

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in doubt as to the course of action to take, you should consult your stockbroker, solicitor, accountant, bank manager or other professional adviser immediately.

Bursa Malaysia Securities Berhad (“Bursa Securities”) has not perused the contents of this Circular except in respect of the proposed new shareholders’ mandate for recurrent related party transaction of this Circular on a limited review basis, prior to the issuance of this Circular as they are prescribed as exempted circular to Practice Note 18 of the Main Market Listing Requirements of Bursa Securities.

Bursa Securities takes no responsibility for the contents of this Circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Circular.



MYNEWS HOLDINGS BERHAD
(Registration No. 201301010004/1039846-T)
(Incorporated in Malaysia)

CIRCULAR TO SHAREHOLDERS IN RELATION TO:

PROPOSED RENEWAL OF EXISTING SHAREHOLDERS’ MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE AND PROPOSED NEW SHAREHOLDERS’ MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

The ordinary resolutions in respect of the above proposal will be tabled as Special Business at the Eighth Annual General Meeting (“8th AGM”) of the Company, which will be conducted entirely through live streaming from the Broadcast Venue at Lot No. 3, Jalan Teknologi 3/1, Taman Sains Selangor 1, Seksyen 3, PJU 5, Kota Damansara, 47810 Petaling Jaya, Selangor, Malaysia. The Notice of AGM and Form of Proxy are enclosed in the Company’s Annual Report 2020.

The Company will be conducting its 8th AGM fully virtual through live streaming from the Broadcast Venue and remote voting using the Remote Participation and Voting Facilities (“RPV Facilities”) which are available at Tricor Investor & Issuing House Services Sdn Bhd TIIH Online website at <https://tiih.online>. Please follow the procedures provided in the Administrative Guide for the 8th AGM in order to register, participate and vote remotely via the RPV Facilities.

The Form of Proxy must be completed and deposited at the office of the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn Bhd, Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia, not less than Forty Eight (48) hours before the time set for the 8th AGM or any adjournment thereof. The proxy appointment may also be lodged electronically via Tricor Investor & Issuing House Services Sdn Bhd TIIH Online website at <https://tiih.online> (Applicable to individual shareholders only).

Should you wish to personally participate at the Meeting remotely, please register electronically via Tricor Investor & Issuing House Services Sdn Bhd TIIH Online website at <https://tiih.online> by the registration cut-off date and time.

Last date and time for lodging the Proxy Form : 23 March 2021, Tuesday at 10.00 a.m.
Date and time of the 8th AGM : 25 March 2021, Thursday at 10:00 a.m.

This Circular is dated 24 February 2021

DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this Circular:

“Act”	:	Companies Act 2016, as amended from time to time and any re-enactment thereof
“AC”	:	Audit Committee of Mynews Holdings Berhad
“AGM”	:	Annual General Meeting
“Annual Report 2020”	:	Annual Report of Mynews Holdings Berhad issued for the financial year ended 31 October 2020
“BF”	:	Bison Foods Sdn Bhd (Registration No. 200401025433/663941-P), a wholly-owned subsidiary of the Company
“Board”	:	Board of Directors of Mynews Holdings Berhad
“Bursa Securities”	:	Bursa Malaysia Securities Berhad (Registration No. 200301033577/635998-W)
“Circular”	:	Circular to Shareholders dated 24 February 2021
“CMSA”	:	Capital Markets and Services Act 2007, as amended from time to time and any re-enactment thereof
“Director(s)”	:	Shall have the same meaning given in Section 2(1) of the CMSA and for purpose of the Proposed RRPT Mandates, includes any person who is or was within the preceding six (6) months of the date on which the terms of the transactions were agreed upon, a director of Mynews or any other company which is its subsidiary or holding company or a chief executive officer of Mynews, its subsidiary or holding company
“DKE”	:	DKE Technology Sdn Bhd (Registration No. 200901040020/883165-X), a wholly-owned subsidiary of MRetail, which in turn is a wholly-owned subsidiary of the Company
“DKS”	:	Blake Dang Kuok Siang
“DTG”	:	Dang Tai Gean
“DTH”	:	Dang Tai Hock
“DTK”	:	Dang Tai Kien
“DTL”	:	Dang Tai Luk
“DTW”	:	Dang Tai Wen
“FYE”	:	Financial Year Ended / Ending
“GKA”	:	GK Asia Sdn Bhd (Registration No. 201701034600/1248771-V), a major shareholder of MK

