

The Board of Directors of Mynews Holdings Berhad wish to present the unaudited interim financial report of Mynews Holdings Berhad and its subsidiaries ("Mynews" or "the Group") for the second quarter ended 30 April 2021. This report should be read in conjunction with its audited financial statements for the financial year ended 31 October 2020 and the accompanying notes attached to the interim financial report.

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SECOND QUARTER ENDED 30 APRIL 2021**
i) Current quarter and financial year to date

	Current Quarter 3 months ended				Cumulative Quarters 6 months ended			
	30 Apr 2021 RM'000	30 Apr 2020 RM'000	Changes Fav/(Unfav) RM'000	%	30 Apr 2021 RM'000	30 Apr 2020 RM'000	Changes Fav/(Unfav) RM'000	%
Revenue	103,944	123,491	(19,547)	(15.8)	202,616	264,068	(61,452)	(23.3)
Cost of sales	(70,930)	(82,369)	11,439	13.9	(138,131)	(173,011)	34,880	20.2
Gross profit	33,014	41,122	(8,108)	(19.7)	64,485	91,057	(26,572)	(29.2)
Other income	204	347	(143)	(41.2)	533	951	(418)	(44.0)
Administration expenses	(7,813)	(7,147)	(666)	(9.3)	(14,951)	(14,568)	(383)	(2.6)
Selling and distribution expenses	(20,761)	(23,230)	2,469	10.6	(40,603)	(48,145)	7,542	15.7
Other expenses	(13,948)	(13,082)	(866)	(6.6)	(27,596)	(25,707)	(1,889)	(7.3)
Finance costs	(1,547)	(1,198)	(349)	(29.1)	(3,196)	(2,448)	(748)	(30.6)
Share of (loss)/profit in jointly controlled entity	(604)	(298)	(306)	(102.7)	(254)	460	(714)	(155.2)
(Loss)/Profit before tax	(11,455)	(3,486)	(7,969)	(228.6)	(21,582)	1,600	(23,182)	(1,448.9)
Tax expense	(415)	(220)	(195)	(88.6)	(873)	(2,270)	1,397	61.5
Net Loss for the period	(11,870)	(3,706)	(8,164)	(220.3)	(22,455)	(670)	(21,785)	(3,251.5)
Net (loss)/profit attributable to:								
Owners of the Company	(10,320)	(2,333)	(7,987)	(342.3)	(19,260)	2,018	(21,278)	(1,054.4)
Non-controlling interest	(1,550)	(1,373)	(177)	(12.9)	(3,195)	(2,688)	(507)	(18.9)
	(11,870)	(3,706)	(8,164)	(220.3)	(22,455)	(670)	(21,785)	(3,251.5)
Total comprehensive (loss)/income attributable to:								
Owners of the Company	(10,320)	(2,333)	(7,987)	(342.3)	(19,260)	2,018	(21,278)	(1,054.4)
Non-controlling interest	(1,550)	(1,373)	(177)	(12.9)	(3,195)	(2,688)	(507)	(18.9)
	(11,870)	(3,706)	(8,164)	(220.3)	(22,455)	(670)	(21,785)	(3,251.5)
Basic (Loss)/ Earnings per ordinary share (sen) (Note B11)	(1.51)	(0.34)			(2.82)	0.30		

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SECOND QUARTER ENDED 30 APRIL 2021 (Cont'd)**
ii) Current quarter compared with immediately preceding quarter

