

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

Minutes of the Eighth Annual General Meeting of the Company held entirely through live streaming from the Broadcast Venue at Mynews Holdings Berhad's Headquarters, Lot No.3, Jalan Teknologi 3/1, Taman Sains Selangor 1, Seksyen 3, PJU 5, Kota Damansara, 47810 Petaling Jaya, Selangor on Thursday, 25 March 2021 at 10.00 a.m.

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<b>Present</b>	: Mr. Ding Lien Bing ("The Chairman/DLB")	Independent Non-Executive Chairman
	Mr. Dang Tai Luk ("DTL")	Executive Director/Group Chief Executive Officer ("GCEO")
	Mr. Dang Tai Wen	Executive Director /Deputy GCEO
	Ms. Soon Dee Hwee	Senior Independent Non- Executive Director
	Mr. Dang Tai Hock	Executive Director /CEO - Food
	En. Mohd Suffian Bin Suboh	Independent Non-Executive Director
	Shareholders and Proxies (As per Attendance List)	
<b>By invitation</b>	: As per Attendance List	
<b>In attendance</b>	: Mr. Isaac Lim Fung Sern ("Mr Isaac Lim")	Company Secretary
	Mr Allen Sii	Poll Administrator, Tricor Investor and Issuing House Services Sdn Bhd
	Scrutineer	Asia Securities Sdn Bhd (off site)

## **1.0 Chairman's Address**

- 1.1 The Chairman, DLB, called the Meeting to order at 10:00 a.m. and welcomed everyone to the Company's full virtual Eighth Annual General Meeting ("**the Meeting**") conducted entirely through live streaming. He continued to introduce his fellow Board Members who were physically present at the broadcast venue.

## **2.0 Quorum**

- 2.1 Upon the Company Secretary's confirmation of the presence of a quorum, the Chairman declared that the Meeting was properly convened and proceeded to business.

## **3.0 Proxies**

- 3.1 Upon the request by the Chairman for the proxies received for the Meeting, the Company Secretary, Isaac Lim confirmed that the Company had received 31 proxies for 492,810,901 ordinary shares representing 72.24% of the total shareholdings of the Company. Out of these proxies, 17 proxies for 467,980,701 shares representing 68.60% were given to the Chairman to vote as indicated therein their respective proxy forms.

## **4.0 Notice of Meeting**

- 4.1 The Chairman informed the Meeting that the Company had on 23 February 2021 made an announcement to Bursa Malaysia in relation to the Notice of the 8<sup>th</sup> Annual General Meeting. The said Notice was also duly advertised in The New Strait Times on 24 February 2021. In view thereof, the Notice was taken as read.
- 4.2 Before proceeding to discuss the agenda of the Meeting, the Chairman informed the Meeting that pursuant to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolutions set out in the Notice of Meeting require voting to be conducted by poll.
- 4.3 The Chairman informed the Meeting that the Company had appointed Tricor Investor & Issuing House Sdn. Bhd. as the Poll Administrator together with its technology team, to conduct the polling process which will be conducted by way of electronic voting, and Asia Securities Sdn. Bhd. as Scrutineer to verify the poll results.
- 4.4 The Chairman also informed the Meeting that the members or proxies could start to cast their votes from this moment until he announced the completion of the voting session.
- 4.5 The resolutions under the Agenda of the Notice would be open for deliberation at the Q&A session before voting. The Members or Proxies could start to send in their questions via the query box from then until the announcement on the closure of the Q&A session.