DEFINITIONS

“Listing Requirements”	:	Main Market Listing Requirements of Bursa Securities including amendment(s) that may be made from time to time
“LPD”	:	31 January 2021, being the latest practicable date prior to the printing of this Circular
“Major Shareholder”	:	<p>A person who has an interest or interests in one or more voting shares in the Company and the number or the aggregate number of those shares, is:</p> <p>(a) 10% or more of the total number of voting shares in the Company; or</p> <p>(b) 5% or more of the total number of voting shares in the Company where such person is the largest shareholder of the Company.</p> <p>For the purposes of this definition, “interest” shall have the meaning of “interest in shares” given in Section 8 of the Act, and a Major Shareholder includes any person who is or was within the preceding six (6) months of the date on which the terms of the transactions were agreed upon, a major shareholder of Mynews or any other corporation which is its subsidiary or holding company</p>
“MF”	:	Mynews Food Sdn Bhd (Registration No. 201301032823/1062652-A), a wholly-owned subsidiary of the Company
“MIE”	:	Marubishi Ingredients & Equipments (M) Sdn Bhd (Registration No. 201001013948/898182-T), a Person Connected to MRA
“MK”	:	Mynews Kineya Sdn Bhd (Registration No. 201801005594/1267608-K), a 51%-owned subsidiary of MF, which in turn is a wholly-owned subsidiary of the Company
“MKukuh”	:	Mynews Kukuh Sdn Bhd (Registration No.200401028609/667117-M), a wholly-owned subsidiary of the Company
“MM”	:	Mynews Management Sdn Bhd (Registration No. 200201026209/593872-D), a wholly-owned subsidiary of MRetail, which in turn is a wholly-owned subsidiary of the Company
“MRA”	:	MRA Bakery Sdn Bhd (Registration No. 201701033423/1247594-H), a major shareholder of MR
“MR”	:	Mynews Ryoyupan Sdn Bhd (Registration No. 201801005079/1267093-V), a 51%-owned subsidiary of MF, which in turn is a wholly-owned subsidiary of the Company
“MRetail”	:	Mynews Retail Sdn Bhd (Registration No. 199401020616/306295-X), a wholly-owned subsidiary of the Company
“MYCU”	:	MYCU Retail Sdn Bhd (FKA Eemerge Incorporated Sdn Bhd) (Registration No. 200301025987/628407-U), a wholly-owned subsidiary of the Company

DEFINITIONS

“Mynews” or “Company”	:	Mynews Holdings Berhad (Registration No. 201301010004/1039846-T)
“Mynews Group” or “Group”	:	Mynews and its subsidiaries as defined in Section 4 of the Act
“Person Connected”	:	Shall have the same meaning given in Paragraph 1.01 of the Listing Requirements
“Proposed New Shareholders’ Mandate”	:	Proposed New Shareholders’ Mandate for RRPTs of a revenue or trading nature which are necessary for its day-to-day operations and are in the ordinary course of business of Mynews Group
“Proposed Renewal of Existing Shareholders’ Mandate”	:	Proposed Renewal of Existing Shareholders’ Mandate for RRPTs of a revenue or trading nature which are necessary for its day-to-day operations and are in the ordinary course of business of Mynews Group
“Proposed RRPT Mandates	:	Proposed New Shareholders’ Mandate and Proposed Renewal of Existing Shareholders’ Mandate, collectively
“Recurrent Related Party Transactions or “RRPT(s)”	:	Related party transactions which are recurrent, of a revenue or trading nature, and which are necessary for the day-to-day operations of Mynews Group and are entered into by Mynews Group in the ordinary course of business involving the direct and/or indirect interests of Related Party(ies)
“Related Party(ies)”	:	Director(s), Major Shareholder(s) and/or Person(s) Connected with such Director(s) or Major Shareholder(s) as defined therein
“RM” and “sen”	:	Ringgit Malaysia and sen, respectively
“WHS”	:	WH Smith Malaysia Sdn Bhd (Registration No. 201101033775/961910-P), a Joint Venture Company between MRetail and WH Smith Travel Limited

Words incorporating the singular shall, where applicable, include the plural and vice versa and words incorporating the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Reference to persons shall include corporations, unless otherwise specified.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any reference to a time of day in this Circular shall be a reference to Malaysian time, unless otherwise stated.

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MYNEWS HOLDINGS BERHAD
(Registration No. 201301010004/1039846-T)
(Incorporated in Malaysia)

Registered Office:

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

24 February 2021

Board of Directors:

Ding Lien Bing (*Independent Non-Executive Chairman*)
Dang Tai Luk (*Group Chief Executive Officer/Executive Director*)
Dang Tai Wen (*Deputy Group Chief Executive Officer/Executive Director*)
Dang Tai Hock (*Chief Executive Officer – Food/Executive Director*)
Soon Dee Hwee (*Senior Independent Non-Executive Director*)
Mohd Suffian Bin Suboh (*Independent Non-Executive Director*)

To: The Shareholders of Mynews Holdings Berhad

Dear Sir/Madam,

PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE AND PROPOSED NEW SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE (COLLECTIVELY, "PROPOSED RRPT MANDATES")

1.0 INTRODUCTION

On 22 January 2021, Mynews announced to Bursa Securities of its intention to seek the shareholders' approval for the Proposed RRPT Mandates at the forthcoming 8th AGM of the Company.