	Current Quarter 30 Apr 2021	Immediately Preceding Quarter 31 Jan 2021 (#)	Changes Fav/(Unfav)	
	RM'000	RM'000	RM'000	%
Revenue	103,944	98,672	5,272	5.3
Cost of sales	(70,930)	(67,201)	(3,729)	(5.5)
Gross profit	33,014	31,471	1,543	4.9
Other income	204	329	(125)	(38.0)
Administration expenses	(7,813)	(7,138)	(675)	(9.5)
Selling and distribution expenses	(20,761)	(19,842)	(919)	(4.6)
Other expenses	(13,948)	(13,648)	(300)	(2.2)
Finance costs	(1,547)	(1,649)	102	6.2
Share of (loss)/profit in jointly controlled entity	(604)	350	(954)	(272.6)
Loss before tax	(11,455)	(10,127)	(1,328)	(13.1)
Tax expense	(415)	(458)	43	9.4
Loss after tax for the period	(11,870)	(10,585)	(1,285)	(12.1)
Loss attributable to:				
Owners of the Company	(10,320)	(8,940)	(1,380)	(15.4)
Non-controlling interest	(1,550)	(1,645)	95	5.8
	(11,870)	(10,585)	(1,285)	(12.1)
Loss per ordinary share (sen)	(1.51)	(1.31)		

(#): Certain comparative figures have been reclassified to conform to the current quarter presentation.

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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 APRIL 2021**

	Unaudited 30 Apr 2021	Audited 31 Oct 2020
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	214,216	210,183
Right-of-use assets	126,213	128,284
Intangible asset	4,121	-
Investment properties	12,110	12,110
Investment in jointly controlled entity	6,529	6,783
Deferred tax assets	837	837
Fixed deposits with licensed banks	165	163
Total non-current assets	364,191	358,360
Current assets		
Inventories	55,638	66,936
Contract assets	16,008	15,011
Trade receivables	232	5,945
Other receivables	31,851	32,927
Amount due from jointly controlled entity	162	287
Tax recoverable	5,099	3,823
Other investments	1,043	4,913
Fixed Deposits with licensed banks	1,311	1,308
Cash and bank balances	5,361	39,070
Total current assets	116,705	170,220
Total assets	480,896	528,580

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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 APRIL 2021 (Cont'd)**

	Unaudited 30 Apr 2021 RM'000	Audited 31 Oct 2020 RM'000
EQUITY AND LIABILITIES		
Equity		
Share capital	201,581	201,581
Revaluation reserve	9,392	9,392
Merger deficit	(45,952)	(45,952)
Retained earnings	89,570	108,830
Equity attributable to owners	254,591	273,851
Non-controlling interests	9,071	12,266
Total equity	263,662	286,117
LIABILITIES		
Non-current liabilities		
Provision for restoration costs	1,970	2,175
Bank borrowings	44,716	49,193
Lease liabilities	39,178	56,929
Deferred tax liabilities	6,761	6,766
Total non-current liabilities	92,625	115,063
Current liabilities		
Trade payables	16,430	34,935
Other payables	42,816	40,001
Provision for restoration costs	75	265
Contract liabilities	1,376	945
Bank borrowings	14,152	18,362
Lease liabilities	48,665	32,555
Tax payable	1,095	337
Total current liabilities	124,609	127,400
Total liabilities	217,234	242,463
Total equity and liabilities	480,896	528,580
Net assets per share (RM)	0.39	0.42

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SECOND QUARTER ENDED 30 APRIL 2021

	← Non-distributable →			Distributable			
	Share Capital RM'000	Revaluation Reserve RM'000	Merger Deficit RM'000	Retained Earnings RM'000	Total RM'000	Non- Controlling Interests RM'000	Total Equity RM'000
As at 1 November 2019	201,581	9,392	(45,952)	118,672	283,693	18,324	302,017
Total comprehensive loss for the year	-	-	-	(9,842)	(9,842)	(6,058)	(15,900)
As at 31 October 2020	201,581	9,392	(45,952)	108,830	273,851	12,266	286,117
Total comprehensive loss for the period	-	-	-	(19,260)	(19,260)	(3,195)	(22,455)
As at 30 April 2021	201,581	9,392	(45,952)	89,570	254,591	9,071	263,662

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SECOND QUARTER ENDED 30 APRIL 2021**

