

ANNUAL REPORT 2023

MYNEWS HOLDINGS BERHAD

201301010004 (1039846-T)



MYNEWS HOLDINGS BERHAD

201301010004 (1039846-T)

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myNEWS Malaysia



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



COVER RATIONALE

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

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

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



About Us

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



Mynews Retail Sdn Bhd
Operator of myNEWS and SUPERVALUE chainstores.



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



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



Mynews Management Sdn Bhd
Management services.



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



Mynews Kukuh Sdn Bhd
Currently dormant.



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



Mynews Food Sdn Bhd
Investment holding.



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



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

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

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

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

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



Corporate Information

BOARD OF DIRECTORS

DANG TAI LUK, Executive Chairman

DANG TAI WEN, Executive Director/Group Chief Executive Officer

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

SOON DEE HWEE, Senior Independent Non-Executive Director

CHRISTOPHER KOH SWEE KIAT, Independent Non-Executive Director

LATIFAH BINTI ABDUL LATIFF, Independent Non-Executive Director

AUDIT COMMITTEE

CHAIRPERSON

Soon Dee Hwee

MEMBERS

Latifah Binti Abdul Latiff

Christopher Koh Swee Kiat

NOMINATING COMMITTEE

CHAIRPERSON

Soon Dee Hwee

MEMBERS

Latifah Binti Abdul Latiff

Christopher Koh Swee Kiat

REMUNERATION COMMITTEE

CHAIRMAN

Christopher Koh Swee Kiat

MEMBERS

Soon Dee Hwee

Latifah Binti Abdul Latiff

RISK MANAGEMENT COMMITTEE

CHAIRMAN

Dang Tai Hock

MEMBERS

Soon Dee Hwee

Latifah Binti Abdul Latiff

Christopher Koh Swee Kiat

REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS

Lot No. 3, Jalan Teknologi 3/1

Taman Sains Selangor 1

Seksyen 3 PJU 5 Kota Damansara

47810 Petaling Jaya Selangor Darul Ehsan Malaysia

Tel No. : +603 6158 6000, Fax No. : +603 6158 6111

Email address: mynews@mynews.com.my

Website: www.mynews.com.my

COMPANY SECRETARIES

Lim Gim Choo

MIA 41435

PC No. 202308000632

Chia Fooi Ching

MAICSA 7051382

PC No. 202008003836

SHARE REGISTRAR

Tricor Investor & Issuing House

Services Sdn Bhd

(197101000970/11324-H)

Unit 32-01 Level 32 Tower A

Vertical Business Suite Avenue 3

Bangsar South No. 8 Jalan Kerinchi

59200 Kuala Lumpur

Tel No. : +603 2783 9299, Fax No. : +603 2783 9222

Email address: is.enquiry@my.tricorglobal.com

Website: www.tricorglobal.com

AUDITORS

Grant Thornton Malaysia PLT

(AF0737)

(Member of Grant Thornton International Ltd.)

Chartered Accountants

Level 11 Sheraton Imperial Court

Jalan Sultan Ismail 50250 Kuala Lumpur

Tel No. : +603 2692 4022, Fax No. : +603 2691 5229

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

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad

Stock Name : Mynews

Stock Code : 5275

Sector : Consumer products and services

Sub-sector : Retailer

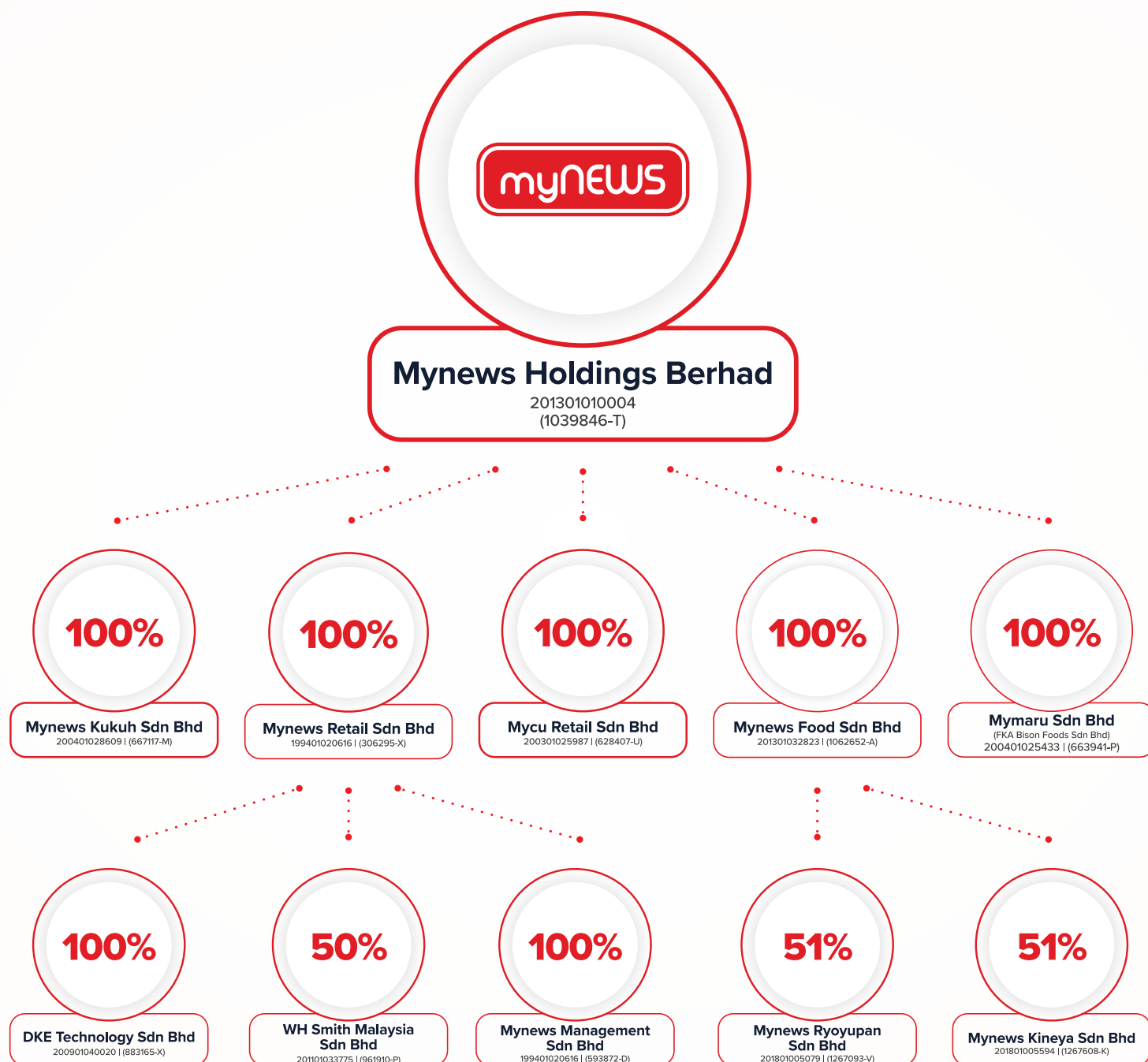
PRINCIPAL BANKERS

Hong Leong Bank Berhad

CIMB Bank Berhad



Corporate Structure





Corporate Milestones

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

2007 : 100th outlet

1999 : 10th outlet

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

1996 : 1st outlet - MAGBIT



Directors' Profile

Dang Tai Luk ("Luk") Executive Chairman

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

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

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

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

Dang Tai Wen ("Wen") Executive Director / Group Chief Executive Officer

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

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

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

He has a Bachelor of Environmental Design from the University of Manitoba, Canada. Wen began his retail career with Mynews after working from ground up with many retailers such as Macs CVS and McDonalds in Canada. He has accumulated more than 20 years of experience in the retail and convenience sector.

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

Dang Tai Hock ("Hock") Executive Director / Chief Executive Officer - Food

Male / Malaysian / 66 / Date appointed to the Board: 25 April 2013

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

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

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



Directors' Profile

Soon Dee Hwee (“Dee Hwee”) Senior Independent Non-Executive Director

Female / Malaysian / 63 / Date appointed to the Board: 10 July 2015

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

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

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

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

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

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

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

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

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

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



Directors' Profile

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

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

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

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

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

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

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

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

Additional Information

Directorship in Public Companies and Listed Issuers

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

Family Relationship with Director and Major Shareholder

Luk, Wen and Hock are siblings. They, together with two (2) other siblings, Dang Tai Kien ("DTK") and Dang Tai Gean ("DTG") are the shareholders in D&D Consolidated Sdn Bhd ("D&D") which is a substantial shareholder and holding company having 52.59% of the issued and paid-up share capital of the Company. D&D together with DTK & DTG and Red Orchid Sdn Bhd in which their parent has an interest collectively hold 57.33% of the issued and paid-up share capital of the Company.

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

- Luk who is not on the board of Mynews Kineya Sdn Bhd and Mynews Ryoyupan Sdn Bhd.
- Hock who is not on the board of Mycu Retail Sdn Bhd and WH Smith Malaysia Sdn Bhd.

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

Conflict of Interest

Save as disclosed on Pages 77, 78 and 160 in the Annual Report 2023, the other Directors namely, Dee Hwee, Latifah and Chris do not have any conflict of interest with Mynews.

Conviction for Offences

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

Directors' Attendance at Board Meetings

All the Directors except Wen attended the five (5) meetings convened during the financial year under review which represents 100% attendance. There was no Board Meeting conducted during Wen's tenure during the FY 2023 from his appointment date on 30 September 2023 to 31 October 2023.



Key Senior Management

Dang Tai Luk (“Luk”) Executive Chairman

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

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

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

Lim Gim Choo (“Lim”) Chief Financial Officer

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

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

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

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

Additional Information

Directorship in Public Companies and Listed Issuers

Save as disclosed for Hock, none of the other key senior management has any directorship in public companies and other listed issuers except for the directorship in this Company.

Family Relationship with Director and/or Major Shareholder

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

Conflict of Interest

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

Conviction for Offences

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



Management Discussion and Analysis

The financial year 2023 (FY 2023) was a year of recovery for the Company. The performance of the Company was consistently trending upward with the amount of loss narrowing from quarter to quarter, eventually turning profitable in the final quarter.

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

Financial Performance

We present our financial performance for FY 2023 as follows:

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



Management Discussion and Analysis

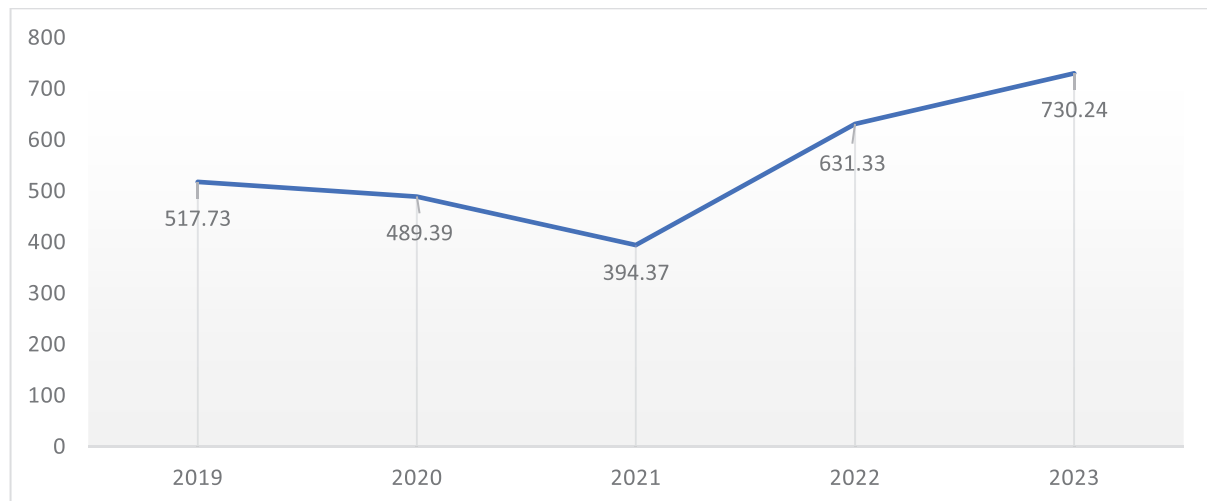
KEY PERFORMANCE INDICATORS

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

NUMBER OF OUTLETS



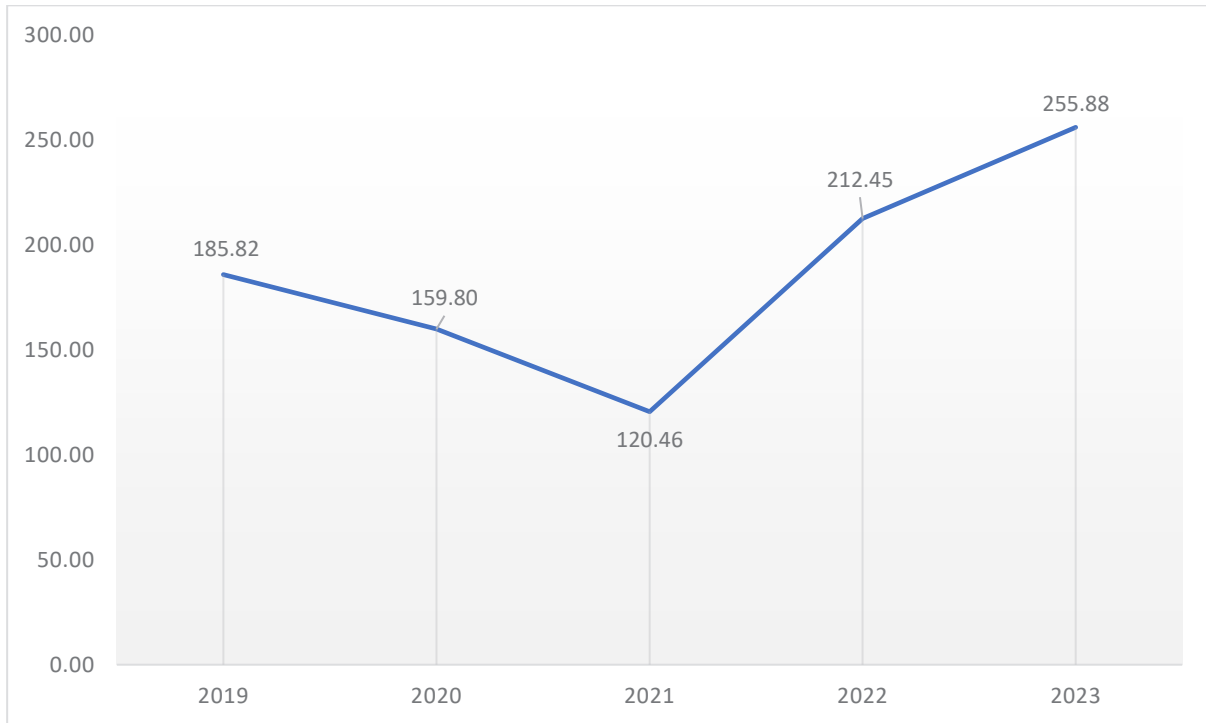
REVENUE (RM'MILLION)



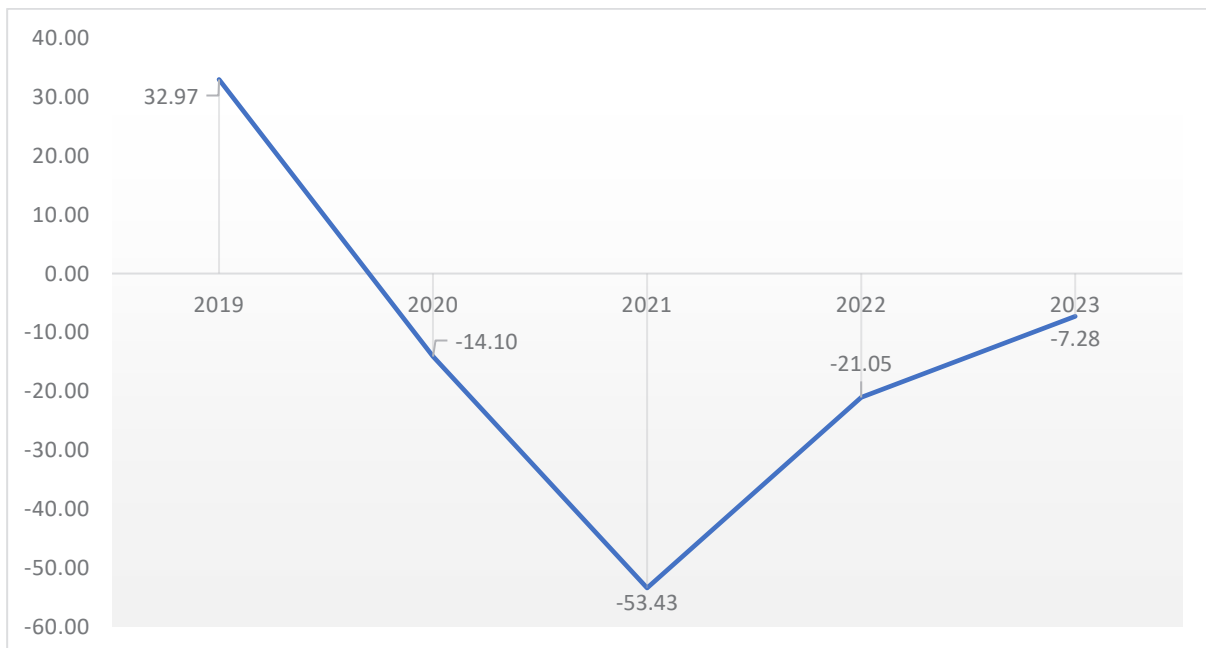


Management Discussion and Analysis

GROSS PROFIT (RM'MILLION)



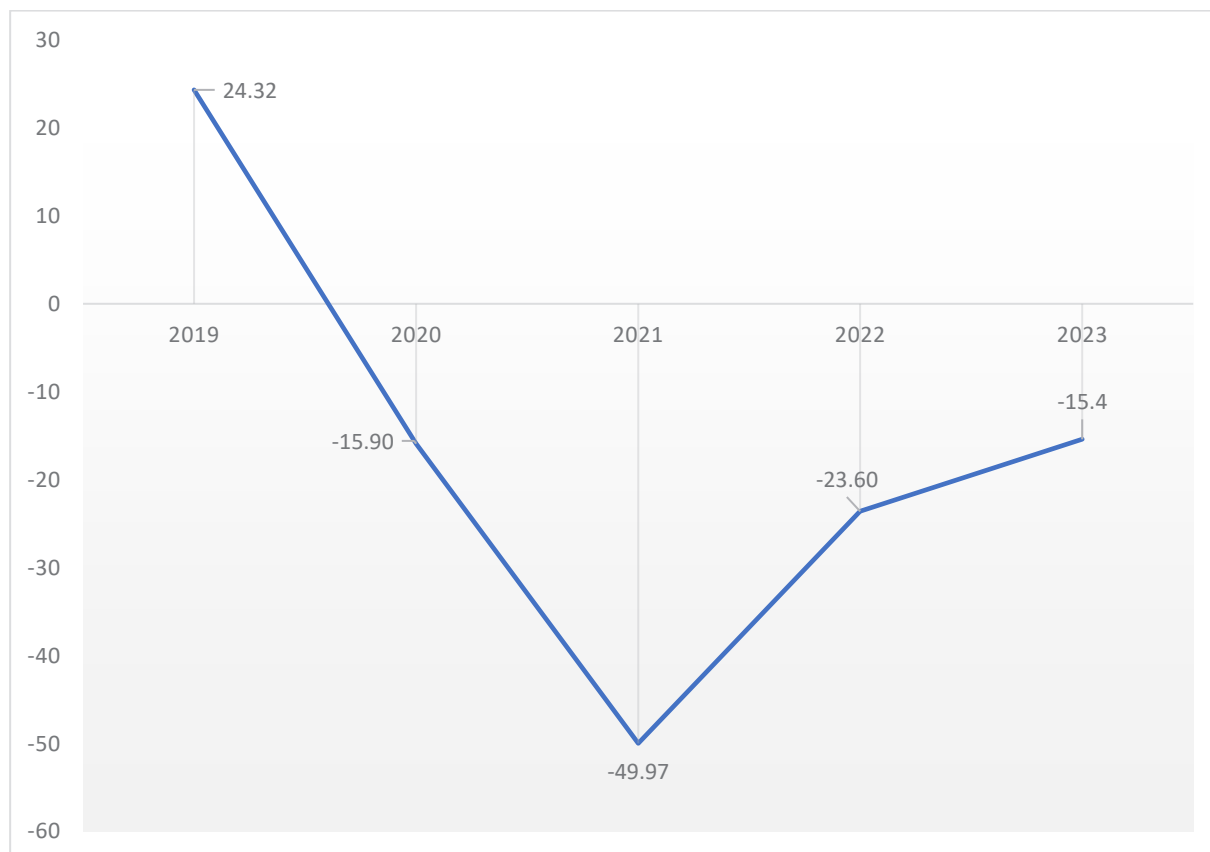
PROFIT/(LOSS) BEFORE TAX (RM'MILLION)





Management Discussion and Analysis

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



Revenue

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

Gross profit and gross profit margin

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

Loss before taxation

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

1) Selling and distribution expenses

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



Management Discussion and Analysis

Loss before taxation (cont'd)

2) Administration expenses

Administration expenses was RM36.34 million, an increase of RM3.23 million or 9.8% compared with FY 2022 of RM33.11 million. The increase was principally due to addition of new talents for growth plans.

3) Other expenses

Other expenses increased by RM10.91 million or 15.9%, from RM68.48 million to RM79.39 million. The increase in other expenses was mainly due to the increase in depreciation of property, plant and equipment of RM2.18 million and depreciation of right-of-use assets of RM9.55 million.

4) Finance costs

Finance costs increased by RM2.45 million or 27.8%, from RM8.82 million to RM11.27 million, mainly due to the increase in interest on lease liabilities from RM5.69 million to RM6.86 million. Additional bank borrowings and the increase in interest rate also caused the increase in finance costs.

5) Other income

There was an increase in other income by RM1.66 million. The main contributing factor for the increase was the gain on disposal of investment properties of RM0.80 million and gain on disposal of non-current asset held for sale of RM0.24 million.

Loss after Taxation

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

Liquidity and Financial Resources

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

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

Corporate Exercise

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

Challenges

The major challenges faced by Mynews in FY 2023 were:

1) Increasing Competition in the Convenience Retail Landscape

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



Management Discussion and Analysis

Challenges (cont'd)

2) Food Processing Centre (FPC) Production Capacity

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

3) Gestation Process of CU Concept

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

4) Economic Volatility

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

Dividend

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

Corporate Governance Compliance and Transparency

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

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

Prospect

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

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

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



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





ABOUT THIS STATEMENT

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

STATEMENT PERIOD

This Statement covers the period from 1st November 2022 to 31st October 2023.

SCOPE & BOUNDARY

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

STATEMENT FRAMEWORK

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



INTERPRETATION

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

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



FOREWORD

Leading with Purpose: Driving Sustainable Success



"It's not about taking a giant leap, but about taking a significant step towards a sustainable future."

DANG TAI LUK
Executive Chairman

Dear Valued Stakeholders,

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

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

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

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



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

DANG TAI WEN
Group Chief Executive Officer

Dear Stakeholders,

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

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

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

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

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

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

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

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



SUSTAINABILITY GOVERNANCE & FUNCTIONS

BOARD OF DIRECTORS ("BOD")



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

GROUP CHIEF EXECUTIVE OFFICER ("GCEO")



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

MYNEWS ESG SUSTAINABILITY COMMITTEE ("MESGSC")



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

MYNEWS ESG WORKING COMMITTEE ("MEWC")



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



SUSTAINABILITY CORE VALUES

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

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

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



MATERIAL SUSTAINABILITY MATTERS

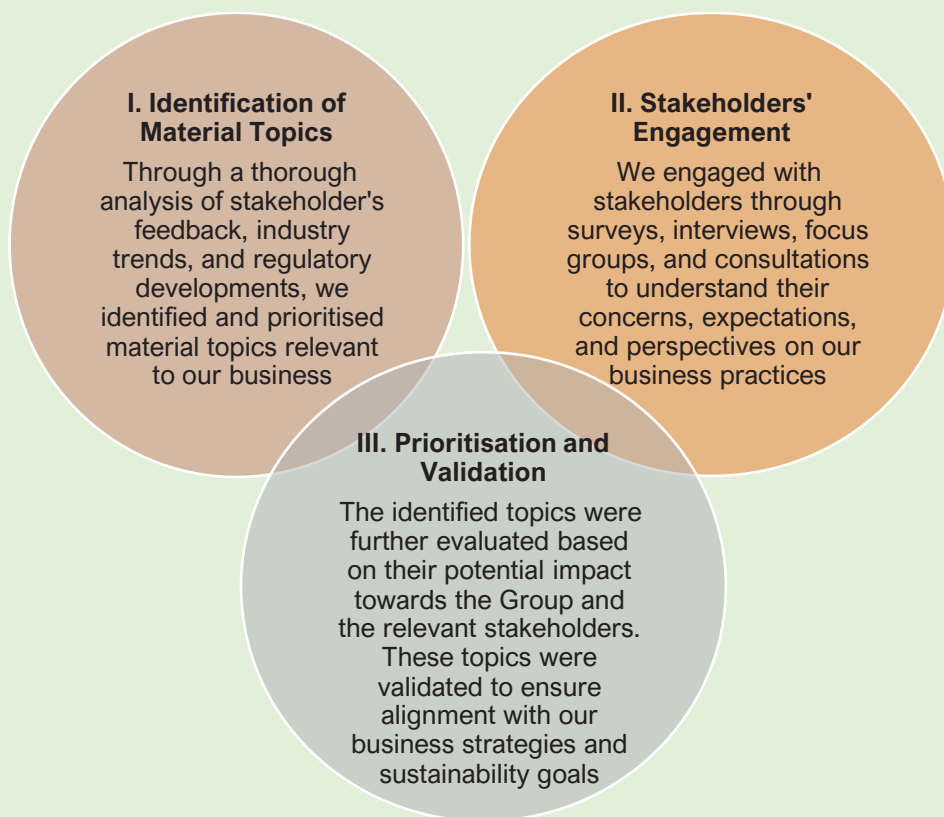
In comparison to the material matters in the FY 2022, the material matters in FY 2023 have continued to see changes significantly as there are more areas that have surfaced for MESGSC to focus, delve and embark on for FY 2023 onwards and the areas which have surfaced are areas which are of paramount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



THE ASSESSMENT PROCESS

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

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

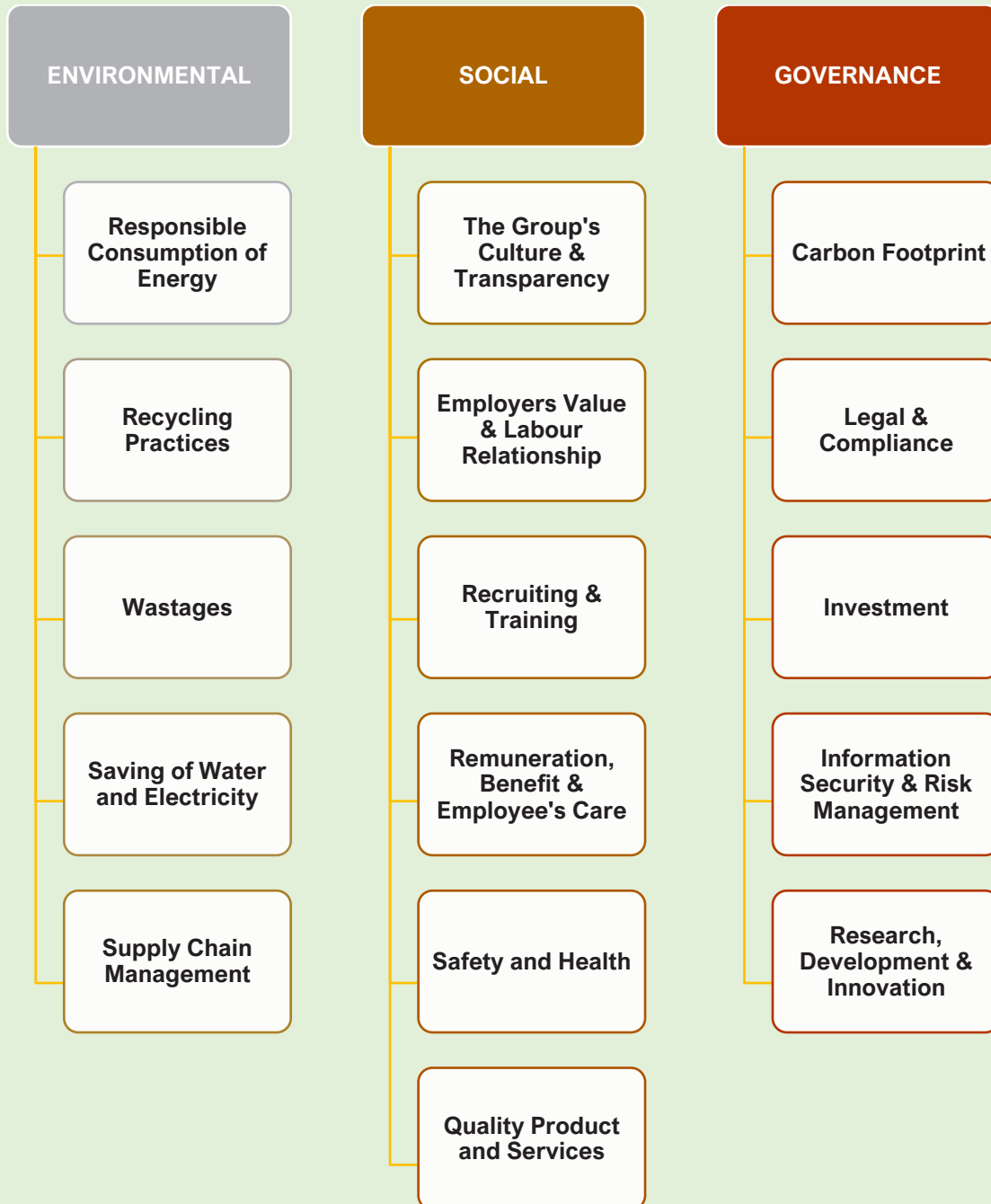




I. IDENTIFICATION OF MATERIAL TOPICS

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

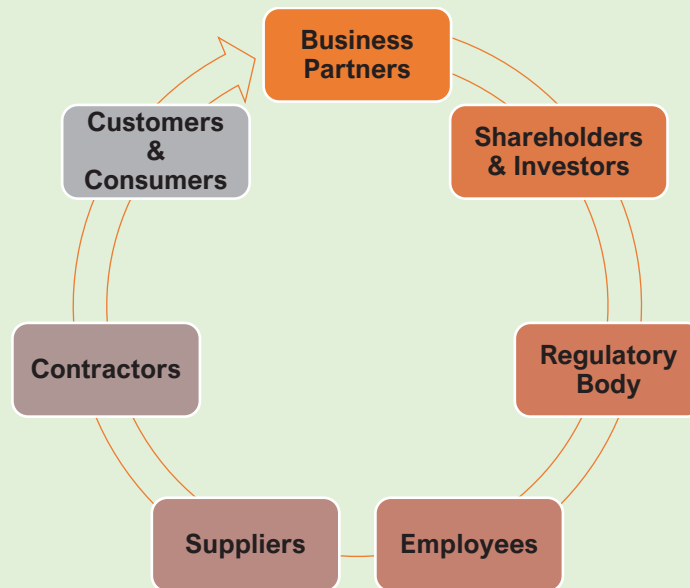
Upon these material topics are analysed and collated, they are then materialised in the formation of the Assessment for the stakeholder's participation. The overall material matters gathered were as follows: -





II. STAKEHOLDERS' ENGAGEMENT

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



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

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



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

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

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

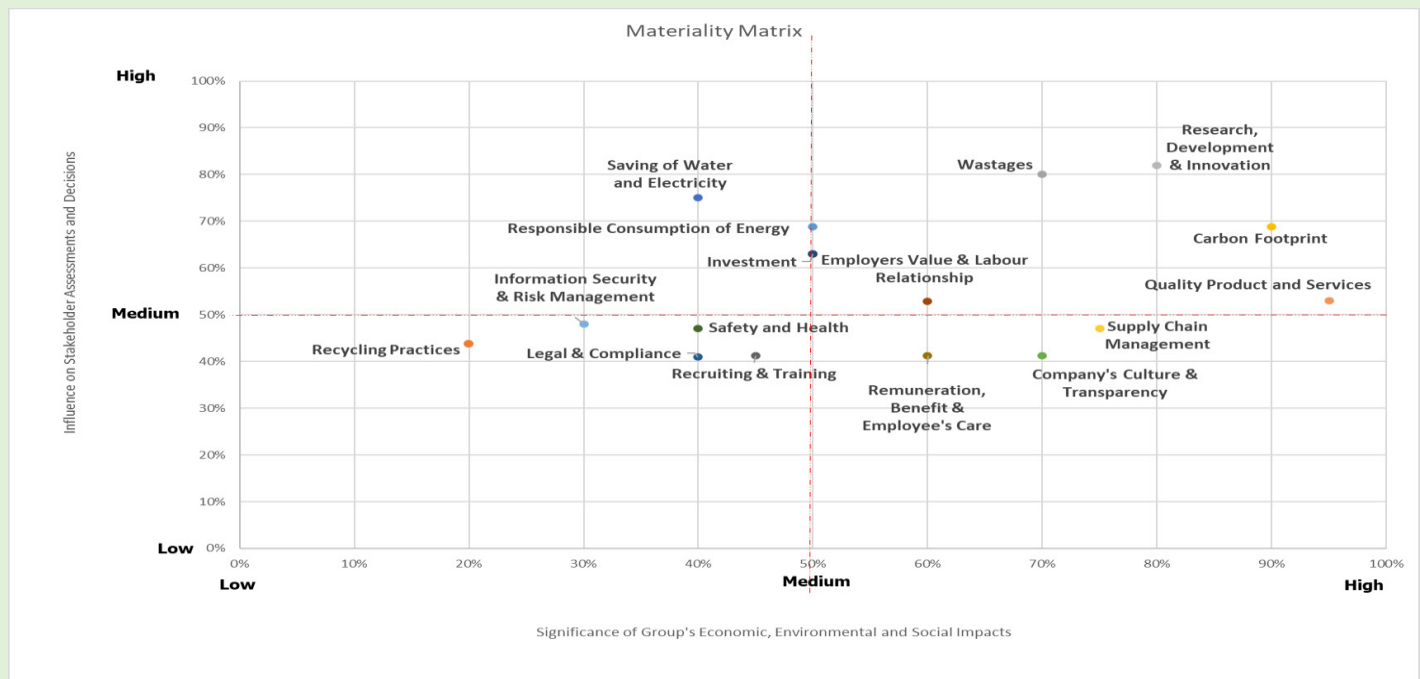


III. PRIORITISATION AND VALIDATION

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



MATERIALITY MATRIX








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







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

RISKS, IMPACTS AND OPPORTUNITIES OF THE MATERIAL MATTERS

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

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



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



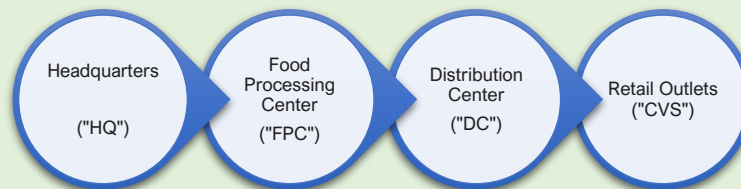
	RISKS AND IMPACTS	OPPORTUNITIES	UNSDG Covered
 <p>RESEARCH & DEVELOPMENT</p>	<p>Research and Development (“R&D”) stands as a cornerstone of innovation and growth within companies across industries. It encompasses the pursuit of new technologies, product enhancements, and novel solutions. However, while R&D offers promising avenues for progress, it also poses inherent risks that necessitate careful management.</p> <p>Environmental Impact: -</p> <ul style="list-style-type: none"> • Resource Intensity R&D activities may require significant resources, leading to higher energy consumption and waste generation. • Environmental Degradation R&D processes might contribute to pollution or environmental degradation if not conducted sustainably. <p>Social Impact: -</p> <ul style="list-style-type: none"> • Community Displacement Some R&D activities might displace communities or impact local livelihoods. • Health and Safety R&D processes could pose health risks to workers or nearby communities if safety measures are inadequate. <p>Governance Impact: -</p> <ul style="list-style-type: none"> • Regulatory Compliance Non-compliance with R&D regulations or ethical standards poses governance risks. • Intellectual Property Protection Ensuring governance around protecting intellectual property from theft or infringements is crucial. 	<ul style="list-style-type: none"> • Adopting Sustainable Business Practices to Minimise Environmental Impact Optimising renewable energy sources, recyclable materials, and reducing dependency on finite resources. • Innovation and Efficiency Developing and implementing sustainable technologies and practices to reduce resource consumption, enhance efficiency, and minimise waste. • Embracing Circular Economy Models that promote recycling, reuse, and resource recovery to minimise waste and maximise resource utilisation. 	    