The existing authority for the shareholders' mandate which was approved by the shareholders at the AGM held on 25 June 2020 shall in accordance with the Listing Requirements, will lapse at the conclusion of the forthcoming AGM, unless renewal is obtained.

The purpose of this Circular is to provide you with details of the Proposed RRPT Mandates and to seek your approval for the ordinary resolutions to be tabled at the forthcoming 8th AGM. The Notice of the 8th AGM together with the Form of Proxy are enclosed in the Annual Report 2020.

SHAREHOLDERS OF MYNEWS ARE ADVISED TO READ THE CONTENTS OF THIS CIRCULAR CAREFULLY BEFORE VOTING ON THE RESOLUTIONS PERTAINING TO THE PROPOSED RRPT MANDATES AT THE FORTHCOMING 8TH AGM.

2.0 DETAILS OF THE PROPOSED RRPT MANDATES

2.1 The Listing Requirements

2.1.1 The Company had on 25 June 2020 obtained its shareholders' mandate for Mynews Group to enter into Recurrent Related Party Transactions on terms that are not more favourable to the Related Parties than those generally available to the public. The approval shall in accordance with the Listing Requirements lapse at the conclusion of the forthcoming 8th AGM of the Company scheduled on 25 March 2021 unless approval for its renewal is obtained from the shareholders of the Company at the forthcoming 8th AGM.

2.1.2 Pursuant to Paragraph 10.09(1)(a) of the Listing Requirements, Mynews must immediately announce a Recurrent Related Party Transaction where:-

- (i) the consideration, value of the assets, capital outlay or costs of the Recurrent Related Party Transaction is RM1 million or more; or
- (ii) the percentage ratio of such Recurrent Related Party Transaction is 1% or more,

whichever is the higher.

In addition, Paragraph 10.08(2) of the Listing Requirements states that where any one of the percentage ratios of a related party transaction is 5% or more, Mynews must issue a circular to its shareholders, obtain specific shareholders' approval of the transaction and appoint an independent adviser. Further, Paragraph 10.08(4) of the Listing Requirements states that where any one of the percentage ratios is 25% or more, in addition to the foregoing, Mynews must appoint a main adviser.

2.1.3 Paragraph 10.09(2) of the Listing Requirements provides that a listed issuer may seek a mandate from its shareholders for RRPTs subject to the following:

- (i) the transactions are in the ordinary course of business and are on terms not more favourable to the Related Party than those generally available to the public;
- (ii) the shareholders' mandate is subject to annual renewal and disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year where the aggregate value is equal to or more than the threshold below in relation to a listed issuer with a share capital of RM60 million and above:
 - (a) the consideration, value of the assets, capital outlay or costs of the RRPTs is RM1 million or more; or
 - (b) the percentage ratio of such RRPTs is 1% or more,

whichever is the higher;

- (iii) the listed issuer's circular to shareholders for the shareholders' mandate includes the information as may be prescribed by Bursa Securities. The draft circular must be submitted to Bursa Securities together with a checklist showing compliance with such information;
- (iv) in a meeting to obtain the shareholders' mandate, the relevant Related Party must comply with the following requirements:
 - (a) a Related Party with any interest, direct or indirect ("Interested Related Party"), must not vote on the resolution in respect of the RRPT;

- (b) an Interested Related Party who is a Director or Major Shareholder must ensure that Persons Connected with him abstain from voting on the resolution in respect of the RRPT; and
 - (c) where the Interested Related Party is a Person Connected with a Director or Major Shareholder, such Director or Major Shareholder must not vote on the resolution in respect of the RRPT.
- (v) the listed issuer immediately announces to Bursa Securities when the actual value of a RRPT entered into by the listed issuer, exceeds the estimated value of the RRPT disclosed in the circular by 10% or more and must include the information as may be prescribed by Bursa Securities in its announcement.

Where Mynews has procured a shareholder mandate pursuant to the above, the provisions of the Listing Requirements as set out in Section 2.1.2 of this Circular shall not apply.

Transactions entered into between Mynews (or any of its wholly-owned subsidiaries) and its wholly-owned subsidiaries are excluded from the requirements of Part E of Chapter 10 of the Listing Requirements.

Accordingly, the Board proposes to seek the shareholders' approval for the Proposed RRPT Mandates. The Proposed RRPT Mandates will allow Mynews Group, in the ordinary course of business, to enter into the RRPTs referred to in Section 2.4 (A) and 2.4 (B) with the Related Parties, provided that such transactions are made at arm's length, on Mynews Group's normal commercial terms and on transaction prices and terms not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders of Mynews.

2.2 Validity Period of the Proposed RRPT Mandates

The authority to be conferred pursuant to the Proposed RRPT Mandates, if approved by the shareholders, shall take effect from the passing of the ordinary resolution proposed at the forthcoming 8th AGM and shall continue to be in force until:

- (a) the conclusion of the next AGM of the Company following the general meeting at which such mandate was passed, at which time it will lapse, unless by a resolution passed at a general meeting, the authority is renewed;
- (b) the expiration of the period within which the next AGM after that date is required to be held pursuant to Section 340(2) of the Act (but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (c) revoked or varied by resolution passed by the shareholders of the Company in general meeting,

whichever is the earlier.