	Cumulative 6 months ended	
	30 Apr 2021 RM'000	30 Apr 2020 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/Profit before tax	(21,582)	1,600
Adjustments for:		
Amortisation of intangible asset	35	-
Depreciation of property, plant and equipment	11,011	9,521
Depreciation of right-of-use assets	17,388	16,623
Net loss on disposal of property, plant and equipment	180	59
Dividend income from other investments	(29)	(201)
Interest expense	3,196	2,448
Share of loss/(profit) in jointly controlled entity	254	(460)
Inventories written off and wastages	3,258	4,618
Property, plant and equipment written off	486	383
Interest income	(59)	(142)
Bad debts written off	-	439
Gain on early termination of leases	(4)	-
Rental rebates	(2,686)	-
Operating profit before working capital changes	11,448	34,888
Changes in working capital:		
Inventories	8,041	(15,118)
Receivables	6,788	13,858
Payables	(15,688)	7,226
Jointly controlled entity	125	69
Contract assets	(997)	(8,325)
Contract liabilities	431	77
Cash generated from operations	10,148	32,675
Tax refund	3	53
Tax paid	(1,399)	(2,899)
Net cash generated from operating activities	8,752	29,829

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SECOND QUARTER ENDED 30 APRIL 2021 (Cont'd)**

	Cumulative 6 months ended	
	30 Apr 2021	30 Apr 2020
	RM'000	RM'000
CASH FLOWS FROM INVESTING ACTIVITIES		
Dividend income from other investments	29	170
Proceeds from disposal of property, plant and equipment	84	89
Placement of fixed deposits	(5)	-
Proceeds from redemption of other investments	3,870	7,552
Purchase of property, plant and equipment	(15,795)	(20,030)
Acquisition of intangible asset	(4,156)	-
Upliftment of funds in other investments	-	8,562
Interest received	59	142
Net cash used in investing activities	<u>(15,914)</u>	<u>(11,067)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(3,196)	(2,448)
Payment of lease liabilities	(14,663)	(16,094)
Repayment of bank borrowings	(8,688)	(2,379)
Drawdown of bank borrowings	-	3,000
Net cash used in financing activities	<u>(26,547)</u>	<u>(17,921)</u>
CASH AND CASH EQUIVALENTS		
Net (decrease)/increase in cash and cash equivalents	(33,709)	841
Cash and cash equivalents at 1 November	<u>39,641</u>	<u>14,236</u>
Cash and cash equivalents at 30 April	<u>5,932</u>	<u>15,077</u>
Reconciliation of cash and cash equivalents		
Cash and bank balances	5,361	14,555
Fixed Deposits with licensed banks	1,476	1,435
	<u>6,837</u>	<u>15,990</u>
Less: Fixed deposits pledged to licensed banks	(165)	(913)
Less: Fixed deposits with maturity more than 3 months	(740)	-
	<u>5,932</u>	<u>15,077</u>

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NOTES TO INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 APRIL 2021**A. COMPLIANCE WITH MALAYSIAN FINANCIAL REPORTING STANDARD NO. 134: INTERIM FINANCIAL REPORTING (“MFRS”)****A1 CORPORATE INFORMATION**

The principal activity of the Company is investment holding, while its subsidiaries are principally involved in the business of operating retail stores, predominantly convenience stores (CVS). Two of its subsidiaries, Mynews Kineya Sdn Bhd and Mynews Ryoyupan Sdn Bhd, hereinafter jointly referred to as Food Processing Centre (FPC) are in the business of producing ready-to-eat meals and bakery products to serve its retail chains. In year 2021, the Company has tangibly added a new chain, CU CVS, to its existing ones namely, myNEWS, myNEWS SUPERVALUE and WHSmith.

A2 BASIS OF PREPARATION

The interim financial report is unaudited and has been prepared in accordance with the requirements of MFRS No. 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board and Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”). It should be read in conjunction with the audited financial statements of Mynews for the financial year ended 31 October 2020.

A3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of these interim financial statements are consistent with those adopted in the audited financial statements for the year ended 31 October 2020. The financial statements of the Group have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRS”), International Financial Reporting Standards (“IFRS”) and the requirements of the Companies Act 2016 in Malaysia.