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



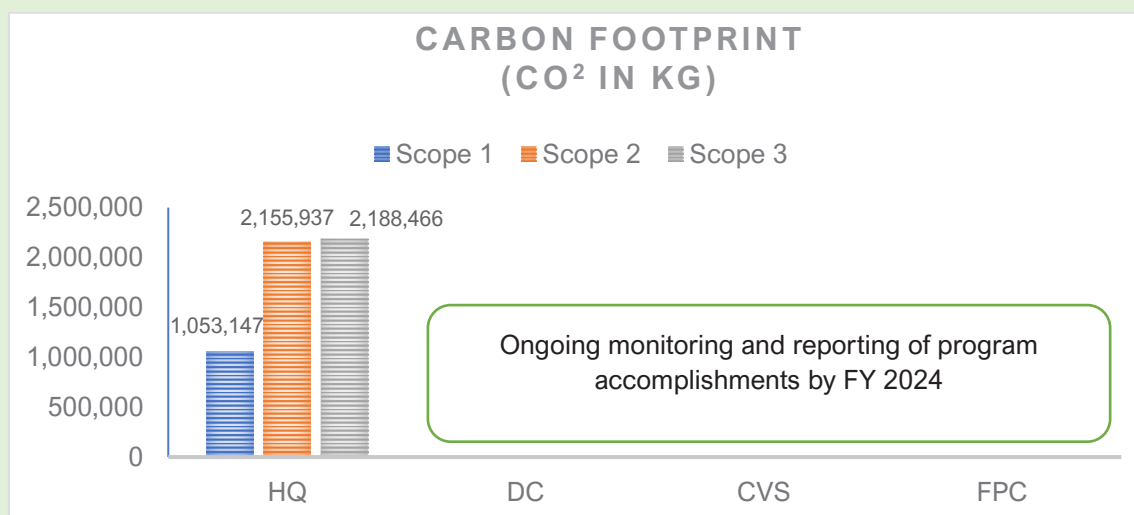
CARBON FOOTPRINT



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

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

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



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



GHG Calculation Outcome for HQ:

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

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

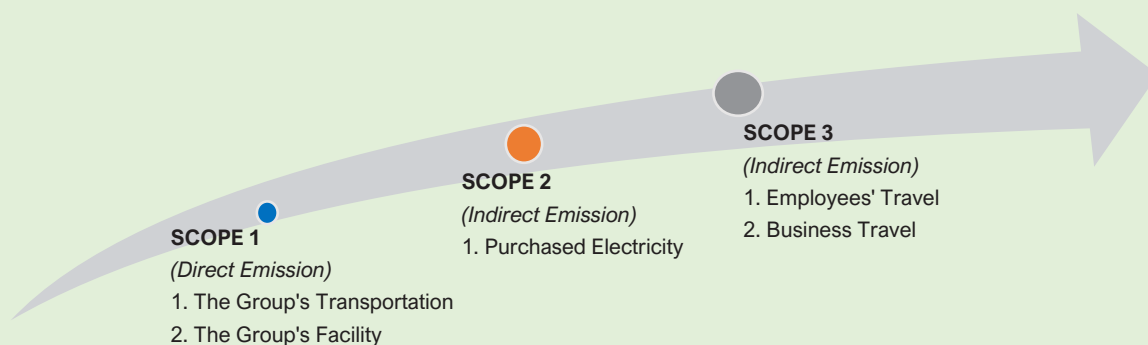
2. SCOPE 2 EMISSIONS: 2,155,937 KG

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

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

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

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



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

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

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

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

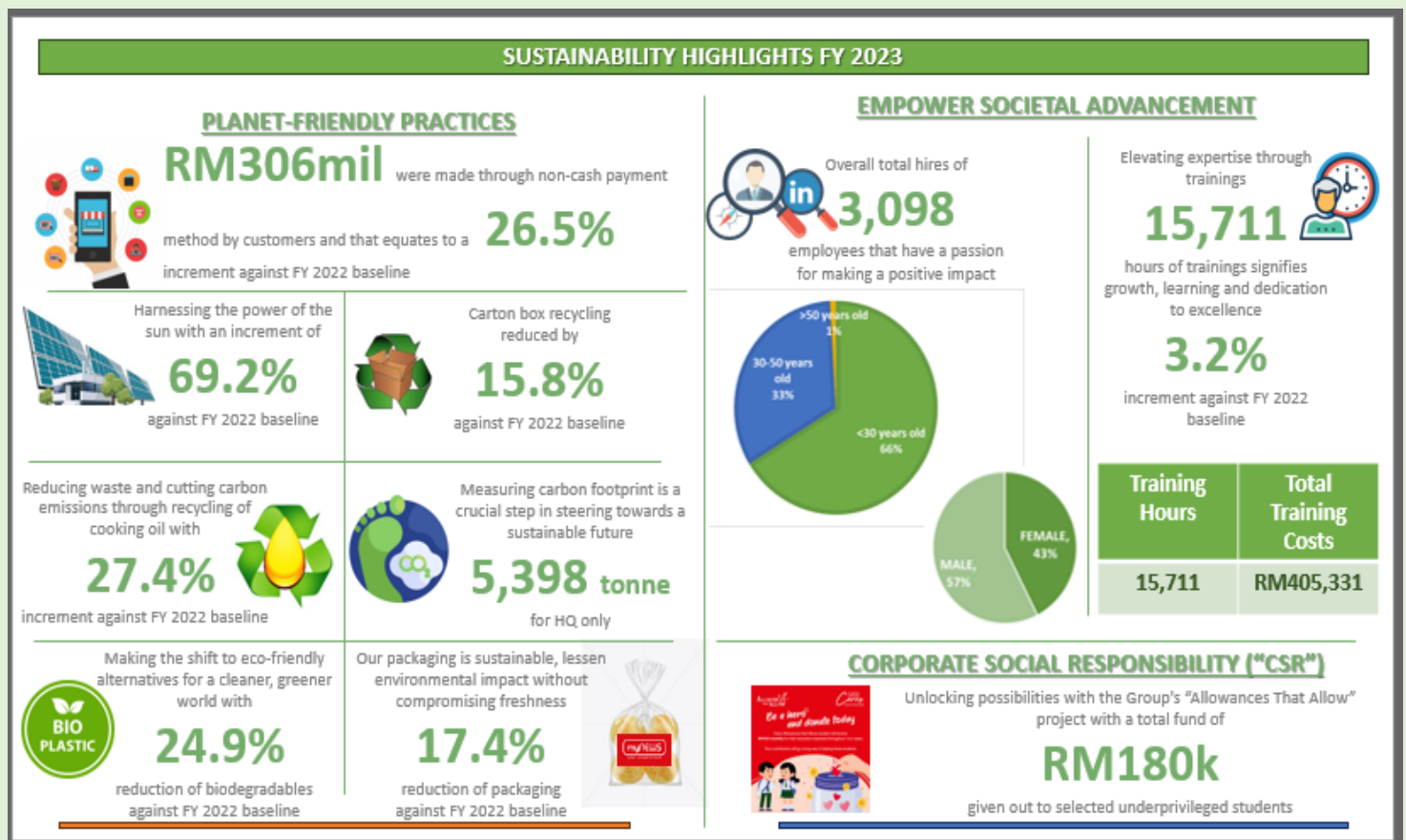


SUSTAINABILITY STATEMENT SUMMARY

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

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

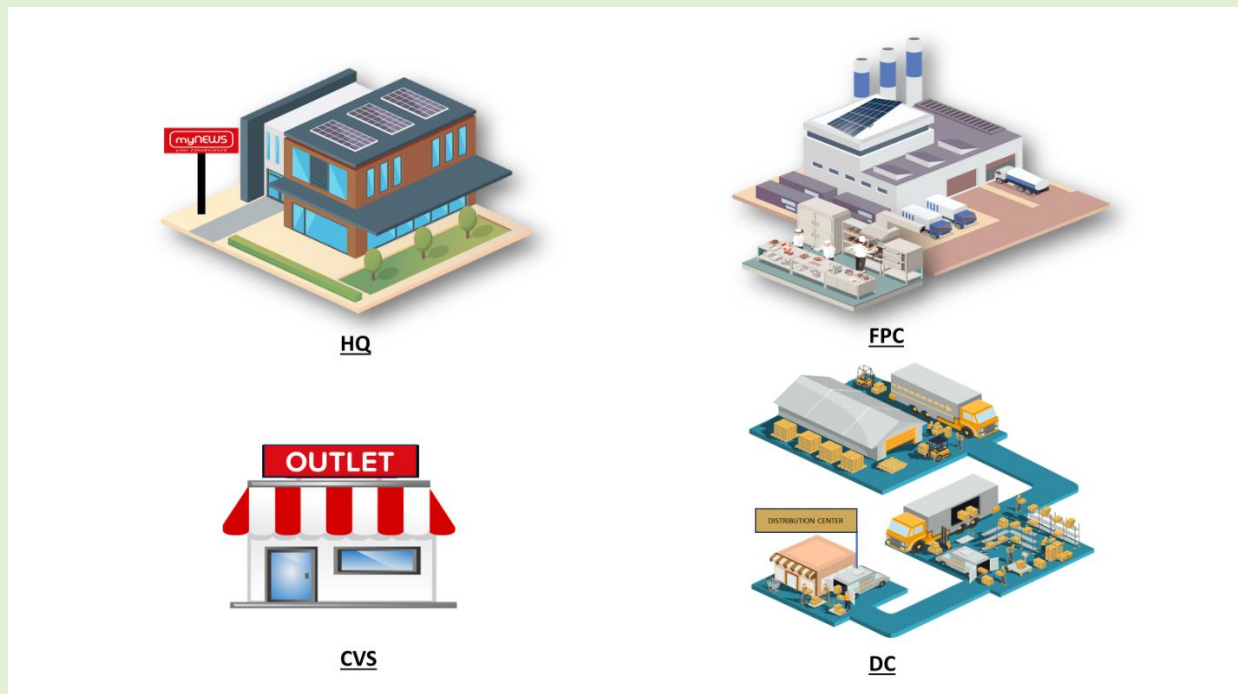
This Statement provides an overview of the Group's progress for FY 2023, presenting a more extensive reporting approach considering the Group's advancements in initiating a wide array of new programs, particularly those related to the social and cultural aspects of building a sustainable community. The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



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



THE GROUP'S VALUE CHAIN SEGMENTS



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

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



OUR ENVIRONMENTAL PILLAR

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



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

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

our understanding that a healthy environment is the bedrock of a thriving society and economy.

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

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





RECLAIMING WOOD: THE ART OF PALLETS RECYCLING

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

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

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

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

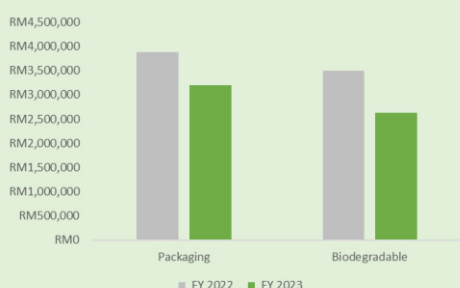




EMBRACING CHANGE: THE GROUP'S JOURNEY WITH BIO-DEGRADABLE PLASTICS

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

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



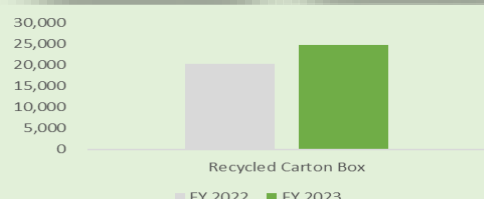
We are excited about the positive changes underway. We believe that every decision, no matter how small, can contribute to a better world. As our stakeholders continue to choose our subsidiaries, they are not just selecting convenience – they too are opting for a brand that is committed to creating a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

YEAR	%
FY 2022	90.13%
FY 2023	81.97%

RECYCLING OF CARTON BOXES MADE EASY

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

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



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

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



EMPOWERING TOMORROW: HARNESSING SOLAR ENERGY TODAY

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

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

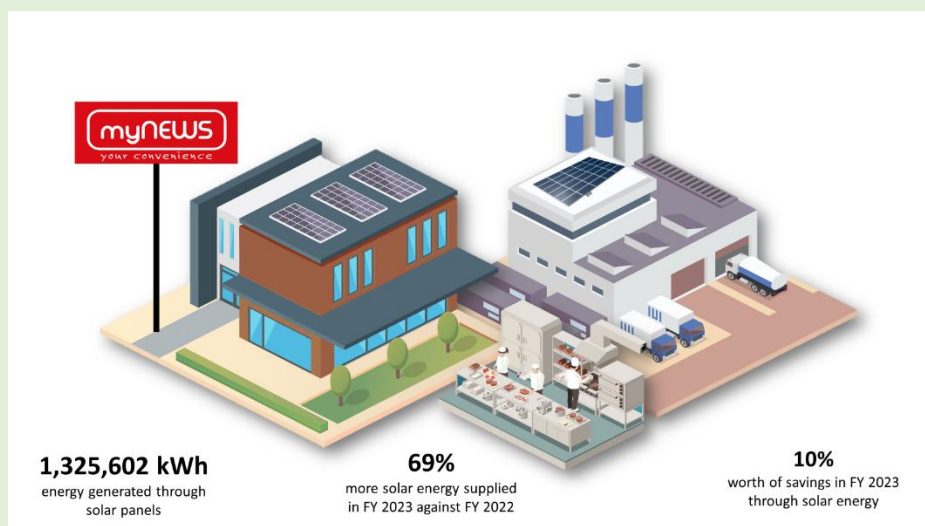


HQ and FPC solar panels adorn our rooftops, silently converting sunlight into clean, renewable energy. This eco-friendly power generation not only reduces our reliance on traditional energy sources but also minimises our carbon footprint, contributing to a healthier planet.

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

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

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





THE SIGNIFICANCE OF SOLAR RENEWABLE ENERGY TO THE GROUP

SUSTAINABLE POWER GENERATION

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

ENVIRONMENTAL STEWARDSHIP

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

COST SAVINGS AND ECONOMIC RESILIENCE

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

ENERGY INDEPENDENCE

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

COOKING OIL RECYCLING MANAGEMENT

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

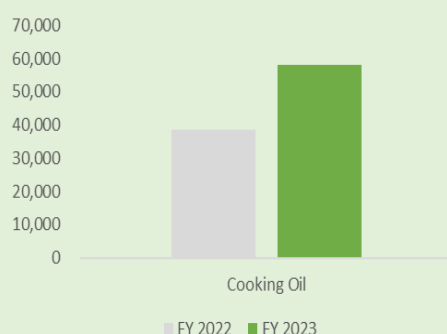
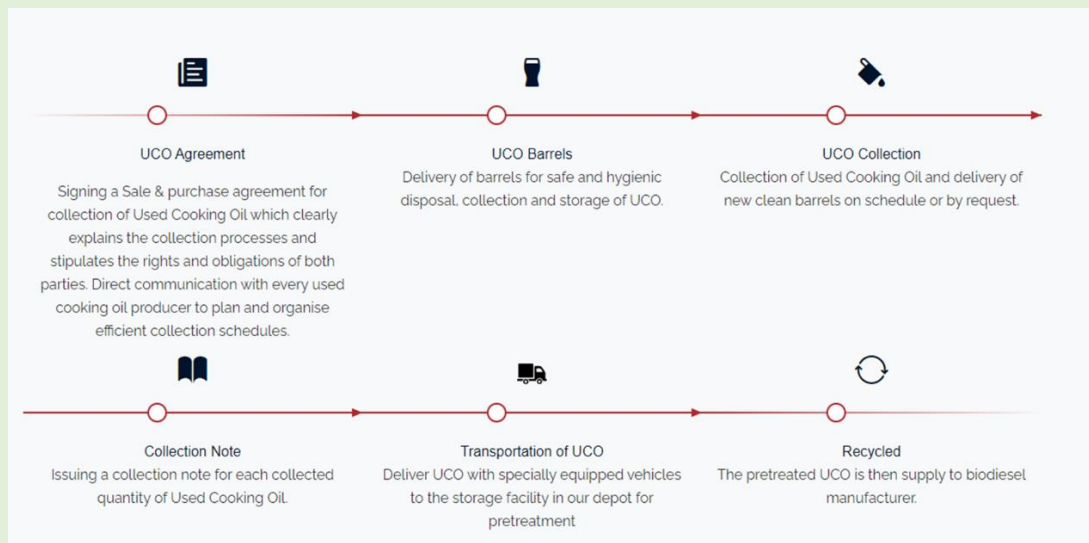
Used cooking oil, resulting from food preparation in homes and businesses, has long posed significant challenges in waste management. This oily substance is infamous for clogging drains and causing blockages in the sewage system, leading to costly maintenance and repairs. Furthermore, when disposed of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

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

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



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



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

YEAR	KG
FY 2022	38,550
FY 2023	58,029

KEY BENEFITS REAPED FROM COOKING OIL RECYCLING MANAGEMENT



Improved Food Quality and Consistency

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



Conservation of Resources

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



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



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

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



SOCIAL

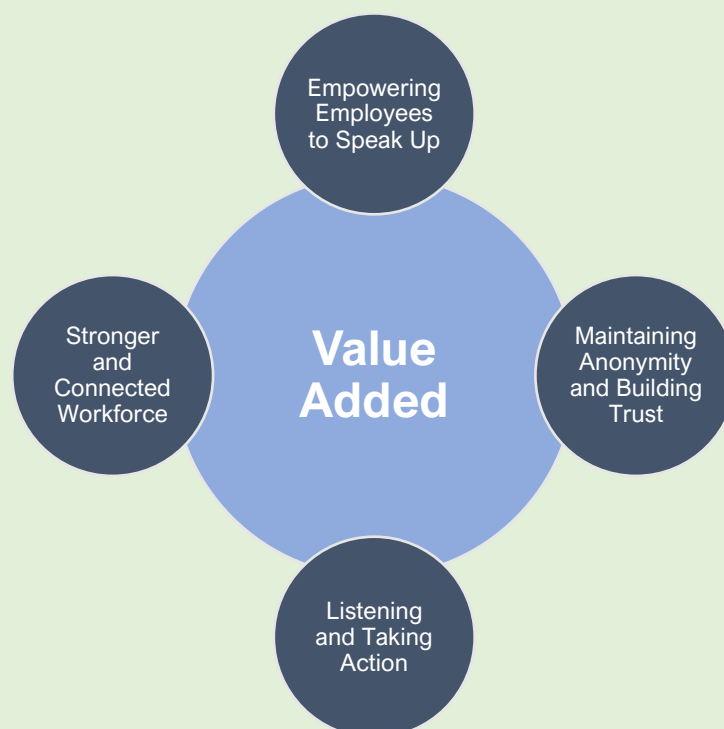
Our commitment to excellence extends beyond our products and services; it encompasses a profound dedication to social responsibility. As we delve into the heart of our ESG commitment, we are proud to illuminate the "S" in ESG – Social Responsibility – a core pillar that underscores our mission to make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

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

FOSTERING EMPLOYEE WELL-BEING THROUGH "VOICE OF EMPLOYEES"

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

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



1. **EMPOWERING EMPLOYEES TO SPEAK UP**

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

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

2. **MAINTAINING ANONYMITY AND BUILDING TRUST**

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

3. **LISTENING AND TAKING ACTION**

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

4. **STRONGER AND CONNECTED WORKFORCE**

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

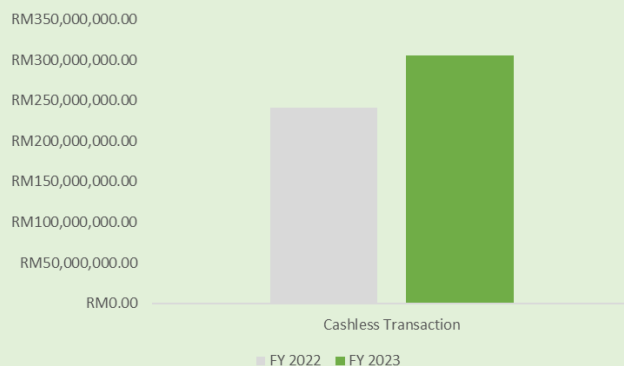


CASHLESS TRANSACTIONS - TRANSFORMING TO MODERN AGE

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

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

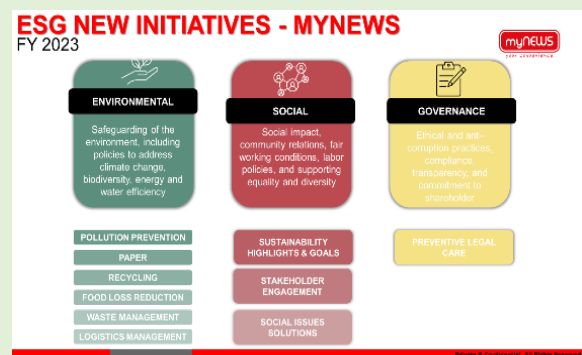
By encouraging cashless transactions, the Group is contributing to environmental sustainability. Reduced reliance on physical currency translates to smaller carbon footprint.



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

ESG AWARENESS INTEGRATED INTO INDUCTION MODULES

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





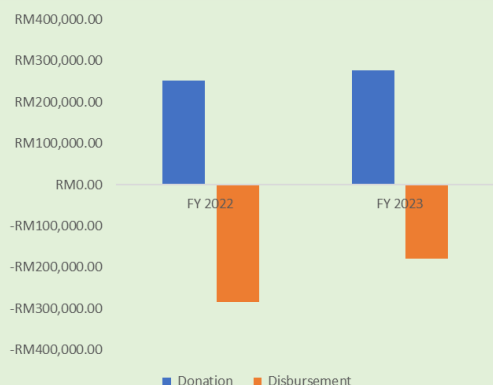
CSR - ALLOWANCES THAT ALLOW (“ATA”)

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

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

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

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



younger generations.

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

Number of schools participated in the ATA programme:

- Forty (40) Schools

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

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



ENHANCING GROWTH AND SUCCESS - THROUGH TRAINING & DEVELOPMENT PROGRAMME

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



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

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



Key Components & Initiatives



Onboarding & Orientation

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



Product Knowledge

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



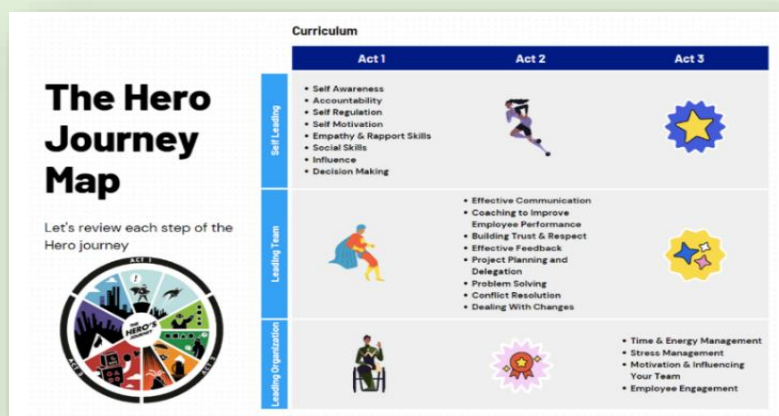
Customer Service Excellence

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



Leadership Development

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



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

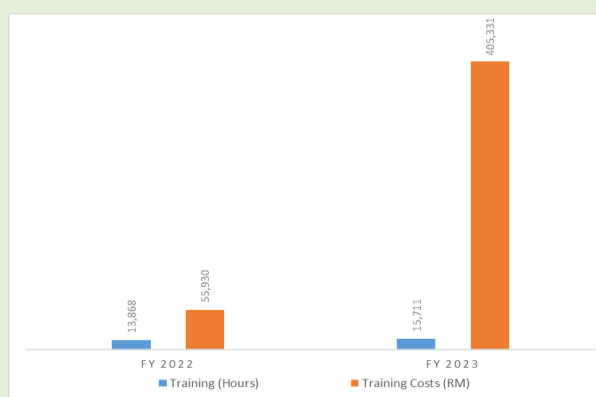
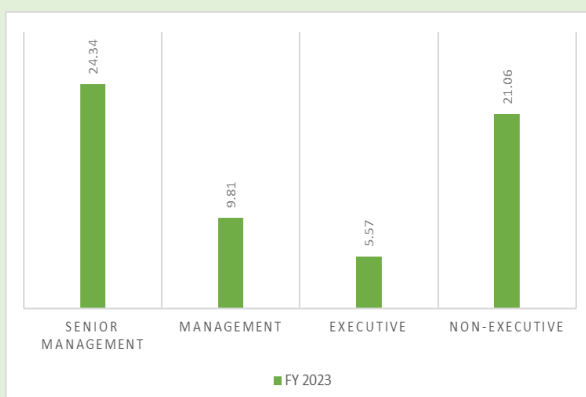
- **Employee Performance Reviews:** Regular assessments help track improvements and identify areas for further development.
- **Customer Feedback and Surveys:** Customer satisfaction surveys provide insights into the impact of training initiatives on the overall customer experience.
- **Key Performance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



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

As a result, the Group continues to thrive in the competitive convenience store market, setting the standard for excellence in the industry as this can be a game-changer for the organisation, driving growth, and fostering a culture of continuous improvement.

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



COSTS

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



EMPLOYEES' ENGAGEMENT PROGRAMS

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



II. Employees 'Merdeka & Malaysia Day' program



III. Deepavali celebration & Best Dress contest

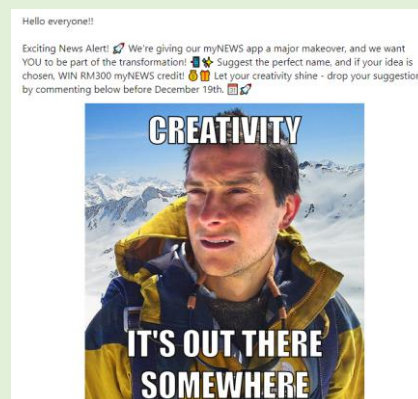




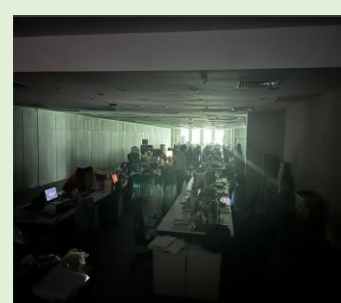
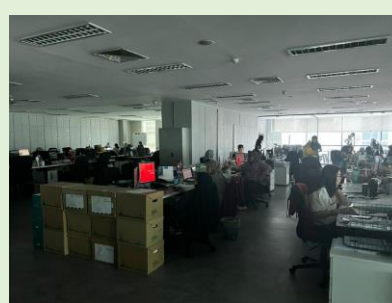
IV. Christmas celebration & Secret Santa Exchange



V. Mynews Mobile Application contest



VI. Monthly Sustainability Hour at HQ

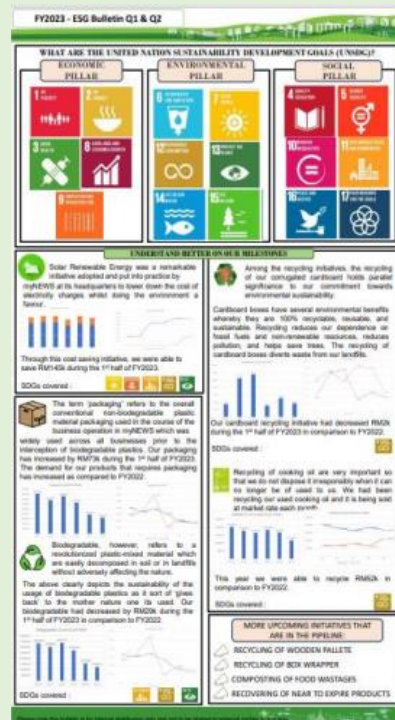




VII. Embracing Inclusiveness in The Group Sustainability Journey – Quarterly Internal Bulletin

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

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





GOVERNANCE

POLICIES

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



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

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

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

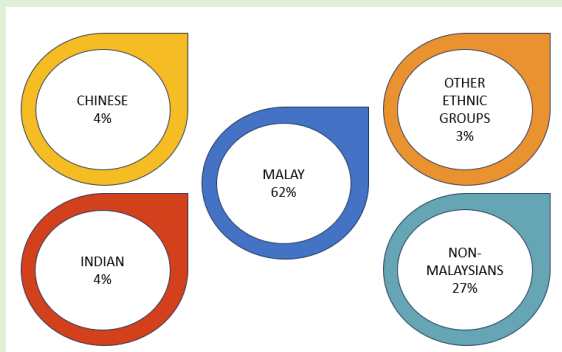
On the other hand, amidst of the escalating urgency to tackle environmental challenges, the MESGSC is poised to delve deeper into the prospect of implementing an overarching '*environmental policy*' that will govern every facet of the Group's operations especially in relation to addressing the environmental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



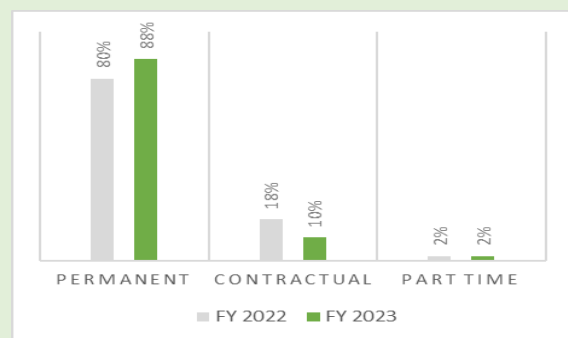
WORKFORCE DIVERSITY BY ETHNICITY, EMPLOYMENT TYPE, AGE COMPOSITION AND GENDER

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

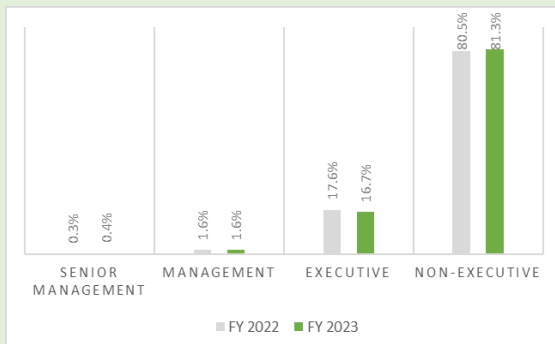
PERCENTAGE (%) BY ETHNICITY



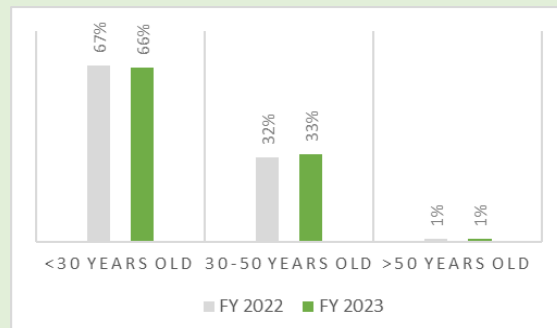
PERCENTAGE (%) BY EMPLOYMENT CONTRACT



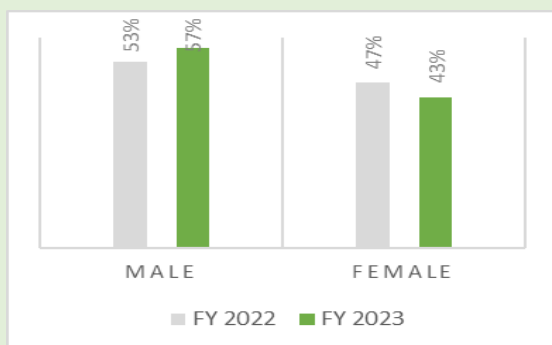
PERCENTAGE (%) BY EMPLOYMENT TYPE



PERCENTAGE (%) BY AGE GROUP



PERCENTAGE (%) BY GENDER



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



CLOSING STATEMENT FOR SUSTAINABILITY

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

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

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

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

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

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



Corporate Governance Overview Statement

The Board is pleased to present the Corporate Governance (“CG”) Overview Statement of the Company for the financial year ended 31 October 2023. This CG Overview Statement is prepared pursuant to paragraph 15.25(1) of the Bursa Malaysia Securities Berhad (“Bursa Securities”) Main Market Listing Requirements (“MMLR”).