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2.3 Principal Activities of Mynews Group

Mynews is principally engaged in investment holding. The principal activities of the Group are as follows:

Name of companies	Principal activities	Equity interest held (%)
<u>Direct subsidiaries of Mynews</u>		
MRetail	Retail and Convenience-Store Businesses	100
MKukuh	Retail and Convenience-Store Businesses and involved in money changing business (ceased operation since January 2021)	100
MYCU	Retail and Convenience-Store Businesses	100
BF	Operator of food and beverage restaurant	100
MF	Investment holding	100
<u>Subsidiaries held through MRetail</u>		
DKE	Research, development and commercialisation of DKE point-of-sale and retail systems software; provision of implementation, maintenance and technical services relating to the retail business systems	100
MM	Provision of management services	100
<u>Subsidiaries held through MF</u>		
MR	Production, manufacturing and sales of bakery products	51
MK	Production, manufacturing and sale of prepared and ready-to-eat meals	51

It is envisaged that, in the ordinary course of Mynews Group's businesses, transactions of a revenue or trading nature between companies in Mynews Group and the Related Parties are likely to occur, which are necessary for its day-to-day operations.

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2.4 Classes and Nature of the RRPTs

The classes and nature of the Recurrent Related Party Transactions of Mynews Group are tabulated as follows:-

2.4 (A) Proposed Renewal of Existing Shareholders' Mandate

No.	Company	Transacting Related Party	Nature of Transactions	Interested Related Parties	@Actual Value Transacted Since Last AGM till LPD (RM'000)	# Estimated Value of transaction(s) disclosed in previous mandate to 8 th AGM (RM'000)	^Estimated Value from 25 March 2021 (date of 8 th AGM) to the date of the next AGM (RM'000)
(i)	MRetail	Fruitty Candy Floss	Purchase of candy by Mynews Group from Fruitty Candy Floss to sell at MRetail outlets	<i>Interested Person Connected</i> DTG ⁽¹⁾	528	1,200	850
(ii)	MRetail	Fruitty Candy Floss	Advertising and promotion income received by MRetail from Fruitty Candy Floss for annual sales rebate, product placement fees and store support	<i>Interested Person Connected</i> DTG ⁽¹⁾	150	250	200
(iii)	MK MR MRetail	Med Doc Clinic & Surgery	Provision of medical services by Med Doc Clinic & Surgery to Mynews's employees	<i>Interested Persons Connected</i> DKS and Chang Hai Xin (spouse of DKS) ⁽²⁾	26.2	120	90
				Subtotal	704.2	1,570	1,140
(iv)	MR	MIE	Purchase of bakery raw materials and bakery production equipment and machineries by MR from MIE	<i>Interested Person Connected</i> MIE ⁽³⁾	1,211	7,000	2,400

2.4 (B) Proposed New Shareholders' Mandate

No.	Company	Transacting Related Party	Nature of Transactions	Interested Related Parties	Actual Value Transacted from last AGM up to LPD (RM'000)	Estimated Value of transaction(s) from the LPD up to the Date of the 8 th AGM (25 March 2021) (RM'000)	^Estimated Value from 25 March 2021 (date of 8 th AGM) to the date of the next AGM (RM'000)
(i)	MR (Licensee)	Ryoyu Baking Co Ltd (Licensor)	MR pays Ryoyu Banking Co Ltd a License Fee of 0.2% of the sold bakery products at ex-factory price	<i>Interested Person Connected</i> Ryoyu Baking Co Ltd (5)	6	3	37
(ii)	MR	MRA	MR pays to MRA 1% of the shipped sales at factory price quarterly for technical guidance provided	<i>Interested Major shareholder</i> MRA (4)	32	15	185
(iii)	MR	MRA	MR to pay for the salary of General Manager for the technical support provided	<i>Interested Major shareholder</i> MRA (4)	131	37	265
(iv)	MK	GKA	MK to pay for the staff secondment of Chef from GKA	<i>Interested Major shareholder</i> GKA (6)	148	40	288
(v)	MRetail	GKA	MRetail receives rental income from GKA for the rental of a small office in MRetail	<i>Interested Major shareholder</i> GKA (6)	7	2	12

2.4 (B) Proposed New Shareholders' Mandate (Continued)