A4 AUDITORS’ REPORT

There was no qualification on the audited financial statements of the Group for the financial year ended 31 October 2020.

A5 SEASONAL OR CYCLICAL FACTORS

The Group does not experience any material seasonality in sales other than the effects brought about by Covid-19 pandemic and its related movement control orders.

NOTES TO INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 APRIL 2021 (Cont'd)**A. COMPLIANCE WITH MALAYSIAN FINANCIAL REPORTING STANDARD NO. 134: INTERIM FINANCIAL REPORTING ("MFRS") (Cont'd)****A6 UNUSUAL ITEMS AFFECTING ASSETS, LIABILITIES, EQUITY, NET INCOME OR CASH FLOW**

The pandemic situation in the country has not improved during this financial year 2021. In fact, the number of positive infections has gotten higher this quarter causing the imposition of more severe movement control orders. In Klang Valley and several other states, RMCO ("Recovery Movement Control Order") was replaced with a more restrictive CMCO ("Conditional Movement Control Order") for most of the time between 14 October and the end of December 2020. As the number of positive infections continued to rise unabated, CMCO was again elevated to MCO from 13 January to 31 May 2021 in several states including KL, Selangor, Penang, Johor, Melaka and Putrajaya.

The pandemic situations and the corresponding levels of movement control have been affecting the Company's financial results and performance. However, the overall situation is carefully managed and monitored to minimise the negative impact and ensure sustainability.

A7 CHANGES IN ESTIMATES

There were no changes in estimates that had a material effect in the quarter under review.

A8 DEBT AND EQUITY SECURITIES

There was no issuance, cancellation, repurchase, resale and repayment of debts and equity securities for the quarter under review.

A9 DIVIDEND PAID

There was no dividend declared or paid during the quarter under review.

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NOTES TO INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 APRIL 2021 (Cont'd)
A. COMPLIANCE WITH MALAYSIAN FINANCIAL REPORTING STANDARD NO. 134: INTERIM FINANCIAL REPORTING ("MFRS") (Cont'd)
A10 SEGMENTAL INFORMATION

The Group operates in the retail convenience segment in Malaysia and is also producing ready-to-eat food and bakery products to serve its retail chains.

	Retail RM'000	Manufacturing RM'000	Elimination RM'000	Total RM'000
For the period ended 30 April 2021				
Revenue				
External	209,122	-	(6,506)	202,616
Inter-segment	-	6,111	(6,111)	-
Revenue	209,122	6,111	(12,617)	202,616
Results				
Amortisation of intangible asset	35	-	-	35
Depreciation of property, plant and equipment	9,826	1,185	-	11,011
Depreciation of right-of-use assets	16,993	2,053	(1,658)	17,388
Interest income	(56)	(3)	-	(59)
Interest expense	3,099	1,000	(903)	3,196
Loss on disposal of property, plant and equipment	180	-	-	180
Property, plant and equipment written off	486	-	-	486
Share of results in jointly controlled entity	254	-	-	254
Loss before tax	(15,396)	(6,523)	337	(21,582)
Tax	(875)	2	-	(873)
Loss after tax	(16,271)	(6,521)	337	(22,455)

A11 SUBSEQUENT MATERIAL EVENTS

There were no material events subsequent to the current quarter under review and up to the date of this report.

NOTES TO INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 APRIL 2021 (Cont'd)

A. COMPLIANCE WITH MALAYSIAN FINANCIAL REPORTING STANDARD NO. 134: INTERIM FINANCIAL REPORTING ("MFRS") (Cont'd)

A12 CHANGES IN COMPOSITION OF THE GROUP

There was no change in composition of the Group during the financial quarter under review.

A13 CONTINGENT LIABILITIES OR CONTINGENT ASSETS

Save as disclosed below, there were no material contingent liabilities or assets for the reporting quarter ended 30 April 2021.

