

**MYNEWS HOLDINGS BERHAD** (1039846-T)  
 (formerly known as Bison Consolidated Berhad)  
 260, Jalan KIP 4, KIP Industrial Park,  
 52200 Kuala Lumpur, Malaysia.  
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 myNEWS.com
 
[www.mynews.com.my](http://www.mynews.com.my) | 
 [www.mynewsholdings.com](http://www.mynewsholdings.com)



**MYNEWS HOLDINGS BERHAD** (1039846-T)  
 (formerly known as Bison Consolidated Berhad)

ANNUAL REPORT 2017

# CONTENTS

03

About Us

04

Corporate Milestones

06

Corporate Information

07

Corporate Structure

10

Directors' Profile

16

Key Senior Management

20

Chairman's Statement

26

Management Discussion  
and Analysis

31

Statement on Corporate Social  
Responsibility

35

Statement on Corporate Governance

48

Audit Committee Report

51

Statement on Risk Management  
and Internal Control

54

Statement on Directors'  
Responsibility

55

Financial Statements

123

List of Properties

126

Additional Compliance Information

127

Analysis of Shareholdings

130

Notice of Annual General Meeting



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for more information

Proxy Form



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## ABOUT US



Mynews Holdings Berhad (“myNEWS Holdings” or “the Company”) was incorporated as Prempac Sdn Bhd on 26 March 2013 as a private limited company. It changed its name to Bison Consolidated Sdn Bhd on 25 September 2014 and on 16 July 2015 it was converted to a public company and accordingly assumed the name, Bison Consolidated Berhad. The Company was listed on the Main Market of Bursa Malaysia Securities Berhad (“Bursa Malaysia”) on 29 March 2016. The Company adopted its current name on 11 December 2017 following its shareholders’ approval on the proposed name change by the Board of Directors to be synonymous with the Group’s retail outlets’ name.

The Company is an investment holding company with subsidiaries (the group is collectively defined as “myNEWS” or “the Group”) involved in the following:

- owns and operates the largest homegrown press and retail convenience chain in Malaysia – the myNEWS.com outlets. myNEWS also has other outlets operating under the names of MAGBIT, newsplus and THE FRONT PAGE;
- operates a café;
- operates a bakery which supplies solely to myNEWS;
- provides Information Technology support to myNEWS; and
- provides management services to a jointly controlled entity which operates the WH Smith retail outlets at the international airports in Malaysia.

myNEWS has been operating the press and retail convenience business for twenty-one (21) years under the respective companies managed by the same management team and led by common directors in their respective Boards. The first outlet, MAGBIT was opened on 25 December 1996 in One-Utama Shopping Complex. myNEWS started predominantly as a print media retailer and evolved to become a press and retail convenience outlets chain. The evolution commenced in 1997 with the launch of the “myNEWS.com” brand name, riding on the dot.com wave then, with the opening of the first myNEWS.com outlet in Mid Valley Megamall.

The venture with WH Smith Travel Limited, a renowned convenience store operator specialised in travel accessories in 2012 to jointly set up WH Smith Malaysia Sdn Bhd is a testimony of the acceptance and recognition of the myNEWS.com name abroad. The licensing of the myNEWS.com brand name to two (2) outlets at the Yangon International Airport in Myanmar in May 2016 further affirmed the recognition bestowed on myNEWS.com.