The Board has been guided by the Malaysian Code on Corporate Governance (“MCCG”) which was updated on 28 April 2021 (“MCCG”). Whilst ensuring compliance with the MMLR and the Companies Act 2016, it is always keeping abreast with the developments in industry practices and the requirements by other relevant regulations for Mynews to uphold the highest level of corporate governance throughout the Group.

The overview of the corporate governance (“CG”) practices, are made reference to the following three (3) key CG principles as set out in the MCCG:

Principle A: Board Leadership and Effectiveness.

Principle B: Effective Audit and Risk Management.

Principle C: Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders.

The application of each practice is disclosed in the Company’s Corporate Governance Report (“CG Report”).

RESOURCES ON MYNEWS’ WEBSITE

The following documents referred to within this Statement are all available on our Company’s website at www.mynews.com.my.

- CG Report
- Board Charter
- Terms of Reference for Board Committees
- Code of Ethics and Conducts
- Whistle-Blowing Policy and Procedures
- Anti-Bribery and Anti-Corruption Policy
- Fit and Proper Policy
- Remuneration Policy
- Minutes of general meetings

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

1. BOARD RESPONSIBILITIES

Clear Functions of the Board and Management

The Board is collectively responsible for the long-term success, overall performance of the Group and the delivery of sustainable value to its stakeholders by setting strategic directions and objectives. It regularly reviews the Group’s business operations and maintains full and effective oversight of Mynews’ management. The roles and responsibilities of the Board in discharging its fiduciary and leadership functions have been formalized in the Board Charter which is reviewed periodically and published on the Company’s website.

Chairman and GCEO

The position of the Chairman and the Group Chief Executive Officer (“GCEO”) are held by two (2) different individuals namely, Mr. Dang Tai Luk and Mr. Dang Tai Wen respectively whose responsibilities are segregated and clearly defined to ensure there is an appropriate balance of power and authority with neither of them having the unfettered power of decision making.



Corporate Governance Overview Statement

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

1. BOARD RESPONSIBILITIES (cont'd)

Chairman and GCEO (cont'd)

The Chairman is responsible for instilling good corporate governance practices, provides leadership and manages the interface between the Board and Management. He ensures active participation from the Board in decision making. He is not a member of the Audit Committee, Nominating Committee and Remuneration Committee to avoid the risk of self-review and impairment of the objectivity of the Chairman and the Board when deliberating on the observations and recommendations put forth by the Board Committees.

The GCEO is involved in the day-to-day management of the Group by contributing strategies and insights to enable the Group to achieve its goals and objectives efficiently. He leads the Management team in ensuring that the Group's businesses deliver shareholder value. The GCEO briefs the Board on the Group's business operations and Management's initiatives during the quarterly Board meetings.

Independent Non-Executive Directors

The Independent Non-Executive Directors are not involved in the day-to-day management but contribute their expertise and experience in the development of the business strategies of the Group. They make insightful contribution during the Board's deliberation. They enforce good CG practices for the good of the Group.

There are three (3) Independent Non-Executive Directors who provide the required check and balance on the decision-making process of the Board. These Independent Non-Executive Directors are important in giving impartial opinions, advice and judgements to ensure the interests of the Group, shareholders, employees, customers and other stakeholders are well protected and represented.

The Board formalized the importance of Senior Independent Director ("SID") to serve as a sounding board for the Chairman and as an intermediary for other directors. The SID is also the point of contact for shareholders and other stakeholders.

Board Committees

The Board has also delegated various responsibilities to the Board Committees, which operate within their respective terms of reference that are clearly defined according to their respective functions and authorities. The Board has established four (4) committees to assist in the execution of its roles and responsibilities. They are:

- ❖ Audit Committee ("AC")
- ❖ Risk Management Committee ("RMC")
- ❖ Nominating Committee ("NC")
- ❖ Remuneration Committee ("RC")

The minutes of each committee meeting are circulated to the Board together with the quarterly Board meeting papers. The Chairman of each committee will update the Board on the matters and outcome of each meeting. It is the Company's practice that all major decisions are deliberated and decided by the Board collectively.

Company Secretaries

The Company possesses qualified Company Secretaries pursuant to Section 235 of the Companies Act 2016. The Company Secretaries play an advisory role, advising the Board and its Board Committees on matters pertaining to compliance, legal matters, regulations, listing requirements, statutory requirements and best practices. The Company Secretaries ensure that meetings are properly convened, meeting minutes are properly documented, and the records of resolutions passed by the Board and proceedings of Board Meetings, Board Committee Meetings and Annual General Meeting are properly and systematically filed for ease of retrieval and future reference.



Corporate Governance Overview Statement

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

1. BOARD RESPONSIBILITIES (cont'd)

Board Meeting and Meeting Materials

To discharge its responsibilities effectively, the Board meets regularly, at least on a quarterly basis. Additional or special Board Meetings are convened as and when necessary to consider and deliberate on any urgent proposals or matters arising under its purview and jurisdiction. Such meetings will enable the Board members to effectively assess the subject matter such as viability of a business and corporate proposal and the principal risks that may have significant impact on the Group's business or its financial position and the mitigating factors. All proposals tabled to the Board are supported with relevant information and explanations to facilitate the decision making.

Five (5) business days prior to the Board Meeting, the Directors would be provided with the agenda and board papers to enable them to have an overview of matters to be discussed or reviewed at the meetings and to seek further clarifications if any.

Access to Information and Advice

The Board is provided with board papers containing the relevant and comprehensive information with sufficient notice prior to the Board meetings to enable the Directors to discharge their duties and responsibilities competently and in a well-informed manner.

The Non-Executive Directors are given unrestricted access to all the Company's information and personnel, either as a full board or in their individual capacity in order to better discharge their responsibilities. They are also permitted to seek external professional consultation and advice if it is so necessary for them to execute their fiduciary duties.

Board Charter

The Board has a formalized Board Charter, which sets out the roles, functions, composition, and processes of the Board. The Board Charter provides guidance to the Board in relation to the Board's role, duties, responsibilities and authorities which are in line with the principles of good Corporate Governance.

Code of Ethics and Conduct for Directors

The Board is committed to establishing a corporate culture that fosters common goal of achieving business profitability, whilst cultivating ethical business conducts. The Board has adopted the Code of Ethics and Conduct for Directors which upholds integrity, transparency and ethical practices of business activity.

Whistleblowing Policy

The Board has in place a Whistleblowing Policy which provides an avenue for employees, public, contractors, suppliers and other business associates to raise concerns and to disclose allegations, suspicions, wrongdoings or improper conducts on a confidential basis, without fear of any form of victimization, harassment or retaliation. Any enquiries and complaints can be sent via:

- a) Email to whistleblowing@mynews.com.my, the email will be directed to Audit Committee Chairperson only, alternatively, the whistle-blower may contact the Executive Director / Group Chief Executive Officer; **OR**
- b) Letters / documents / reports (in sealed envelope with labelled "Private & Confidential" and "to be opened by addressee only") addressed to:

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



Corporate Governance Overview Statement

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

1. BOARD RESPONSIBILITIES (cont'd)

Anti-Bribery and Anti-Corruption Policy

The Board has also established a standalone Anti-Bribery and Anti-Corruption Policy to highlight the Company's stand on the prohibition of bribery and corruption. The said Policy which has spelt out the regulations in the Malaysian Anti-Corruption Commission Act 2009 ("MACC") and the MACC (Amendment) Act 2018 is applicable to Directors, employees and any third party/person who is associated with the Group.

Fit and Proper Policy

The Board established the Fit and Proper Policy for Directors to ensure that any person to be appointed or elected/re-elected as a Director of the Group shall possess the necessary quality and character as well as integrity, competency and commitment to enable the discharging of their responsibilities in the most effective manner. The said Policy is also applied to the appointment of the Company's Senior Management.

Sustainability

The Board is committed to deliver long term sustainable values to all its stakeholders, both internal and external by adopting Environmental, Social and Governance ("ESG") framework, where applicable, to limit negative impact and enhance positive impact to the environment, society and governance bodies. Thus, in all its business decisions, the Board is always mindful that amongst the key considerations are business sustainability and ethical practices. To build sustainability and maintain ethical practices, the Board continuously instills the need to cultivate and promote good corporate values throughout the organisation by upholding the virtue of "Tone from the top". The Board takes appropriate actions to ensure they stay abreast with and understand the sustainability issues relevant to the Company and its business, including waste management, emissions and climate-related risks and opportunities.

More details on the Group's Sustainability efforts can be found in the Sustainability Statement in this Annual Report.

2. BOARD COMPOSITION

Strengthening the Board's composition

The Board comprises six (6) Directors, three (3) of them are Independent Non-Executive Directors which complied with MCG Practice 5.2 that requires at least half of the Board members to be Independent Directors. These independent directors participate actively in providing independent advice, views and sound judgement in the decision-making process, always ensuring that a balanced and unbiased deliberation process is in place to safeguard the interest of all stakeholders. As and when a potential conflict of interest arises, it is a mandatory practice for the Directors concerned to declare their interest and abstain from the decision-making process.

During FY 2023, the Executive Chairman resigned on 30 September 2023, while the Executive Director/Group Chief Executive Officer was redesignated to Executive Chairman. The Deputy Group Chief Executive Officer was promoted to Group Chief Executive Officer and joined the Board as Executive Director on 30 September 2023. In addition, one of the Independent Non-Executive Directors also resigned from the Board after having served on the Board for about 8 years.

In appointing a director, consideration is given to the current composition of the Board and the tenure of each Director on the Board. This is to determine whether there is a need to bring new skills and perspective to the boardroom. The Nominating Committee ("NC") reviews the suitability of the candidate as guided by the Fit and Proper Policy. All potential candidates are considered by the NC, taking into account the mix of skills, competencies, qualification, experience, integrity, and time commitment. Diversity in terms of age and gender are also considered during the selection criteria.



Corporate Governance Overview Statement

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

2. BOARD COMPOSITION (cont'd)

Board Meetings

During FY 2023, five (5) Board meetings were held in the presence of at least one of the Company Secretaries. The Directors' attendance is as follows:

Director	Directorate	Number of Meetings Held During Tenure In Office	Total Meeting Attendance
Mr. Dang Tai Luk	Executive Chairman / (redesignated from Executive Director / Group Chief Executive Officer ("GCEO") on 30 September 2023)	5	5
Mr. Dang Tai Wen (Appointed on 30 September 2023)	Executive Director / Group Chief Executive Officer ("GCEO")	-	-
Ms. Soon Dee Hwee	Senior Independent Non-Executive Director	5	5
Mr. Dang Tai Hock	Executive Director / Chief Executive Officer – Food	5	5
Mr. Christopher Koh Swee Kiat	Independent Non-Executive Director	5	5
Pn. Latifah Binti Abdul Latiff	Independent Non-Executive Director	5	5
Mr. Ding Lien Bing (Resigned on 30 September 2023)	Executive Chairman	5	5
En. Mohd Suffian Bin Suboh (Resigned on 30 September 2023)	Independent Non-Executive Director	5	5

All Directors participated fully in the discussions during the Board meetings. There had been no Board dominance by any individual and the Directors were free to express their views and opinions during the Board meetings. In arriving at the Board decisions, the view of the majority prevails at all times.

Board Diversity

The Board acknowledges the importance of Board diversity in the Board composition, including gender, experience, age, and skill sets for the effective functioning of the Board.

The NC is responsible for identifying, evaluating and nominating suitable candidates to be appointed to the Board and Board Committee. In assessing and recommending to the Board suitable candidates, the NC, guided by the Fit and Proper Policy, will take into consideration the following:

- Competencies – qualifications, knowledge, industrial experience/expertise and past achievements.
- Contributions – appointment scope, role, commitment level, professionalism and integrity.
- Diversity representation – appropriateness and the fulfilment of the Board's desired mix of competencies.



Corporate Governance Overview Statement

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

2. BOARD COMPOSITION (cont'd)

Board Diversity (cont'd)

A brief description of each Director's background is presented in the Directors' Profile of this Annual Report.

In respect of Board size and composition, the Board is of the view that its size, mix and competencies and diversity representation as well as the balance between executive, non-executive and independent Directors are adequate and in line with the Group's business operations and needs.

As of the date of this statement, two (2) out of the six (6) Board members or 33% are female.

Executive Directors	3	Males
Independent Non-Executive Directors	3	1 Male & 2 Females

Tenure of Independent Directors

The tenure of an Independent Director shall not exceed a cumulative term of nine (9) years. Practice 5.3 also stated that upon completion of the nine (9) years' term, an Independent Director may continue to serve on the Board subject to the Director's re-designation as a Non-Independent Director. If the Board intends to retain an Independent who is beyond nine (9) years' term, Board should provide justification and seek annual shareholder' approval via 2-tier voting process.

The Company was listed on the Main Market of Bursa Securities on 29 March 2016 and none of the Independent Directors have exceeded the nine (9) years term of service till the AGM date.

Ms Soon Dee Hwee, a Senior Independent Non-Executive Director ("SINED") has been serving the Company since 10 July 2015. Her nine (9) years cumulative tenure as the SINED of the Company will expire on 9 July 2024.

She has informed the Company via Nominating Committee Meeting held on 21 December 2023 that she does not wish to remain as a SINED beyond nine (9) years.

At the 2024 AGM, it is her turn to retire by rotation in accordance with Article 114(1) of the Company's Constitution. She has expressed her intention not to seek re-election as Director in the forthcoming 11th AGM. She will retain her office until the closure of 11th AGM.

Foster Commitment

The Board requires its members to devote sufficient time to the workings of the Board, to effectively discharge their duties as Directors of the Company, and to use their best endeavour to attend meetings. Save for Mr. Christopher Koh Swee Kiat and Pn. Latifah Binti Abdul Latiff, none of the members of the Board has directorship in other public listed companies.

Time Commitment

The Board is satisfied with the level of time commitment given by the Directors towards fulfilling their roles and responsibilities as Directors of the Company. The Board met five (5) times and all Directors that attended contributed to the meeting.

Director's Training

The Board believes that continuous training for Directors is vital for the Board members to enhance their skills and knowledge to enable them to discharge their duties effectively. As such, the Directors continuously attend the necessary training to keep abreast of updates and changes in all aspects relating to Mynews, be they operations, financial related matters, rules and regulations or others.



Corporate Governance Overview Statement

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

2. BOARD COMPOSITION (cont'd)

Director's Training (cont'd)

Details of the seminars and workshops attended by the Directors during FY 2023 are as follows:

Director	Seminars/Workshops	Date of Attendance
Mr. Dang Tai Luk	1) Cirrus Consulting Sdn Bhd – Risk Awareness Workshop 2) Cirrus Consulting Sdn Bhd – The Malaysian Anti-Corruption Commission (Amendment) Act 2018 (“MACCA 2018”) Corporate Liability Provision 3) Cirrus Consulting Sdn Bhd – Risk Facilitation Workshop 4) Bursa Malaysia Berhad – Advocacy Session on the Continuing Disclosure Requirements & Corporate Disclosure Policy of the Listing Requirements	16 February 2023 16 February 2023 16 March 2023 22 August 2023
Ms. Soon Dee Hwee	1) Securities Commission Malaysia’s Audit Oversight Board Webinar – Conversation with Audit Committees	17 November 2022
Mr. Dang Tai Hock	1) Cirrus Consulting Sdn Bhd – Risk Awareness Workshop 2) Cirrus Consulting Sdn Bhd – The Malaysian Anti-Corruption Commission (Amendment) Act 2018 (“MACCA 2018”) Corporate Liability Provision 3) Cirrus Consulting Sdn Bhd – Risk Facilitation Workshop	16 February 2023 16 February 2023 16 March 2023
Mr. Christopher Koh Swee Kiat	1) Cirrus Consulting Sdn Bhd – Risk Awareness Workshop 2) Cirrus Consulting Sdn Bhd – The Malaysian Anti-Corruption Commission (Amendment) Act 2018 (“MACCA 2018”) Corporate Liability Provision 3) Bursa Malaysia Berhad – Advocacy Session on the Continuing Disclosure Requirements & Corporate Disclosure Policy of the Listing Requirements 4) Asia School of Business - Learning@Work: Human Learning in the Age of Machine Learning	16 February 2023 16 February 2023 17 August 2023 13 September 2023
Pn. Latifah Binti Abdul Latiff	1) Audit Oversight Board – Conversation with Audit Committees 2) FIDE FORUM – Distinguished Board Leadership Series for 2023 by Professor Kishore Mahbubani 3) FIDE FORUM – 2 nd Distinguished Board Leadership Series: Empowering Change Through Diversity, Equity and Inclusion by Asia School of Business 4) Bursa Malaysia Berhad – Bursa PLCs Investor Relations Series 3: Economic Outlook 2024	17 November 2022 12 January 2023 2 November 2023 29 November 2023
Mr. Ding Lien Bing (Resigned on 30 September 2023)	1) Cirrus Consulting Sdn Bhd – Risk Awareness Workshop 2) Cirrus Consulting Sdn Bhd – The Malaysian Anti-Corruption Commission (Amendment) Act 2018 (“MACCA 2018”) Corporate Liability Provision 3) Malaysian Institute of Accountants (MIA) – 2023 Budget Seminar 4) Bursa Malaysia Berhad – Advocacy Session on the Continuing Disclosure Requirements & Corporate Disclosure Policy of the Listing Requirements	16 February 2023 16 February 2023 16 March 2023 22 August 2023
En. Mohd Suffian Bin Suboh (Resigned on 30 September 2023)	1) Bursa Malaysia Berhad – Advocacy Session on the Continuing Disclosure Requirements & Corporate Disclosure Policy of the Listing Requirements	22 August 2023

The Board continuously evaluates and determines the training needs of each Director, particularly regarding relevant new laws and regulations and the essential practices to enable the Directors to effectively discharge their duties.



Corporate Governance Overview Statement

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

Nominating Committee ("NC")

The NC comprises exclusively of Independent Non-Executive Directors of the Company. It is established and maintained to ensure that there is a formal and transparent procedure for the appointment of senior management personnel especially the C-Level, new Directors to the Board and new members to the Board Committees and to assess the performance of the Board, Board Committees and Directors. The current members of the NC are as follows:

Chairperson	:	Ms. Soon Dee Hwee (<i>Senior Independent Non-Executive Director</i>)
Member	:	Mr. Christopher Koh Swee Kiat (<i>Independent Non-Executive Director</i>)
Member	:	Pn. Latifah Binti Abdul Latiff (<i>Independent Non-Executive Director</i>) (Appointed on 30 September 2023)
Member	:	En. Mohd Suffian Bin Suboh (<i>Independent Non-Executive Director</i>) (Resigned on 30 September 2023)

During the financial year under review, one (1) meeting was held and attended by all members. The main activities carried out by the NC during the financial year under review are as follows:

- Review and assess the effectiveness of the Board as a whole
- Review and assess the contribution and performance of each Director
- Review and assess the contribution and performance of the Board Committees (Audit Committee, Risk Management Committee, Remuneration Committee and Nominating Committee)
- Review and assess the independence of the Independent Non-Executive Directors
- Review the Continuing Education Programmes attended by the Directors during the financial year
- Review and assess the performance of the Internal and External Auditors
- Review of the Board composition
- Review the nomination, promotion and appointment of director and senior management.

The NC is satisfied with the effectiveness of the Board and its Committees, including the contributions by each of the members based on the annual assessments conducted and affirmed by each of the members of the Board. The NC is confident that each of the members of the Board and its Board Committees will continue to operate and contribute effectively.

3. REMUNERATION

Remuneration Committee

The Board had established a Remuneration Committee to review and recommend the appropriate level of remuneration for the Board, C-Level personnel and the Group's bonus and salary increment/adjustment payout taking into consideration the Group's performance. The current members of the Remuneration Committee are as follows:

Chairman	:	Mr. Christopher Koh Swee Kiat (<i>Independent Non-Executive Director</i>) (Appointed on 30 September 2023)
Chairman	:	En. Mohd Suffian Bin Suboh (<i>Independent Non-Executive Director</i>) (Resigned on 30 September 2023)
Member	:	Ms. Soon Dee Hwee (<i>Senior Independent Non-Executive Director</i>)
Member	:	Pn. Latifah Binti Abdul Latiff (<i>Independent Non-Executive Director</i>) (Appointed on 30 September 2023)



Corporate Governance Overview Statement

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

3. REMUNERATION (cont'd)

During the financial year under review, three (3) meetings were held and attended by all members. The main activities carried out by the Remuneration Committee during the financial year under review are as follows:

- Review and recommend to the Board for approval, the remuneration structure for the Group
- Review and recommend to the Board on the Remuneration Package of the Executive Directors
- Review and recommend to the Board on the fees and meeting allowances of the Non-Executive Directors

The Company has remuneration policies and procedures to determine the remuneration of Directors and Senior Management. The Executive Directors' remunerations are designed to link rewards to the Company's and individual's performances whilst the remunerations of the Non-Executive Directors are determined in accordance with their experience and the level of responsibilities assumed. The Directors' remunerations are in line with the market expectation and competition to retain and attract talents.

The Executive Directors do not take part in the decision on their own remuneration. Likewise, the remuneration of the Non-Executive Directors is a matter for the Board as a whole, with individual Director abstaining from the discussion of their own remuneration.

Based on the assessment carried out for FY 2023, the Board is satisfied that the Remuneration Committee had fulfilled its role and discharged its duties effectively.

Directors Remuneration

The Directors' remuneration for FY 2023 is as follows:

Executive Directors	Fees RM	Meeting Allowance RM	Salaries & Bonuses RM	Benefits' in-kind RM	Other Emolument RM	Total RM
Mr. Dang Tai Luk (redesignated as Executive Chairman on 30 September 2023)	-	-	743,300	13,300	-	756,600
Mr. Dang Tai Wen (appointed on 30 September 2023)	-	-	670,400	17,400	5,735	693,535
Mr. Dang Tai Hock	-	-	286,300	17,400	-	303,700
Mr. Ding Lien Bing (resigned on 30 September 2023)	-	-	492,600	-	-	492,600

Non-Executive Directors	Fees RM	Meeting Allowance RM	Total RM
Ms. Soon Dee Hwee	85,000	11,000	96,000
Mr. Christopher Koh Swee Kiat	60,833	11,000	71,833
Pn. Latifah Binti Abdul Latiff	60,000	11,000	71,000
En. Mohd Suffian Bin Suboh (resigned on 30 September 2023)	64,167	11,000	75,167



Corporate Governance Overview Statement

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

3. REMUNERATION (cont'd)

Top five (5) Senior Management's remuneration

Detailed remuneration on the top (5) five senior management is not disclosed as the Board is of the view that the disclosure of such information may put the Company in a disadvantage position given the keen competition for talent in the industry which the Company operates in.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

4. AUDIT COMMITTEE

Effective and Independent Audit Committee ("AC")

The composition and details of activities carried out by the AC during the financial year ended 31 October 2023 are set out in the Audit Committee Report of this Annual Report.

The AC members possess a wide range of skills, and they are financially literate and able to understand matters within the purview of the AC including the financial reporting and performance of the Group. One (1) member from the AC is a professionally qualified accountant having vast experience in the finance industry including financial reporting process.

The outsourced Internal Auditors, Crowe Governance Sdn Bhd communicates regularly with and reports directly to the AC. The internal audit function conducts regular audits to review and provide assurance to the AC on the adequacy and effectiveness of the Group's internal control and governance process. The outsourced Internal Auditors attended all four (4) meetings of the AC in FY 2023. In the annual assessment, the AC was satisfied with the performance of the Internal Auditors in terms of effectiveness and efficiency in the conduct of their review of the Group's internal control system and risk management.

An annual assessment had also been conducted on the External Auditors and the AC was satisfied with the performance and independence of the External Auditors as well as the fulfillment of criteria based on several factors, including independence of the External Auditors, quality of audit review, expertise and its resources to carry out the audit work that they were task with. None of the AC Member is a former partner of the External Auditors who is subject to observe the 3 years cooling-off period before being appointed as a member of the AC.

5. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

The Board believes that effective oversight review of risk management and internal control is important to help the Group to achieve its corporate goals and objectives and striking a balance to safeguard the interest of its many stakeholders and protecting the Group's assets and investments.

The Group adopts a 3 line of defense structure for the governance and management of system of internal controls. The AC is assisted by the outsourced Internal Audit Function which reports directly to the AC. The Risk Management and Loss Prevention Department (previously known as Internal Control Department) provides support and facilitates the implementation of an enterprise-wide risk management and internal control functions.

The Statement of Risk Management and Internal Control is set out in the Annual Report to provide an overview of the state of the risk management and internal controls within the Group.



Corporate Governance Overview Statement

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

6. ENGAGEMENT WITH STAKEHOLDERS

Continuous Communication and Investor Relations

The Board recognises the importance of being transparent and accountable to its shareholders and has used various channels of communication to enable the Board and Management to continuously communicate, disclose and disseminate comprehensive and timely information to investors, shareholders, financial community and the public.

The various channels of communication with stakeholders are through the followings :-

- The quarterly announcement on financial results to Bursa Securities.
- Circulars and Annual Reports.
- Quarterly Investors' Briefing
- General meetings of shareholders.
- Meetings with investors, analysts and fund managers on ad hoc basis.
- Company website at www.mynews.com.my, can be easily accessible for press releases, financial information, Company announcement and others.

The above channels of communication will help to enhance stakeholders' understanding of the business and operations of the Group and to make informed investment decisions.

The Exco mainly consists of the Executive Directors, and the Investor Relations members meet regularly with the Company's existing and potential investors to disseminate the information of its activities, strategy and financial performance and any other potential areas of interests by Shareholders. Eventually, the Board is kept updated on Shareholders' feedback and areas of interest.

7. CONDUCT OF GENERAL MEETINGS

Shareholders' Participation at General Meetings

The Board has oversight over the implementation and required maintenance of effective communications and engagements with Shareholders.

The annual general meetings are principal forum for dialogue with Shareholders.

The Company leverages technology to facilitate the voting and remote shareholders' participation in its 10th AGM at the Company's Headquarters, Kota Damansara and shareholders participated via live streaming of the Meeting. All the Directors had attended and the Chairmain, GCEO and Senior Management presented the overall performance of the Group to the Shareholders. Shareholders were provided with an opportunity to participate in the questions and answers session at which Shareholders may raise questions regarding the proposed resolutions at the said meetings as well as on matters relating to the Group's business and affairs. All the resolutions tabled were approved and passed by its shareholders.

The Notice of AGM together with the Company's Annual Report for the financial year ended 31 October 2022 were circulated on 27 February 2023 which fulfilled the 28 days' notice requirement for the meeting. The Minutes of the AGM was also published in the Company's website within 30 business days after the AGM.



Audit Committee Report

The Audit Committee (“AC”) of Mynews is pleased to present its report for FY 2023.

Audit Committee Members

Chairperson	:	Ms. Soon Dee Hwee (Senior Independent Non-Executive Director)
Member	:	Pn. Latifah Binti Abdul Latiff (Independent Non-Executive Director)
Member	:	Mr. Christopher Koh Swee Kiat (Independent Non-Executive Director)

Number of Meetings Held and Details of Attendance

The attendance of the members at the AC meetings held during FY 2023 is as follows:

Members	Designation	Attendance of Meeting	
Ms. Soon Dee Hwee	Chairperson	5/5	100%
Pn. Latifah Binti Abdul Latiff	Member	5/5	100%
Mr. Christopher Koh Swee Kiat	Member	5/5	100%
En. Mohd Suffian Bin Suboh (Resigned as AC Member on 30 September 2023)	Member	5/5	100%

Composition Compliance

The AC consists of three (3) members who are all independent non-executive directors. One of them, namely, Ms. Soon, is a member of the MIA. The composition of the AC complies with the Listing Requirements and fulfills the financial literacy and independence elements outlined in the MCCG.

Terms of Reference

The Terms of Reference of the AC is available on the Company’s website, www.mynews.com.my. The Board is satisfied that the AC and each of the members had discharged their duties and responsibilities in accordance with the Terms of Reference.

Summary of Work Carried Out During FY 2023

During FY 2023, the AC had carried out the following activities in discharging its duties:

a) Financial Reporting

- Reviewed the unaudited quarterly financial statements and results prior to the Board’s approval and their release to Bursa Malaysia.
- Reviewed the annual audited financial statements of the Group for financial year ended 31 October 2023 before recommending to the Board for approval.
- Reviewed the application of major accounting policies and practices to ensure that the Group’s financial statements had been prepared in compliance with approved accounting standards, and that Mynews had adhered to all legal and regulatory requirements.



Audit Committee Report

Summary of Work Carried Out During FY 2023 (cont'd)

During FY 2023, the AC had carried out the following activities in discharging its duties (cont'd):

b) External Audit

- Reviewed the external auditors audit plan, which outlined the work scope, audit strategy and approach for the financial year ended 31 October 2023.
- Discussed with the external auditors on the results of the audit, their findings and the resolutions of the findings.
- Reviewed the audited financial statements with the external auditors and company's management before recommending it to the Board for adoption.
- Assessed the effectiveness of the external audit process to ensure high standards of professionalism and effectiveness of the external audit carried out.
- Had two (2) private meetings with the external auditors, Grant Thornton Malaysia PLT without the presence of the Executive Directors and Management on 30 January 2023 and 26 September 2023.
- Reviewed the proposed audit fees for FY 2023 before recommending them to the Board for approval.
- Reviewed and deliberated the performance of the external auditors and made recommendations to the Board on their re-appointment for the ensuing year.

c) Internal Audit

- Reviewed and approved the risk-based annual audit plan to ensure adequate scope and comprehensive coverage of the Group's activities.
- Reviewed and discussed with the internal auditors the internal audit findings and progress on each of the issues arising from the internal audit, amongst others, the following key audit areas:

Key audit areas	
1. Merchandising	<ul style="list-style-type: none"> • Adherence to established policies and procedures • Feasibility studies on Trading Terms • Statistical analysis for Pricing • Monitoring of Trading Terms, Product Margin and Price Analysis • Forecasting of Sales Performance
2. Outlet Audit	<ul style="list-style-type: none"> • Headquarters' Monitoring Mechanism • Sales Collection and Physical Cash Handling • Stock Management • Point-of-Sales User Access Management • Outlet Administration
3. Related Party Transaction ("RPT")	<ul style="list-style-type: none"> • Declaration of directorship and shareholding towards RPT • Monitoring and Disclosure of RPT • RPT Reporting



Audit Committee Report

Summary of Work Carried Out During FY 2023 (cont'd)

During FY 2023, the AC had carried out the following activities in discharging its duties (cont'd):

c) Internal Audit (cont'd)

Key audit areas	
4. Finance	<ul style="list-style-type: none"> • Budget monitoring • Monthly management account • Bank reconciliation • Inventory reconciliation • Loan covenants • Deposits paid and refund • Collection • Payment processing • Debtors ageing • Provision of doubtful debts and bad debts written off • Credit notes and debit notes • Journal entries • Petty cash management
5. IT General Controls	<ul style="list-style-type: none"> a) Computer Operations <ul style="list-style-type: none"> • Batch scheduling and processing • Error handling and reruns • Backup and recovery • Physical access to the data centre • Environmental controls over the data centre • End user computing management b) Access Security <ul style="list-style-type: none"> • Overall management of security activities • Centralised security administration • Data security • Operating system security • Internal network security • Perimeter network security c) Manage Changes <ul style="list-style-type: none"> • Overall management of program change activities • Testing and quality assurance • Program implementation • Segregation of Duties within program change process • Ability to implement changes into production • Direct data modifications d) Third Party Management <ul style="list-style-type: none"> • Third party contract management • Third party performance monitoring • Third party access management



Audit Committee Report

Summary of Work Carried Out During FY 2023 (cont'd)

During FY 2023, the AC had carried out the following activities in discharging its duties (cont'd):

c) Internal Audit (cont'd)

- Reviewed the audit recommendations and representations made and corrective actions taken by management in addressing and resolving issues as well as ensured that all issues were adequately addressed on a timely basis.
- Monitored the implementation of mitigating actions by Management on outstanding issues to ensure all key risks and control weaknesses are properly addressed.
- Reviewed the adequacy of the scope, functions, competency and resources of the internal audit function.
- Met with the internal auditors during the financial year on 26 September 2023 without the presence of Executive Directors and Management for discussion on internal audit related matters.