RM'000

Corporate guarantee given to financial institutions in respect of banking and lease facilities and for rental of premises granted to subsidiaries

66,835

A14 CAPITAL COMMITMENTS

The capital commitments of the Group as at 30 April 2021 were as follows:

RM'000

Authorised and contracted for:

- Property, plant and equipment

31,289

A15 PROPERTY, PLANT AND EQUIPMENT

For the six (6) months ended 30 April 2021, the Group acquired assets at the cost of RM15.80 million, which comprised principally of set up costs and purchase of equipment and furniture for new outlets and outlets revamp.

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A16 SIGNIFICANT RELATED PARTY TRANSACTIONS

	Current Quarter 3 months ended		Cumulative Quarters 6 months ended	
	30 Apr 2021 RM'000	30 Apr 2020 RM'000	30 Apr 2021 RM'000	30 Apr 2020 RM'000
Transactions with jointly controlled entity				
Management fees income	7	83	21	296
Warehouse and storage fee	108	108	216	216
Administration fee	7	9	14	19
Transactions with related parties				
Advertising & promotion income	5	-	169	-
Trade sales	9	-	11	-
Trade purchases	830	898	1,620	2,327
Hostel rental expense	-	-	-	3
Office rental income	3	3	6	6
Consultancy fee expenses	-	227	-	310
Medical expenses	-	1	5	24
Royalty and license fees expenses	18	21	33	47
Technical support expenses	67	-	139	73
Staff secondment	60	20	119	47
Purchase of property, plant and equipment	6	-	12	-
Upkeep expenses	-	3	-	3

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NOTES TO INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 APRIL 2021 (Cont'd)

B. COMPLIANCE WITH APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**B1 REVIEW OF PERFORMANCE****Review of Current Quarter Performance**

Notably, the first Korean CU outlet was successfully opened in Centre Point, Bandar Utama on 1 April 2021, barely five months after the Licencing Agreement was sealed. This was an achievement that required great courage, strength and skills of our team. This new CU CVS business has received positive customer response and encouraging results.

For the current quarter ended 30 April 2021, Mynews recorded a revenue of RM103.94 million which was RM19.55 million or 15.8% lower than the preceding year corresponding quarter. Comparatively, in the preceding year quarter 44 trading days were caught within and affected by MCO 1.0 (18 March 2020 to 30 April 2020) whereas all the 89 trading days that made up the current quarter were affected by the stunted business environment that the pandemic caused. Also, as a result of our profit protection efforts during these challenging times, the Company has 21 fewer outlets in the current quarter as compared to the preceding year corresponding quarter.

Corresponding to lower revenue performance, gross profit decreased to RM33.01 million from RM41.12 million while its margin decreased to 31.8% from 33.3%. In addition to facing a full quarter of different shapes of movement controls the performance was also adversely affected by uncertainties and random SOP changes to critical business elements such as the permissible business hours. Drop in business was compounded by increase in price of merchandises that in turn caused the product sales mix to favour the categories of products of lower profit margin such as the daily essential items.

Comparing the current quarter with the same quarter of the preceding year, there was an increase in administration expenses by RM0.66 million or 9.3%, that is, an increase from RM7.15 million to RM7.81 million. This was attributed to the cost of establishing and launching the new CU project and also the cost of technical knowledge transfer in operating the new brand. Selling and distribution expenses decreased by RM2.47 million or 10.6%, from RM23.23 million to RM20.76 million. This was generally due to the decrease in the number of outlets from 539 to 518 and the reduction in overtime costs of RM1.86 million due to the shorter operating hours in compliance with the government regulated SOP. Other expenses increased by RM0.87 million or 6.6%, from RM13.08 million to RM13.95 million. The increase was mainly due to the increase in depreciation of property, plant and equipment and right-of-use assets from RM12.17 million to RM13.28 million. As for finance costs, the amount increased by RM0.35 million or 29.1%, from RM1.20 million to RM1.55 million. The increase was mainly due to the increase in term loan interest from RM0.02 million to RM0.25 million.