- 4.6 Any pre-meeting questions and the reply to the Minority Shareholders Watch Group (“MSWG”)’s letter dated 16 March 2021 would be read out during the Q&A session.
- 4.7 The Chairman informed the Meeting that Resolution 1 to Resolution 8 would be tabled altogether for time management efficiency.
- 5.0 Agenda 1: To receive the Audited Financial Statements for the year ended 31 October 2020 together with the Reports of Directors and Auditors thereon.**
- 5.1 The Chairman informed the Meeting that Agenda 1 was to receive the Audited Financial Statements of the Company for the financial year ended 31 October 2020 together with the Reports of the Directors and Auditors thereon which had been properly circulated to all Members within the prescribed period (“the said Audited Financial Statements”).
- 5.2 Further, Agenda 1 was meant for discussion only as the provision of Section 340 (1) of the Companies Act, 2016 did not require a formal approval of the said Audited Financial Statements by the Members. Hence, Agenda 1 would not be subject to voting.
- 5.3 Thereafter, the Chairman called upon the GCEO of the Company, DTL to present the 2020 highlights and the latest development in the Group.
- 5.4 Mr. Luk made a brief presentation on 2020 Milestones which covered the following matters:
- a. Executed License Agreement with BGF Retail Co, Ltd to operate and sub franchise CU outlets in Malaysia;
  - b. Mynews continued to grow despite the pandemic, from 534 to 542 outlets;
  - c. The launch of myNEWS SUPERVALUE;
  - d. The re-activation for FPC’s production and promotion activities;
  - e. Takeback of direct operations of Logistics, and Dry and Cold Distribution Centres;
  - f. Allowances That Allow CSR
  - g. Support to the frontliners by giving away fresh food, refreshments and cash vouchers
  - h. Business sustainability
    - FPC - 130,000 sq feet, with Japanese Quality and standard of hygiene
    - 100% owned distribution centres in 3 locations to deliver to all the outlets across Malaysia
    - 100% owned stores (not franchised)
    - Store SOP compliance for Customer Health & Safety

- Zero outsourced of Cost centres – 100% self sustained
- More than 2000 employees segregated to on/off site schedule to reduce risk & functional Business Continuity Plan

5.5 Thereafter, DTL continued to brief the Members on the Financial Performance for the financial year ended 31 October 2020.

5.6 After the presentation of DTL, the Chairman declared that the Audited Financial Statements for the year ended 31 October 2020 together with the Directors' and Auditors' Report thereon, be and were hereby duly received.

6.0 As the Agendas 2 and 3 are to deliberate on the Directors' Fees and Meeting Allowances of which the Chairman had interest therein, he passed the Meeting to the Group CEO to proceed.

6.1 **Agenda 2: Ordinary Resolution No. 1**  
**To approve the payment of the Directors' fees of RM235,000 for the financial year ended 31 October 2020**

6.2 DTL proceeded to Agenda 2 (Ordinary Resolution No. 1) which was to approve the payment of the Directors' fees of RM235,000 for the financial year ended 31 October 2020.

6.3 DTL informed the Meeting that the Non-Executive Directors namely, Mr. Ding Lien Bing, Ms. Soon Dee Hwee, En. Mohd Suffian Bin Suboh and Mr. Dang Tai Hock as well as persons connected to them would abstain from voting on this Ordinary Resolution 1.

7.0 **Agenda 3: Ordinary Resolution No. 2**  
**To approve the payment of the Directors' meeting allowance of up to RM54,000 for the period from 26 March 2021 until the next AGM of the Company**

7.1 DTL then proceeded to Agenda 3 (Ordinary Resolution No. 2) which was to approve the payment of the Directors' meeting allowance of up to RM54,000 for the period from 26 March 2021 (8<sup>th</sup> AGM) until the next AGM of the Company.

7.2 DTL informed the Meeting that the Non-Executive Directors would abstain from voting on this Ordinary Resolution 2.

7.3 After Resolution 2 had been read out, DTL passed back the chair to the Chairman.

8.0 **Agenda 4: Ordinary Resolutions No. 3 and 4**  
**Re-election of directors who are retiring in accordance with Article 114(1) of the Company's Constitution**

8.1 The Chairman then read out Agenda 4, Ordinary Resolution No.3 was to re-elect Mr. Dang Tai Hock who was retiring in accordance with Article 114(1) of the Company's Constitution and Ordinary Resolution 4 was to re-elect Encik Mohd Suffian bin Suboh who was retiring in accordance with Article 114(1) of the Company's Constitution.