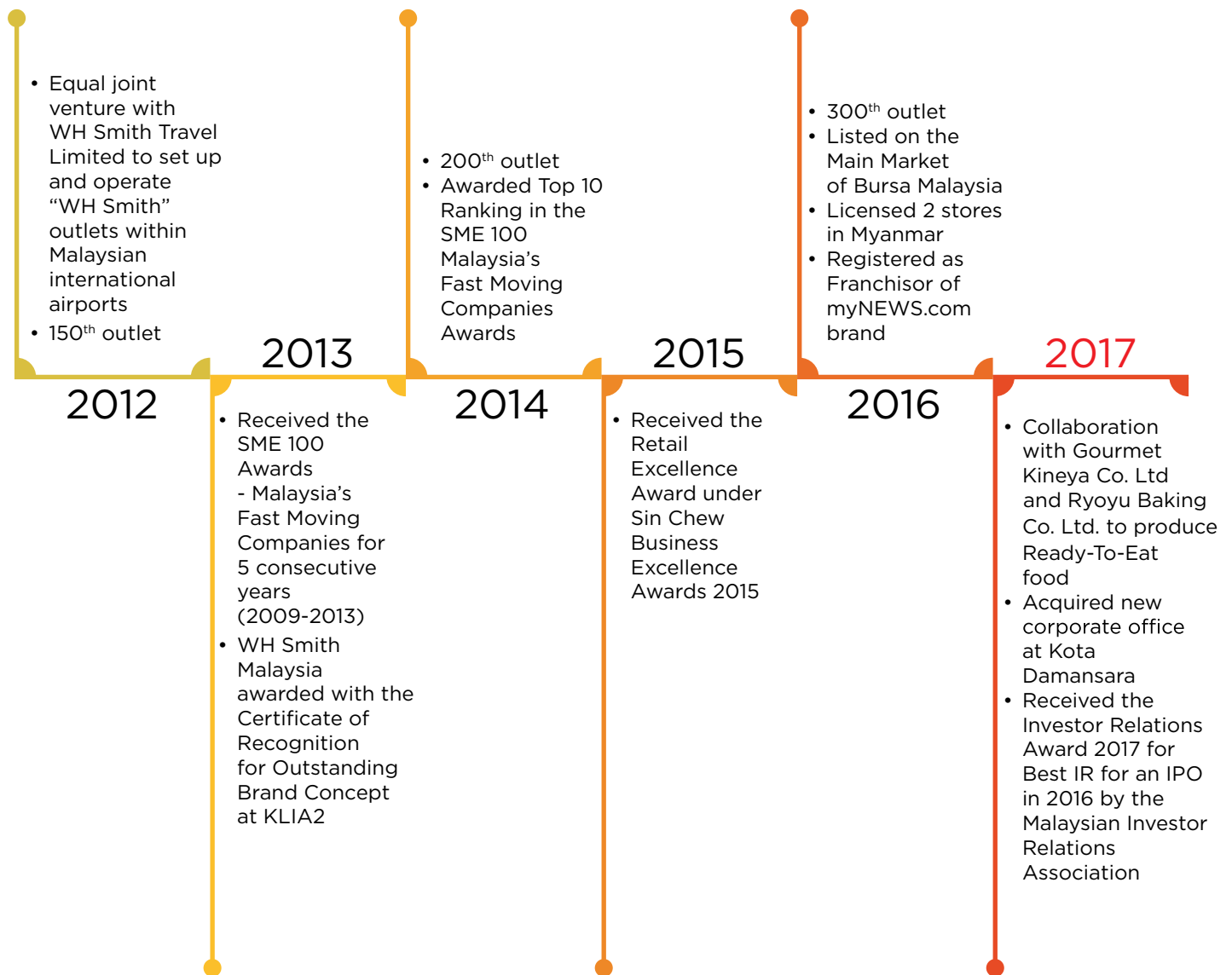
myNEWS is today a recognised player in the Convenience Stores sector with a network of more than 380 stores and its myNEWS.com a renowned brand, both locally and abroad.

A horizontal timeline with a wavy line that changes color from blue to green to yellow. Vertical lines connect key events to the timeline. The events are as follows:

Year	Milestone
1996	1 <sup>st</sup> outlet - MAGBIT
1997	1 <sup>st</sup> contemporary press and convenience retail outlet - myNEWS.com
1999	10 <sup>th</sup> outlet
2007	100 <sup>th</sup> outlet
2009	"The Most Promising Brand" and "Best Brands in Retail - Press Retailer" by The Brand Laureate SMEs Best Brands Award
2011	CEO, Dang Tai Luk was recognised with the Silver Award, Entrepreneur of the Year 2011 by The Star Outstanding Business Awards



## CORPORATE MILESTONES (cont'd)



## CORPORATE INFORMATION

## BOARD OF DIRECTORS

**Ding Lien Bing**

Independent Non-Executive Chairman

**Dang Tai Luk**

Executive Director/Chief Executive Officer

**Dang Tai Wen**

Executive Director/Chief Operating Officer

**Soon Dee Hwee**

Senior Independent Non-Executive Director

**Dang Tai Hock**

Non-Independent Non-Executive Director

**Mohd Suffian Bin Suboh**

Independent Non-Executive Director

**AUDIT COMMITTEE***Chairman*

Soon Dee Hwee

*Members*

Ding Lien Bing

Mohd Suffian Bin Suboh

**REMUNERATION COMMITTEE***Chairman*

Mohd Suffian Bin Suboh

*Members*

Soon Dee Hwee

Dang Tai Hock

**NOMINATING COMMITTEE***Chairman*

Ding Lien Bing

*Members*

Soon Dee Hwee

Mohd Suffian Bin Suboh

**COMPANY SECRETARIES**

Chong Siew Hoong (MIA 5062)