In summary, at a Loss before taxation of RM11.46 million, Mynews second quarter performance was mainly affected by the ongoing Covid-19 pandemic. Other contributing factors were losses incurred by the FPC of RM3.16 million for the quarter and the share of losses of RM0.60 million of jointly controlled entity, WH Smith, as travel industry remained restricted if not closed. Also, not to forget the various costs incurred in the pioneering work to successfully establish and launch the new CU business in the country.

NOTES TO INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 APRIL 2021 (Cont'd)**B. COMPLIANCE WITH APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (Cont'd)****B2 MATERIAL CHANGE IN THE PROFIT/(LOSS) BEFORE TAXATION FOR THE CURRENT QUARTER AS COMPARED WITH THE IMMEDIATELY PRECEDING QUARTER**

Despite the very restrictive Movement Control Order 2.0 (“MCO 2.0”) imposed within the current quarter on various states with high Covid-19 infection cases, revenue for the current quarter of RM103.94 million was higher by RM5.27 million or 5.3% as compared to the immediately preceding quarter of RM98.67 million. Gross profit increased by RM1.54 million or 4.9%, with average gross profit margin remained stable at 31.8% compared to 31.9% in the immediately preceding quarter.

During the current quarter, there was an increase in administration expenses by RM0.68 million or 9.5%, as compared to the immediately preceding quarter of RM7.14 million, for the same reason explained in B1 paragraph 4 above. As for selling and distribution expenses, the amount increased by RM0.92 million or 4.6%, as compared to RM19.84 million. This increase was mainly attributed to the increase in maintenance costs by RM0.73 million from RM1.61 million to RM2.34 million in the current quarter.

Loss before taxation was RM11.46 million for the current quarter as compared to RM10.13 million loss in the immediately preceding quarter. The main contributing factor was the absolute difference of RM0.95 million in share of profit/loss of jointly controlled entity, WH Smith, brought about by share of loss of RM0.60 million in the current quarter as compared to share of profit of RM0.35 million in the immediately preceding quarter. Other contributing factors include the various costs incurred in establishing and launching new CU brand and store in the country.

B3 PROSPECTS

As guided by the historical performance since the beginning of Covid-19 pandemic, the various types of movement control orders have been the barometer of our business performance. The stricter the control, the worse the performance. The Company is relentless in its effort in controlling costs, and re-aligning and adapting to the new norm. Thus, it managed to minimise and stabilise the decline, despite the fact that the current quarter was caught in a weaker business environment as compared to the past.

Moving forward, the performance of the Company will continue to be contingent on the pandemic situation and the related movement control orders and SOPs imposed by the government. However, the Company is hopeful of a turnaround for positive recovery that will be supported by the following factors:

1. The ongoing vaccination exercise in the country to reach herd immunity, hopefully sooner.
2. The Company has taken actions to re-align and improve efficiency through measures such as cost control in every aspect of the business operations and zero outsource of cost centres including the dry and cold distribution centres and logistics.
3. The Company has boldly and successfully implemented two new projects for a long term growth and faster post-pandemic recovery. The new projects are the no. 1 Korean CVS CU and myNEWS SUPERVALUE chains. Both of them have been well received by the public since their launch into the market.

NOTES TO INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 APRIL 2021 (Cont'd)
B. COMPLIANCE WITH APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (Cont'd)
B3 PROSPECTS (Cont'd)

It is now June 2021 and the country is in the midst of MCO 3.0 lockdown. We anticipate a gradual relaxation of the movement control MCO 3.0 and the country getting out of the state of emergency soon in order to return to a more conducive business environment. We hold firm to our belief that the retail convenience market has room to grow and the opportunity to serve the market is widely available. With our popular myNEWS CVS, myNEWS SUPERVALUE, WH Smith and CU, we are well positioned to tap the opportunities and competitively capture our share of the retail convenience market. We aim to build back better once the country overcome the Covid-19 pandemic.