**9.0 Agenda 5: Ordinary Resolution No. 5  
Re-appointment of auditors and to authorise the directors to fix their remuneration**

9.1 Agenda 5 (Ordinary Resolution No. 5) was to re-appoint Messrs. Grant Thornton Malaysia PLT as the Company's Auditors for the ensuing year and to authorise the Directors to fix their remuneration.

**10.0 Agenda 6 : Ordinary Resolution No. 6 – Special Business  
To approve the renewal of authority to allot shares pursuant to Section 75 and 76 of the Companies Act, 2016**

10.1 The Chairman informed the Meeting that this mandate, if passed, would provide the flexibility to the Company and empower the Directors to speedily allot and issue new shares in the Company of up to 10% of its issued share capital for purposes of funding the working capital or strategic developments of the Group.

10.2 This would expedite the process and eliminate the costs for convening a general meeting to seek shareholders' approval. This authority, unless revoked or varied by the Company at a general meeting, will expire at the next AGM.

**11.0 Agenda 7 : Ordinary Resolution 7 and Ordinary Resolution 8  
To approve Proposed Renewal of the Existing Shareholders' Mandate and New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature**

11.1 The Chairman informed the Meeting that Ordinary Resolution 7 was for Renewal of Existing Shareholders' Mandate in relation to RRPT. Whereas Ordinary Resolution 8 was for New Shareholders' Mandate. Details of both the Shareholders' Mandates were set out in the Circular to Shareholders dated 24 February 2021.

**12.0** The Chairman then declared that all the Resolutions of the Meeting had been dealt with and informed the Meeting that the Company had received a letter from Minority Shareholders Watchdog Group ("MSWG") dated 16 March 2021. He then passed the Meeting to DTL to respond to the said letter. The list of questions and responses were appended as Appendix 1. DTL then continued to address the questions received prior to the Meeting and during the Meeting. The lists of questions and responses were appended as Appendix 2 and Appendix 3 respectively.

12.1 Upon completion of the questions and answers session, the Chairman took the opportunities to thank Mynews' loyal Shareholders and MSWG for their participation in the Meeting. Due to the uncertainty of the situation, he on behalf of the Board ensured the Shareholders that the Company will be very cautious and mindful of the Capital Expenditures. The Board will constantly evaluate the status of the pandemic situation. The Chairman reminded those participants who have yet to cast their votes, to cast them in the 10 minutes voting session. He further informed that the Meeting

would be adjourned for 20 minutes to count and validate the poll results after the polling session ended. The Meeting would be resumed after 30 Minutes for announcing the poll results.

12.2 The Meeting was adjourned for the casting of votes by the Poll administrator and the verification of the votes by the Scrutineer. The Meeting resumed at 11.20 a.m.

### **13.0 Result of the Polling**

13.1 The results of the polling were projected on the screen for the viewing of the Shareholders. Details of the result were enclosed as Appendix 4.

### **14.0 Close of Meeting**

14.1 Since there was no other business to be transacted, the Chairman declared the Meeting closed at 11.30 a.m. and thanked everyone who was present at the Meeting.

14.2 A vote of thanks was given to the Chair.

**CONFIRMED AS THE CORRECT RECORD  
OF THE PROCEEDINGS THEREAT**

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**CHAIRMAN  
DING LIEN BING**