Vasathi Nanunaryanan

(MAICSA 7061774)

**REGISTERED OFFICE & PRINCIPAL PLACE OF BUSINESS**

260, Jalan KIP 4

KIP Industrial Park

52200 Kuala Lumpur

Malaysia

Tel : +603 6273 6366

Fax : +603 6277 4911

Email: mynews@mynews.com.my

**PRINCIPAL BANKERS**

CIMB Bank Berhad

Menara Bumiputra Commerce

11 Jalan Raja Laut

50350 Kuala Lumpur

Malaysia

Tel : +603 2619 1188

Fax : +603 2619 2288

United Overseas Bank

(Malaysia) Bhd

No. 82 Jalan 3/62D

Medan Putra Business Centre

Sri Menjalara

Off Jalan Damansara

52200 Kuala Lumpur

Malaysia

Tel : +603 6286 6888

Fax : +603 6275 3668

**AUDITORS**

Grant Thornton Malaysia (AF:0737)

Level 11 Sheraton Imperial Court

Jalan Sultan Ismail

50250 Kuala Lumpur

Malaysia

Tel : +603 2692 4022

Fax : +603 2691 5229

**SHARE REGISTRAR**

Symphony Share

Registrars Sdn Bhd

Level 6, Symphony House

Pusat Dagangan Dana 1

Jalan PJU 1A/46

47301 Petaling Jaya

Selangor Darul Ehsan

Malaysia

Tel : +603 7849 0777

Fax : +603 7841 8151/52

**STOCK EXCHANGE LISTING**

Main Market of Bursa Malaysia

Securities Berhad

Stock Name : Mynews

Stock Code : 5275

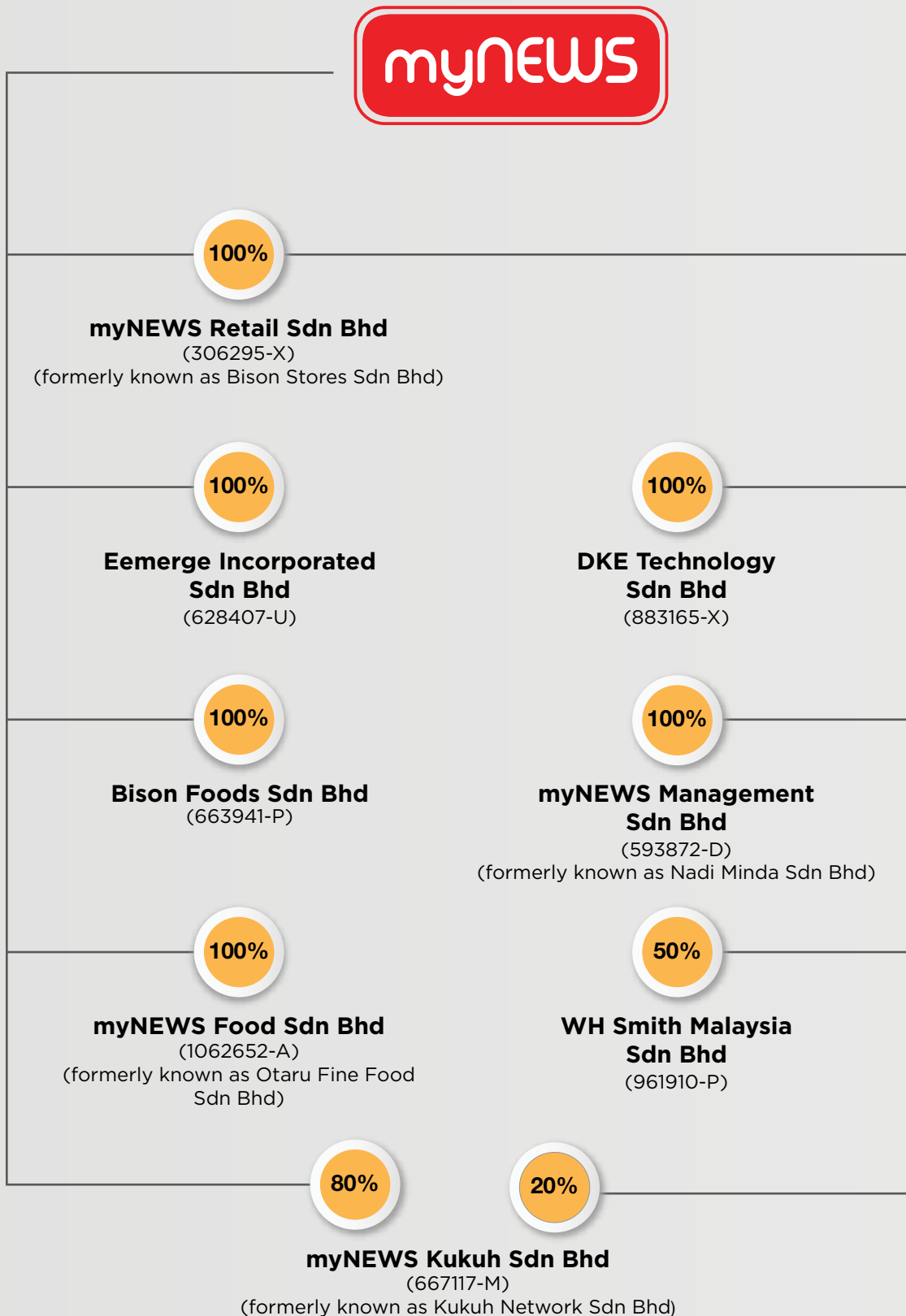
Sector : Trading/Services

Listing Date : 29 March 2016

**WEBSITE**

www.mynewsholdings.com

## CORPORATE STRUCTURE







**In Commemoration of  
MYNEWS RYOYUPAN SDN BHD  
Joint Venture**

**5 October 2017**





In Commemoration of  
**MYNEWS KINEYA SDN BHD**  
Joint Venture

5 October 2017

**DIRECTORS'  
PROFILE**

Standing from left to right	
Dang Tai Wen	Executive Director/Chief Operating Officer
Mohd Suffian Bin Suboh	Independent Non-Executive Director
Ding Lien Bing	Independent Non-Executive Chairman
Dang Tai Luk	Executive Director/Chief Executive Officer
Soon Dee Hwee	Senior Independent Non-Executive Director
Dang Tai Hock	Non-Independent Non-Executive Director

## DIRECTORS' PROFILE (cont'd)

1

### DING LIEN BING

("Mr Ding")

#### Independent Non-Executive Chairman

Nationality: Malaysian

Age: 58 years

Mr Ding was appointed to the Board on 10 July 2015. He is also the Chairman of the Nominating Committee and a member of the Audit Committee.