Internal Audit Function

The Group's internal audit function was outsourced to Crowe Governance Sdn Bhd ("Crowe"), which reports directly to the Audit Committee. The internal audit staff on the engagement were free from any relationships or conflict of interest that could impair their objectivity and independence. The internal audit reviews were conducted using a risk-based approach and were guided by the International Professional Practice Framework ("IPPF").

During FY 2023, the outsourced internal audit function conducted reviews in accordance with the risk-based internal audit plan approved by the Audit Committee.

Findings from the internal audit reviews, including the recommended corrective actions, were discussed with Senior Management and the relevant head of departments prior to presentation to the Audit Committee at their scheduled meetings on a quarterly basis.

In addition, follow up review was conducted to ensure that corrective actions were implemented in a timely manner. Based on the internal audit reviews conducted, none of the weaknesses noted caused any material loss, contingencies or uncertainties that would require a separate disclosure in this annual report.

The fee incurred for FY 2023 in relation to the outsourced internal audit functions was RM80,000, exclusive of service tax and out-of-pocket expenses.

d) Related Party Transactions

The AC had reviewed the related party transactions including the recurrent related party transactions on a quarterly basis to ensure that related parties were appropriately identified and that the persons connected thereto had declared their interests thereon the transactions and reported accordingly.

For FY 2023, the AC was satisfied that Mynews had complied with the financial and regulatory reporting where the related party transactions and recurrent related party transactions were carried out in the ordinary course of business and undertaken at arm's length, on normal commercial terms of Mynews which were not more favorable to the related parties than those generally available to the public and were not detrimental to the minority shareholders.



Risk Management Committee Report

The Risk Management Committee ("RMC") of Mynews is pleased to present its report for FY 2023.

The RMC was set up on 1 March 2018 to oversee the risk management of Mynews pursuant to MCCG.

Risk Management Committee Members

Chairman	:	Mr. Dang Tai Hock (Executive Director/Chief Executive Officer – Food)
Member	:	Ms. Soon Dee Hwee (Senior Independent Non-Executive Director)
Member	:	Pn. Latifah Binti Abdul Latiff (Independent Non-Executive Director)
Member	:	Mr. Christopher Koh Swee Kiat (Independent Non-Executive Director) (Appointed on 30 September 2023)

Number of Meetings Held and Details of Attendance

The attendance of the members at the RMC meetings held during FY 2023 is as follows:

	Members	Designation	Attendance of Meeting	
1	Mr. Dang Tai Hock	Chairman	4/4	100%
2	Ms. Soon Dee Hwee	Member	4/4	100%
3	Pn. Latifah Binti Abdul Latiff	Member	4/4	100%
4	Mr. Christopher Koh Swee Kiat (Appointed as RMC Member on 30 September 2023)	Member	1/1	100%
5	En. Mohd Suffian Bin Suboh (Resigned as RMC Member on 30 September 2023)	Member	3/3	100%

Composition Compliance

The RMC consists of four (4) members, three of them are independent, which satisfy the Corporate Governance requirement of majority independent directors.

Terms of Reference

The Terms of Reference of the RMC is available on the Company's website, www.mynews.com.my. The Board is satisfied that the RMC and each of the members have discharged their duties and responsibilities in accordance with its Terms of Reference.

Summary of Risk Management activities

The RMC assists the Board to oversee the risk management of the Group and ensures that there are sufficient and effective controls and initiatives put in place to manage the Group's risks. The Group has a formal risk management policy and framework approved by the Board and the RMC is supported by the Risk Management Department ("RMD") and an external risk consultant to discharge its responsibilities and role in overseeing the Group's risk management.

The Group has in place an on-going process for identifying, assessing and evaluating the principal risks that may affect the achievement of its goals and objectives. The Group's risk management framework is developed based on the principles and guidelines of the internationally recognized standard, ISO 31000 Risk Management - Guidelines.



Risk Management Committee Report

Summary of Risk Management activities (cont'd)

The Group maintains a Risks Register for the key risks of the Group, including their likelihood of occurrence, impact as well as controls and procedures in place to mitigate such risks. A risk management report is presented to the RMC on a half yearly basis by the RMD to report on the changes and updates to the risk profile of the business, highlight risk exposures and threats (if any), to allow RMC to assess the appropriateness of management's action plans to manage the risks within the Group's risk appetite.

The RMC carried out its oversight roles by evaluating key areas of risk exposure and changes in the risk profile. Such periodic review and updates of the risk profile are vital to enable the Board and Management to make informed decisions. The RMD and relevant departmental heads have proactively and frequently discussed significant risks and ultimately developed solutions or controls to effectively manage these risks affecting the Group's objectives. Besides the business risk profile, a Corruption Risk Profile was also developed and reviewed annually, to manage and prevent any corrupt schemes from occurring within Mynews' operations.

In order to achieve effective risk management across the Group, specific trainings on risk management were conducted by external trainers for all management staff, including directors. These trainings reinforced the Group's risk management framework, methodology and approach to improve their awareness throughout the organisation and enhance the risk management aspect in their day-to-day operations. In addition, a training on 'Corporate Liability – Anti-Bribery & Anti-Corruption' was also conducted to create greater understanding and awareness on this subject.

Control Environment

❖ Whistleblowing Policy

The Group has in place a whistleblowing policy that provides a mechanism to report concerns about any suspected misconduct, wrongdoing, corruption, fraud at Mynews workplace. The whistleblowing and complaints can reach out to the Audit Committee Chairperson at whistleblowing@mynews.com.my.

❖ Anti-Bribery and Anti-Corruption

The Group has adopted a zero-tolerance policy against all forms of bribery and corruption. Mynews is committed to prevent, deter and detect any form of fraud, bribery or any other corrupt business practices. It is Mynews' policy to conduct all its business activities with honesty, integrity and the highest possible ethical standards, and vigorously enforce its good business practices.

❖ Business Continuity Management ("BCM")

The Management recognises the importance of business continuity and sustainability. The Management has put in place a BCM to ensure that the Group is able to respond and recover quickly from any significant unexpected event which could disrupt its business activities.

Annual Review and Performance Evaluation

During the year, there was no report received via Whistleblowing and no corruption case was reported. The RMC had considered the risk management process during the year and deemed it to be effective in relation to identifying, assessing and monitoring the Group's risks. No major weaknesses have been found to have caused any material losses, contingencies or uncertainties.

Statement on Risk Management and Internal Control

INTRODUCTION

The Board is pleased to provide this Statement on Risk Management and Internal Control of Mynews for FY 2023 which is required pursuant to Paragraph 15.26(b) of the Listing Requirements.

BOARD RESPONSIBILITY

The Board is responsible for Mynews' risk management and internal control system and to ensure that it is adequate and effective. It also provides risk oversight, sets the tone at the top, develops risk culture and reviews the business objectives to be in line with the Group's risk profile. The Board recognises that the internal control system is designed to manage and minimise, rather than eliminate the risks and to provide reasonable but not absolute assurance against material losses or failure associated with risks to achieve Mynews' corporate objectives.

RISK MANAGEMENT

The Risk Management Committee ("RMC") has been established to assist the Board in ensuring the implementation of appropriate systems to manage the overall risk exposure of the Group. The RMC's roles include identifying significant risks, ensuring an effective risk management framework is in place to manage the overall risk exposure of the Group and regularly reviewing the effectiveness of the risk management framework.

The Risk Management Policy and Framework include all necessary policies and mechanisms to manage the overall risk exposure of Mynews, set out clear risk management guidelines and assess the level of risks in accordance with Mynews' risk appetite. The framework is in line with the principles and guidelines of ISO 31000 - Risk Management, to ensure the proper management of risks so as not to impede the achievement of Mynews' goals and objectives.

The RMC is supported by the Risk Management Department, and also engages an external risk consultant in its on-going process for identifying, assessing and evaluating the principal risks affecting Mynews.

INTERNAL CONTROL

Mynews' internal audit function is outsourced to Crowe Governance Sdn Bhd ("Crowe"), a professional service firm, to assist the Board and Audit Committee in providing independent assessment on the adequacy, integrity and effectiveness of the Group's internal control system. During FY 2023, the outsourced internal audit function carried out audits in accordance with the risk-based internal audit plan reviewed and approved by the Audit Committee. The internal audit was conducted using a risk-based approach and were guided by the International Professional Practice Framework ("IPPF").

The results of their review presented in the Internal Audit Report, which includes internal audit findings, priority ratings, root causes, implications, recommendations and management action plans were discussed with Senior Management and subsequently presented to the Audit Committee. Follow up visits were also conducted by Internal Auditors to ensure that management's action plans in respect of the matters highlighted in the internal audit reports have been adequately addressed.

Mynews also has an in-house Loss Prevention Department ("LPD"), formerly known as Internal Control Department, that carries out daily operational audits to assess and ensure that internal control measures are in place at the operational units, principally the retail outlets. LPD ensures that the control measures are effective and that the staff are conducting their activities in compliance with the respective Standard Operating Procedures. Observations, findings and action plans to rectify and improve the internal control measures and their effectiveness of the internal controls are reported to the respective Heads of Department and Senior Management.

The RMC and Senior Management frequently review the internal control mechanism to ensure that it provides the required level of assurance that the business is operating in an orderly manner and that the likelihood of a significant adverse impact on its objectives arising from a future event is at an acceptable level to Mynews.



Statement on Risk Management and Internal Control

INTERNAL CONTROL (cont'd)

Mynews' internal control system consists of the following key processes:

1. Organisation Structure – Mynews has a defined organisation structure with clear lines of accountability and responsibility. The Heads of Department are empowered with the responsibility of managing their respective operations.
2. Authority and Responsibility – The day-to-day operations of Mynews is guided by the approved authority matrix for reviewing and approval which is documented in the Delegation of Authority ("DOA"). The DOA is reviewed periodically and/or when the need arises to ensure that it stays relevant.
3. Management Meetings – Management meetings are held monthly and are attended by the Heads of Department to discuss on departmental and operational matters. Regular meetings are convened with the related departments to ensure smooth execution of projects planned.
4. Standard Operating Procedure ("SOP") – the SOPs collectively serves as instructions and guidance for work processes. It sets the rules and expectations, helps to enhance staff understanding, provides guidance of job expectations and develops consistency to everyday work. It also helps to protect the Group from knowledge loss and saves training cost and time on new staff. Each department's SOP is reviewed periodically to be aligned with the best practices in the industry.
5. Departmental Reporting Indicator ("DRI"). The DRI is an integral part of Mynews to measure, monitor, control and track performance. The DRI are sent by the Heads of Department to the Senior Management on monthly basis to identify the trends, the areas for improvement and understand the strength of Mynews.
6. Staff competency – work quality is regarded with utmost importance and it is Mynews' policy to provide training and develop programmes for its staff, for example, the front-end staff are trained on customer services and operational efficiencies before being posted to the outlets and thereafter are provided with on the job training on a regular basis. Management staff are trained internally or by external professionals to improve their competency and kept updated on the latest technical and/or regulatory updates to carry out their responsibilities towards achieving the Group's objectives.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

As required by Paragraph 15.23 of the Main Market Listing Requirements of Bursa Malaysia, the external auditors have reviewed this Statement on Risk Management and Internal Control. Their limited assurance review was performed in accordance with Audit and Assurance Practice Guide ("AAPG") 3 issued by the Malaysia Institute of Accountants. AAPG 3 does not require the external auditors to form an opinion on the adequacy and effectiveness on the risk management and internal control systems of the Group.

Based on the procedures formed, nothing had come to their attention that caused them to believe that the Statement on Risk Management and Internal Control set out above was not prepared, in all material aspects, in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management & Internal Control: Guidelines for Directors of Listed Issuers, nor was factually inaccurate.

CONCLUSION

The Board has reviewed the adequacy and effectiveness of the Group's Risk Management and Internal Control for the year under review and up to the date of approval of this statement for inclusion in the Annual Report, and is of the view that the Risk Management and Internal Control system has been satisfactory and there were no material losses incurred during the year under review as a result of internal control weakness or adverse compliance events.

The Executive Committee ("EXCO"), to the best of their knowledge and based on a review undertaken on the state of risk management and internal control have provided documented assurance to the Board that the Group's risk management and internal control system, in all material aspects, is operating adequately and effectively based on the internal control framework of the Group.

This Statement on Risk Management and Internal Control was approved by the Board on 22 January 2024.



Additional Compliance Information

The following information is provided in accordance with Chapter 9.25 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad as set out in Appendix 9C thereto.

1. Audit and non-audit fees

	Fees paid or made payable to Grant Thornton Malaysia PLT (RM'000)		
Description	Company	Subsidiaries	Total
Audit	48	168	216
Non-audit *	7	43	50
Total	55	211	266

*Comprised of tax services and review of Statement on Risk Management and Internal Control.

2. Recurrent Related Party Transactions ("RRPT")

Recurrent Related Party Transactions of a Revenue or Trading Nature conducted pursuant to the Shareholders' Mandate approved at the 10th Annual General Meeting held on 30 March 2023.

Related parties involved with Mynews Holdings Berhad and/or its subsidiaries	Nature of transaction	Relationship	Aggregate Value for financial year ended 31 October 2023 (RM'000)
Fruitty Candy Floss	Purchase of candy from Fruitty Candy Floss to sell at retail outlets	Dang Tai Gean ("DTG") is the sole proprietor of Fruitty Candy Floss. DTG is also a shareholder of the Company and brother of the Executive Directors and/or Major Shareholders of the Company.	290
Fruitty Candy Floss	Advertising and promotion income received from Fruitty Candy Floss for annual sales rebate, product placement fees and store support	DTG is the sole proprietor of Fruitty Candy Floss. DTG is also a shareholder of the Company and brother of the Executive Directors and/or Major Shareholders of the Company.	104
Marubishi Ingredients & Equipments (M) Sdn Bhd ("MIE")	Purchase of bakery raw materials and bakery production equipment and machineries by Mynews Ryoyupan Sdn Bhd ("MR") from MIE	MIE is a major shareholder of MRA Bakery Sdn Bhd ("MRA"), holding 20.5% of the shares in MRA.	3,204
Ryoyu Baking Co Ltd (Licensor)	MR pays Ryoyu Baking Co Ltd a License Fee of 0.2% of the sold bakery products	Ryoyu Baking Co Ltd is a shareholder of MRA, holding 20% of the shares in MRA.	18
MRA	MR pays to MRA 1% of the shipped sales at factory price quarterly for technical guidance provided	MRA is holding a 49% equity interest in MR, a major shareholder of MR.	108
MRA	MR pays the salary of General Manager for the technical support provided	MRA is holding a 49% equity interest in MR, a major shareholder of MR.	175
GK Asia Sdn Bhd ("GKA")	Mynews Kineya Sdn Bhd ("MK") pays for the staff secondment of Chef from GKA	GKA is holding a 49% equity interest in MK, a major shareholder of MK.	160
GKA	Rental income from GKA for the rental of an office in Mynews Retail Sdn Bhd	GKA is holding a 49% equity interest in MK, a major shareholder of MK.	7

3. Material Contracts Involving Directors, Major Shareholders and/or Persons Connected with Them

There were no material contracts involving directors, major shareholders and/or persons connected with them during FY 2023.



Additional Compliance Information

4. Utilisation of proceeds from corporate proposal

On 27 June 2023, the Company announced to undertake a placement of up to 68,200,000 new Mynews Shares ("Placement Shares"), representing not more than 10% of the total number of issued Mynews Shares in the Company ("Proposed Placement"). Bursa Securities has, vide its letter dated 7 July 2023, approved the listing and quotation of up to 68,200,000 Placement Shares on the Main Market of Bursa Securities.

The issue price of RM0.41 per Placement Share represents a discount of approximately 7.18% to the 5-day volume-weighted average price ("VWAP") of Mynews Shares and the Placement raised gross proceeds of RM27.96 million which was completed on 13 July 2023.

Utilisation of Proceeds from Private Placement as at 31 October 2023 are as follows:

Description of use of proceeds	Estimated timeframe for use of proceeds from the listing date of the Placement Shares	Amount RM'000	Re-allocation RM'000	Actual Utilisation RM'000	Balance to be utilised RM'000
Capital expenditure	Within 12 months	22,880	-	246	22,634
Working capital	Within 12 months	4,952	4	1,757	3,199
Defray estimated expenses relating to the Proposed Placement	Within 2 months	130	(4) ⁽ⁱ⁾	126	-
Total		27,962	-	2,129	25,833

Note:

- (i) A surplus of RM4,000 (of the RM130,000 allocated for the estimated listing expenses) was re-allocated to the working capital requirements of the Group.

Statement on Directors' Responsibility For the Audited Financial Statements

The Companies Act 2016 requires the Directors of the Company to prepare financial statements for each financial year which give a true and fair view of the financial position of the Company and of the Group as at the end of the financial year and of the results and cash flows of the Company and of the Group for the financial year.

The Directors are responsible to ensure that the Company and the Group keep proper accounting records to sufficiently explain all transactions and financial position of the Company and Group and that these records are accurate and reliable.

In the preparation of the financial statements the Directors have ensured that:

- The financial statements were prepared on a going concern basis and in compliance with all applicable accounting standards where material departures, if any, were disclosed;
- Appropriate accounting policies were adopted and consistently applied; and
- Estimates and judgements made were reasonable and prudent.

The Directors, also have the responsibility to ensure that the Company and the Group have a sound system of internal controls to safeguard their assets, to prevent and detect fraud and other irregularities and that all transactions are properly authorised and recorded to enable the preparation of true and fair financial statements.



DIRECTORS' REPORT

The Directors hereby submit their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 October 2023.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of its subsidiaries are disclosed in Note 8 to the Financial Statements.

There have been no significant changes in the nature of these principal activities of the Company and of its subsidiaries during the financial year.

FINANCIAL RESULTS

	Group RM'000	Company RM'000
Net (loss)/profit for the financial year	<u>(15,401)</u>	<u>33,501</u>
Attributable to:-		
Owners of the Company	(10,704)	
Non-controlling interests	<u>(4,697)</u>	
	<u>(15,401)</u>	

DIVIDENDS

Dividend declared since the end of the previous financial year are as follows:

	RM'000
Single-tier interim dividend of 0.5 sen per ordinary share in respect of the financial year ended 31 October 2023 and paid on 9 November 2023	<u>3,752</u>

The Board of Directors did not recommend any final dividend to be paid for the financial year ended 31 October 2023.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the Notes to the Financial Statements.

ULTIMATE HOLDING COMPANY

The holding company is D&D Consolidated Sdn. Bhd., a private limited liability company incorporated and domiciled in Malaysia. The Directors regard D&D Consolidated Sdn. Bhd. as ultimate holding company.



DIRECTORS

The Directors who held office during the financial year and up to date of this report are as follows:-

Dang Tai Luk*
 Soon Dee Hwee
 Dang Tai Hock*
 Latifah Binti Abdul Latiff
 Christopher Koh Swee Kiat
 Dang Tai Wen* (appointed on 30.9.2023)
 Ding Lien Bing* (resigned on 30.9.2023)
 Mohd Suffian Bin Suboh (resigned on 30.9.2023)

* Directors of the Company and its subsidiaries

The names of the Directors of the Company's subsidiaries in office during the financial year and up to the date of this report other than those named above are as follows:-

Toshiki Shimizu
 Hiroshi Chiyoda
 Manabu Fujimoto
 Tsuguru Imahashi
 Ding Lien Bing
 Blake Dang Kuok Siang
 Shigeaki Teraoka (appointed on 22.6.2023)
 Takanori Nakashima (appointed on 22.6.2023)
 Keiya Sato (resigned on 22.6.2023)
 Takehiko Abe (resigned on 22.6.2023)

DIRECTORS' INTERESTS

According to the Register of Directors' Shareholdings required to be kept under Section 59 of the Companies Act 2016, the interests and deemed interests in the ordinary shares of the Company and its related corporations of those who were Directors at the end of the financial year are as follows:-

	Balance at 1.11.2022/At the date of appointment	Number of ordinary shares		Balance at 31.10.2023
		Addition	Sold	
The Company				
<u>Direct interests</u>				
Soon Dee Hwee	400,000	-	-	400,000
Dang Tai Hock	3,653,900	100,000	-	3,753,900
<u>Indirect interests</u>				
Dang Tai Luk #	399,152,100	2,543,500	-	401,695,600
Dang Tai Wen #	399,152,100	2,543,500	-	401,695,600
Dang Tai Hock ##	395,498,200	2,443,500	-	397,941,700

Indirect interests by virtue of his shareholding in D&D Consolidated Sdn. Bhd., his parent's shareholding in Red Orchid Sdn. Bhd. and his brother, Dang Tai Hock's direct shareholding in the Company.

Indirect interests by virtue of his shareholding in D&D Consolidated Sdn. Bhd. and his parent's shareholding in Red Orchid Sdn. Bhd.



DIRECTORS' INTERESTS (CONT'D)

According to the Register of Directors' Shareholdings required to be kept under Section 59 of the Companies Act 2016, the interests and deemed interests in the ordinary shares of the Company and its related corporations of those who were Directors at the end of the financial year are as follows (cont'd):-

	Balance at 1.11.2022/At the date of <u>appointment</u>	<u>Number of ordinary shares</u>		Balance at <u>31.10.2023</u>
		<u>Addition</u>	<u>Sold</u>	
Direct interests in the shares of the holding company D&D Consolidated Sdn. Bhd.				
<u>Ordinary shares</u>				
Dang Tai Luk	4,341	-	-	4,341
Dang Tai Hock	3,241	-	-	3,241
Dang Tai Wen	1,648	-	-	1,648
<u>Preference shares</u>				
Dang Tai Hock	30,448	-	-	30,448
Dang Tai Wen	15,965	-	-	15,965

By virtue of their interests in the shares of the holding company, Dang Tai Luk, Dang Tai Hock and Dang Tai Wen are also deemed to have interests in the ordinary shares of its related corporations to the extent that the Company has an interest under Section 8 of the Companies Act 2016.

DIRECTORS' BENEFITS

During the financial year, the fees, salaries and other benefits received and receivable by the Directors of the Company are as follows:-

	<u>Incurred by the Company</u> RM'000	<u>Incurred by the Group subsidiaries</u> RM'000	<u>Total</u> RM'000
Directors' fee	270	-	270
Directors' salaries and other benefits	44	1,848	1,892
Defined contribution plan	-	350	350
Sub total	314	2,198	2,512
Benefit in kind	-	48	48
Total	314	2,246	2,560

During and at the end of the financial year, no arrangement subsisted to which the Company is a party, with the object or objects of enabling the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Since the end of the previous financial year, no Director has received or become entitled to receive any benefits (other than as disclosed in above) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest other than disclosed in Note 29 to the Financial Statements.



ISSUE OF SHARES AND DEBENTURES

During the financial year, the Company issued 68,200,000 new ordinary shares at the issue price of RM0.41 per ordinary share for the total cash consideration of RM27.96 million for capital expenditure and working capital purposes.

The new ordinary shares issued during the financial year rank pari passu in all respects with the existing ordinary shares of the Company.

INDEMNITY AND INSURANCE FOR DIRECTORS AND OFFICERS

The amounts of indemnity coverage and insurance premium paid for Directors and officers of the Company during the financial year were RM10,000,000 and RM19,090 respectively.

OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps:-

- (a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that there were no bad debts to be written off and no provision for doubtful debts was required; and
- (b) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including their values as shown in the accounting records of the Group and of the Company have been written down to an amount which they might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances:-

- (a) which would render it necessary to write off any bad debts or to make any provision for doubtful debts in the financial statements of the Group and of the Company; or
- (b) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
- (c) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or
- (d) not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

At the date of this report, there does not exist:-

- (a) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liability of any other person; or
- (b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

In the opinion of the Directors:-

- (a) no contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due;
- (b) the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and

OTHER STATUTORY INFORMATION (CONT'D)

In the opinion of the Directors (cont'd):-

- (c) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the current financial year in which this report is made.

AUDITORS

The Auditors, Grant Thornton Malaysia PLT, have expressed their willingness to continue in office.

The amount of audit and other fees paid to or payable to the auditors and its member firms by the Group and the Company for the financial year ended 31 October 2023 amounted to RM266,000 and RM55,200 respectively. Further details are disclosed in Note 25 to the Financial Statements.

The Group and the Company have agreed to indemnify the Auditors and its member firms, Grant Thornton Malaysia PLT to the extent permissible under the provisions of the Companies Act 2016 in Malaysia. However, no payment has been made arising from this indemnity for the financial year.

Signed on behalf of the Directors in accordance with a resolution of the Board of Directors.

DANG TAI LUK

DIRECTORS

.....
DANG TAI WEN

Kuala Lumpur
9 February 2024



STATEMENT BY DIRECTORS AND STATUTORY DECLARATION

STATEMENT BY DIRECTORS

In the opinion of the Directors, the financial statements set out on pages 87 to 155 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 October 2023 and of their financial performance and their cash flows for the financial year then ended.

Signed on behalf of the Directors in accordance with a resolution of the Board of Directors.

.....
DANG TAI LUK

Kuala Lumpur
9 February 2024

.....
DANG TAI WEN

STATUTORY DECLARATION

I, Lim Gim Choo, being the Officer primarily responsible for the financial management of Mynews Holdings Berhad do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 87 to 155 are correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by)
the abovenamed at Kuala Lumpur in)
the Federal Territory this day of)
9 February 2024)

.....
LIM GIM CHOO
(MIA No. 41435)
CHARTERED ACCOUNTANT

Before me:

RAMATHILAGAM A/P T RAMASAMY (W671)
Commissioner for Oaths



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MYNEWS HOLDINGS BERHAD

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Mynews Holdings Berhad, which comprise the statements of financial position of the Group and of the Company as at 31 October 2023, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 87 to 155.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 October 2023, and of their financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Group

Valuation and existence of inventories

The risk -

As at 31 October 2023, the Group's inventories balances amounting to RM91.9 million as disclosed in Note 13 to the Financial Statements is significant to the total assets of the Group. Valuation and existence of inventories were an audit focus area because of the numerous of outlets/locations that inventories were held at and the judgement applied in the valuation of inventories that measured at the lower of cost and net realisable value ("NRV"). At financial year end, the valuation of inventories is reviewed by management and the costs of inventories are reduced where inventories are forecasted to be sold below cost. Changes in these assumptions could result in a material change in the carrying value of inventories and the financial performance of the Group.



Report on the Audit of the Financial Statements (cont'd)

Key Audit Matters (cont'd)

Group (cont'd)

Valuation and existence of inventories (cont'd)

Our response -

In addressing this area of focus, we have performed, amongst others, the following procedures: -

- obtained an understanding and reviewed the internal control over the process of the inventories recognition.
- for a sample of inventory items, compared the unit cost to the last purchase invoices.
- obtained an understanding and reviewed the management's assessment of NRV of the inventories and on a sample basis, tested the subsequent selling price of inventories.
- examined the condition and existence of selected inventories by attending physical stock count at financial year end at selected locations.
- considered the adequacy of the Group's disclosures in respect of inventories valuation.

Revenue involving enormous volume of insignificant transactions

The risk -

The Group relies heavily on the information technology system to account for cash sales generated from outlets. The system processes high volume of transactions on a daily basis in order to accurately capture and record them in the Group's financial reporting system.

Revenue generated from cash sales is regarded as key audit matter because the amount of revenue contributed is significant to the financial statements of the Group and they involved in processing of large volume of individually insignificant transactions using the Group's information technology system. During the financial year, sales from outlets represented 91% of the Group's total revenue.

Our response -

In addressing this area of focus, we have performed, amongst others, the following procedures:-

- obtained an understanding and reviewed the internal control over the process of recording cash sales from outlets.
- tested the operating effectiveness of the information system control over cash sales process by performing test of control. We have also involved our internal information technology team to test the reliability of the system through the performance of information technology general control testing.
- test checked the reconciliation of cash receipts to the revenue recognised during the financial year.
- evaluated cash sales recorded close to the financial year end and cash sales after the financial year end to determine whether those transactions were recorded in the proper accounting period.

Right-of-use assets and leases involving significant volume

The risk -

Due to nature in convenience stores business, the Group has numerous of lease contracts and the significant amount of right-of-use assets have been identified and recognised as disclosed in Note 5 to the Financial Statements. Right-of-use assets and lease liabilities are regarded as key audit matter because it involved the extraction of large volume of data in preparing the leases schedule by the management and also required significant assumptions made by the management which includes determination of lease term, discount rate and others measurement principles.



Report on the Audit of the Financial Statements (cont'd)

Key Audit Matters (cont'd)

Group (cont'd)

Right-of-use assets and leases involving significant volume (cont'd)

Our response –

In addressing this area of focus, we have performed, amongst others, the following procedures:-

- obtained an understanding and reviewed the process of preparation of the leases schedule.
- tested the accuracy of the information stated in leases schedule by sighting to lease contracts.
- assessed the accounting treatment to ensure the compliance with the requirements of MFRS 16 including the appropriateness of the assumptions and judgement made by the management.
- recalculation performed to ensure mechanical accuracy of leases schedule provided.
- considered the adequacy of the disclosures in respect of leases.

Company

There is no key audit matter to be communicated in respect of the audit of the financial statements of the Company.

Information other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.



Report on the Audit of the Financial Statements (cont'd)

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:-

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identified during our audit.

We also provided the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



Report on the Audit of the Financial Statements (cont'd)

Auditors' Responsibilities for the Audit of the Financial Statements (cont'd)

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

GRANT THORNTON MALAYSIA PLT
(201906003682 & LLP0022494-LCA)
CHARTERED ACCOUNTANTS (AF 0737)

TAN VEER LEEN
(NO: 03627/12/2025 J)
CHARTERED ACCOUNTANT

Kuala Lumpur
9 February 2024



**STATEMENTS OF FINANCIAL POSITION
AS AT 31 OCTOBER 2023**

		Group		Company	
	<u>Note</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
		RM'000	RM'000	RM'000	RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	4	225,744	247,910	-	-
Right-of-use assets	5	205,048	208,491	-	-
Intangible asset	6	3,082	3,498	-	-
Investment properties	7	8,950	5,110	-	-
Investment in subsidiaries	8	-	-	245,740	214,897
Investment in jointly controlled entity	9	7,086	6,872	-	-
Deferred tax assets	10	837	837	-	-
Fixed deposits with licensed banks	11	-	168	-	-
Other receivables	12	277	-	-	-
Total non-current assets		451,024	472,886	245,740	214,897
Current assets					
Inventories	13	91,852	81,047	-	-
Contract assets	23	9,150	11,756	-	-
Trade receivables	14	4,583	3,934	-	-
Other receivables	12	27,481	31,628	3,761	11
Amount due from jointly controlled entity	9	-	80	-	-
Tax recoverable		1,920	6,213	-	4
Fixed deposits with licensed banks	11	26,801	768	26,533	-
Cash and bank balances		21,094	11,737	62	38
		182,881	147,163	30,356	53
Non-current asset held for sale	15	-	7,678	-	-
Total current assets		182,881	154,841	30,356	53
Total assets		633,905	627,727	276,096	214,950



Statements of Financial Position As at 31 October 2023 (cont'd)

		Group		Company	
	<u>Note</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
		RM'000	RM'000	RM'000	RM'000
EQUITY AND LIABILITIES					
Equity					
Equity attributable to owners of the Company:-					
Share capital	16	229,417	201,581	229,417	201,581
Revaluation reserve	17	23,555	17,950	-	-
Merger deficit	18	(45,952)	(45,952)	-	-
Retained earnings		31,547	46,003	42,842	13,093
		238,567	219,582	272,259	214,674
Non-controlling interests		(1,949)	2,748	-	-
Total equity		236,618	222,330	272,259	214,674
Liabilities					
Non-current liabilities					
Other payables	19	12,607	11,391	-	-
Bank borrowings	20	49,642	48,070	-	-
Lease liabilities	5	106,695	115,783	-	-
Deferred tax liabilities	21	13,282	7,100	-	-
Total non-current liabilities		182,226	182,344	-	-
Current liabilities					
Trade payables	22	82,569	73,210	-	-
Other payables	19	43,357	63,128	3,804	276
Contract liabilities	23	1,502	1,844	-	-
Bank borrowings	20	39,241	42,432	-	-
Lease liabilities	5	48,213	42,439	-	-
Amount due to jointly controlled entity	9	179	-	-	-
Tax payable		-	-	33	-
Total current liabilities		215,061	223,053	3,837	276
Total liabilities		397,287	405,397	3,837	276
Total equity and liabilities		633,905	627,727	276,096	214,950

The accompanying notes form an integral part of the financial statements.



**STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2023**

		Group		Company	
	<u>Note</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
		RM'000	RM'000	RM'000	RM'000
Revenue	23	730,240	631,333	33,900	600
Cost of sales		<u>(474,358)</u>	<u>(418,885)</u>	<u>-</u>	<u>-</u>
Gross profit		255,882	212,448	33,900	600
Finance income		690	204	284	-
Other income	24	3,735	2,075	-	-
Administration expenses		(36,341)	(33,107)	(616)	(598)
Selling and distribution expenses		(143,211)	(126,882)	-	-
Other expenses	24	(79,393)	(68,484)	-	-
Fair value gain on investment properties	7	418	678	-	-
Finance costs		(11,271)	(8,818)	-	-
Share of profit of jointly controlled entity	9	<u>2,214</u>	<u>833</u>	<u>-</u>	<u>-</u>
(Loss)/profit before tax	25	(7,277)	(21,053)	33,568	2
Tax expense	26	<u>(8,124)</u>	<u>(2,546)</u>	<u>(67)</u>	<u>-</u>
Net (loss)/profit for the financial year		(15,401)	(23,599)	33,501	2
Other comprehensive income:					
Item that will not be reclassified subsequently to profit or loss					
Revaluation surplus on land and buildings, net of tax	17	<u>5,605</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total comprehensive (loss)/income		<u><u>(9,796)</u></u>	<u><u>(23,599)</u></u>	<u><u>33,501</u></u>	<u><u>2</u></u>
Net (loss)/profit for the financial year attributable to:					
Owners of the Company		(10,704)	(19,618)	33,501	2
Non-controlling interests		<u>(4,697)</u>	<u>(3,981)</u>	<u>-</u>	<u>-</u>
		<u><u>(15,401)</u></u>	<u><u>(23,599)</u></u>	<u><u>33,501</u></u>	<u><u>2</u></u>



**Statements of Profit or Loss and Other Comprehensive Income
For the Financial Year Ended 31 October 2023 (cont'd)**

	<u>Note</u>	<u>2023</u> RM'000	<u>2022</u> RM'000	<u>2023</u> RM'000	<u>2022</u> RM'000
		Group		Company	
Total comprehensive (loss)/income attributable to:					
Owners of the Company		(5,099)	(19,618)	33,501	2
Non-controlling interests		<u>(4,697)</u>	<u>(3,981)</u>	<u>-</u>	<u>-</u>
		<u>(9,796)</u>	<u>(23,599)</u>	<u>33,501</u>	<u>2</u>
Earnings per share					
Basic/diluted loss per share attributable to owners of the Company (sen)	27	<u>(1.52)</u>	<u>(2.88)</u>		

The accompanying notes form an integral part of the financial statements.



**STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2023**

	Note	Non-distributable			Distributable		Non-controlling interests	Total
		Share capital	Revaluation reserve	Merger deficit	Retained earnings	Total		
Group		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance at 1 November 2021		201,581	17,950	(45,952)	65,621	239,200	6,729	245,929
Net loss/total comprehensive loss for the financial year		-	-	-	(19,618)	(19,618)	(3,981)	(23,599)
Balance at 31 October 2022		201,581	17,950	(45,952)	46,003	219,582	2,748	222,330
Transactions with owners:								
Dividends to owners of the Company	33	-	-	-	(3,752)	(3,752)	-	(3,752)
Issuance of ordinary shares	16	27,836	-	-	-	27,836	-	27,836
Total transactions with owners		27,836	-	-	(3,752)	24,084	-	24,084
Net loss for the financial year		-	-	-	(10,704)	(10,704)	(4,697)	(15,401)
Other comprehensive income for the financial year	17	-	5,605	-	-	5,605	-	5,605
Total comprehensive income/(loss) for the financial year		-	5,605	-	(10,704)	(5,099)	(4,697)	(9,796)
Balance at 31 October 2023		229,417	23,555	(45,952)	31,547	238,567	(1,949)	236,618



**Statements of Changes in Equity
For the Financial Year Ended 31 October 2023 (cont'd)**

			Distributable	
	<u>Note</u>	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
		RM'000	RM'000	RM'000
Company				
Balance at 1 November 2021		201,581	13,091	214,672
Total comprehensive income for the financial year		-	2	2
Balance at 31 October 2022		201,581	13,093	214,674
Transactions with owners:				
Dividends to owners of the Company	33	-	(3,752)	(3,752)
Issuance of ordinary shares	16	27,836	-	27,836
Total transactions with owners		27,836	(3,752)	24,084
Total comprehensive income for the financial year		-	33,501	33,501
Balance at 31 October 2023		229,417	42,842	272,259

The accompanying notes form an integral part of the financial statements.



STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2023

	Group		Company	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	RM'000	RM'000	RM'000	RM'000
OPERATING ACTIVITIES				
(Loss)/profit before tax	(7,277)	(21,053)	33,568	2
Adjustments for:				
Amortisation of intangible asset	416	416	-	-
Depreciation of property, plant and equipment	29,553	27,345	-	-
Depreciation of right-of-use assets	50,716	40,869	-	-
Dividend income from other investments	-	(1)	-	-
Dividend income from subsidiaries	-	-	(33,900)	(600)
Gain on disposal of investment properties	(800)	-	-	-
Gain on disposal of non-current asset held for sale	(243)	-	-	-
Gain on disposal of right-of-use assets	-	(70)	-	-
Gain on modification/termination of leases	(49)	(154)	-	-
Fair value gain on investment properties	(418)	(678)	-	-
Finance costs	11,271	8,818	-	-
Finance income	(690)	(204)	(284)	-
Inventories written off and wastages	21,724	20,944	-	-
Loss on disposal of property, plant and equipment	33	364	-	-
Property, plant and equipment written off	2,051	2,695	-	-
Rental rebates	(783)	(1,719)	-	-
Share of profit of jointly controlled entity	(2,214)	(833)	-	-
Operating profit/(loss) before working capital changes	103,290	76,739	(616)	(598)
Changes in working capital:-				
Inventories	(32,529)	(43,213)	-	-
Receivables	3,595	1,747	(3,750)	-
Payables	(14,501)	54,488	3,528	(2)
Jointly controlled entity	259	(42)	-	-
Contract assets	2,606	1,234	-	-
Contract liabilities	(342)	319	-	-
Cash generated from/(used in) operations	62,378	91,272	(838)	(600)



Statements of Cash Flows
For the Financial Year Ended 31 October 2023 (cont'd)

		Group		Company	
	<u>Note</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
		RM'000	RM'000	RM'000	RM'000
OPERATING ACTIVITIES (CONT'D)					
Tax refunded		1,522	7	4	-
Tax paid		(647)	(1,138)	(36)	-
Net cash from/(used in) operating activities		63,253	90,141	(870)	(600)
INVESTING ACTIVITIES					
Dividend received from a subsidiary		-	-	150	600
Dividend received from jointly controlled entity		2,000	-	-	-
Dividend received from other investments		-	1	-	-
Finance income received		690	204	284	-
Income from lease receivables		70	-	-	-
Investment in subsidiaries		-	-	(9,543)	-
Proceeds from capital reduction in a subsidiary		-	-	8,700	-
Proceeds from disposal of other investments - quoted shares		-	177	-	-
Proceeds from disposal of investment properties		4,000	-	-	-
Proceeds from disposal of non-current asset held for sale		7,921	-	-	-
Proceeds from disposal of property, plant and equipment		48	60	-	-
Proceeds from disposal of right-of-use assets		-	155	-	-
Purchase of property, plant and equipment		(11,924)	(71,388)	-	-
Purchase of right-of-use assets	A	(218)	-	-	-
Upliftment/(placement) of fixed deposits pledged		936	(34)	-	-
Net cash from/(used in) investing activities		3,523	(70,825)	(409)	600



Statements of Cash Flows
For the Financial Year Ended 31 October 2023 (cont'd)

	<u>Note</u>	<u>2023</u> RM'000	<u>2022</u> RM'000	<u>Company</u> <u>2023</u> RM'000	<u>2022</u> RM'000
FINANCING ACTIVITIES					
Drawdown of bank borrowings	B	63,112	51,990	-	-
Finance cost paid		(11,183)	(8,818)	-	-
Loan from a corporate shareholder of a subsidiary	B	1,000	2,951	-	-
Payment of lease liabilities	B	(46,652)	(36,565)	-	-
Proceeds from issue of share capital (net)		27,836	-	27,836	-
Repayment of bank borrowings	B	(64,731)	(32,473)	-	-
Net cash (used in)/from financing activities		(30,618)	(22,915)	27,836	-
CASH AND CASH EQUIVALENTS					
Net changes		36,158	(3,599)	26,557	-
At beginning of financial year		11,737	15,336	38	38
At end of financial year	C	47,895	11,737	26,595	38



Statements of Cash Flows
For the Financial Year Ended 31 October 2023 (cont'd)

NOTES TO THE STATEMENTS OF CASH FLOWS

A. PURCHASE OF RIGHT-OF-USE ASSETS

During the financial year, the Group has made the following cash payment on right-of-use assets:-

	<u>Notes</u>	Group <u>2023</u> RM'000	<u>2022</u> RM'000
Addition of right-of-use assets	5	39,352	96,338
Lease liabilities financed by lease arrangement	5	(38,669)	(92,746)
Provision of restoration cost	19	(765)	(3,592)
Lease incentive reversed from other payable**		300	-
		<u>218</u>	<u>-</u>

** Being lease incentive granted from landlord

B. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

Group	<u>At beginning of financial year</u> RM'000	<u>Others</u> RM'000	<u>Cash flows</u> RM'000	<u>At end of financial year</u> RM'000
2023				
Lease liabilities	158,222	43,338 (a)	(46,652)	154,908
Loan from corporate shareholders of subsidiaries	2,951	88 (c)	1,000	4,039
Bank borrowings	<u>90,502</u>	<u>-</u>	<u>(1,619) (b)</u>	<u>88,883</u>
2022				
Lease liabilities	87,618	107,169 (a)	(36,565)	158,222
Loan from corporate shareholders of subsidiaries	-	-	2,951	2,951
Bank borrowings	<u>70,985</u>	<u>-</u>	<u>19,517 (b)</u>	<u>90,502</u>

(a) Being additions, lease modification/termination and rental rebates of lease liabilities as disclosed in Note 5 to the Financial Statements.

(b) The amounts are net of drawdown and repayment during the financial year.

(c) Being unpaid interest during the financial year.



Statements of Cash Flows
For the Financial Year Ended 31 October 2023 (cont'd)

NOTES TO THE STATEMENTS OF CASH FLOWS (CONT'D)

C. CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the Statements of Cash Flows comprise the following:-

	Group		Company	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	RM'000	RM'000	RM'000	RM'000
Fixed deposits with licensed banks	26,801	936	26,533	-
Cash and bank balances	<u>21,094</u>	<u>11,737</u>	<u>62</u>	<u>38</u>
	47,895	12,673	26,595	38
Less: Fixed deposits pledged to licensed banks (Note 11)	-	(168)	-	-
Less: Fixed deposits with maturity more than 3 months	<u>-</u>	<u>(768)</u>	<u>-</u>	<u>-</u>
	<u><u>47,895</u></u>	<u><u>11,737</u></u>	<u><u>26,595</u></u>	<u><u>38</u></u>

D. CASH OUTFLOWS FOR LEASES AS A LESSEE

		Group	
	<u>Notes</u>	<u>2023</u>	<u>2022</u>
		RM'000	RM'000
<u>Included in net cash flows from operating activities:-</u>			
Payment relating to short-term leases	5	762	5,813
Payment relating to variable lease payments not included in the measurement of lease liabilities	5	2,756	1,246
<u>Included in net cash flows used in financing activities:-</u>			
Payment of lease liabilities		46,652	36,565
Payment on interest of lease liabilities	5	<u>6,856</u>	<u>5,687</u>
		<u><u>57,026</u></u>	<u><u>49,311</u></u>

The accompanying notes form an integral part of the financial statements.



NOTES TO THE FINANCIAL STATEMENTS 31 OCTOBER 2023

1. GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad.

The registered office and principal place of business of the Company is located at Lot No. 3, Jalan Teknologi 3/1, Taman Sains Selangor 1, Seksyen 3, PJU 5, Kota Damansara, 47810 Petaling Jaya, Selangor Darul Ehsan.

The principal activity of the Company is investment holding. The principal activities of its subsidiaries are disclosed in Note 8 to the Financial Statements.

There have been no significant changes in the nature of these principal activities of the Company and its subsidiaries during the financial year.

The holding company is D&D Consolidated Sdn. Bhd., a private limited liability company incorporated and domiciled in Malaysia. The Directors regard D&D Consolidated Sdn. Bhd. as ultimate holding company.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Board of Directors passed on 9 February 2024.

2. BASIS OF PREPARATION

2.1 Fundamental accounting concept

During the financial year, the Group reported a narrow loss of RM15.4 million (2022: RM23.6 million). As at 31 October 2023, the Group's current liabilities exceeded its current assets by RM32.2 million (2022: RM68.2 million), which has shown a significant improvement.

The Group believes that it will continue to enjoy the existing credit facilities granted by the banks as it has not defaulted on any repayment obligations for the financial year. Together with that, the Group was able to generate net operating cash inflows of RM63.2 million (2022: RM90.1 million) for the financial year. In view thereof and barring any unforeseen circumstances, management believes that with the existing credit lines granted by the banks and the positive outlook in the retail industry in 2024, the Group will be continuing to generate sufficient cash flow to meet its obligations, stores expansion and working capital needs for the next financial year.

The Group continuously monitors its working capital management and right sizes of its operational and financial resources to optimise cost efficiencies. The Directors have, to the best of their abilities, prepared cash flow projection encompassing 12 months after the end of the reporting date that incorporates the estimated impact of the measures described in the preceding paragraphs. As at the date of authorisation of these financial statements, the cash flow projection supports the notion that the Group is able to generate sufficient cash flows for the next 12 months after the end of the reporting date to meet cash flow requirements, realise assets and discharge liabilities in the normal course of business of the Group.

In view of the foregoing, the Directors consider that it is appropriate to prepare the financial statements of the Group on a going concern basis and accordingly the financial statements do not include any adjustments relating to the recoverability and classification of recorded assets amounts or to the amounts and classification of the liabilities that may be necessary should the Group be unable to continue as a going concern.

2.2 Statement of compliance

The financial statements of the Group and of the Company 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.



2. BASIS OF PREPARATION (CONT'D)

2.3 Basis of measurement

The financial statements of the Group and of the Company are prepared under the historical cost convention, except for certain properties and financial instruments that are measured at revalued amounts or fair values at the end of the reporting date as indicated in the summary of significant accounting policies.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible to by the Group and the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial market takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group and the Company use valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure for value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to their fair value measurement as a whole:-

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to their fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to their fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group and the Company determine whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to their fair value measurement as a whole) at the end of each reporting date.

For the purpose of fair value disclosures, the Group and the Company have determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of fair value hierarchy as explained above.

2.4 Functional and presentation currency

The financial statements are presented in Ringgit Malaysia ("RM"), which is the Group's and the Company's functional currency and all values are rounded to the nearest RM'000 except when otherwise stated.



2. BASIS OF PREPARATION (CONT'D)

2.5 Adoption of new standards/amendments/improvements to MFRS

The Group and the Company have consistently applied the accounting policies set out in Note 3 to all years presented in these financial statements.

At the beginning of the current financial year, the Group and the Company adopted new standards/amendments/improvements to MFRSs which are mandatory for the current financial year.

Initial application of the new standards/amendments/improvements to the standards did not have material financial impact to the financial statements.

2.6 Standards issued but not yet effective

The Group and the Company have not applied the following MFRS and amendments to MFRSs that have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective for the Group and the Company:-

MFRS and Amendments to MFRS effective 1 January 2023:-

MFRS 17 and amendments to MFRS 17*#	Insurance Contracts
Amendments to MFRS 17*#	Initial Application of MFRS 17 and MFRS 9 - Comparative Information
Amendments to MFRS 101	Presentation of Financial Statements - Disclosure of Accounting Policies
Amendments to MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates
Amendments to MFRS 112*	Income Taxes - Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to MFRS 112*#	Income Taxes – International Tax Reform: Pillar Two Model Rules

Amendments to MFRSs and MFRS – effective 1 January 2024:-

Amendments to MFRS 16	Leases - Lease Liability in a Sale and Leaseback
Amendments to MFRS 101	Presentation of Financial Statements - Non-Current Liabilities with Covenants
Amendments to MFRS 101	Presentation of Financial Statements: Classification of Liabilities as Current or Non-Current
Amendments to MFRS 107 and MFRS 7	Statement of Cash Flows and Financial Instruments: Disclosures – Supplier Finance Arrangement

MFRS and Amendments to MFRS effective 1 January 2025:-

Amendments to MFRS 121*#	The Effect of Changes in Foreign Exchange Rates - Lack of Exchangeability
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Amendments to MFRSs – effective date deferred indefinitely:-

Amendments to MFRS 10 and 128#	Consolidated Financial Statements and Investment in Associate and Joint Venture - Sale or Contribution of Assets between an Investor and its Associates or Joint Ventures
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* Not applicable to the Group's operations

Not applicable to the Company's operations

The initial application of the above standards and amendments are not expected to have any significant financial impacts to the financial statements.



2. BASIS OF PREPARATION (CONT'D)

2.7 Significant accounting estimates and judgements

Estimates, assumptions concerning the future and judgements are made in the preparation of the financial statements. They affect the application of the Group's and the Company's accounting policies and reported amounts of assets, liabilities, income and expenses, and disclosures made. They are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances. The actual result may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

2.7.1 Estimation uncertainty

Information about significant judgements, estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses are discussed below:-

Revaluation of property, plant and equipment and right-of-use assets

The Group measures its land and buildings at revalued amounts with changes in fair value being recognised in other comprehensive income. The Group engages independent valuation specialists to determine the fair value.

The carrying amount of the land and buildings at the reporting date and the relevant revaluation basis are disclosed in Notes 4 and 5 to the Financial Statements.

Fair value of investment properties

The Group measures its investment properties at fair value with changes in fair value being recognised in profit or loss. The Group engages independent valuation specialists to determine fair values.

The carrying amount of the investment properties at the reporting date and the relevant revaluation basis are disclosed in Note 7 to the Financial Statements.

Useful lives of depreciable assets

Management estimates the useful lives of the property, plant and equipment to be within 5 to 50 years and reviews the useful lives of depreciable assets at each reporting date. As at 31 October 2023, management assesses that the useful lives represent the expected utility of the assets to the Group. Actual results, however, may vary due to changes in the expected level of usage and technological developments, resulting in the adjustment to the Group's assets.

The carrying amount of the Group's property, plant and equipment at the reporting date is disclosed in Note 4 to the Financial Statements.

Amortisation of intangible asset

Intangible asset is amortised for a period of 10 years based on management estimated useful life.

The carrying amount of the Group's intangible asset at the reporting date is disclosed in Note 6 to the Financial Statements.

Impairment of non-financial assets

An impairment loss is recognised for the amount by which the asset's or cash generating unit's carrying amount exceeds its recoverable amount. To determine the recoverable amount, management estimates expected future cash flows from each cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. In the process of measuring expected future cash flows, management makes assumptions about future operating results. The actual results may vary, and may cause significant adjustments to the Group's assets within the next financial year.

In most cases, determining the applicable discount rate involves estimating the appropriate adjustment to asset-specific risk factors.



2. **BASIS OF PREPARATION (CONT'D)**

2.7 **Significant accounting estimates and judgements (cont'd)**

2.7.1 **Estimation uncertainty (cont'd)**

Inventories

Inventories are measured at the lower of cost and net realisable value. In estimating net realisable values, management takes into account the most reliable evidence available at the time the estimates are made. The Group's core business is subject to social preference and economical changes which may cause selling prices to change rapidly and the Group's result to change.

The management reviews inventories to identify damaged, obsolete and slow-moving inventories which require judgement and changes in such estimates could result in revision to the valuation of inventories.

The carrying amount of the Group's inventories at the reporting date is disclosed in Note 13 to the Financial Statements.

Provision for expected credit losses ("ECLs") of receivables and contract assets

The Group uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast of economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's trade receivables and contract assets is disclosed in Note 32.1 to the Financial Statements.

Recognition of rebates and incentives income from suppliers

The suppliers provide various incentives and rebates which include volume rebates, display and promotional incentives, and etc.

Certain incentives and rebates recognised in profit or loss were estimated based on terms and rates in trade agreements entered into with suppliers. Actual amounts received from suppliers may differ from the amounts initially estimated.

Recognition of loyalty points programme

The fair value of the customer loyalty points programme is estimated by reference to the monetary value attributable to the awarded gift redemption and rebates.

The loyalty points programme is based on the best estimate of future redemption profile. All the estimates are reviewed on an annual basis or where there is indication of a material change.



2. BASIS OF PREPARATION (CONT'D)

2.7 Significant accounting estimates and judgements (cont'd)

2.7.1 Estimation uncertainty (cont'd)

Fair value of financial instruments

The fair value of financial instruments is based on active market quotes. Details of the assumptions used are given in the notes regarding financial assets and liabilities. In applying the valuation techniques, management makes maximum use of market inputs and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses its best estimate about the assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the end of the reporting date.

Provision for restoration costs

As part of the identification and measurement of right-of-use assets, the Group has recognised a provision for restoration costs. In determining the fair value of the provision, assumptions and estimates are made in relation to the expected cost to remove the facilities and restoring the premises. The carrying amount of the provision at the reporting date is disclosed in Note 19 to the Financial Statements.

Leases - estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate ("IBR") to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease.

Income taxes and deferred tax liabilities

Significant judgement is involved in determining the Group's provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises tax liabilities based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax and deferred tax provisions in the period in which such determination is made.

Deferred tax assets

Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which all the deductible temporary differences can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

The Group has RM56.7 million (2022: RM35.1 million) of tax losses carried forward. These losses relate to subsidiaries that have a history of losses, do not expire, and may not be used to offset taxable income elsewhere in the Group. The subsidiaries neither have any taxable temporary difference nor any tax planning opportunities available that could partly support the recognition of these losses as deferred tax assets. On this basis, the Group has determined that it cannot recognise deferred tax assets on the tax losses carried forward.



2. BASIS OF PREPARATION (CONT'D)

2.7 Significant accounting estimates and judgements (cont'd)

2.7.2 Significant management judgements (cont'd)

Classification between investment properties and owner-occupied properties

The Group determines whether a property qualifies as an investment property and has developed a criteria in making that judgement. Investment property is a property held to earn rentals or for capital appreciation or both.

Certain properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use for administrative purposes. The Group accounts for the portions separately if the portions could be sold separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use for administrative purposes.

Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as an investment property.

Determining the lease term of contracts with renewal options

The Group determines the lease term with any periods covered by an option to extend the lease if it is reasonably certain to be exercised.

The Group has numerous lease contracts that include extension options. The Group applies judgement in evaluating whether to exercise the option to renew the lease. It considers all relevant factors that create an economic incentive for it to exercise the renewal option. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew.

The Group includes the renewal period as part of the lease term for such leases. The Group typically exercises its option to renew for those leases with renewal option.

3. SIGNIFICANT ACCOUNTING POLICIES

The Group and the Company apply the significant accounting policies, as summarised below, consistently throughout all years presented in these financial statements, except when otherwise stated.

3.1 Consolidation

3.1.1 Basis of consolidation

The Group's financial statements consolidate the audited financial statements of the Company and all of its subsidiaries, which have been prepared in accordance with the Group's accounting policies. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group. The financial statements of the Company and its subsidiaries are all drawn up to the same reporting date.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

Subsidiaries are consolidated from the date on which control is transferred to the Group and are no longer consolidated from the date that control ceases.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the parent.



3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 Consolidation (cont'd)

3.1.1 Basis of consolidation (cont'd)

Merger method

A business combination involving entities under common control is a business combination in which all the combining entities or business are ultimately controlled by same party or parties both before or after the business combination, and that control is not transitory. The acquisition of Mynews Retail Sdn. Bhd., Mynews Kuku Sdn. Bhd., Mycu Retail Sdn. Bhd. and Mymar Sdn. Bhd. (formerly known as Bison Foods Sdn. Bhd.), resulted in a business involving common control entities since the management of all the entities which took part in the acquisition were controlled by common Directors and under common shareholders before and immediately after the acquisition, and accordingly the accounting treatment is outside the scope of MFRS 3. For such common control business combinations, the merger accounting principles are used to include the assets, liabilities, results, equity changes and cash flows of the combining entities in the consolidated financial statements.

Under the merger method of accounting, the results of subsidiary are presented as if the merger had been effected throughout the current and previous years. The assets and liabilities combined are accounted for based on the carrying amounts from the perspective of the common control shareholders at the date of transfer. On consolidation, the cost of the merger is cancelled with the values of the shares received. Any resulting credit difference is classified as equity and regarded as a non-distributable reserve. Any resulting debit difference is adjusted against any suitable reserve. Any reserves which are attributable to share capital of the merged entities, to the extent that they have not been capitalised by a debit difference, are reclassified and presented as movement in other capital reserves.

Acquisition method

The Company applies the acquisition method for those entities controlled by the Company. Under the acquisition method of accounting, the cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the Group elects whether it measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed off and included in administrative expenses.

3.1.2 Joint arrangement

A joint venture is a type of joint arrangement whereby the parties having joint control of the arrangement have rights to the net assets of the joint venture. Joint control is contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The Group's investment in its joint venture is accounted for using the equity method. Under the equity method, investment in a joint venture is carried in the consolidated statement of financial position at cost plus post-acquisition changes in the Group's share of net assets of the joint venture since the acquisition date. Goodwill relating to the joint venture is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment.

The share of the result of a joint venture is reflected in profit or loss. Any change in other comprehensive income of those investees is presented as part of the Group's other comprehensive income. In addition, where there has been a change recognised directly in the equity of a joint venture, the Group recognises its share of any changes and discloses this, when applicable, in the statements of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the joint venture are eliminated to the extent of the interest in the joint venture.

The aggregate of the Group's share of profit or loss of a joint venture is shown on the face of the consolidated statement of profit or loss and other comprehensive income outside operating profit.

When the Group's share of losses exceeds its interest in a joint venture, the carrying amount of that interest including any long-term investment is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the joint venture.



3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 Consolidation (cont'd)

3.1.2 Joint arrangement (cont'd)

The financial statements of the joint venture are prepared as of the same reporting period as the Group. Where necessary, adjustments are made to bring the accounting policies of the joint venture in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investments in its joint venture. The Group determines at end of the reporting year whether there is any objective evidence that the investment in the joint venture is impaired.

If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the joint venture and their carrying value, then recognises the amount in the "share of profit of investment accounted for using the equity method" in profit or loss.

Upon loss of significant influence over the joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

When the Group's interest in a joint venture decrease but does not result in a loss of significant influence, any retained interest is not re-measured. Any gain or loss arising from the decrease in interest is recognised in profit or loss. Any gains or losses previously recognised in other comprehensive income are also reclassified proportionately to the profit or loss if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

3.1.3 Non-controlling interests

Non-controlling interests at the end of the reporting date, being the equity in subsidiaries not attributable directly or indirectly to the equity holders of the Company, are presented in the consolidated statement of financial position and statement of changes in equity within equity, separately from equity attributable to the owners of the Company. Non-controlling interests in the results of the Group is presented in the consolidated statement of profit or loss and other comprehensive income as an allocation of the profit or loss and the comprehensive income for the year between non-controlling interests and the owners of the Company.

Losses applicable to the non-controlling interests in subsidiaries are allocated to the non-controlling interests even if that results in a deficit balance.

3.2 Property, plant and equipment

Property, plant and equipment, except for land and buildings, are measured at cost less accumulated depreciation and accumulated impairment losses, if any. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Land and buildings are initially measured at cost and subsequently measured at fair value less accumulated depreciation and accumulated impairment losses, if any, after the date of the revaluation. Valuations are performed with sufficient regularity, usually every five years, to ensure that the carrying amount does not differ materially from the fair value of the land and buildings at the end of the reporting date.

As at the date of revaluation, accumulated depreciation, if any, is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Any revaluation surplus arising upon appraisal of land and buildings is recognised in other comprehensive income and credited to the 'revaluation reserve' in equity.



3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.2 Property, plant and equipment (cont'd)

To the extent that any revaluation decreases or impairment loss has previously been recognised in profit or loss, a revaluation increase is credited to profit or loss with the remaining part of the increase recognised in other comprehensive income. Downward revaluations of land and buildings are recognised upon appraisal or impairment testing, with the decrease being charged to other comprehensive income to the extent of any revaluation surplus in equity relating to this asset and any remaining decrease recognised in profit or loss. Any revaluation surplus remaining in equity on disposal of the asset is transferred to other comprehensive income.

Depreciation is recognised on the straight-line method in order to write off the cost or valuation of each asset over its estimated useful life. Freehold land with an infinite life is not depreciated.

The principal annual depreciation rates used are as follows:-

Buildings	2%
Computers and software	20%
Furniture, fittings, renovation and electrical installation	10%
Motor vehicles	20%
Office/warehouse equipment and signboards	10%
Kitchen equipment, plant and machinery	10%

Capital work-in-progress consists of renovation of outlet premises in progress. The amount is measured at cost and not depreciated until they are completed and ready for their intended use.

The residual values, useful lives and depreciation method are reviewed for impairment when events or changes in circumstances indicate that the carrying amounts may not be recoverable, or at least annually to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

Property, plant and equipment are derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amounts of the assets and are recognised in profit or loss.

3.3 Intangible asset

Intangible asset which consists of licensing fee is measured on initial recognition at cost. Following initial recognition, intangible asset is carried at cost less accumulated amortisation and any accumulated impairment losses.

The licensing fee with finite life is amortised on straight-line basis over the estimated economic useful life of 10 years and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each reporting date. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and is treated as changes in accounting estimates. The amortisation expense on intangible asset with finite useful life is recognised in the profit or loss in the expense category consistent with the function of the intangible asset.

Gain or loss arising from derecognition of an intangible asset is measured as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in the profit or loss when the asset is derecognised.



3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.4 Investment properties

Investment properties are properties which are owned or held under a leasehold interest to earn rental income or for capital appreciation or both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Right-of-use assets that meet the definition of investment properties in accordance with MFRS 140 are presented in the statement of financial position as investment property. Subsequent measurement of the right-of-use asset is consistent with those investment properties owned by the Group.

Investment properties are initially measured at cost, including transaction costs. Cost includes expenditures that are directly attributable to the acquisition of the investment properties.

Subsequent to initial recognition, investment properties are measured at fair value and are revalued annually and are included in the statement of financial position at their open market values. Any gain or loss resulting from either a change in the fair value or the sale of an investment property is immediately recognised in profit or loss in the year which they arise.

The fair values are determined by external professional valuers with sufficient experience with respect to both the location and the nature of the investment property and are supported by market evidence.

Investment properties are derecognised when they are disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from these properties. Any gain or loss on the retirement or disposal of investment properties is recognised in profit or loss in the financial year of retirement or disposal.

Transfers are made to or from investment properties only when there is a change in use. For a transfer from investment properties to owner-occupied properties, the deemed cost for subsequent accounting is the fair value at the date of change. If owner-occupied properties become investment properties, the Group accounts for such properties in accordance with the policy stated under property, plant and equipment up to the date of change.

3.5 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

3.5.1 Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition as subsequently measured at amortised cost, fair value through other comprehensive income ("FVOCI") and fair value through profit or loss ("FVTPL").

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group and the Company have applied the practical expedient, the Group and the Company initially measure a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortised cost or FVOCI, it needs to give rise to cash flows that are 'solely payments of principal and interest ("SPPI")' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at FVTPL, irrespective of the business model.



SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.5 Financial instruments (cont'd)

3.5.1 Financial assets (cont'd)

The Group's and the Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets are classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at FVOCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e. the date that the Group and the Company commit to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:-

- Financial assets at amortised cost (debt instruments)
- Financial assets at FVOCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at FVOCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at FVTPL

At the reporting date, the Group and the Company carry only financial assets at amortised cost on their statements of financial position.

Financial assets at amortised cost

Financial assets at amortised cost are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. The Group's and the Company's financial assets at amortised cost include trade and other receivables (exclude prepayments), amount due from jointly controlled entity, fixed deposits with licensed banks, cash and bank balances.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:-

- The rights to receive cash flows from the asset have expired; or
- The Group and the Company have transferred their rights to receive cash flows from the asset or have assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) the Group and the Company have transferred substantially all the risks and rewards of the asset, or (b) the Group and the Company have neither transferred nor retained substantially all the risks and rewards of the asset but have transferred control of the asset.



3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.5 Financial instruments (cont'd)

3.5.1 Financial assets (cont'd)

Derecognition (cont'd)

When the Group and the Company have transferred their rights to receive cash flows from an asset or has entered into a 'pass-through' arrangement, they evaluate if, and to what extent, they have retained the risks and rewards of ownership. When they have neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group and the Company continue to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group and the Company also recognise an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group and the Company have retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group and the Company could be required to repay.