## APPENDIX 1

### Question from MSWG letter dated 16 March 2021 and Mynews' reply dated 25 March 2021

Questions	MSWG's letter dated 16 March 2021	Mynews' reply dated 25 March 2021
1	The Group was not profitable for the first time due to Covid-19 pandemic (Page 15 of AR2020). Given the challenging operating environment in 2021 and slower consumer spending amid the on-going pandemic, how will the Group fare this year?	While the current economic situation remains volatile and uncertain, Mynews is expected to do better compared to financial year 2020. With the first batch of vaccines being delivered and administered in the country and the change of MCO to CMCO recently, there are signs that the economic activities and performance are improving, barring any unforeseen circumstances.
2	The prospect of the Group hinges on the roll out of Mynews higher store count, increase in number of Maru Kafe concept outlets and effective utilisation of Food Processing Centre (FPC) (Page 22 of AR2020).  (a) In terms of store expansion strategy, what are the Company's plans to rollout new stores and Maru kafe concept outlets? How would the on-going pandemic affect your store expansion plan?	Before the Covid-19 pandemic, Mynews was able to open up to 100 outlets per annum. In 2020, when 9 out of 12 months were marred by the pandemic, Mynews opened 59 new outlets and closed 46 poor performance stores. Moving forward, Mynews will continue to carry its pre-pandemic appetite of growth and will continue to open new stores at the rate that is realistic and reflective of the pandemic and economic situations. This year, as at 18 March 2021, Mynews has opened 20 outlets thus far. We hope to open another 50 outlets from now to 31 October 2021.
2	(b) 46 stores were closed in FY2020 compared to 17 stores in FY2019 (Page 16 of AR2020). What are the reasons for closing so many stores?	During the pandemic, Mynews re-aligned and re-strategised the retail chain. These outlets were closed because they performed poorly and from our assessment they did not have much potential to improve owing to various downside reasons including those brought about by the pandemic.
2	(c) myNEWS SUPERVALUE store was launched in FY2020 as a new concept store and to-date 5 stores have been opened (Page 15 of AR2020). Is the Board satisfied with the progress and performance of these stores?	The performance from our current 5 myNEWS SUPERVALUE outlets has been very encouraging and we are targeting to have a total of 20 outlets by the end of financial year 2021.

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### Question from MSWG letter dated 16 March 2021 and Mynews' reply dated 25 March 2021

Questions	MSWG's letter dated 16 March 2021	Mynews' reply dated 25 March 2021
2	(d) FPC has been non-performing and contributed a loss of RM12.4 million to the Group in FY2020 (Page 19 & note 31, page 130 of AR2020). What is FPC's current utilisation rate?	During the MCO 2.0, the FPC's utilization was at below 30%. From 18 March 2021 onwards, the utilization has increased to above 30%.
2	(e) When does the Company expect to turnaround FPC to achieve breakeven point for capacity utilisation?	Based on projections, the FPC is expected to achieve breakeven point in the next two years.
3	Mynews has entered into a licensing agreement with CU's owner BGF Retail Co Ltd. to bring South Korea convenience stores brand CU to Malaysia (Page 15 of AR2020).  (a) The Edge press report dated 13 October 2020 reported the Group is looking to open 30-50 stores in the first year. The first set of stores will be opened by end of 2021 in Klang Valley. What is the current progress in rolling out CU stores?	The progress of rolling out CU stores is exceptional and on track and CU will be having its first outlet in Malaysia on 1 April 2021. Look out for this impressive store at Centre Point, Bandar Utama.
	(b) What is the expected capital expenditure required to roll out the first set of CU stores in 2021? How do you intend to fund this?	A typical CU outlet would expect to incur a Capex of approximately RM 500,000. The outlets opening will be funded via internal fund and the Group's ready banking facilities lines.
	(c) How does the Group ensure that launching of CU stores would not cannibalize the existing Mynews stores? Does the Group intend to convert existing Mynews stores into CU stores in certain locations?	CU outlets will be operated simultaneously with Mynews outlets. Even though they are both CVS, they are of different brands, concepts and product offerings. CU was not brought in to replace Mynews and conversion is not a priority. However, should there be any conversions they are definitely done for some strategic reasons such as to align with customers profile at the location or to be more competitive by refreshing and rebranding of certain old outlets with the new brand.
4	"Inventories written off and wastages" increased to RM7.95 million in FY2020 (2019: RM5.47 million) (Page 77 of AR2020). What is the Company's action plan to reduce wastage and stock loss?	Active action plans have been taken to minimize wastages and stock loss. Continuous feedbacks from the outlets and big data analysis are being used to manage the level of wastages.  With the take back of warehouse and logistics operations from the 3PL, we are having a better control of our inventory level and efficiency.