No.	Company	Transacting Related Party	Nature of Transactions	Interested Related Parties	Actual Value Transacted from last AGM up to LPD (RM'000)	Estimated Value of transaction(s) from the LPD up to the Date of the 8 th AGM (25 March 2021) (RM'000)	^Estimated Value from 25 March 2021 (date of 8 th AGM) to the date of the next AGM (RM'000)
(vi)	MRetail	MK MR	MRetail receives management fee from MK and MR for the services of IT, Accounting and Secretarial	<i>Interested Person Connected MK and MR</i>	418	117	1,200
(vii)	MRetail	MK MR	MRetail receives logistic management fee from MK and MR for the chilled logistic services provided	<i>Interested Person Connected MK and MR</i>	2,360	880	5,830
(Viii)	MM	WHS	MM receives management fee from WHS for the services of IT, Accounting and Secretarial	<i>Interested Person Connected WHS (7)</i>	42	14	350

Notes:

^ The estimated values are based on Management's estimates of the value of transactions to be undertaken for the period from the forthcoming AGM to the next AGM. However, the value of transactions may subject to change. Disclosures will be made in the Annual Report of the Company for the FYE 31 October 2021 of the actual breakdown of the aggregate value of transactions made as required under Paragraph 3.1.5 of Practice Note 12 of the Listing Requirements.

Estimated values as disclosed in the Circular to Shareholders dated 25 February 2020.

@ Actual value of transaction from the date of the existing shareholders' mandate obtained at the postponed 7th AGM held on 25 June 2020 up to the date of LPD.

(1) DTG is sole proprietor of Fruitty Candy Floss. DTG is also a shareholder of the Company and brother of the Executive Directors and Major Shareholders of the Company namely DTH, DTL and DTW.

Notes: (Continued)

- (2) Med Doc Clinic & Surgery is owned by Chang Hai Xin, the spouse of DKS. DKS is the son of DTH and nephew of DTL and DTW. DTH, DTL and DTW are brothers. DKS is a Director of MYCU Retail Sdn Bhd (FKA Eemerge Incorporated Sdn Bhd).
- (3) MIE is a major shareholder of MRA, holding 20.5% of the shares in MRA.
- (4) MRA is holding a 49% equity interest in MR, a major shareholder of MR.
- (5) Ryoyu Baking Co Ltd is a shareholder of MRA, holding 20% of the shares in MRA. MRA is holding a 49% equity interest in MR.
- (6) GKA is holding a 49% equity interest in MK, a major shareholder of MK.
- (7) WHS is a joint venture company between MRetail and WH Smith Travel Limited which was incorporated in United Kingdom. MRetail and WH Smith Travel Limited are holding 50% equity interest in WHS respectively.

Proposed Renewal of Existing Shareholders' Mandate

- (i) Mynews Group purchases candies from Fruitty Candy Floss for resale at Mynews outlet. DTG is a sole proprietor of Fruitty Candy Floss, a shareholder of the Company and brother of the Executive Directors and Major Shareholders of the Company namely DTH, DTL and DTW.
- (ii) MRetail receives advertising and promotion income from Fruitty Candy Floss as backend support as it does from certain other suppliers too.
- (iii) Medical services provided to Mynews' employees by Med Doc Clinic & Surgery which is owned by the spouse of DKS. DKS is the son of DTH and nephew of DTL and DTW. DKS is a Director of MYCU Retail Sdn Bhd (FKA Eemerge Incorporated Sdn Bhd).
- (iv) MR purchases bakery raw materials and bakery production equipment and machineries from MIE for the production of bakery products for sale at Mynews' outlets.

MR is 51% owned by MF, a wholly owned subsidiary of Mynews and 49% by MRA. MIE is a major shareholder which owns 20.5% equity interest in MRA.

The principal activity of MR is to produce bakery products for sale at Mynews' retail outlets. MIE, a Person Connected with a major shareholder of MR is a wholesaler of ingredients and a key supplier of baking equipment and machinery.

Notes: (Continued)

Proposed New Shareholders' Mandate

- (i) MR (Licensee) pays Ryoyu Baking Co Ltd (Licensor) a 0.2% License Fee for the bakery products sold to MRetail at ex-factory price. Ryoyu Baking Co Ltd is a major shareholder who is holding 20% equity interest in MRA.
- (ii) MR pays MRA 1% of the shipped sales at factory price quarterly for technical guidance provided. MRA is holding 49% equity interest in MR.
- (iii) MR pays the salary of General Manager of MRA for the technical support given to the Factory management.
- (iv) MK pays the salary of Chef from GKA. GKA is a major shareholder who is holding 49% equity interest in MK.
- (v) MRetail receives rental income from GKA for the rental of a 120 sq ft small office, located at MRetail, Room 5, Lot No. 3, Jalan Teknologi 3/1, Taman Sains Selangor 1, Seksyen 3, JPU 5, Kota Damansara, 47801 Petaling Jaya, Selangor for a tenure of 2 years from 1 April 2020 to 31 March 2022.
- (vi) MRetail receives management fees from MK and MR for providing the services of IT, accounting and corporate secretarial.
- (vii) MRetail receives logistic management fee from MK and MR for the chilled logistic services provided.
- (viii) MM receives management fees from WHS for providing the services of IT, accounting and corporate secretarial. WHS is a joint venture company between MRetail and WH Smith Travel Limited which was incorporated in United Kingdom. MM is a wholly owned subsidiary of MRetail.