Impairment

The Group and the Company recognise an allowance for expected credit losses ("ECLs") on financial assets measured at amortised cost and contract assets. Expected credit losses are a probability weighted estimate of credit losses.

The Group and the Company measure loss allowances at an amount equal to lifetime expected credit loss, except for debt securities that are determined to have low credit risk at the reporting date, cash and bank balance and other debt securities for which credit risk has not increased significantly since initial recognition, which are measured at 12-month expected credit loss. Loss allowance for trade receivables and contract assets are always measured at an amount equal to lifetime expected credit loss.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit loss, the Group and the Company consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward looking information, where available.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the asset, while 12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within the 12 months after the reporting date. The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group and the Company are exposed to credit risk.

The Group estimates the expected credit losses on trade receivables and contract assets using a provision matrix with reference to historical credit loss experience.

An impairment loss in respect of financial assets measured at amortised cost is recognised in profit or loss and the carrying amount of the asset is reduced through the use of an allowance account.

At each reporting date, the Group and the Company assess whether the financial assets carried at amortised cost is credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The gross carrying amount of a financial asset is written off (either partially or full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group and the Company determine that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's or the Company's procedures for recovery amounts due.



3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.5 Financial instruments (cont'd)

3.5.2 Financial liabilities

Initial recognition and measurement

All financial liabilities are recognised initially at fair value and in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortised cost

At the reporting date, the Group and the Company carry only financial liabilities at amortised cost on their statements of financial position.

Financial liabilities at amortised cost

After initial recognition, carrying amounts are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statements of profit or loss.

The Group's and the Company's financial liabilities at amortised cost include trade and other payables, amount due to jointly controlled entity and bank borrowings.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statements of profit or loss.

3.5.3 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statements of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.



3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.6 Impairment of non-financial assets

The Group and the Company assess at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group and the Company estimate the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") fair value less costs to sell and its value-in-use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

The Group and the Company base its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Group's and the Company's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses are recognised in the profit or loss in those expense categories consistent with the function of the impaired asset.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised.

The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for asset in prior years. Such reversal is recognised in the profit or loss.

Goodwill is tested for impairment annually at the end of each reporting period, and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than their carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

3.7 Inventories

Inventories which comprise raw materials, trading goods and packing materials are stated at the lower of cost and net realisable value.

Cost of raw materials, trading goods and packing materials is determined on a first-in first-out method and comprises costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less any estimated costs necessary to make the sale.



3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.8 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

3.8.1 As lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognised lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

3.8.1.1 Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Leasehold land is initially measured at cost and subsequently measured at fair value less accumulated depreciation and accumulated impairment losses, if any, after the date of the revaluation. The accounting policies for revaluation of right-of-use assets is same as property, plant and equipment as disclosed in Note 3.2 to the Financial Statements.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Leasehold land	89 years
Outlet premises	2 to 6 years
Motor vehicles	5 years
Staff accommodation	2 to 4 years
Warehouse and kitchen equipment	10 years

If ownership of the lease asset transfers to the Group at the end of the lease term or cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

For right-of-use buildings that meets the definition of investment properties are classified under investment properties as leasehold buildings applying the requirement in accordance with MFRS 140 "Investment Property" as stated in Note 3.4 to the Financial Statements.

The right-of-use assets are also subject to impairment as detailed in Note 3.6 to the Financial Statements.

3.8.1.2 Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments included fixed payments (including in-substance fixed payments) less any incentives receivable, variable lease payments that depend on an index or a rate and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.



3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.8 Leases (cont'd)

3.8.1 As lessee (cont'd)

3.8.1.2 Lease liabilities (cont'd)

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

3.8.1.3 COVID-19-related rent concession

In prior year, the Group elects to account for a COVID-19-related rent concession that meets all of the following conditions in the same way as they would if they were not lease modification:-

- (i) the change in lease payments results in revised consideration for the lease that is substantially the same as or less than, the consideration for the lease immediately preceding the change; or
- (ii) any reduction in lease payments affects only payments due on or before 30 June 2022; and
- (iii) there is no substantive change to other terms and conditions of the lease. The Group accounts for such COVID-19-related rent concession as rental rebates in which the event or condition that triggers the reduced payment occurs. The Group presents the impacts of rent concessions within selling and distribution expenses.

3.8.1.4 Short-term lease and lease of low-value assets

The Group applies the short-term lease recognition exemption to its short-term lease. It also applies the lease of low-value assets recognition exemption to lease of that are considered to be low-value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

3.8.2 As lessor

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. It assesses the lease classification of a sublease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sublease as an operating lease.

Finance lease

The Group classifies a lease as a finance lease if the lease transfers substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee.



3. **SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

3.8 **Leases (cont'd)**

3.8.2 **As lessor (cont'd)**

Finance lease (cont'd)

The Group derecognises the underlying asset and recognises a receivable at an amount equal to the net investment in a finance lease. Net investment in a finance lease is measured at an amount equal to the sum of the present value of lease payments from lessee and the unguaranteed residual value of the underlying asset. Initial direct costs are also included in the initial measurement of the net investment. The net investments are subject to MFRS 9 impairment. In addition, the Group reviews regularly the estimated unguaranteed residual value.

Lease income is recognised over the term of the lease using the net investment method so as to reflect a constant periodic rate of return. The Group revises the lease income allocation if there is a reduction in the estimated unguaranteed residual value.

Operating lease

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in other income in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

3.9 **Borrowing costs**

Borrowing costs are recognised as expenses in the profit or loss in the year in which they are incurred. Borrowing costs consist of interest and other costs that the Group incurred in connection with borrowing of funds.

3.10 **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand, cash at bank and fixed deposits with licensed banks which are readily convertible to known amount of cash and subject to insignificant risk of changes in value.

Cash and cash equivalents restricted to be used to settle a liability of 12 months or more after the end of the reporting year are classified as non-current assets.

3.11 **Non-current asset held for sale**

Non-current asset held for sale comprising assets that are expected to be recovered primarily through sale rather than through continuing use.

Classification of the assets as held for sale occurs only when the assets are available for immediate sale in its present condition subject only to terms that are usual and customary and the sale must be highly probable. Management must be committed to a plan to sell the assets which are expected to qualify for recognition as a completed sale within one year from the date of classification. Action required to complete the plan should indicate that it is unlikely that significant changes to the plan will be made or plan will be withdrawn.

Impairment losses on initial classification as held for sale and subsequent gains or losses on remeasurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.



3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.12 Revenue

3.12.1 Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements, except for the agency services for provision of in-store services, because it typically controls the goods or services before transferring them to the customer.

(a) Sale of goods

Revenue from sale of general merchandise is recognised at the point in time when control of the asset is transferred to the customer.

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g. customer loyalty points).

Loyalty points programme

The Group's loyalty points programme allows customers to accumulate points that can be redeemed for free products and set off with future purchases.

The loyalty points give rise to a separate performance obligation as they provide a material right to the customer. A portion of the transaction price is allocated to the loyalty points awarded to customers based on relative stand-alone selling price and recognised as a contract liability until the points are redeemed. Revenue is recognised upon redemption of products by the customer.

When estimating the stand-alone selling price of the loyalty points, the Group considers the likelihood that the customer will redeem the points. The Group updates its estimates of the points that will be redeemed on a regular basis and any adjustments to the contract liability balance are charged against revenue.

(b) Provision of in-store services income

The Group acts as an agent in providing in-store services to its customers.

When another party is involved in providing services to its customers, the Group determines whether it is a principal or an agent in these transactions by evaluating the nature of its promise to the customer. When the Group's role is only to arrange for another entity to provide the services, then the Group is an agent and will need to record revenue at the net amount that it retains for its agency services.

(c) Promotional income

Promotional income mainly comprises in-store displays and advertisements for specific products. Promotional income is recognised over time when the performance obligations have been fulfilled by the Group in accordance with the terms as stipulated in the agreements with suppliers.

(d) Other service income

Other service income consists of distribution and other general services provided by the Group. The other service income is recognised at a point in time upon service rendered.

3.12.2 Other income

(a) Rental income

Rental income is recognised on a straight-line basis over the specific tenure of the respective leases.



3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.12 Revenue (cont'd)

3.12.2 Other income (cont'd)

(b) Finance income

Finance income is recognised on a time proportion basis, by reference to the principal outstanding and at the interest rate applicable.

(c) Dividend income

Dividend income is recognised when the Group's and the Company's right to receive payment is established.

3.13 Contract balances

3.13.1 Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

3.13.2 Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

3.14 Provision

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

3.14.1 Provision for restoration

A provision for restoration is recognised when there is a present obligation as a result of operational activities undertaken. It is probable that an outflow of economic benefits will be required to settle the obligation and the amount of the provision can be measured reliably. The estimated future obligations include the costs of removing the facilities and restoring the affected areas.

3.15 Employees' benefits

3.15.1 Short-term employees' benefits

Wages, salaries, bonuses and social security contributions are recognised as expenses in the financial year in which the associated services are rendered by the employees of the Group. Short-term accumulating compensated absences such as paid annual leave are recognised when services are rendered by the employees that increase their entitlement to future compensated absences and short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.



3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.15 Employees' benefits (Cont'd)

3.15.2 Defined contribution plan

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into independent entities of funds and will have no legal or constructive obligation to pay further contribution if any of the funds do not hold sufficient assets to pay all employees benefits relating to employees' services in the current and preceding financial year.

Such contributions are recognised as expenses in the profit or loss as incurred. As required by law, companies in Malaysia make such contributions to the Employees Provident Fund.

3.16 Equity and reserves

An equity instrument is any contract that evidences a residual interest in the assets of the Group and the Company after deducting all its liabilities. Ordinary shares are equity instruments.

Retained earnings include all current year's loss and prior years' retained profits.

The revaluation reserve within equity represents revaluation surplus of land and buildings, net of deferred tax.

Dividends on ordinary shares are accounted for in shareholders' equity as an appropriation of retained earnings.

All transactions with the owners of the Company are recorded separately within equity.

3.17 Tax expenses

Tax expenses comprise current tax and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

3.17.1 Current tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted by the end of the reporting year and any adjustment to tax payable in respect of previous years.

Current tax is recognised in the statement of financial position as a liability (or an asset) to the extent that it is unpaid (or refundable).

3.17.2 Deferred tax

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statements of financial position and their tax bases. Deferred tax is not recognised for the temporary differences arising from the initial recognition of goodwill, the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting year.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.



3. **SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

3.17 **Tax expenses (cont'd)**

3.17.2 **Deferred tax (cont'd)**

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting year and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

3.18 **Operating segment**

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the chief operating decision maker to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

3.19 **Earnings per ordinary share**

The Group presents basic and diluted earnings per share data for its ordinary shares ("EPS").

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the periods, adjusted for own shares held.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to employees, if any.



4. PROPERTY, PLANT AND EQUIPMENT

Group	At valuation		At cost						Total RM'000
	Freehold land RM'000	Buildings RM'000	Capital work-in- progress RM'000	Computers and software RM'000	Furniture, fittings, renovation and electrical installation RM'000	Motor vehicles RM'000	Office/ warehouse equipment and signboards RM'000	Kitchen equipment, plant and machinery RM'000	
Valuation/cost									
At 1 November 2021	14,750	49,050	10,064	21,094	86,014	4,924	72,989	16,660	275,545
Additions	-	-	355	2,305	32,817	154	34,940	817	71,388
Disposals	-	-	-	(727)	(933)	(200)	(1,866)	-	(3,726)
Written off	-	-	-	(20)	(4,957)	-	(45)	-	(5,022)
Transfer from right-of-use assets	-	-	-	-	-	833	-	-	833
Reclassification	-	-	(9,592)	542	5,562	-	3,488	-	-
At 31 October 2022	14,750	49,050	827	23,194	118,503	5,711	109,506	17,477	339,018
Additions	-	-	7,202	231	3,189	111	1,094	97	11,924
Disposals	-	-	-	(212)	(37)	(235)	(97)	-	(581)
Written off	-	-	-	(298)	(3,099)	-	(483)	-	(3,880)
Revaluation	1,600	400	-	-	-	-	-	-	2,000
Transfer from right-of-use assets	-	-	-	-	-	325	168	-	493
Transfer to investment properties	(3,350)	(2,650)	-	-	(1,656)	-	-	-	(7,656)
Reclassification	-	-	(5,520)	125	4,101	-	1,294	-	-
At 31 October 2023	13,000	46,800	2,509	23,040	121,001	5,912	111,482	17,574	341,318



4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Group (cont'd)

	At valuation		At cost						
	Freehold land RM'000	Buildings RM'000	Capital work-in-progress RM'000	Computers and software RM'000	Furniture, fittings, renovation and electrical installation RM'000	Motor vehicles RM'000	Office/warehouse equipment and signboards RM'000	Kitchen equipment, plant and machinery RM'000	Total RM'000
Accumulated depreciation									
At 1 November 2021	-	431	-	10,413	30,288	1,843	21,417	4,319	68,711
Charge for the year	-	995	-	3,897	10,311	982	9,380	1,780	27,345
Disposals	-	-	-	(721)	(556)	(199)	(1,826)	-	(3,302)
Written off	-	-	-	(18)	(2,268)	-	(41)	-	(2,327)
Transfer from right-of-use assets	-	-	-	-	-	681	-	-	681
At 31 October 2022	-	1,426	-	13,571	37,775	3,307	28,930	6,099	91,108
Charge for the year	-	912	-	3,716	11,492	849	10,780	1,804	29,553
Disposals	-	-	-	(199)	(15)	(235)	(51)	-	(500)
Written off	-	-	-	(260)	(1,357)	-	(212)	-	(1,829)
Revaluation	-	(2,140)	-	-	-	-	-	-	(2,140)
Transfer from right-of-use assets	-	-	-	-	-	325	91	-	416
Transfer to investment properties	-	(198)	-	-	(836)	-	-	-	(1,034)
At 31 October 2023	-	-	-	16,828	47,059	4,246	39,538	7,903	115,574
Net carrying amount									
At 31 October 2023	13,000	46,800	2,509	6,212	73,942	1,666	71,944	9,671	225,744
At 31 October 2022	14,750	47,624	827	9,623	80,728	2,404	80,576	11,378	247,910



4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Included in the depreciation of property, plant and equipment amounted to RM1,803,000 (2022: RM1,779,000) are classified in cost of sales.

(a) Revaluation of land and buildings

The Group's freehold land and buildings are stated at their revalued amounts, being the fair values at the date of revaluation, less any subsequent depreciation and accumulated impairment losses.

Fair values of freehold land and buildings were derived by using the Comparison Method of Valuation. Comparison Method of Valuation entails comparing the sales price of the properties in close proximity. Sales price of the properties are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square foot of comparable properties.

Fair values of self-constructed buildings on leasehold land were derived by using the Cost Method of Valuation in previous financial years. Cost Method of Valuation entails adopting the current replacement cost arrived at by determining the construction cost, financing charges, professional fees and other incidental expenses building the structure, less depreciation.

Level 2 Fair Value

Level 2 fair values of land and buildings have been generally derived using the Comparison Method.

The Group engaged external, independent and qualified valuers to determine the fair values of the freehold land and buildings on 30 October 2023 and 31 October 2023 respectively.

In estimating the fair value of the properties, the highest and best use of the properties in their current use. There has been no change to the valuation technique during the year. The revaluation surplus net of applicable deferred tax was credited to other comprehensive income and is shown in "Revaluation Reserve" under the equity.

The fair value hierarchy of the Group's property, plant and equipment as at the reporting date is as follows:-

	Level 2	
	<u>2023</u> RM'000	<u>2022</u> RM'000
Recurring		
Freehold land	13,000	14,750
Buildings	<u>46,800</u>	<u>47,624</u>

There was no transfer between the fair value hierarchies during the financial year.

The carrying amount of revalued land and buildings of the Group that would have been included in the statements of financial position had these assets been carried at cost less accumulated depreciation and impairment losses are as follows:-

	<u>2023</u> RM'000	<u>2022</u> RM'000
Freehold land	10,362	10,362
Buildings	<u>37,451</u>	<u>38,292</u>



4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(b) The carrying amount of property, plant and equipment pledged to licensed banks as securities for bank facilities granted to the Group as disclosed in Note 20 to the Financial Statements are as follows:-

	<u>2023</u> RM'000	<u>2022</u> RM'000
Freehold land	13,000	11,400
Buildings	<u>46,800</u>	<u>45,122</u>

5. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

As lessee

The Group has lease contracts for premises and equipment mainly outlet premises, motor vehicles, warehouse equipment, kitchen equipment and staff accommodation used for its operations purposes. There are several lease contracts that include extension options and variables lease payments, which are further discussed below.

The Group also has certain leases of premises with lease terms of 12 months. The Group applies the 'short-term lease' recognition exemptions for these leases.



5. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONT'D)

Right-of-use assets

Set out below are carrying amounts of right-of-use assets recognised and the movements during the financial year:-

Group	At valuation		At cost		At cost		Total
	Leasehold land	Outlet premises	Motor vehicles	Staff accommodation	Warehouse equipment	Kitchen equipment	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Valuation/cost							
At 1 November 2021	46,200	207,592	2,010	807	921	11,330	268,860
Additions	-	94,003	-	2,335	-	-	96,338
Transfer to property, plant and equipment	-	-	(833)	-	-	-	(833)
Disposal	-	-	(302)	-	-	-	(302)
Terminated/expired	-	(8,027)	-	-	-	-	(8,027)
Lease modification	-	8,811	-	(3)	-	-	8,808
At 31 October 2022	46,200	302,379	875	3,139	921	11,330	364,844
Additions	-	38,091	794	467	-	-	39,352
Revaluation	1,900	-	-	-	-	-	1,900
Transfer to property, plant and equipment	-	-	(325)	-	(168)	-	(493)
Terminated/expired	-	(99,521)	-	-	-	-	(99,521)
Lease modification	-	3,815	-	(632)	-	-	3,183
At 31 October 2023	48,100	244,764	1,344	2,974	753	11,330	309,265



5. **RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONT'D)**

Right-of-use assets (cont'd)

Set out below are carrying amounts of right-of-use assets recognised and the movements during the financial year (cont'd):-

Group	At valuation		At cost			Total RM'000
	Leasehold land RM'000	Outlet premises RM'000	Motor vehicles RM'000	Staff accommodation RM'000	Warehouse equipment RM'000	
Accumulated depreciation						
At 1 November 2021	-	123,624	1,314	386	245	128,402
Charge for the year	543	38,531	170	400	92	40,869
Transfer to property, plant and equipment	-	-	(681)	-	-	(681)
Disposal	-	-	(217)	-	-	(217)
Terminated/expired	-	(8,027)	-	-	-	(8,027)
Lease modification	-	(3,993)	-	-	-	(3,993)
At 31 October 2022	543	150,135	586	786	337	156,353
Charge for the year	498	48,010	137	846	92	50,716
Revaluation	(1,041)	-	-	-	-	(1,041)
Transfer to property, plant and equipment	-	-	(325)	-	(91)	(416)
Terminated/expired	-	(99,521)	-	-	-	(99,521)
Lease modification	-	(1,484)	-	(390)	-	(1,874)
At 31 October 2023	-	97,140	398	1,242	338	104,217
Net carrying amount						
At 31 October 2023	48,100	147,624	946	1,732	415	205,048
At 31 October 2022	45,657	152,244	289	2,353	584	208,491

Included in the depreciation of right-of-use assets amounted to RM1,768,000 (2022: RM1,470,000) are classified in cost of sales.

The leasehold land is pledged to licensed bank as security for bank facilities granted to the Group as disclosed in Note 20 to the Financial Statements.



5. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONT'D)

Right-of-use assets (cont'd)

(a) Revaluation of land

The Group's leasehold land is stated at revalued amounts, being the fair values at the date of revaluation, less any subsequent depreciation and accumulated impairment losses.

Fair values of leasehold land were derived by using the Comparison Method of Valuation. Comparison Method of Valuation entails comparing the sales price of the properties in close proximity. Sales price of the properties are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square foot of comparable properties.

Level 2 Fair Value

Level 2 fair values of land have been generally derived using the Comparison Method.

The Group engaged external, independent and qualified valuers to determine the fair values of the leasehold land on 31 October 2023.

In estimating the fair value of the land, the highest and best use of the land is their current use. There has been no change to the valuation technique during the year. The revaluation surplus net of applicable deferred tax was credited to other comprehensive income and is shown in "Revaluation Reserve" under the equity.

The carrying amount of revalued land of the Group that would have been included in the statements of financial position had these assets been carried at cost less accumulated depreciation and impairment losses are as follows:-

	<u>2023</u> RM'000	<u>2022</u> RM'000
Leasehold land	<u>37,004</u>	<u>37,471</u>

There were no transfers between the fair value hierarchies during the financial year.

Lease liabilities

	<u>2023</u> RM'000	<u>2022</u> RM'000
<u>Current</u>		
- less than 1 year	<u>48,213</u>	<u>42,439</u>
<u>Non-current</u>		
- more than 1 year but less than 5 years	93,030	95,543
- more than 5 years	<u>13,665</u>	<u>20,240</u>
	<u>106,695</u>	<u>115,783</u>
Total lease liabilities	<u>154,908</u>	<u>158,222</u>

The lease liabilities bear interest at rates range from 2.40% to 5.16% (2022: 2.10% to 5.00%) per annum.



5. **RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONT'D)**

Lease liabilities (cont'd)

Set out below is the movements of lease liabilities during the financial year:-

	Group	
	<u>2023</u> RM'000	<u>2022</u> RM'000
At beginning of financial year	158,222	87,618
Additions	38,669	92,746
Lease modification/termination	5,452	16,142
Accretion of interest	6,856	5,687
Payments		
- principal	(46,652)	(36,565)
- finance costs	(6,856)	(5,687)
Rental rebates	(783)	(1,719)
At end of financial year	<u>154,908</u>	<u>158,222</u>

The Group has received rental reduction and recognised as rental rebates due to COVID-19 pandemic.

The following are the amounts relating to right-of-use assets and lease liabilities recognised in profit or loss:-

	Group	
	<u>2023</u> RM'000	<u>2022</u> RM'000
Depreciation of right-of-use assets	50,716	40,869
Finance costs on lease liabilities	6,856	5,687
Gain on modification/termination of leases	(49)	(154)
Expense relating to short-term leases	762	5,813
Variable lease payments	2,756	1,246
Lease investment income (net)	(70)	-
Finance income on lease investment	(15)	-
Rental rebates	<u>(783)</u>	<u>(1,719)</u>

Variable lease payments based on sales

Some leases of premises contain variable lease payments that are based on sales that the Group makes at the retail outlets. Fixed and variable rental payments were as follows:-

	<u>Fixed payments</u> RM'000	<u>Variable payments</u> RM'000	<u>Total payments</u> RM'000	<u>Estimated annual impact on rent of a 1% increase in sales</u> RM'000
<u>2023</u>				
Leases with lease payments based on sales	<u>6,175</u>	<u>2,756</u>	<u>8,931</u>	<u>89</u>
<u>2022</u>				
Leases with lease payments based on sales	<u>4,035</u>	<u>1,246</u>	<u>5,281</u>	<u>53</u>



5. **RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONT'D)**

Lease liabilities (cont'd)

Extension options

The Group has numerous lease contracts that include extension options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs. Management exercises significant judgement in determining whether these extension options are reasonably certain to be exercised.

	Within 2 years RM'000	More than 2 years RM'000	Total RM'000
2023			
Extension options not reasonably certain to be exercised	24,259	57,352	81,611
2022			
Extension options not reasonably certain to be exercised	25,776	76,530	102,306

6. **INTANGIBLE ASSET**

	Licensing fee RM'000
Group	
Cost	
Balance at 1 November 2021/31 October 2022/31 October 2023	4,156
Accumulated amortisation	
Balance at 1 November 2021	242
Charge for the year	416
Balance at 31 October 2022	658
Charge for the year	416
Balance at 31 October 2023	1,074
Net carrying amount	
At 31 October 2023	3,082
At 31 October 2022	3,498

Intangible asset relates to the licensing agreement with BGF Retail Co. Ltd. ("BGF"), South Korea's biggest convenience store operator and owner of the popular convenience store brand CU, to operate CU brand in Malaysia.



7. INVESTMENT PROPERTIES

Group	Freehold land RM'000	Freehold buildings RM'000	Leasehold buildings RM'000	Total RM'000
At fair value:				
At 1 November 2021	7,000	540	4,570	12,110
Fair value gain	678	-	-	678
Transfer to non-current asset held for sale (Note 15)	(7,678)	-	-	(7,678)
At 31 October 2022	-	540	4,570	5,110
Fair value gain	400	18	-	418
Disposal	-	-	(3,200)	(3,200)
Transfer from property, plant and equipment (Note 4)	3,350	3,272	-	6,622
At 31 October 2023	3,750	3,830	1,370	8,950

In prior year, the carrying amounts of investment properties pledged to licensed banks as securities for bank facilities granted to the Group as disclosed in Note 20 to the Financial Statements amounted to RM3,200,000 and it had been released from charges upon disposal during the financial year.

Fair value basis of investment properties

The fair value represents the amount at which the properties could be exchanged on an open market basis between a knowledgeable willing buyer and a knowledgeable willing seller on an arm's length basis at the reporting date.

Level 2 fair value

The fair values of the Group's investment properties have been arrived at on the basis of valuations carried out by a firm of independent professional valuers, who have appropriate professional qualification and recent experience in the relevant location and assets being valued. The fair values of the investment properties were determined using the Comparison Method of valuation.

Comparison Method of Valuation entails comparing the sales price of the properties in close proximity. Sales price of the properties are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square foot of comparable properties.

There were no transfers between the fair value hierarchies during the financial year.

Income and expenses recognised in profit or loss

	2023 RM'000	2022 RM'000
Rental income	177	170
Direct operating expenses:		
Quit rent and assessment		
- income generating	(33)	(10)
- non-income generating	-	(15)



8. SUBSIDIARIES

(i) Investment in subsidiaries

	Company	
	2023 RM'000	2022 RM'000
Unquoted shares, at cost	246,852	216,009
Less: Accumulated impairment losses	(1,112)	(1,112)
	<u>245,740</u>	<u>214,897</u>

(a) Subscription of new shares in the subsidiaries

The Company has increased its investment in subsidiaries amounted to RM39,543,000 by way of capitalising the amount owing of RM30,000,000 and cash injection of RM9,543,000 to the subsidiaries.

(b) Share capital reduction

During the financial year, a subsidiary company, Mynews Food Sdn Bhd has undertaken a share capital reduction by RM8,700,000 pursuant to Section 117 of the Companies Act 2016.

Impairment made was due to there were cessation of the operation of subsidiaries in prior years.

Details of the subsidiaries which all the principal place of business are located in Malaysia are as follows:-

Name of companies	Principal place of business	Effective equity interest		Principal activities
		2023 %	2022 %	
Mynews Retail Sdn. Bhd.	Malaysia	100	100	Retailer and convenience store business.
Mycu Retail Sdn. Bhd.	Malaysia	100	100	Retailer and convenience store business.
Mymar Sdn. Bhd. (formerly known as Bison Foods Sdn. Bhd.)	Malaysia	100	100	Dormant.
Mynews Kuku Sdn. Bhd.	Malaysia	100	100	Dormant.
Mynews Food Sdn. Bhd.	Malaysia	100	100	Investment holding.
<u>Subsidiaries of Mynews Retail Sdn. Bhd.</u>				
DKE Technology Sdn. Bhd.	Malaysia	100	100	Implementation, maintenance and technical services relating to the software namely "Research, Development and Commercialisation of DKE Publications and Magazine Distribution of Software".
Mynews Management Sdn. Bhd.	Malaysia	100	100	Provision of management services.



8. SUBSIDIARIES (CONT'D)

(i) Investment in subsidiaries (cont'd)

Details of the subsidiaries which all the principal place of business are located in Malaysia are as follows (cont'd):-

Name of companies	Principal place of business	Effective equity interest		Principal activities
		<u>2023</u>	<u>2022</u>	
		%	%	
<u>Subsidiaries of Mynews Food Sdn. Bhd.</u>				
Mynews Kineya Sdn. Bhd.	Malaysia	51	51	Production, manufacturing and sale of prepared and ready-to-eat meals.
Mynews Ryoyupan Sdn. Bhd.	Malaysia	51	51	Production, manufacturing and sale of bakery products.

(ii) Non-controlling interests in subsidiaries

The Group's subsidiaries that have material non-controlling interests are as follows:-

	<u>Mynews Kineya Sdn. Bhd.</u>	<u>Mynews Ryoyupan Sdn. Bhd.</u>	<u>Total</u>
2023			
Percentage of equity interest and voting interest (%)	49%	49%	
Carrying amount of non-controlling interests (RM'000)	<u>(452)</u>	<u>(1,497)</u>	<u>(1,949)</u>
Loss allocated to non-controlling interests (RM'000)	<u>2,936</u>	<u>1,761</u>	<u>4,697</u>
2022			
Percentage of equity interest and voting interest (%)	49%	49%	
Carrying amount of non-controlling interests (RM'000)	<u>2,483</u>	<u>265</u>	<u>2,748</u>
Loss allocated to non-controlling interests (RM'000)	<u>1,603</u>	<u>2,378</u>	<u>3,981</u>

The summary of financial information before intra-group elimination for the Group's subsidiaries that have material non-controlling interests is as below:-

	<u>Mynews Kineya Sdn. Bhd.</u> RM'000	<u>Mynews Ryoyupan Sdn. Bhd.</u> RM'000
Financial position as at 31 October 2023		
Non-current assets	21,888	19,043
Current assets	6,811	2,875
Non-current liabilities	(20,522)	(16,595)
Current liabilities	<u>(9,100)</u>	<u>(8,376)</u>
Net liabilities	<u>(923)</u>	<u>(3,053)</u>



8. SUBSIDIARIES (CONT'D)

(ii) Non-controlling interests in subsidiaries (cont'd)

The summary of financial information before intra-group elimination for the Group's subsidiaries that have material non-controlling interests is as below (cont'd):-

	Mynews Kineya Sdn. Bhd. RM'000	Mynews Ryoyupan Sdn. Bhd. RM'000
Summary of financial performance for the financial year ended 31 October 2023		
Net loss/total comprehensive loss for the financial year	(5,991)	(3,594)
Included in the total comprehensive loss is:-		
Revenue	41,099	16,506
Summary of cash flows for the financial year ended 31 October 2023		
Net cash inflows from operating activities	2,963	1,500
Net cash (outflows)/inflows from investing activities	(26)	269
Net cash outflows from financing activities	(2,839)	(1,361)
Net cash inflows	98	408
Financial position as at 31 October 2022		
Non-current assets	25,471	22,207
Current assets	9,898	2,357
Non-current liabilities	(19,043)	(16,237)
Current liabilities	(11,259)	(7,785)
Net assets	5,067	542
Summary of financial performance for the financial year ended 31 October 2022		
Net loss/total comprehensive loss for the financial year	(3,271)	(4,853)
Included in the total comprehensive loss is:-		
Revenue	32,677	10,572
Summary of cash flows for the financial year ended 31 October 2022		
Net cash (outflows)/inflows from operating activities	(3,205)	205
Net cash (outflows)/inflows from investing activities	(823)	163
Net cash inflows/(outflows) from financing activities	4,601	(1,756)
Net cash inflows/(outflows)	573	(1,388)

9. JOINTLY CONTROLLED ENTITY

(i) Investment in jointly controlled entity

	Group	
	2023 RM'000	2022 RM'000
Unquoted shares, at cost	500	500
Share of results of jointly controlled entity	6,586	6,372
	7,086	6,872



9. **JOINTLY CONTROLLED ENTITY (CONT'D)**

(i) **Investment in jointly controlled entity (cont'd)**

Details of the jointly controlled entity which the principal place of business are located in Malaysia are as follows:-

Name of company	Effective equity interest		Principal activity
	<u>2023</u> %	<u>2022</u> %	
WH Smith Malaysia Sdn. Bhd. * [^]	50	50	Retailer and convenience store business.

* not audited by Grant Thornton Malaysia PLT

[^] The latest audited financial statements for this jointly controlled entity is for the financial year ended 31 August 2023. The Directors have equity accounted for the results of this jointly controlled entity based on its 10 months adjusted audited financial statements and unaudited 2 months management financial statements as at 31 October 2023.

The following table summarises the information of the Group's jointly controlled entity:-

	<u>2023</u> RM'000	<u>2022</u> RM'000
Financial position as at 31 October		
Non-current assets	3,891	973
Current assets	15,228	14,676
Non-current liabilities	(46)	-
Current liabilities	(4,900)	(1,905)
Cash and cash equivalents	<u>5,648</u>	<u>7,385</u>
Summary of financial performance for the financial year ended 31 October		
Net profit/total comprehensive income for the financial year	<u>4,427</u>	<u>1,667</u>
Included in net profit/total comprehensive income:		
Revenue	32,872	14,398
Depreciation and amortisation	(1,040)	(653)
Finance income	85	10
Tax expense	<u>(1,467)</u>	<u>(6)</u>
Reconciliation of net assets to carrying amount as at 31 October		
Group's share of net assets/carrying amount in the statement of financial position	<u>7,086</u>	<u>6,872</u>
Group's share of results for the financial year ended 31 October		
Group's share of net profit/total comprehensive income	<u>2,214</u>	<u>833</u>
Other information		
Cash dividends received by the Group (a)	<u>2,000</u>	<u>-</u>



9. **JOINTLY CONTROLLED ENTITY (CONT'D)**

(i) **Investment in jointly controlled entity (cont'd)**

(a) Since the end of the previous financial year, the Group's jointly controlled entity has declared:-

	RM'000
First interim single-tier dividend of RM2 per ordinary share in respect of the financial year ended 31 August 2023 paid on 19 May 2023	1,000
Second interim single-tier dividend of RM2 per ordinary share in respect of the financial year ended 31 August 2023 paid on 15 August 2023	1,000
	<u>2,000</u>

Contingent liabilities and capital commitments

The jointly controlled entity has no material contingent liabilities or capital commitments as at the reporting date.

