a vibrant and harmonious workplace but also harnesses the diverse skills and perspectives needed for sustained success in the competitive business landscape. As a result, we stand as a model for other organisations aspiring to build truly inclusive and diverse workplaces.

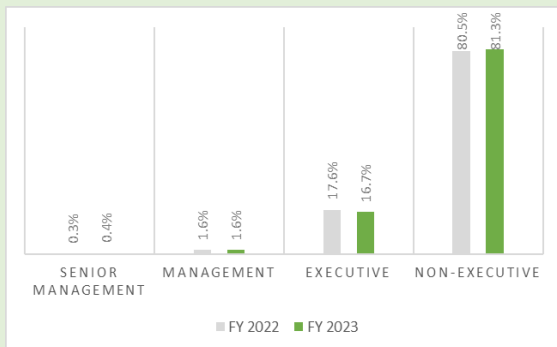
**PERCENTAGE (%) BY ETHNICITY**



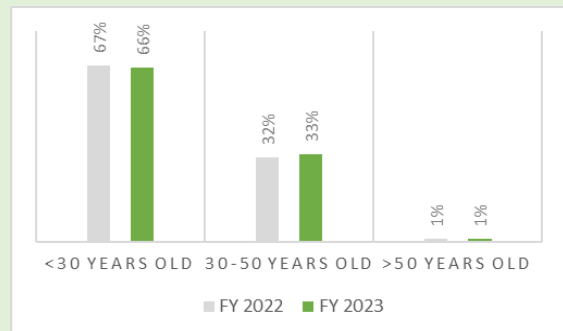
**PERCENTAGE (%) BY EMPLOYMENT CONTRACT**



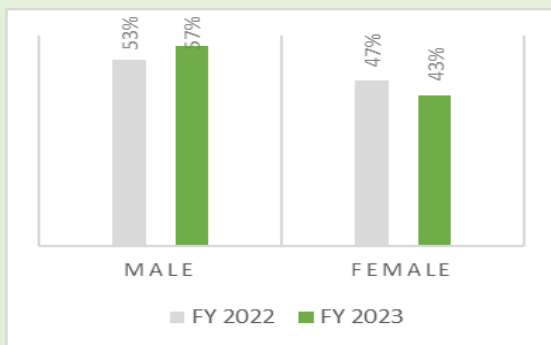
**PERCENTAGE (%) BY EMPLOYMENT TYPE**



**PERCENTAGE (%) BY AGE GROUP**



**PERCENTAGE (%) BY GENDER**



We are committed to providing all employees, regardless of gender, age, or ethnicity, with opportunities to advance in their careers. Emphasising a meritocratic approach, where talent and hard work are recognised and rewarded, enabling individuals from diverse backgrounds to climb the corporate ladder.



## CLOSING STATEMENT FOR SUSTAINABILITY

As we draw the curtains on the FY 2023, we take pride in reflecting on the strides we have taken in advancing sustainability within our business operations. Our commitment to ESG principles has been unwavering and we are pleased to highlight the key focus areas identified through the Assessment.

**Wastages:** We acknowledge the significant impact of wastages towards the environment. In FY 2024, we will implement a more comprehensive waste reduction strategy across our operations. Through heightened awareness, employee training, and innovative waste management practices, we have made substantial progress in minimising our ecological footprint.

**Carbon Footprint:** Addressing the urgent need to mitigate climate change, we keep holding in high regard our initiatives to reduce our carbon footprint. From optimising supply chain logistics to adopting energy-efficient technologies in our CVS, we will be taking concrete steps to lower our GHG emissions. Additionally, we will be exploring further on the areas of renewable energy to further contribute to a sustainable future.

**Research Development & Innovation:** Embracing a forward-thinking approach, we have intensified efforts in research, development, and innovation. Our commitment to sustainable innovation is evident in the introduction of eco-friendly packaging solutions, the sourcing of ethically produced products, and the exploration of alternative materials. We believe that continuous innovation is key to addressing evolving sustainability challenges as we delve into FY 2024.

**Quality Products and Services:** Ensuring the delivery of high-quality products and services remains a cornerstone of our sustainability efforts. By sourcing responsibly, prioritising local suppliers, and maintaining stringent quality control standards, we remain committed to providing our customers with products that align with their values and contribute to a positive societal and environmental impact.

In closing FY 2023 and beginning the subsequent financial year, the 'Group reaffirms its commitment to the principles of sustainability. We recognise that the journey towards a more sustainable future is ongoing, and we remain resolute in our efforts to make a lasting positive impact on the ESG. Through the collective dedication of our team, partners, and stakeholders, we look forward to achieving even greater milestones in the pursuit of a sustainable and responsible business ecosystem.