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2.5 Amount Due and Owing to Mynews by Related Parties

As at LPD, there is no amount due or owing to Mynews by its Related Parties which exceeded the credit term. As such, the disclosures as required under Paragraphs 16A and 16B in Annexure PN12-A of the Listing Requirements are not applicable.

2.6 Review Procedures for the RRPTs

Mynews has in place the following internal control procedures to ensure that transactions with Related Parties are undertaken on transaction prices and terms which are not more favourable to the Related Parties than those generally available to the public, conducted at arm's length basis and are based on normal commercial terms consistent with Mynews Group's usual business practices and are not detrimental to the interests of our minority shareholders:

- (i) The pricing of transactions with a Related Party will take into account the pricing, prevailing market prices, quality of products, level of service provided, amenities offered and other related factors. The final pricing of transactions with a Related Party shall not be at terms more favourable to the Related Party than the prevailing market practices;
- (ii) All transactions entered/to be entered into pursuant to the Proposed RRPT Mandates have been/will be tabled to the AC on a quarterly basis for its review. In its review of such transactions, the AC may, as it deems fit, request for additional information pertaining to the transactions from independent sources;
- (iii) Records will be maintained by the Group to capture all RRPTs entered into pursuant to the Proposed RRPT Mandates to ensure that relevant approvals have been obtained and review procedures in respect of such transactions are adhered to;
- (iv) The AC shall continuously review, on an annual basis, the internal audit reports pertaining to the RRPTs to ascertain that the internal control procedures established to monitor the RRPTs have been complied with;
- (v) Where any of the Directors of the Company has an interest (whether direct or indirect) in any particular RRPT, such Director(s) shall abstain from all deliberations and voting on that matter in the Board's deliberations of such transaction. Where any member of the AC is interested in any particular RRPT, that member shall abstain from deliberations and voting on any matter relating to any decisions to be taken by the AC with respect to such transaction;
- (vi) Immediate announcement will be made when the actual amount of a RRPT exceeds the estimated value of the RRPT disclosed in the Circular by 10% or more;
- (vii) Disclosure will be made in the Annual Report of the Company of the breakdown of the aggregate value of transactions conducted pursuant to the Proposed RRPT Mandates; and
- (viii) At least two (2) other contemporaneous transactions with unrelated third parties for similar products/services and/or quantities will be used as comparison, wherever possible, to determine whether the price and terms offered to/by the Related Parties are fair and reasonable and comparable to those offered to/by other unrelated third parties for the same or substantially similar type of products/services and/or quantities.

In the event that quotation or comparative pricing from unrelated third parties could not be obtained, the transaction prices will be determined by Mynews Group based on usual business practice and on terms which are generally in line with industries norms to ensure that the RRPTs are not detrimental to Mynews Group. All RRPTs within Mynews Group have to be tabled to the AC for review and consideration before recommending the same to the Board for approval.

2.7 Statement by the Audit Committee

The AC has reviewed the procedures set out in Section 2.6 above and is of the view that the review procedures for RRPTs are sufficient to ensure that the RRPTs will be entered into at arm's length and in accordance with Mynews Group's normal commercial terms, and on transaction prices and terms which are not more favourable to the Related Parties than those generally available to the public, and hence, will not be detrimental to our minority shareholders.

The AC is satisfied that Mynews Group has in place adequate procedures and processes to monitor, track and identify RRPTs in a timely and orderly manner, and the review of these procedures and processes will be conducted on an annual basis.

2.8 Guidelines on Thresholds of Authority

There are no specific thresholds for approval of RRPTs within the Mynews Group as all RRPTs are subject to the review of the AC and approval of the Board.

2.9 Rationale and Benefits of the Proposed RRPT Mandates

The RRPTs that are set out in Section 2.4 (A) and 2.4 (B) of this Circular are all in the ordinary course of business and intended to meet the business needs of Mynews Group on the best possible terms and represent sound business decisions which are taken for legitimate and bona fide business purposes which will enhance Mynews Group's ability to explore beneficial business opportunities.

The Proposed RRPT Mandates, if approved by the shareholders, will eliminate the need to make announcements to Bursa Securities or to convene separate general meetings from time to time to seek shareholders' approval as and when RRPTs with the specified classes of Related Parties arise. This will reduce substantially the expenses associated with the convening of general meetings on an ad hoc basis, improve administrative efficiency considerably and allow manpower resources and time to be focused on attaining Mynews Group's corporate objectives and business opportunities.

The Proposed RRPT Mandates, are intended to facilitate RRPTs entered into in the ordinary course of business of Mynews Group which are transacted from time to time with the Related Parties at arm's length, on Mynews Group's normal commercial terms and transaction prices which are not more favourable to the Related Parties than those generally available to the public and are not detrimental to the minority shareholders of the Company.