(ii) **Amount due (to)/from jointly controlled entity**

Amount due (to)/from jointly controlled entity is trade in nature, unsecured, bears no interest and receivable/payable on demand.

10. **DEFERRED TAX ASSETS**

Group	At 1 November <u>2022</u> RM'000	Recognised in profit or loss RM'000	At 31 October <u>2023</u> RM'000
Property, plant and equipment	(260)	29	(231)
Right-of-use assets	(4,938)	730	(4,208)
Lease liabilities	3,897	(747)	3,150
Unabsorbed business losses	389	(389)	-
Unutilised capital allowances	1,749	377	2,126
	<u>837</u>	<u>-</u>	<u>837</u>
Group	At 1 November <u>2021</u> RM'000	Recognised in profit or loss RM'000	At 31 October <u>2022</u> RM'000
Property, plant and equipment	(887)	627	(260)
Right-of-use assets	(5,409)	471	(4,938)
Lease liabilities	5,322	(1,425)	3,897
Unabsorbed business losses	419	(30)	389
Unutilised capital allowances	1,392	357	1,749
	<u>837</u>	<u>-</u>	<u>837</u>



11. FIXED DEPOSITS WITH LICENSED BANKS

Group

Fixed deposits with licensed banks earned interest at rates range from 1.85% to 3.60% (2022: 1.25% to 2.10%) per annum. In prior year, RM168,000 of the fixed deposits were pledged to licensed banks for bank guarantee facilities granted to the Group and were not available for general use.

12. OTHER RECEIVABLES

	Group		Company	
	<u>2023</u> RM'000	<u>2022</u> RM'000	<u>2023</u> RM'000	<u>2022</u> RM'000
<u>Non-current</u>				
Lease receivable (a)	277	-	-	-
<u>Current</u>				
Non-trade receivables	2,688	2,854	-	-
Deposits	19,033	22,145	2	2
Prepayments	5,663	6,629	9	9
Lease receivable (a)	97	-	-	-
Dividend receivable (b)	-	-	3,750	-
	<u>27,481</u>	<u>31,628</u>	<u>3,761</u>	<u>11</u>
	<u>27,758</u>	<u>31,628</u>	<u>3,761</u>	<u>11</u>

- (a) The Group lease out some of its leased assets and received RM85,000 during the year. The Group classified these leases as finance lease because they transferred substantially all of the risks and rewards incidental to the ownership of the assets.

The following table set out the maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date.

	Group	
	<u>2023</u> RM'000	<u>2022</u> RM'000
<u>Current</u>		
- less than 1 year	114	-
<u>Non-current</u>		
- more than 1 year but less than 5 years	302	-
	<u>416</u>	<u>-</u>

- (b) Dividend receivable refers to an interim single-tier dividend declared by a subsidiary on 6 October 2023 and receivable on 1 November 2023.



13. **INVENTORIES**

	Group	
	<u>2023</u> RM'000	<u>2022</u> RM'000
Raw materials	2,158	2,247
Packing materials	586	563
Trading goods	<u>89,108</u>	<u>78,237</u>
	<u>91,852</u>	<u>81,047</u>
Recognised in profit or loss:-		
- Cost of sales	435,384	386,037
- Inventories written off and wastages	<u>21,724</u>	<u>20,944</u>

14. **TRADE RECEIVABLES**

	Group	
	<u>2023</u> RM'000	<u>2022</u> RM'000
Trade receivables	4,765	4,116
Less: Expected credit losses		
At beginning/end of financial year	<u>(182)</u>	<u>(182)</u>
	<u>4,583</u>	<u>3,934</u>

Trade receivables are generally on 30 to 90 (2022: 30 to 90) days term and are non-interest bearing.

15. **NON-CURRENT ASSET HELD FOR SALE**

On 15 November 2022, the Group has entered into a sales and purchase agreement ("SPA") with a third party, to dispose a parcel of freehold industrial land held known as Lot 1289 (No. 66) Rawang Integrated Industrial Park, 48000 Rawang, Selangor with measuring approximately 5,574 square metres for a sale consideration of RM7.8 million. The transaction has been completed during the financial year.

The non-current asset classified as held for sale of the Group's statement of financial position was as follows:-

	Group	
	<u>2023</u> RM'000	<u>2022</u> RM'000
Investment property (Note 7)	<u>-</u>	<u>7,678</u>

The carrying value of investment property was the same as its carrying value before it was being reclassified to non-current asset held for sale.



16. SHARE CAPITAL

	Group and Company			
	<u>2023</u>		<u>2022</u>	
	Number of ordinary shares '000	Amount RM'000	Number of ordinary shares '000	Amount RM'000
Issued and fully paid with no par value:-				
At 1 November	682,154	201,581	682,154	201,581
Issued for cash via private placement	68,200	27,962	-	-
Issuance share expense	-	(126)	-	-
At 31 October	<u>750,354</u>	<u>229,417</u>	<u>682,154</u>	<u>201,581</u>

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regard to the Company residual assets.

17. REVALUATION RESERVE

	Group	
	<u>2023</u> RM'000	<u>2022</u> RM'000
At beginning of financial year	17,950	17,950
Revaluation surplus, net of tax	<u>5,605</u>	<u>-</u>
At end of financial year	<u>23,555</u>	<u>17,950</u>

18. MERGER DEFICIT

The Group's merger deficit represents the excess arising from the nominal value of the shares issued over the nominal value of shares in subsidiaries acquired.

19. OTHER PAYABLES

	Group		Company	
	<u>2023</u> RM'000	<u>2022</u> RM'000	<u>2023</u> RM'000	<u>2022</u> RM'000
Non-current				
Provision of restoration costs	8,568	8,440	-	-
Loan from corporate shareholders of subsidiaries	<u>4,039</u>	<u>2,951</u>	<u>-</u>	<u>-</u>
	<u>12,607</u>	<u>11,391</u>	<u>-</u>	<u>-</u>
Current				
Non-trade payables	23,160	41,188	-	-
Accruals	15,545	21,184	52	276
Provision of restoration costs	900	756	-	-
Dividend payable (Note 33)	<u>3,752</u>	<u>-</u>	<u>3,752</u>	<u>-</u>
	<u>43,357</u>	<u>63,128</u>	<u>3,804</u>	<u>276</u>



19. OTHER PAYABLES (CONT'D)

Loan from corporate shareholders of subsidiaries amounting to RM4.0 million (2022: RM3.0 million), the amount is unsecured, interest at rates ranging from 4.07% to 5.27% (2022: 4.07% to 4.82%) per annum and is repayable by annual instalment once the subsidiaries have met its condition on generating income.

The movement of the provision of restoration cost is as follow:-

	Group	
	<u>2023</u> RM'000	<u>2022</u> RM'000
At beginning of financial year	9,196	9,098
Provision made during the financial year	765	3,592
Reversal of provision	(493)	(3,494)
At end of financial year	<u>9,468</u>	<u>9,196</u>
<u>Analysed as:-</u>		
- Non-current	8,568	8,440
- Current	<u>900</u>	<u>756</u>
	<u>9,468</u>	<u>9,196</u>

The Group has an obligation to restore the rented premises after expiry/termination of the lease contracts.

20. BANK BORROWINGS

	Group	
	<u>2023</u> RM'000	<u>2022</u> RM'000
Secured		
<u>Non-current</u>		
- Revolving credits	29,210	25,431
- Term loans	<u>20,432</u>	<u>22,639</u>
	<u>49,642</u>	<u>48,070</u>
<u>Current</u>		
- Revolving credits	16,697	22,840
- Term loans	1,860	2,172
- Supplier financing	10,914	10,361
- Banker acceptance	<u>9,770</u>	<u>7,059</u>
	<u>39,241</u>	<u>42,432</u>
Total bank borrowings	<u>88,883</u>	<u>90,502</u>

The term loans, revolving credits, banker acceptance and supplier financing of the Group are secured by:-

- Legal charge over the Group's land and buildings as disclosed in Notes 4, 5 and 7 to the Financial Statements; and
- Corporate guarantee by the Company and personal guarantees by certain Directors of the Company.

The banker acceptance, term loans and revolving credits bear interest at rates range from 3.61% to 5.59% (2022: 3.40% to 4.82%) per annum.



21. DEFERRED TAX LIABILITIES

Group	At 1 November 2022 RM'000	Recognised in other comprehensive income RM'000	Recognised in profit or loss RM'000	At 31 October 2023 RM'000
Property, plant and equipment	10,516	-	(516)	10,000
Right-of-use assets	20,369	-	292	20,661
Lease liabilities	(21,891)	-	(772)	(22,663)
Unabsorbed business losses	(3,769)	-	3,769	-
Unutilised capital allowances	(2,891)	-	2,092	(799)
Revaluation reserves	4,607	1,476	-	6,083
Others	159	-	(159)	-
	<u>7,100</u>	<u>1,476</u>	<u>4,706</u>	<u>13,282</u>

Group	At 1 November 2021 RM'000	Recognised in other comprehensive income RM'000	Recognised in profit or loss RM'000	At 31 October 2022 RM'000
Property, plant and equipment	9,709	-	807	10,516
Right-of-use assets	17,472	-	2,897	20,369
Lease liabilities	(18,927)	-	(2,964)	(21,891)
Unabsorbed business losses	(6,043)	-	2,274	(3,769)
Unutilised capital allowances	(1,503)	-	(1,388)	(2,891)
Revaluation reserves	4,607	-	-	4,607
Others	(198)	-	357	159
	<u>5,117</u>	<u>-</u>	<u>1,983</u>	<u>7,100</u>

22. TRADE PAYABLES

Group

The normal trade credit terms of trade payables range from 30 to 90 (2022: 30 to 90) days and are non-interest bearing.

23. REVENUE

23.1 Revenue

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Types of revenue				
Sales of merchandise goods	665,206	575,275	-	-
Provision of in-store services	3,120	2,978	-	-
Other services income	16,677	14,589	-	-
Promotional income	45,237	38,491	-	-
Dividend income	-	-	33,900	600
	<u>730,240</u>	<u>631,333</u>	<u>33,900</u>	<u>600</u>



23. REVENUE (CONT'D)

23.1 Revenue (cont'd)

	Group		Company	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	RM'000	RM'000	RM'000	RM'000
Timing of recognition				
Satisfied overtime	45,237	38,491	-	-
Satisfied at a point in time				
	<u>685,003</u>	<u>592,842</u>	<u>33,900</u>	<u>600</u>
	<u>730,240</u>	<u>631,333</u>	<u>33,900</u>	<u>600</u>

All the revenue of the Group and of the Company are generated in Malaysia.

23.2 Contract assets

	Group	
	<u>2023</u>	<u>2022</u>
	RM'000	RM'000
<u>Current</u>		
Promotional income	<u>9,150</u>	<u>11,756</u>

23.3 Contract liabilities

	Group	
	<u>2023</u>	<u>2022</u>
	RM'000	RM'000
<u>Current</u>		
Loyalty points programme	<u>1,502</u>	<u>1,844</u>

All the prior year contract liabilities have been recognised as revenue during the financial year.

The loyalty points programme and promotional income are for periods of one year or less. As permitted under practical expedient provided in MFRS 15, the transaction prices allocated to these unsatisfied contracts are not disclosed.

24. OTHER INCOME/EXPENSES

	Group	
	<u>2023</u>	<u>2022</u>
	RM'000	RM'000
Other income		
Dividend income from other investment	-	1
Gain on disposal of investment properties	800	-
Gain on disposal of non-current asset held for sale	243	-
Rental income	620	614
Gain on modification/termination of leases	49	154
Gain on disposal of right-of-use assets	-	70
Hiring incentive from Government	461	1,140
Others	<u>1,562</u>	<u>96</u>
	<u>3,735</u>	<u>2,075</u>
Other expenses		
Amortisation of intangible asset	416	416
Depreciation of property, plant and equipment	27,750	25,566
Depreciation of right-of-use assets	48,948	39,399
Loss on disposal of property, plant and equipment	33	364
Loss on realised foreign exchange	41	44
Property, plant and equipment written off	2,051	2,695
Real property gain tax expenses	<u>154</u>	<u>-</u>
	<u>79,393</u>	<u>68,484</u>



25. **(LOSS)/PROFIT BEFORE TAX**

(Loss)/profit before tax has been determined after charging, amongst others, the following items:-

	Group		Company	
	<u>2023</u> RM'000	<u>2022</u> RM'000	<u>2023</u> RM'000	<u>2022</u> RM'000
Auditors' remuneration related to:				
Statutory audit				
- Grant Thornton Malaysia PLT	216	205	48	43
Assurance-related services:				
- Grant Thornton Malaysia PLT	5	27	5	18
Other services:				
- Grant Thornton member firms	45	35	2	2

26. **TAX EXPENSE**

Income tax expense recognised in profit or loss:-

	Group		Company	
	<u>2023</u> RM'000	<u>2022</u> RM'000	<u>2023</u> RM'000	<u>2022</u> RM'000
Current tax				
- current year	3,478	565	67	-
- overprovision in prior years	(60)	(2)	*	*
	3,418	563	67	-
Deferred tax				
- current year	4,863	3,042	-	-
- overprovision in prior years	(157)	(1,059)	-	-
	4,706	1,983	-	-
	8,124	2,546	67	-

* *Immaterial amount*

Income tax expense recognised in other comprehensive income:-

	Group	
	<u>2023</u> RM'000	<u>2022</u> RM'000
Deferred tax related to surplus on revaluation of land and buildings	1,476	-

Malaysian income tax is calculated at the statutory rate of 24% (2022: 24%) of the estimated assessable profits for the financial year.



26. TAX EXPENSE (CONT'D)

A reconciliation of tax expense applicable to (loss)/profit before tax at the statutory tax rate to income tax expense at the effective tax rate of the Group and of the Company is as follows:-

	Group		Company	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	RM'000	RM'000	RM'000	RM'000
(Loss)/profit before tax	<u>(7,277)</u>	<u>(21,053)</u>	<u>33,568</u>	<u>2</u>
Income tax at rate of 24% (2022: 24%)	(1,746)	(5,053)	8,056	1
Non-allowable expenses	4,518	4,137	147	143
Income not subject to tax	(617)	(314)	(8,136)	(144)
Overprovision in prior years	(217)	(1,061)	-	-
Deferred tax assets not recognised	<u>6,186</u>	<u>4,837</u>	<u>-</u>	<u>-</u>
	<u>8,124</u>	<u>2,546</u>	<u>67</u>	<u>-</u>

Deferred tax assets have not been recognised in respect of the following items:-

	Group	
	<u>2023</u>	<u>2022</u>
	RM'000	RM'000
Unabsorbed business losses	56,665	35,140
Unutilised capital allowances	<u>21,205</u>	<u>16,956</u>
	<u>77,870</u>	<u>52,096</u>

The potential deferred tax assets of the Group have not been recognised in respect of those items as it is not probable that whether sufficient taxable profits will be available in which the Group can utilise those benefits in near future.

The unabsorbed business losses of the Group can be carried forward for a period of 10 consecutive years. Upon expiry of the 10 years, the unabsorbed business losses will be disregarded. As such, the expiry of the unrecognised unabsorbed business losses is as follows:-

	Group	
	<u>2023</u>	<u>2022</u>
	RM'000	RM'000
Carried forward up to year of assessment 2028	186	186
Carried forward up to year of assessment 2029	4,825	4,825
Carried forward up to year of assessment 2030	7,576	7,576
Carried forward up to year of assessment 2031	12,559	12,572
Carried forward up to year of assessment 2032	9,981	9,981
Carried forward up to year of assessment 2033	<u>21,538</u>	<u>-</u>
	<u>56,665</u>	<u>35,140</u>



27. EARNINGS PER SHARE

Basic/diluted loss per share

Basic/diluted loss per share is calculated by dividing net loss for the financial year attributable to ordinary equity holders of the Company over the weighted average number of ordinary shares in issue during the financial year.

	Group	
	<u>2023</u>	<u>2022</u>
Net loss for the financial year attributable to ordinary equity holders of the Company (RM'000)	<u>(10,704)</u>	<u>(19,618)</u>
Weighted average number of ordinary shares in issue (Number in '000)	<u>702,707</u>	<u>682,154</u>
Basic/diluted loss per share (sen)	<u>(1.52)</u>	<u>(2.88)</u>

28. EMPLOYEE BENEFITS EXPENSES

	Group		Company	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	RM'000	RM'000	RM'000	RM'000
Salaries and other emoluments	97,884	76,915	-	-
Directors' remuneration	2,512	2,546	314	266
Defined contribution plan	7,314	6,484	-	-
Social security contribution	1,720	1,327	-	-
	<u>109,430</u>	<u>87,272</u>	<u>314</u>	<u>266</u>

The details of the Directors' remuneration are as below:-

	Group		Company	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	RM'000	RM'000	RM'000	RM'000
Salaries and other emoluments	1,889	1,987	44	37
Defined contribution plan	350	328	-	-
Social security contribution	3	2	-	-
Fees	270	229	270	229
	<u>2,512</u>	<u>2,546</u>	<u>314</u>	<u>266</u>

29. RELATED PARTY DISCLOSURES

29.1 Related party transactions

Related party transactions have been entered in the normal course of business under normal trade terms. The significant related party transactions of the Group and the Company other than those disclosed elsewhere in the financial statements, are as follows:-

	Group	
	<u>2023</u>	<u>2022</u>
	RM'000	RM'000
Jointly controlled entity		
- Administration fee charged to	10	12
- Management fee charged to	644	284
- Warehouse and storage fee charged to	432	432
- Dividends received from	2,000	-
- Sales to	458	-



29. RELATED PARTY DISCLOSURES (CONT'D)

29.1 Related party transactions (cont'd)

Related party transactions have been entered in the normal course of business under normal trade terms. The significant related party transactions of the Group and the Company other than those disclosed elsewhere in the financial statements, are as follows (cont'd):-

	Group	
	<u>2023</u> RM'000	<u>2022</u> RM'000
Persons or entities that are related to certain Directors of the Company		
- Advertising and promotion fee charged to	228	238
- Purchases of raw material from	574	915
Non-controlling interests		
- Purchases of raw material/consumable from	5,675	3,916
- Upkeep expense charged by	-	106
- Royalty fee charged by	165	106
- Intellectual property right charged by	27	19
- Technical support charged by	305	274
- Rental income received from	12	12
- Interest charged by	182	40
- Staff secondment by	325	250
- Loan from	1,000	-
- Sales to	222	-
	<hr/>	<hr/>
	Company	
	<u>2023</u> RM'000	<u>2022</u> RM'000
Dividends received from subsidiaries	33,900	600
Purchases of fresh food from a subsidiary	<hr/> 1	<hr/> 1

29.2 Compensation of key management personnel

The remuneration of the Directors and other members of key management personnel during the financial year are as follows:-

	Group		Company	
	<u>2023</u> RM'000	<u>2022</u> RM'000	<u>2023</u> RM'000	<u>2022</u> RM'000
Salaries and other emoluments	4,769	5,788	44	37
Defined contribution plan	663	752	-	-
Social security contributions	17	16	-	-
Fees	<hr/> 270	<hr/> 229	<hr/> 270	<hr/> 229
	<hr/> 5,719	<hr/> 6,785	<hr/> 314	<hr/> 266

Other members of key management personnel comprise persons other than the Directors of the Group, having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The Directors' fee and remuneration are disclosed in Note 28 to the Financial Statements.



29. **RELATED PARTY DISCLOSURES (CONT'D)**

29.3 **Outstanding balances arising from related parties**

The outstanding balances arising from related parties as at the reporting date are disclosed in Notes 9, 12 and 19 to the Financial Statements.

30. **CAPITAL COMMITMENT**

	Group	
	<u>2023</u> RM'000	<u>2022</u> RM'000
<u>Authorised and contracted for:-</u>		
- Property, plant and equipment	6,665	11,560

31. **OPERATING SEGMENT**

Business segment

For management purposes, the Group is organised into business units based on their products and services, which comprises the following:-

- (i) Retail convenience – operating retail convenience stores selling retail convenience goods and services
- (ii) Manufacturing – producing bakery products and ready-to-eat meals

The Group has aggregated certain operating segments to form a reportable segment due to their similar nature and operational characteristics.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which, in certain respects as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements.

Transactions between segments were entered into the normal course of business and were established on terms and conditions that are not materially different from that obtainable in transactions with unrelated parties. Inter-segment pricing is determined on negotiated basis. The effects of such inter-segment transactions are eliminated on consolidation.



31. OPERATING SEGMENT (CONT'D)

Business segment (cont'd)

<u>2023</u> <u>Group</u>	<u>Note</u>	<u>Retail</u> <u>convenience</u> <u>RM'000</u>	<u>Manufacturing</u> <u>RM'000</u>	<u>Elimination</u> <u>RM'000</u>	<u>Consolidated</u> <u>RM'000</u>
External revenue		729,528	712	-	730,240
Inter segment revenue		-	56,893	(56,893)	-
Total revenue		729,528	57,605	(56,893)	730,240
Depreciation of property, plant and equipment		27,640	1,913	-	29,553
Depreciation of right-of-use assets		48,950	4,821	(3,055)	50,716
Finance income		(657)	(33)	-	(690)
Finance costs		10,470	2,145	(1,344)	11,271
Share of profit of jointly control entity		(2,214)	-	-	(2,214)
Tax expenses		8,124	-	-	8,124
Other material non-cash items	(i)	21,910	280	-	22,190
Net loss for the financial year	(ii)	(2,508)	(10,172)	(2,721)	(15,401)
Segment assets	(iii)	670,175	50,059	(86,329)	633,905
Segment liabilities	(iv)	379,893	54,035	(36,641)	397,287
Additions to non-current assets:-					
- Property, plant and equipment		11,807	117	-	11,924
- Right-of-use assets		39,276	76	-	39,352



31. OPERATING SEGMENT (CONT'D)

Business segment (cont'd)

<u>2022</u> Group	<u>Note</u>	<u>Retail</u> <u>convenience</u> RM'000	<u>Manufacturing</u> RM'000	<u>Elimination</u> RM'000	<u>Consolidated</u> RM'000
External revenue		630,945	388	-	631,333
Inter segment revenue		-	42,861	(42,861)	-
Total revenue		630,945	43,249	(42,861)	631,333
Depreciation of property, plant and equipment		25,431	1,914	-	27,345
Depreciation of right-of-use assets		39,397	4,679	(3,207)	40,869
Finance income		(184)	(20)	-	(204)
Finance costs		8,381	2,070	(1,633)	8,818
Share of profit of jointly control entity		(833)	-	-	(833)
Tax expenses		2,546	-	-	2,546
Other material non-cash items	(i)	21,516	142	-	21,658
Net loss for the financial year	(ii)	(12,879)	(8,367)	(2,353)	(23,599)
Segment assets	(iii)	629,241	60,625	(62,139)	627,727
Segment liabilities	(iv)	393,115	55,015	(42,733)	405,397
Additions to non-current assets:-					
- Property, plant and equipment		70,532	856	-	71,388
- Right-of-use assets		94,250	2,088	-	96,338

Notes to the nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements:-

(i) Other material non-cash expenses/(income) comprise the following items:-

	<u>2023</u> RM'000	<u>2022</u> RM'000
Amortisation of intangible asset	416	416
Gain on disposal of investment properties	(800)	-
Fair value gain on investment properties	(418)	(678)
Inventories written off and wastages	21,724	20,944
Property, plant and equipment written off	2,051	2,695
Rental rebates	(783)	(1,719)
	<u>22,190</u>	<u>21,658</u>



31. OPERATING SEGMENT (CONT'D)

Business segment (cont'd)

Notes to the nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements (cont'd):-

- (ii) The following items are added to/(deducted from) segment profit to arrive at "loss for the financial year" presented in the consolidated statement of profit or loss and other comprehensive income:-

	<u>2023</u> RM'000	<u>2022</u> RM'000
Revenue	(65,403)	(49,943)
Other income	(8,842)	(8,212)
Administrative expenses	1,133	786
Selling and distribution expenses	9,103	7,082
Cost of sales	59,944	46,301
Finance costs	1,344	1,633
	<u>(2,721)</u>	<u>(2,353)</u>

- (iii) The following items are deducted from segment operating assets to arrive at total assets reported in consolidated statement of financial position:-

	<u>2023</u> RM'000	<u>2022</u> RM'000
Right-of-use assets	22,429	25,485
Investments in subsidiaries	55,067	24,225
Amount due from subsidiaries/related companies	7,782	11,378
Deferred tax assets	91	91
Other receivables	960	960
	<u>86,329</u>	<u>62,139</u>

- (iv) The following items are deducted from segment operating liabilities to arrive at total liabilities reported in consolidated statement of financial position:-

	<u>2023</u> RM'000	<u>2022</u> RM'000
Provision of restoration costs	350	350
Lease liabilities	27,549	30,045
Amount due to subsidiaries/related companies	7,782	11,378
Other payables	960	960
	<u>36,641</u>	<u>42,733</u>

The operations of the Group are primarily carried out in Malaysia.

There is no significant concentration of revenue from any major customers as the Group's revenue is contributed by various customers.

32. FINANCIAL INSTRUMENTS

32.1 Financial risk management

The Group is exposed to financial risks arising from its operations and the use of financial instruments. Financial risk management policies are established to ensure that adequate resources are available for the development of the Group's business whilst managing its financial risks. The Group operates within clearly defined policies and procedures that are approved by the Board of Directors to ensure the effectiveness of the risk management process.



32. FINANCIAL INSTRUMENTS (CONT'D)

32.1 Financial risk management (cont'd)

The main areas of financial risks faced by the Group and the Company and the policies in respect of the major areas of treasury activity are set out as follows:-

(a) Credit risk

Credit risk is the risk of a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. It is the Group's policy to enter into financial instrument with a diversity of creditworthy counterparties. The Group does not expect to incur material credit losses of its financial assets or other financial instruments.

Concentration of credit risk exists when changes in economic, industry and geographical factors similarly affect the group of counterparties whose aggregate credit exposure is significant in relation to the Group's total credit exposure. The Group's portfolio of financial instrument is broadly diversified along industry, product and geographical lines, and transactions are entered into with diverse creditworthy counterparties, thereby mitigate any significant concentration of credit risk.

It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures.

The following are the areas where the Group and the Company are exposed to credit risk:-

(i) Trade receivables and contract assets

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate.

The Group has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes external ratings, if they are available, financial statements, credit agency information, industry information and in some cases bank references.

Most of the Group's customers have been transacting with the Group for long-term basis, and none of these customer's balances have been written off or are credit-impaired at the reporting date. In monitoring customer credit risk, customers are grouped according to their characteristics, including whether are an individual or a legal entity, whether they are wholesale, retail or end-user customers, their geographical location, industry, trading history with the Group and existence of previous financial difficulties.

As at the reporting date, the Group has concentration of credit risk of which 79% (2022: 83%) of trade receivables are owing by four (2022: four) customers.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar pattern (i.e., by geographical region, product type, customer type and rating, and coverage by letters of credit or collateral). The calculation reflects the probability - weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about the past events, current conditions and forecasts of future economic conditions. Generally, the receivables are written-off if the Directors deemed them uncollectable. The maximum exposure to credit risk arising from trade receivables are limited to the carrying amounts as stated in the statements of financial position.



32. FINANCIAL INSTRUMENTS (CONT'D)

32.1 Financial risk management (cont'd)

(a) Credit risk (cont'd)

The following are the areas where the Group and the Company are exposed to credit risk (cont'd):-

(i) Trade receivables and contract assets (cont'd)

Set out below is the information about the credit risk exposure on the Group's trade receivables and contract assets using a provision matrix:-

	Gross carrying amount RM'000	Loss allowance RM'000	Net balances RM'000
2023			
Not past due	4,250	-	4,250
Past due 1 to 30 days	307	-	307
Past due 31 to 60 days	6	-	6
Past due more than 90 days	20	-	20
	<u>4,583</u>	<u>-</u>	<u>4,583</u>
Credit impaired at the reporting date:			
Individually impaired	<u>182</u>	<u>(182)</u>	<u>-</u>
	<u>4,765</u>	<u>(182)</u>	<u>4,583</u>
Contract assets	<u>9,150</u>	<u>-</u>	<u>9,150</u>
2022			
Not past due	325	-	325
Past due 1 to 30 days	3,284	-	3,284
Past due 31 to 60 days	18	-	18
Past due 61 to 90 days	165	-	165
Past due more than 90 days	142	-	142
	<u>3,934</u>	<u>-</u>	<u>3,934</u>
Credit impaired at the reporting date:			
Individually impaired	<u>182</u>	<u>(182)</u>	<u>-</u>
	<u>4,116</u>	<u>(182)</u>	<u>3,934</u>
Contract assets	<u>11,756</u>	<u>-</u>	<u>11,756</u>

(ii) Other receivables

The maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position.



32. FINANCIAL INSTRUMENTS (CONT'D)

32.1 Financial risk management (cont'd)

The main areas of financial risks faced by the Group and the Company and the policies in respect of the major areas of treasury activity are set out as follows (cont'd):-

(a) Credit risk (cont'd)

The following are the areas where the Group and the Company are exposed to credit risk (cont'd):-

(iii) Intercompany balances

The maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position.

The Group had trade transactions with the jointly controlled entity and monitor the results regularly.

As at the reporting date, there was no indication that the amount due from jointly controlled entity is not recoverable.

(iv) Cash and cash equivalents

The credit risk for cash and cash equivalents of the Group and of the Company is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

(v) Financial guarantee

The Company provides unsecured financial guarantee to financial institutions in respect of banking and lease facilities and guarantee for rental of premises by certain subsidiaries. The Company monitors on an on-going basis the results of the subsidiaries and repayments made by the subsidiaries. As at the reporting date, there was no indication that any subsidiaries would default on repayment on borrowing, finance lease liabilities or rental payments.

The maximum exposure to credit risk is RM96,001,000 (2022: RM97,634,000), represented by the outstanding lease liabilities and bank borrowings of the subsidiaries as at the reporting date.

(b) Liquidity risk

Liquidity risk is the risk that the Group and the Company will not be able to meet their financial obligations as and when they fall due, due to shortage of funds.

In managing their exposures to liquidity risk arises principally from their various payables, loans and borrowings, the Group and the Company maintain a level of cash and cash equivalents and bank facilities deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meet their liabilities as and when they fall due.

The Group and the Company aim at maintaining a balance of sufficient cash and deposits and flexibility in funding by keeping diverse sources of committed and uncommitted credit facilities from various banks.



32. FINANCIAL INSTRUMENTS (CONT'D)

32.1 Financial risk management (cont'd)

The main areas of financial risks faced by the Group and the Company and the policies in respect of the major areas of treasury activity are set out as follows (cont'd):-

(b) Liquidity risk (cont'd)

The summary of the maturity profile based on the contractual undiscounted repayment obligation is as follows:-

	Carrying amount RM'000	Contractual cash flows RM'000	Within 1 year RM'000	1 to 2 years RM'000	2 to 5 years RM'000	More than 5 years RM'000
Group						
2023						
Unsecured:						
Trade payables	82,569	82,569	82,569	-	-	-
Other payables	46,496	46,496	42,457	4,039	-	-
Lease liabilities	154,908	178,462	51,683	15,768	92,150	18,861
Amount due to jointly controlled entity	179	179	179	-	-	-
Secured:						
Bank borrowings	88,883	101,591	40,505	16,889	30,160	14,037
	<u>373,035</u>	<u>409,297</u>	<u>217,393</u>	<u>36,696</u>	<u>122,310</u>	<u>32,898</u>
2022						
Unsecured:						
Trade payables	73,210	73,210	73,210	-	-	-
Other payables	65,323	65,323	62,372	2,951	-	-
Lease liabilities	158,222	178,182	49,215	33,144	74,455	21,368
Secured:						
Bank borrowings	90,502	98,841	44,467	14,389	24,499	15,486
	<u>387,257</u>	<u>415,556</u>	<u>229,264</u>	<u>50,484</u>	<u>98,954</u>	<u>36,854</u>
Company						
2023						
Unsecured:						
Other payables	3,804	3,804	3,804	-	-	-
Financial guarantee for subsidiaries	-	96,001	96,001	-	-	-
2022						
Unsecured:						
Other payables	276	276	276	-	-	-
Financial guarantee for subsidiaries	-	97,634	97,634	-	-	-



32. FINANCIAL INSTRUMENTS (CONT'D)

32.1 Financial risk management (cont'd)

The main areas of financial risks faced by the Group and the Company and the policies in respect of the major areas of treasury activity are set out as follows (cont'd):-

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates.

The Group's fixed-rate instruments are exposed to a risk of change in their fair value due to changes in interest rates. The Group's variable rate instruments are exposed to a risk of change in cash flows due to changes in interest rates.

The Group's interest rate management objective is to manage the interest expenses consistent with maintaining an acceptable level of exposure to interest rate fluctuation. In order to achieve this objective, the Group targets a mix of fixed and floating debts based on assessment of its existing exposure and desired interest rate profile.