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**Question from MSWG letter dated 16 March 2021 and Mynews' reply dated 25 March 2021**

Questions	MSWG's letter dated 16 March 2021	Mynews' reply dated 25 March 2021
5	<p>The Company in its Corporate Governance Report for FY2020 (Page 28) states that it has applied Practice 8.2 of the Malaysian Code on Corporate Governance.</p> <p>However, based on the explanation given on the application of the Practice 8.2, the Company has not applied the Practice 8.2, as the Audit Committee does not have a policy that requires a former key audit partner to observe a cooling-off period of at least two years before being appointed as a member of the Audit Committee.</p>	<p>None of the members of the Board were former key audit partner and the Board has no intention to appoint any such person as a member of the Board at this juncture.</p>



## Appendix 2

### PRE-SUBMITTED QUESTIONS FROM SHAREHOLDERS AS AT 23 MARCH 2021

**1. A) When will CU open first branch in Malaysia?**

CU will be opening its first outlet in Malaysia on 1 April 2021. Look out for this impressive store at Centre Point, Bandar Utama.

**B) Will CU and Mynews operate under the same store?**

No, CU and myNEWS will not co-exist or overlap within the same store space. They may come close to each other for strategic or feasibility reasons but you will never be able to find a 2-in-1 situation. They are 2 brands with 2 separate concepts and offerings with their own strength.

**2. How is the progress of CU expansion plan?**

CU expansion is proceeding according to plan. We are happy with the progress.

**3. A) Could you advise on the status of CU store expansion plan, locations and numbers for coming 3 years?**

Our target for 5 years is 500 CU stores. Barring unforeseen circumstances such as new waves of Covid-19 or terrible economic downturn, we are confident that this target is achievable. Locations could be any way suitable and feasible. It is a CVS and it can be planted in residential, offices, hospitals, colleges and many other places. Geographically, with the smaller number of stores in the beginning and the learning curve, we will like to begin in Klang Valley but again it could be anywhere anytime in the near future.

**B) CU store business model, fully operated or franchise and why?**

For now, the agreement is a license given by BGF Retail to Mynews to operate CU stores in Malaysia. It is 100% owned and operated by Mynews through its 100% owned subsidiary MyCU Retail Sdn Bhd. This is the most practical and commercially viable way for Mynews to bring in CU as a new brand and concept.

**C) Strategy to distinguish between future developments for both Mynews and CU stores?**

The easiest way to visualise the future developments and how we operate the different brands is like this : Mynews has been the operator of retail convenience stores for over two decades. Over the years we have acquired the knowledge and built a great team, infrastructures and integrated systems to support the business. I called this our backend support systems. Now, at the front, we have been a successful operator of 4 strong brands of convenience store segment, namely, Mynews, Mynews Supervalu, WHSmith and now CU.

To answer your question, each brand will find its own position based on location, demand of different customers and their shopping patterns. All the brands will be concurrently driven by our common backend support systems that I explained above.

We shall remain in the convenience retail segment, which is our expertise, offering Malaysians local and international concepts and choices as well as interesting shopping experience.

This answer will also be applicable to the next question 4 below.

**D) Will CU store capitalise on the FPC for RTE products?**

Yes, the FPC will be producing RTE and Bakery products for CU outlets as well, based on the recipe and requirements of CU.

**E) Would you consider the adoption of AI data (e.g. Lawson Inc) for store demand and food wastage optimisation?**

Since the inception of the FPC, we have a methodology of managing demand and wastages. The use of any better technology driven tools and applications will always be considered and evaluated on their benefits and costs and feasibility within the local landscape.

**4. What is Mynews' strategies to grow in the future?**

As answered in Question 3 above,

We will be growing the brands in our stable concurrently, namely

- i) Mynews & Mynews SUPERVALUE
- ii) CU
- iii) WH Smith

At the same time all our private label products such as Maru food and beverages and CU in-house products.

**5. Kindly give us some e-vouchers or e-wallet for being loyal shareholders and attending this meeting. Times are bad now.**

We thank you for your continuous and strong support, and truly understand the current economic climate.

We will be sending a coupon to shareholder attendees via an email after the AGM. The coupon can be used via our Mynews App with shareholders becoming our members.

**6. A) Covid-19 impact on business?**

The Covid-19 impact have been explained in our presentation earlier.