3.0 EFFECTS OF THE PROPOSED RRPT MANDATES

The Proposed RRPT Mandates do not have any effect on Mynews' issued and paid-up share capital and our major shareholders' shareholding in Mynews and is not expected to have any material effect on the earnings per share, net assets per share and gearing of the Group.

However, as it is in relation to RRPTs which are of a revenue or trading nature and which form an integral part of the Group's day-to-day operations and therefore they will contribute to Mynews' financial performance.

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4.0 INTERESTS OF THE DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED TO THEM

Save as disclosed in this Circular and below, none of the other Directors or Major Shareholders of Mynews and/or Persons Connected to them has any interest, direct or indirect, in the Proposed RRPT Mandates.

Interested Directors/ Major Shareholders/ Persons Connected	Shareholdings as at LPD			
	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
Directors of Mynews⁽¹⁾				
DTL	-	-	395,498,200 ⁽⁵⁾	57.978
DTW	-	-	395,498,200 ⁽⁵⁾	57.978
DTH	-	-	395,498,200 ⁽⁵⁾	57.978
Major Shareholder of Mynews				
D&D Consolidated Sdn Bhd	391,777,000	57.43		
Persons Connected				
DTG ⁽²⁾	9,178,000	1.35	-	-
DTK ⁽³⁾	23,559,300	3.45	-	-
Red Orchid Sdn Bhd ⁽⁴⁾	3,721,200	0.55	-	-
DKS	-	-	395,498,200 ⁽⁶⁾	57.978
MIE	-	-	-	-
Ryoyu Baking Co Ltd	-	-	-	-
Major Shareholders of Mynews' Subsidiaries				
MRA	-	-	-	-
GKA	-	-	-	-

Notes:-

- (1) Deemed interested by virtue of their substantial shareholdings in D&D Consolidated Sdn Bhd and Red Orchid Sdn Bhd pursuant to Section 8(4) of the Act.
- (2) DTG (brother of DTL, DTW & DTH) is a person connected to Directors of Mynews.
- (3) DTK (brother of DTL, DTW & DTH) is a person connected to Directors of Mynews.
- (4) Red Orchid Sdn Bhd is deemed a person connected to Directors as the sole shareholder of Red Orchid Sdn Bhd is Madam Ooi Chai Ing (mother of DTL, DTH and DTW)
- (5) The 395,498,200 Mynews Shares are held as follows:-
 - (i) 363,777,000 Mynews shares are registered in the name of Cimsec Nominees (Tempatan) Sdn Bhd, CIMB for D&D Consolidated Sdn Bhd. DTL, DTW and DTH are deemed interested by virtue of their shareholdings in D&D Consolidated Sdn Bhd

Notes (Continued):

- (ii) 28,000,000 Mynews Shares are registered in the name of CGS-CIMB Nominees (Tempatan) Sdn Bhd – Pledged securities account for D&D Consolidated Sdn Bhd. DTL, DTW and DTH are deemed interested by virtue of their shareholdings in D&D Consolidated Sdn Bhd
- (iii) 3,721,200 Mynews Share are registered in the name of Red Orchid Sdn Bhd. DTL, DTW & DTH are deemed interested as Ooi Chai Ing (mother of DTL, DTH and DTW) is the sole shareholder in Red Orchid Sdn Bhd.
- (iv) DKS is deemed interested by virtue of his father's (DTH) shareholdings in D&D Consolidated Sdn Bhd and deemed interest in Red Orchid Sdn Bhd

The interested Directors of Mynews have accordingly abstained and/or will continue to abstain from all Board deliberations and voting in relation to the RRPTs set out in Section 2.4(A) of this Circular at the Board Meetings.

The Interested Directors, Interested Major Shareholders and/or Persons Connected to them will abstain from voting on the resolution involving their direct and indirect shareholdings (if any) in respect of the Proposed RRPT Mandates at the forthcoming 8th AGM.

In addition, the Interested Directors and/or Interested Major Shareholders, have undertaken that they will ensure that Persons Connected to them abstain from voting, deliberating or approving the resolution pertaining to the Proposed RRPT Mandates at the forthcoming 8th AGM.

5.0 APPROVALS REQUIRED

The Proposed RRPT Mandates are subject to the approval of the shareholders of Mynews at the forthcoming 8th AGM to be convened.

6.0 DIRECTORS' RECOMMENDATION

The Interested Directors, namely DTL, DTW and DTH, have refrained from forming an opinion on the RRPTs as set out in Section 2.4(A) of this Circular and making any recommendation in respect thereof.

The Board (save for Interested Directors) having considered all respects of the Proposed RRPT Mandates, is of the opinion that it is in the best interest of the Company and accordingly recommends that the shareholders of Mynews vote in favour of the ordinary resolutions in respect of the Proposed RRPT Mandates to be tabled at the 8th forthcoming AGM.