The interest rate profile of the Group's and the Company's significant interest-bearing financial instruments based on the carrying amounts as at the reporting date are as follows:-

	<u>2023</u> RM'000	<u>2022</u> RM'000
Group		
Fixed rate instruments		
<u>Financial assets</u>		
Fixed deposits with licensed banks	26,801	936
Lease receivables	374	-
	<u>27,175</u>	<u>936</u>
<u>Financial liabilities</u>		
Lease liabilities	154,908	158,222
Loan from corporate shareholders of subsidiaries	1,030	-
	<u>155,938</u>	<u>158,222</u>
Floating rate instruments		
<u>Financial liabilities</u>		
Bank borrowings (exclude supplier financing)	77,969	80,141
Loan from corporate shareholders of subsidiaries	3,009	-
	<u>80,978</u>	<u>80,141</u>
Company		
Fixed rate instruments		
<u>Financial asset</u>		
Fixed deposits with licensed banks	26,533	-



32. FINANCIAL INSTRUMENTS (CONT'D)

32.1 Financial risk management (cont'd)

The main areas of financial risks faced by the Group and the Company and the policies in respect of the major areas of treasury activity are set out as follows (cont'd):-

(c) Interest rate risk (cont'd)

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss, and the Group does not designate derivatives as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

A change in 0.5% in interest rate at the end of the reporting year would have (decreased)/increased the net loss/equity for the financial year by the amount shown below. This analysis assumes that other variables remain constant.

	← (Decrease)/increase →			
	Equity		Net loss for the financial year	
	RM'000	RM'000	RM'000	RM'000
	+0.5%	-0.5%	+0.5%	-0.5%
2023	(405)	405	405	(405)
2022	(401)	401	401	(401)

32.2 Fair value of financial instruments

The carrying amounts of financial assets and financial liabilities of the Group and the Company at the reporting date approximate their fair values due to their relatively short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the reporting date or insignificant impact of discounting.

33. DIVIDENDS

During the financial year, the following dividend has been declared by the Company to the owners of the Company:

	Company	
	<u>2023</u>	<u>2022</u>
	RM'000	RM'000
Single-tier interim dividend of 0.5 sen per ordinary share in respect of the financial year ended 31 October 2023 and paid on 9 November 2023	3,752	-

The Board of Directors did not recommend any final dividend to be paid for the financial year ended 31 October 2023.



34. CAPITAL MANAGEMENT

The Group's objective when managing capital is to maintain a strong capital base and safeguard the Group's ability to continue as a going concern, so as to maintain shareholders, creditors and market confidence and to sustain future growth and development of the business. The Directors monitor and determine to maintain an optimal debt-to-equity ratio and ensure that the Group complies with debt covenants imposed by bankers.

The Group sets the amount of capital in proportion to its overall financing structure, i.e. equity and financial liabilities. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the dividend payments to shareholders, returns capital to shareholders, issues new shares or sell assets to reduce debts.

There were no changes in the Group's approach to capital management during the financial year.



List of Properties

No.	Location / Postal address	Description / Existing use / Age of building	Existing use	Land / Built-up area (sq. ft.)	Tenure / Date of expiry of lease	NBV as at 31 October 2023 (RM'000)
1.	Geran 212277, Lot 21191, Mukim Rawang, Daerah Gombak, Negeri Selangor bearing postal address of Lot 142, Jalan Industri 2/4, Rawang Integrated Industrial Park, 48000 Rawang, Selangor	A double-storey detached warehouse with two units of guard houses/ Warehouse Age of building- 19 years	Warehouse	Land area: 108,715 (equivalent to 10,100 sq. m.) Built-up area 125,270 (equivalent to 11,638 sq. m.)	Freehold/ Perpetuity Revaluation date: 30 October 2023	24,000
2.	HS(D) 296565, PT 36936 (previously held under HS(D) 264383), PT 26534, Mukim Bukit Raja, District of Petaling, State of Selangor identified as Parcel No. B-30-15, Storey No. 30, Type A1-Trefoil, Block No. Tower B, Accessory Parcel No. L4-305, Project Trefoil located at Shah Alam, Selangor bearing postal address of B-30-15, Trefoil @ Setia City, No. 2, Jalan Setia Dagang AH U13/AH, Setia Alam, Seksyen U13, 40170 Shah Alam, Selangor	1 unit of office lot in a multi-storey building comprising 3 office towers (Tower B - 36 storeys)/ Age of building - 7 years	Tenanted	Built-up area: 486 (equivalent to 45 sq. m.)	Freehold/ Perpetuity Purchase date: 18 October 2011 Revaluation date: 25 October 2023	290
3.	HS(D) 296565, PT 36936 (previously held under HS(D) 264383, PT 26534), Mukim Bukit Raja, District of Petaling, State of Selangor identified as Parcel No. B-30-16, Storey No. 30, Type A1-Trefoil, Block No. Tower B, Accessory Parcel No. L4-304, Project Trefoil located at Shah Alam, Selangor bearing postal address of B-30-16, Trefoil @ Setia City, No. 2, Jalan Setia Dagang AH U13/AH, Setia Alam, Seksyen U13, 40170 Shah Alam, Selangor	1 unit of office lot in a multistorey building comprising 3 office towers (Tower B - 36 storeys)/ Age of building - 7 years	Tenanted	Built-up area: 486 (equivalent to 45 sq. m.)	Freehold / Perpetuity Purchase date: 18 October 2011 Revaluation date: 25 October 2023	290



List of Properties

No.	Location / Postal address	Description / Existing use / Age of building	Existing use	Land / Built-up area (sq. ft.)	Tenure / Date of expiry of lease	NBV as at 31 October 2023 (RM'000)
4.	A-11-1 Block A Jaya One No. 72A, Jalan Universiti, Petaling Jaya, Selangor held under Strata Pajakan Negeri 96662/M1-a/2/162, No Bangunan: M1-A, Tingkat 2, No. Petak 162 Lot No 82, Seksyen 13, Bandar Petaling Jaya, Dearah Petaling, Selangor	Office Suite Age of building - 17 years	Vacant	Built-up area: 2,175 (equivalent to 202 sq. m.)	99 years, expires on 28 May 2105 Purchase date: 25 July 2016 Revaluation date: 31 October 2023	1,370
5.	HS(D) 560918, PTD 186476, Mukim Tebrau, Dearah Johor Bahru, Negeri Johor also known as No 2, Jalan Ekoperniagaan 1/11, Taman Ekoperniagaan, 81100 Johor Bahru, Johor	2 storey semi-detached factory Age of building - 7 years	Tenanted	Land area: 0.25 hectare (equivalent to 2,500 sq. m.) Built-up area: 17,000 (equivalent to 1,579 sq. m.)	Freehold / Perpetuity Purchase date: 8 December 2016 Revaluation date: 31 October 2023	7,000
6.	HS(D) 242970, PT 10567, Pekan Baru Sungai Buloh, District of Petaling, State of Selangor bearing postal address of Lot No. 3, Jalan Teknologi 3/1, Taman Sains Selangor 1, Kota Damansara, 47810 Petaling Jaya, Selangor.	Single storey warehouse with an annexed 3-storey office building Age of building - 19 years	Office building and food processing centre	Land area: 17,869 square metres Built-up area : 11,206.52 sq metres (approximately 120,626 sq ft)	99 years, expires on 19 January 2107 Purchase date: 30 August 2017 Revaluation date: 31 October 2023	83,900



Analysis of Shareholdings As at 31 January 2024

Total number of issued shares	: 750,354,000
Issued and Paid-Up Share Capital	: RM229,542,756
Class of Shares	: Ordinary Shares
Voting Rights	: One (1) vote per Ordinary Share

ANALYSIS BY SIZE OF SHAREHOLDINGS AS AT 31 JANUARY 2024

Size of shareholding	No. of shareholders		No. of shares	
	No.	%	No.	%
Less than 100	64	1.58	773	*0.00
100 to 1,000	798	19.72	446,702	0.06
1,001 to 10,000	1,978	48.89	9,970,105	1.33
10,001 to 100,000	993	24.54	32,562,220	4.34
100,001 to less than 5% of issued shares	211	5.22	301,397,200	40.17
5% and above of issued shares	2	0.05	405,977,000	54.10
Total	4,046	100.00	750,354,000	100.00

Note: * Negligible by virtue of it being less than 0.01%.

LIST OF THIRTY (30) LARGEST SHAREHOLDERS AS AT 31 JANUARY 2024

No.	Shareholder	Shareholding	
		No.	%
1.	Cimsec Nominees (Tempatan) Sdn Bhd CIMB for D&D Consolidated Sdn Bhd (PB)	330,777,000	44.08
2.	Cimsec Nominees (Tempatan) Sdn Bhd CIMB for JAG Capital Holdings Sdn Bhd (PB)	75,200,000	10.02
3.	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for JAG Capital Holdings Sdn Bhd	28,740,000	3.83
4.	Amsec Nominees (Tempatan) Sdn Bhd Ambank (M) Berhad	25,683,800	3.42
5.	RHB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for D&D Consolidated Sdn Bhd	22,868,700	3.05
6.	CGS-CIMB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for D&D Consolidated Sdn Bhd (M2682A)	21,000,000	2.80
7.	CGS-CIMB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for D&D Consolidated Sdn Bhd (M2681A)	20,000,000	2.67
8.	Citigroup Nominees (Tempatan) Sdn Bhd Kumpulan Wang Persaraan (Diperbadankan) (Aberdeen)	16,158,400	2.15
9.	Tan Lay Sen	15,265,000	2.03



Analysis of Shareholdings as at 31 January 2024

No.	Shareholder	Shareholding	
		No.	%
10.	MIDF Amanah Investment Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Leasing Corporation Sdn Bhd (CTS-LCS0001C)	13,078,200	1.74
11.	Dang Tai Gean	9,178,000	1.22
12.	Dang Tai Kien	9,150,000	1.22
13.	HLIB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Dang Tai Kien	8,185,000	1.09
14.	HLB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Wong Yee Hui	6,900,000	0.92
15.	HLB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Dang Tai Kien	5,334,900	0.71
16.	Amsec Nominees (Tempatan) Sdn Bhd Ambank (M) Berhad for Dang Tai Hock (5651-1501)	3,753,900	0.50
17.	Red Orchid Sdn Bhd	3,721,200	0.50
18.	CIMB Group Nominees (Tempatan) Sdn Bhd CIMB Commerce Trustee Berhad for Philip Master Equity Growth Fund (50144 TR01)	2,971,100	0.40
19.	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (Aberdeen)	2,662,900	0.35
20.	Maybank Nominees (Tempatan) Sdn Bhd Etika Life Insurance Berhad (Growth)	2,485,000	0.33
21.	Wong Kok Liang	2,350,000	0.31
22.	Liew Heng Heng	2,087,000	0.28
23.	Citigroup Nominees (Tempatan) Sdn Bhd Kumpulan Wang Persaraan (Diperbadankan) (MYBK AM SC E)	2,050,000	0.27
24.	Citigroup Nominees (Tempatan) Sdn Bhd Kumpulan Wang Persaraan (Diperbadankan) (ABDN EQ ABSR FD)	2,012,900	0.27
25.	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Soon Chiew Hea (E-JBU/BIH)	2,000,000	0.27
26.	Tan Yew Hock	1,880,000	0.25
27.	Tan Yu Yeh	1,820,000	0.24
28.	CGS-CIMB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Ling Fei (Kuching)	1,691,900	0.23
29.	Citigroup Nominees (Asing) Sdn Bhd Exempt An for Citibank New York (Norges Bank 1)	1,663,500	0.22
30.	Chinchoo Investment Sdn. Berhad	1,655,500	0.22



Analysis of Shareholdings as at 31 January 2024

SUBSTANTIAL SHAREHOLDERS AS AT 31 JANUARY 2024

(As per the Register of Substantial Shareholders of the Company)

Name	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
D&D Consolidated Sdn Bhd	394,645,700	52.59	-	-
Dang Tai Luk	-	-	*402,120,800	53.59
Dang Tai Wen	-	-	*402,120,800	53.59
Dang Tai Hock	3,753,900	0.50	**398,366,900	53.09
JAG Capital Holdings Sdn Bhd	103,940,000	13.85	-	-

Notes:

*Deemed interested by virtue of Section 8(4) of the Companies Act, 2016 through his shareholding in D&D Consolidated Sdn Bhd, his parent's shareholding in Red Orchid Sdn Bhd and through his brother, Dang Tai Hock's shareholdings in the Company.

**Deemed interested by virtue of Section 8(4) of the Companies Act, 2016 through his shareholding in D&D Consolidated Sdn Bhd and his parent's shareholding in Red Orchid Sdn Bhd.

DIRECTORS' SHAREHOLDINGS AS AT 31 JANUARY 2024

(As per the Register of Directors' Shareholdings of the Company)

Name	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
Dang Tai Luk	-	-	*402,120,800	53.59
Dang Tai Wen	-	-	*402,120,800	53.59
Dang Tai Hock	3,753,900	0.50	**398,366,900	53.09
Soon Dee Hwee	400,000	0.05	-	-
Christopher Koh Swee Kiat	-	-	-	-
Latifah Binti Abdul Latiff	-	-	-	-

Notes:

*Deemed interested by virtue of Section 8(4) of the Companies Act, 2016 through his shareholding in D&D Consolidated Sdn Bhd, his parent's shareholding in Red Orchid Sdn Bhd and through his brother, Dang Tai Hock's shareholdings in the Company.

**Deemed interested by virtue of Section 8(4) of the Companies Act, 2016 through his shareholding in D&D Consolidated Sdn Bhd and his parent's shareholding in Red Orchid Sdn Bhd.



Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Eleventh Annual General Meeting (“11th AGM”) of the Company will be held virtually 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 Darul Ehsan, Malaysia and via the TIH Online website at <https://tiah.online> on 26 March 2024, Tuesday at 10.00 a.m. for the transaction of the following business:

AGENDA

AS ORDINARY BUSINESS:

- | | | |
|----|--|------------------------------|
| 1. | To receive the Audited Financial Statements for the financial year ended 31 October 2023 together with the Reports of the Directors and Auditors thereon. | |
| 2. | To approve the payment of Directors' fees of up to RM215,000 from 27 March 2024 until the next Annual General Meeting (“AGM”) for the Non-Executive Directors, payable monthly in arrears after each month of completed service of the Directors. | Ordinary Resolution 1 |
| 3. | To approve the payment of Directors' meeting allowances of up to RM57,000 for the period from 27 March 2024 until the next AGM of the Company for the Non-Executive Directors. | Ordinary Resolution 2 |
| 4. | To re-elect the Director, Mr Dang Tai Hock who retires by rotation in accordance with Article 114(1) of the Company's Constitution and who being eligible, offers himself for re-election.

Ms Soon Dee Hwee who also retires by rotation in accordance with Article 114(1) of the Company's Constitution, has expressed her intention not to seek re-election. Hence, she will retain office until the close of the 11th AGM. | Ordinary Resolution 3 |
| 5. | To re-elect the Director, Mr Dang Tai Wen who retires in accordance with Article 124 of the Company's Constitution and who being eligible, offers himself for re-election. | Ordinary Resolution 4 |
| 6. | To re-appoint Grant Thornton Malaysia PLT as the Company's Auditors for the ensuing financial year and to authorise the Directors to determine their remuneration. | Ordinary Resolution 5 |

AS SPECIAL BUSINESS:

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

Authority to Allot and Issue Shares pursuant to Sections 75 and 76 of the Companies Act 2016 (“the Act”) and Waiver of Pre-emptive Rights to New Shares under Section 85(1) of the Act

“THAT subject always to the Companies Act 2016 (“the Act”), the Constitution of the Company and the approvals from Bursa Malaysia Securities Berhad (“Bursa Securities”) and any other relevant governmental and/or regulatory authorities, the Directors be and are hereby empowered pursuant to the Act, to allot and issue shares in the capital of the Company from time to time at such price and upon such terms and conditions, for such purposes and to such person or persons whomsoever the Directors may in their absolute discretion deem fit provided always that the aggregate number of shares issued pursuant to this resolution does not exceed ten per centum (10%) of the total number of issued shares of the Company for the time being;

Ordinary Resolution 6



Notice of Annual General Meeting

THAT pursuant to Section 85 of the Act, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new shares of the Company ranking equally to the existing issued shares arising from any issuance of new shares in the Company pursuant to Sections 75 and 76 of the Act.

**Ordinary
Resolution 6
(Continued)**

THAT the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Securities;

AND THAT such authority shall commence immediately upon the passing of this resolution and continue to be in force until the conclusion of the next AGM of the Company."

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

Proposed Renewal of Existing Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature as set out in Sections 2.4 (i) and 2.4 (ii) of the Circular to Shareholders dated 23 February 2024

**Ordinary
Resolution 7**

"**THAT**, subject to the provision of the Main Market 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 **Sections 2.4 (i) and 2.4 (ii)** of the Circular to Shareholders dated 23 February 2024 ("**Proposed Renewal of Existing 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 interest of minority shareholders of the Company.

THAT the Proposed Renewal of Existing Mandate is subject to an annual renewal, **AND THAT** any authority conferred by the Proposed Renewal of Existing 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 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 ("the Act") (but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Act; or
- (iii) it is revoked or varied by resolution passed by the shareholders of the Company in general meeting,

whichever is the earlier;

AND FURTHER 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 Mandate."



Notice of Annual General Meeting

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

Proposed Renewal of Existing Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature as set out in Sections 2.4 (iii) to 2.4 (viii) of the Circular to Shareholders dated 23 February 2024

**Ordinary
Resolution 8**

“THAT, subject to the provision of the Main Market 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 **Sections 2.4 (iii) to 2.4 (viii)** of the Circular to Shareholders dated 23 February 2024 (**“Proposed Renewal of Existing 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 interest of minority shareholders of the Company.

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

- (i) the conclusion of the next AGM of the Company following the general meeting at which the Proposed Renewal of Existing 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 Act (but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Act; or
- (iii) it is revoked or varied by resolution passed by the shareholders of the Company in general meeting,

whichever is the earlier;

AND FURTHER 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 Mandate.”



Notice of Annual General Meeting

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

Proposed New Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature as set out in Sections 2.4 (ix) and 2.4 (x) of the Circular to Shareholders dated 23 February 2024

**Ordinary
Resolution 9**

“THAT, subject to the provision of the Main Market 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 **Sections 2.4 (ix) and 2.4 (x)** of the Circular to Shareholders dated 23 February 2024 (**“Proposed New 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 interest of minority shareholders of the Company.

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

- (i) the conclusion of the next AGM of the Company following the general meeting at which the Proposed New 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 Act (but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Act; or
- (iii) it is revoked or varied by resolution passed by the shareholders of the Company in general meeting,

whichever is the earlier;

AND FURTHER 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 Mandate.”

11. To transact any other business of which due notice shall have been given in accordance with the Act and the Company’s Constitution.

BY ORDER OF THE BOARD

LIM GIM CHOO, SSM PC No. 202308000632, MIA 41435
CHIA FOOI CHING, SSM PC No. 202008003836, MAICSA 7051382
Company Secretaries

Selangor Darul Ehsan
23 February 2024



Notice of Annual General Meeting

NOTES:

1. IMPORTANT NOTICE

The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Act which requires the Chairperson of the meeting to be present at the main venue of the meeting.

Members/shareholders will not be allowed to attend this 11th AGM in person at the Broadcast Venue on the date of the meeting.

Members/shareholders are to attend, speak (including posing questions to the Board via real time submission of typed texts) and vote (collectively, "participate") remotely at this 11th AGM via the Remote Participation and Voting facilities ("RPV") provided by Tricor Investor & Issuing House Services Sdn. Bhd. ("Tricor") via its **TIIH Online** website at <https://tiih.online>.

Please read these Notes carefully and follow the procedures in the Administrative Guide for this 11th AGM in order to participate remotely via RPV.

2. In respect of deposited securities, only members/shareholders whose names appear in the Record of Depositors as at **18 March 2024** ("General Meeting Record of Depositors") shall be eligible to attend, speak and vote at the meeting.
3. A member entitled to vote and attend at the meeting is entitled to appoint a proxy to attend and vote at the meeting on his/her behalf. In case of a corporation, a duly authorised representative to attend and vote in its stead. The proxy may but need not be a member of the Company and there is no limitation as to the qualification of the proxy. A proxy/representative appointed to attend and vote at the meeting shall have the same rights as the member to speak at the meeting.
4. A member shall be entitled to appoint not more than two (2) proxies to attend and vote at the meeting and the appointment shall be invalid unless he/she specifies the proportions of his/her shareholding to be represented by each proxy.
5. Where a member is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account") there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
6. If the appointor is a corporation this form must be executed under the corporation's common seal or under the hand of an officer or attorney duly authorised.
7. The Form of Proxy must be deposited at the office of the Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8 Jalan Kerinchi, 59200 Kuala Lumpur or its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8 Jalan Kerinchi, 59200 Kuala Lumpur not less than forty-eight (48) hours before the time appointed for holding the 11th AGM or at any adjournment thereof. Alternatively, you may submit the Form of Proxy electronically via TIIH Online website at <https://tiih.online> before the aforesaid lodgement cut-off time. Please refer to the Administrative Guide for the 11th AGM on the procedures for electronic lodgement of Form of Proxy.
8. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the Notice will be put to vote by way of poll.



Notice of Annual General Meeting

EXPLANATORY NOTES TO THE AGENDA

1. To receive the Audited Financial Statements for the financial year ended 31 October 2023 together with the Reports of Directors and Auditors thereon

This is meant for discussion only, as the provision of Section 340(1) of the Act does not require formal approval of the shareholders for the Audited Financial Statements. Hence, this item of the Agenda is not put forward for voting.

2. Ordinary Resolution 1: Payment of Directors' Fees

Pursuant to Section 230(1) of the Act, the fees of the Non-Executive Directors and any benefits payable to the Non-Executive Directors shall be approved at a general meeting.

The proposed payment of Directors' fees to Non-Executive Directors of up to RM215,000 from 27 March 2024 until the next AGM is based on the following fee structure (per annum):

	Chairman	Member
Board	NIL	RM60,000
Audit Committee	RM15,000	NIL
Nominating Committee	RM10,000	NIL
Remuneration Committee	RM10,000	NIL

The Non-Executive Directors' fees for some of the Non-Executive Directors were pro-rated due to redesignation and resignation in the various Committees and Board. Please refer to the Corporate Governance Overview Statement in the Annual Report 2023 for fees breakdown.

In the event the proposed amount is insufficient (e.g. due to enlarged Board size), approval will be sought at the next AGM for additional fee to meet the shortfall.

3. Ordinary Resolution 2: Payment of Directors' meeting allowances

Pursuant to Section 230(1) of the Act, the fees of the Non-Executive Directors and any benefits payable to the Non-Executive Directors shall be approved at a general meeting.

The Proposed Ordinary Resolution 2 is to facilitate payment of Directors' meeting allowances for Non-Executive Directors for the period from 27 March 2024 until the next AGM.

The meeting allowances are calculated based on the number of scheduled Board and Committee meetings for the said period and assuming that all Non-Executive Directors will hold office from 27 March 2024 to the date of the next AGM. In the event the proposed amount is insufficient (e.g. due to more meetings or enlarged Board size), approval will be sought at the next AGM for additional meeting allowance to meet the shortfall.

The meeting allowance is RM2,000 for a full day meeting and RM1,000 for a half day meeting.

4. Ordinary Resolution 3: To re-elect the Directors who are retiring in accordance with Article 114(1) of the Company's Constitution

Mr Dang Tai Hock and Ms Soon Dee Hwee ("Ms Soon") are retiring by rotation in accordance with Article 114(1) of the Company's Constitution. Mr Dang Tai Hock being eligible, has offered himself for re-election at the 11th AGM.



Notice of Annual General Meeting

EXPLANATORY NOTES TO THE AGENDA

The Board of Directors has through the Nominating Committee carried out the necessary assessment on Mr Dang Tai Hock and concluded that he met the criteria as prescribed under Paragraph 2.20A of the Main Market Listing Requirements on character, experience, integrity, competence and time commitment to effectively discharge his role as Director. The profile of Mr Dang Tai Hock, who is standing for re-election are set out in the Profile of Directors of the Annual Report 2023.

Nonetheless, Ms Soon who also retires by rotation, has expressed her intention not to seek re-election and will retain office until the close of 11th AGM. Ms Soon has served the Company as a Senior Independent Non-Executive Director for almost 9 years. To observe good corporate governance practice as recommended by the Malaysia Code on Corporate Governance, she has expressed her intention to the Company to vacate her position in the Boardroom and Board Committees by not seeking the re-election as Director in the Company.

5. Ordinary Resolution 4: To re-elect the Director who is retiring in accordance with Article 124 of the Company's Constitution

Article 124 of the Company's Constitution provides that any Director appointed by the Board shall hold office only until the next AGM and shall then be eligible for re-election but shall not be taken into account in determining the Directors who are to retire by rotation at that meeting.

Mr Dang Tai Wen who was appointed as Executive Director (Group Chief Executive Officer) of the Company on 30 September 2023, is standing for re-election and being eligible, has offered himself for re-election.

His expertise and experience that he brings to the Board, shall further strengthen the Board composition. The Board has therefore recommended the re-election of Mr Dang Tai Wen who is retiring at the 11th AGM. His profile is set out in the Profile of Directors of the Annual Report 2023.

6. Ordinary Resolution 6: Authority to Issue and Allot Shares and Waiver of Pre-emptive Rights

The proposed Ordinary Resolution 6, if passed, will empower the Directors of the Company to allot and issue new shares in the Company from time to time provided that the aggregate number of shares issued does not exceed 10% of the issued shares of the Company for the time being. This authority, unless revoked or varied by the Company in a general meeting, will expire at the conclusion of the next AGM of the Company.

This mandate will provide flexibility to the Company for any possible fund-raising activities, including but not limited to further placing of shares, for purpose of funding future investment project(s), working capital and/or acquisition(s) and thereby reducing administrative time and costs associated with the convening of additional shareholders meeting(s).

Ordinary Resolution 6, if passed, the shareholders of the Company shall agree to waive their statutory pre-emptive right pursuant to Section 85(1) of the Act and thus will allow the Directors to issue new shares to any person under general mandate without having to offer the new shares to all existing shareholders of the Company prior to issuance of the new shares.

7. Ordinary Resolutions 7, 8 and 9: Proposed Renewal of Existing Mandate and Proposed New Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature as set out in Section 2.4

The detailed text on Resolutions 7, 8 and 9 are set out in the Circular to Shareholders dated 23 February 2024 which is enclosed together with the Annual Report 2023.



Notice of Annual General Meeting

GENERAL MEETING RECORD OF DEPOSITORS

To determine whether a member is entitled to attend this meeting, the Company shall be requesting from Bursa Malaysia Depository Sdn Bhd in accordance with Article 77 of the Company's Constitution and Section 34(1) of the Securities Industry (Central Depositories) Act 1991, to issue a General Meeting Record of Depositors as at 18 March 2024. Only a depositor whose name appears on the Record of Depositors as at 18 March 2024 shall be entitled to attend this meeting or appoint proxy/proxies to attend and/or vote in his/her stead.

STATEMENT ACCOMPANYING NOTICE OF 11th ANNUAL GENERAL MEETING

(Pursuant to Paragraph 8.27(2) of Bursa Malaysia Securities Berhad Main Market Listing Requirements)

1. Details of Individuals who are standing for election as Directors

The profile of the Directors who are standing for re-election is set out in the Profile of Directors of the Annual Report 2023.

The nature and extent of any conflict of interest is disclosed on Pages 77, 78 and 160 in this Annual Report.

2. General Mandate for issue of securities in accordance with Paragraph 6.03(3) of the Main Market Listing Requirements

As at the date of this Notice, 68,200,000 new ordinary shares of the Company were issued pursuant to the mandate granted at the last AGM held on 30 March 2023 of which will lapse at the conclusion of this 11th AGM.

The proceeds raised from the previous mandate sought at the last AGM was RM27,962,000.

The details and status of the utilisation of proceeds are as follows:

Description of use of proceeds	Actual Proceeds (RM'000)	Re-allocation (RM'000)	Actual utilisation as at 31 January 2024 (RM'000)	Balance to be utilised as at 31 January 2024 (RM'000)
Capital expenditure	22,880	-	1,350	21,530
Working capital	4,952	4	1,812	3,144
Defray estimated expenses relating to the Proposed Placement	130	(4)	126	-
Total	27,962	-	3,288	24,674

**MYNEWS HOLDINGS BERHAD**

Registration No.:201301010004/1039846-T) (Incorporated in Malaysia)

CDS Account (nominees account only)	
Number of shares held	
*NRIC/ Company Number	

FORM OF PROXY

I/We _____ of _____

being a member/members of MYNEWS HOLDINGS BERHAD hereby appoint

of _____

and _____ of _____
or failing *him/her the Chairman of the Meeting as my/our Proxy(ies) to vote for *me/us and on *my/our behalf at the Eleventh Annual General Meeting of the Company, will be held virtually 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 Darul Ehsan, Malaysia and via the TIIH Online website at <https://tiih.online> on 26 March 2024, Tuesday at 10.00 a.m. and at any adjournment thereof.

*My/*our Proxy(ies) is/are to vote as indicated below:

Ordinary Resolutions		For	Against
1.	To approve the payment of Directors' fees of up to RM215,000 from 27 March 2024 until the next Annual General Meeting ("AGM") for the Non-Executive Directors, payable monthly in arrears after each month of completed service of the Directors.		
2.	To approve the payment of Directors' meeting allowances of up to RM57,000 for the period from 27 March 2024 until the next AGM of the Company for the Non-Executive Directors.		
3.	To re-elect the Director, Mr Dang Tai Hock who retires by rotation in accordance with Article 114(1) of the Company's Constitution and who being eligible, offers himself for re-election.		
4.	To re-elect the Director, Mr Dang Tai Wen who retires in accordance with Article 124 of the Company's Constitution and who being eligible, offers himself for re-election.		
5.	To re-appoint Grant Thornton Malaysia PLT as the Company's Auditors for the ensuing financial year and to authorise the Directors to determine their remuneration.		
6.	Authority to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act 2016 ("the Act") and Waiver of Pre-emptive Rights pursuant to Section 85(1) of the Act.		
7.	Proposed Renewal of Existing Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature – Sections 2.4 (i) and 2.4 (ii) of the Circular to Shareholders dated 23 February 2024.		
8.	Proposed Renewal of Existing Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature – Sections 2.4 (iii) and 2.4 (viii) of the Circular to Shareholders dated 23 February 2024.		
9.	Proposed New Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature – Sections 2.4 (ix) and 2.4 (x) of the Circular to Shareholders dated 23 February 2024.		

Please indicate with an "X" in the appropriate space how you wish your vote to be cast. If you do not indicate how you wish your proxy to vote on any resolution, the proxy shall vote as he/she thinks fit, or at his/her discretion, abstain from voting.

[* Delete if not applicable]

For appointment of two (2) proxies, please state the number of shares and percentages of shareholding to be represented by each proxy:

	Name and NRIC No.	Email address	Mobile No:	No. of shares	% of shareholding
Proxy 1					
Proxy 2					
Total					

Dated thisday of 2024.

[*Signature/Common Seal of Shareholder]

1. IMPORTANT NOTICE

The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 ("the Act") which requires the Chairperson of the meeting to be present at the main venue of the meeting.

Members/shareholders will not be allowed to attend this 11th AGM in person at the Broadcast Venue on the date of the meeting.

Members/shareholders are to attend, speak (including posing questions to the Board via real time submission of typed texts) and vote (collectively, "participate") remotely at this 11th AGM via the Remote Participation and Voting facilities ("RPV") provided by Tricor Investor & Issuing House Services Sdn. Bhd. ("Tricor") via its **TIIH Online** website at <https://tiih.online>.

Please read these Notes carefully and follow the procedures in the Administrative Guide for this 11th AGM in order to participate remotely via RPV.

2. In respect of deposited securities, only members/shareholders whose names appear in the Record of Depositors as at **18 March 2024** ("General Meeting Record of Depositors") shall be eligible to attend, speak and vote at the meeting.
3. A member entitled to vote and attend at the meeting is entitled to appoint a proxy to attend and vote at the meeting on his/her behalf. In case of a corporation, a duly authorised representative to attend and vote in its stead. The proxy may but need not be a member of the Company and there is no limitation as to the qualification of the proxy. A proxy/representative appointed to attend and vote at the meeting shall have the same rights as the member to speak at the meeting.

4. A member shall be entitled to appoint not more than two (2) proxies to attend and vote at the meeting and the appointment shall be invalid unless he/she specifies the proportions of his/her shareholding to be represented by each proxy.
5. Where a member is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account") there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
6. If the appointor is a corporation, this form must be executed under the corporation's common seal or under the hand of an officer or attorney duly authorised.
7. The Form of Proxy must be deposited at the office of the Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8 Jalan Kerinchi, 59200 Kuala Lumpur or its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8 Jalan Kerinchi, 59200 Kuala Lumpur not less than forty-eight (48) hours before the time appointed for holding the 11th AGM or at any adjournment thereof. Alternatively, you may submit the Form of Proxy electronically via TIIH Online website at <https://tiih.online> before the aforesaid lodgement cut-off time. Please refer to the Administrative Guide for the 11th AGM on the procedures for electronic lodgement of Form of Proxy.
8. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the Notice will be put to vote by way of poll.

Fold this flap for sealing

**AFFIX
STAMP**

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

Then fold here