**B) Strategy for the next 12 months?**

As replied earlier, we will be focusing on growing our brands and drive via outlets expansion.

**7. Bursa Malaysia is encouraging PLCs to adopt good ESG practices in their business operations. What is Mynews' annual budget in terms of percentage total expenditure in pursuing ESG agenda?**

Mynews is actively adopting good ESG practices and believes that the actions and decisions made in relation to ESG goes a long way.

The pursuit of ESG agenda for Mynews is long term, sustainable and impactful. You may not notice a big sum of budgetary allocation or cash but our contributions are limitless and impactful and carried with high hidden cost and a lot of love. For example, our ATA program involves the whole workforce especially the committee, marketing and merchandising depts to drive the program to bring in continuous bottomless income and distribute it to the poor students. Our requirements in using biodegradable materials increases our cost of business. Details of Mynews' ESG can be found in our annual report page 23 to page 50.

**8. Would the BOD agree the distribution of e-vouchers to RPV participants of AGM a form of CSR activity of the company?**

As explained earlier, we would be sending shareholder attendees a coupon to use via our Mynews App but this is not a CSR. It is part and parcel of our meeting or promotion costs.

**9. Has the business seen any recovery since the end of financial year 2020?**

With the MCO being reimplemented on 12 January 2021, the footfall remains impacted by the pandemic. However, we do see a slow gradual improvement reflective of the loosening of movement control.

**10. Kindly comment on WH Smith's store performance. How many stores are there currently? Were any stores closed?**

Due to the borders remaining closed, footfall at the outlets were significantly impacted. WH Smith has a total of 16 outlets of which 9 is being operated while the balance is closed temporarily.

**11. What is the current market share of Mynews compared to the other operators like 7-11? Can the Board share any insights into the competitive landscape that Mynews is in?**

Based on number of outlets, 7-11 is having the most outlets, followed by Mynews and then Family Mart.

The CVS business will see the next level of growth with focus on food and beverages offerings. Mynews is well equipped to support the business and to move the business to the next level.

**12. Under Note 22.1 Revenue, there was a promotional income of RM 56.1 mil. Can the Board clarify the composition and nature of this revenue?**

Promotional income comprises mainly of advertising and promotion charges as well as new products listing charges.

**13. Dividend income was recorded under Revenue (Note 22) and also under Other Income (Note 23). Kindly explain the difference between these 2 sources of dividend income.**

By nature of Mynews Holdings Berhad being an investment holding company, the dividend income earned by Mynews Holdings Berhad is recorded under Revenue while the dividend income classified under Other Income are those earned by the subsidiaries of Mynews Holdings Berhad.

### **Appendix 3**

#### **Questions collected during the Meeting**

##### **1. Ling Soon Li**

What are the challenges in compete with other similar stores like 7-eleven, k-mart, family mart, etc.

We have always view competition positively. Our competitive advantages over our competitors are differentiation in products offering and quality, great shopping experience. We are working toward enlightening our customers. We are a CVS operator who are able to offer 4 different Brands in the convenience/retail segment. We are catering for different segment of customers in accordance to their shopping demands, preference and patterns. Other strength is the infrastructures that were built 2 decades ago.

##### **2. Kuan Lay Ming**

- a. Is there any plan to open store IN FY2021? If yes, what is the capex?

We will continue to open new stores. Our target number for new stores is 100 stores under 4 brands. We will realistically open our new stores in accordance to the current pandemic situation. We will be more aggressive should the situation of pandemic recover. If the pandemic gets worse, we might slow down the expansion.

The budget for the Capital Expenditure is approximately RM50 million for FY2021.

- b. How to improve utilization rate of FPC?

The utilization rate directly corresponds with the take up rate of the stores. With the new opening of CU stores, the Company foresees that the utilization rate may increase gradually.

- c. What is the expansion plan for CU store?

Our plan is to open 30 to 50 stores for FY2021 and 500 stores for a period of 5 years.

- d. Can we expect financial turnaround in FY2021?

The current situation is the barometer. If the SOP for movement control order is loosen, the recovery of footfall will have impact for quicker turnaround.