Yours faithfully,
For and on behalf of the Board of Directors
MYNEWS HOLDINGS BERHAD

DING LIEN BING

Chairman / Independent Non-Executive Director

FURTHER INFORMATION

1.0 DIRECTORS' RESPONSIBILITY STATEMENT

This Circular has been reviewed and approved by the Directors of Mynews and they individually and collectively accept full responsibility for the accuracy of the information given and confirm that, after having made all reasonable enquiries and to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement in this Circular misleading.

2.0 MATERIAL LITIGATION

As at the LPD, Mynews Group is not engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, and to the best of the Board's knowledge and belief, the Board is not aware of any proceedings, pending or threatened against the Group or of any facts likely to give rise to any proceeding which may materially and adversely affect the financial position or business of the Group.

3.0 MATERIAL CONTRACTS

As at the LPD, the Group has not entered into any material contracts (not being contracts entered into in the ordinary course of business) within the 2 years immediately prior to the date of the Circular.

4.0 DOCUMENTS FOR INSPECTION

Copies of the following documents will be available for inspection at the Registered Office of Mynews 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, during normal business hours on any working days from the date of this Circular to the date of 8th AGM:

- (a) Constitution of Mynews; and
- (b) Audited consolidated financial statements of Mynews for the past two (2) financial years ended 31 October 2019 and 31 October 2020.

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EXTRACT OF NOTICE OF THE 8TH ANNUAL GENERAL MEETING

7. To consider and, if thought fit, with or without any modifications, to pass the following Ordinary resolutions:

7.1 PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE AS SET OUT IN SECTION 2.4 (A) OF THE CIRCULAR TO SHAREHOLDERS DATED 24 FEBRUARY 2021 (Ordinary Resolution 7)

“THAT, subject to the provision of the Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to Mynews Holdings Berhad and its subsidiaries (**“Mynews Group”**) to enter into and to give effect to specified recurrent related party transactions of a revenue or trading nature with the Related Parties as set out in **Section 2.4 (A)** of the Circular to Shareholders dated 24 February 2021 (**“Proposed Renewal of Existing Shareholders’ Mandate”**) (which are necessary for its day-to-day operations, to be entered into by Mynews Group on the basis that these transactions are entered into on transaction prices and terms which are not more favourable to the Related Parties than generally available to the public and are not detrimental to the minority shareholders of the Company;

THAT the Proposed Renewal of Existing Shareholders’ Mandate is subject to annual renewal, AND THAT any authority conferred by the Proposed Renewal of Existing Shareholders’ Mandate, shall only continue to be in force until:

- (i) the conclusion of the next annual general meeting (“AGM”) of the Company following the general meeting at which the Proposed Renewal of Existing Shareholders’ Mandate was passed, at which time it will lapse, unless by a resolution passed at the general meeting, the authority is renewed; or
- (ii) the expiration of the period within which the AGM after that date is required to be held pursuant to Section 340(2) of the Companies Act 2016 (but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Companies Act 2016); or
- (iii) revoked or varied by resolution passed by the shareholders of the Company in general meeting,

whichever is the earlier;

AND THAT the Directors be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) to give effect to the Proposed Renewal of Existing Shareholders’ Mandate.”

EXTRACT OF NOTICE OF THE 8TH ANNUAL GENERAL MEETING

7. To consider and, if thought fit, with or without any modifications, to pass the following Ordinary resolutions:

7.2 PROPOSED NEW SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE AS SET OUT IN SECTION 2.4 (B) OF THE CIRCULAR TO SHAREHOLDERS DATED 24 FEBRUARY 2021

(Ordinary Resolution 8)

“THAT, subject to the provision of the Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to Mynews Holdings Berhad and its subsidiaries (**“Mynews Group”**) to enter into and to give effect to specified recurrent related party transactions of a revenue or trading nature with the Related Parties as set out in Section 2.4 (B) of the Circular to Shareholders dated 24 February 2021 (**“Proposed New Shareholders' Mandate”**) (which are necessary for its day-to-day operations, to be entered into by Mynews Group on the basis that these transactions are entered into on transaction prices and terms which are not more favourable to the Related Parties than generally available to the public and are not detrimental to the minority shareholders of the Company;

THAT the Proposed New Shareholders' Mandate is subject to annual renewal, AND THAT any authority conferred by the Proposed New Shareholders' Mandate, shall only continue to be in force until:

- (i) the conclusion of the next annual general meeting (“AGM”) of the Company following the general meeting at which the Proposed New Shareholders' Mandate was passed, at which time it will lapse, unless by a resolution passed at the general meeting, the authority is renewed; or
- (ii) the expiration of the period within which the AGM after that date is required to be held pursuant to Section 340(2) of the Companies Act 2016 (but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Companies Act 2016); or
- (iii) revoked or varied by resolution passed by the shareholders of the Company in general meeting,

whichever is the earlier;

AND THAT the Directors be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) to give effect to the Proposed New Shareholders' Mandate.”