B4 VARIANCE OF ACTUAL PROFIT FROM PROFIT FORECAST AND PROFIT GUARANTEE

The Group has not issued any profit forecast or profit guarantee in any form of public document or announcement.

B5 NOTES TO THE CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Current Quarter 3 months ended		Cumulative Quarter 6 months ended	
	30 Apr 2021 RM'000	30 Apr 2020 RM'000	30 Apr 2021 RM'000	30 Apr 2020 RM'000
(Loss)/profit before tax is arrived at after charging:				
Amortisation of intangible asset	35	-	35	-
Depreciation of property, plant and equipment	5,185	4,896	11,011	9,521
Depreciation of right-of-use assets	8,811	8,115	17,388	16,623
Property, plant and equipment written off	363	279	486	383
Interest expense	1,547	1,198	3,196	2,448
Net loss on disposal of property, plant and equipment	154	26	180	59
And after crediting:				
Interest Income	(18)	(53)	(59)	(142)
Dividend income from other investments	(9)	(71)	(29)	(201)

Other disclosure items pursuant to Appendix 9B Note 16 of the Main Market Listing Requirements are not applicable.

NOTES TO INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 APRIL 2021 (Cont'd)
B. COMPLIANCE WITH APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (Cont'd)
B6 TAX EXPENSE

	Current Quarter 3 months ended		Cumulative Quarters 6 months ended	
	30 Apr 2021	30 Apr 2020	30 Apr 2021	30 Apr 2020
	RM'000	RM'000	RM'000	RM'000
Current tax:				
Provision for current period	424	(10)	887	2,040
Overprovision in prior year	(9)	-	(9)	-
Deferred tax:				
Provision for current period	-	230	-	230
Overprovision in prior year	-	-	(5)	-
Total tax expense	415	220	873	2,270

Tax expense is recognised based on management's best estimates.

B7 STATUS OF CORPORATE PROPOSAL

There was no corporate proposal during the period under review.

B8 BORROWINGS AND DEBT SECURITIES

The Group's borrowings as at 30 April 2021 are as follows:

	Unaudited As at 30 Apr 2021 RM'000	Audited As at 31 Oct 2020 RM'000
Short term borrowings – Secured		
Term loans	2,159	1,369
Revolving credit	11,993	16,993
	<u>14,152</u>	<u>18,362</u>
Long term borrowings – Secured		
Term loans	25,888	26,869
Revolving credit	18,828	22,324
	<u>44,716</u>	<u>49,193</u>
Total borrowings – Secured		
Term loans	28,047	28,238
Revolving credit	30,821	39,317
	<u>58,868</u>	<u>67,555</u>

Note: All the loans in the Group are denominated in Ringgit Malaysia.

NOTES TO INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 APRIL 2021 (Cont'd)
B. COMPLIANCE WITH APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (Cont'd)
B9 MATERIAL LITIGATION

There is no material litigation against or by the Group as at the date of this report.

B10 DIVIDEND

There was no dividend declared or paid during the quarter under review.

B11 EARNINGS PER SHARE

	Current Quarter 3 months ended		Cumulative Quarters 6 months ended	
	30 Apr 2021 RM'000	30 Apr 2020 RM'000	30 Apr 2021 RM'000	30 Apr 2020 RM'000
(Loss)/Profit attributable to owners of the Company (RM'000)	(10,320)	(2,333)	(19,260)	2,018
Number of ordinary shares in issue ('000)	<u>682,154</u>	<u>682,154</u>	<u>682,154</u>	<u>682,154</u>
Basic (Loss)/Earnings per share (sen)	<u>(1.51)</u>	<u>(0.34)</u>	<u>(2.82)</u>	<u>0.30</u>

The basic (loss)/earnings per share is computed based on the (loss)/profit attributable to the owners of the Company divided by the number of ordinary shares in issue for the period under review. The Company does not have any dilutive potential ordinary shares in issue for the period under review.

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