Mr Ding, a qualified Chartered Accountant is a member of the Association of Chartered Certified Accountants (UK) and the Malaysian Institute of Accountants. He was previously attached to the MBf Holdings Berhad Group ("MBfH") for more than twenty (20) years, from 1988 until 2010. During this period, he had left MBfH for eighteen (18) months to join OSK Holdings Berhad as Group Chief Financial Officer from May 2006 until October 2007 and thereafter re-joined MBfH. Mr Ding started in MBfH as a Finance Manager with MBF Cards (M'sia) Sdn Bhd, a subsidiary involved in the credit card and charge card business. He was the Senior Vice President - Finance & Operations of MBF Cards before he was transferred to the holding company to take charge of the Corporate Affairs and Finance functions of MBfH and MBf Capital Berhad which both were then listed in Bursa Malaysia Securities Berhad (previously known as the Kuala Lumpur Stock Exchange). Upon re-joining MBfH, Mr Ding assumed a dual role as President of MBF Cards and Chief Financial Officer of MBfH.

He left MBfH to join MBf Corporation Berhad ("MBf Corp") in January 2011. Currently, Mr Ding is the President of MBf Corp, a public investment holding company which subsidiaries are involved in the promotion and sale of timeshare memberships, resort management services and investment properties. Mr Ding is also the Chief Executive Officer and/or Director of the subsidiaries. He sits on the board of two (2) public companies, Leisure Holidays Berhad and Melawati Recreation Berhad (In Liquidation), a subsidiary of MBf Corp and MBfH respectively. He is also an Executive Committee Member of the Malaysian Holiday Timeshare Developers' Federation.

2

### DANG TAI LUK

("Mr Luk")

#### Executive Director/Chief Executive Officer

Nationality: Malaysian

Age: 58 years

Mr Luk was appointed to the Board on 5 February 2015 and re-designated Chief Executive Officer from Managing Director on 3 January 2017. He graduated with a Bachelor of Computer Science (Honours) and a Master of Science in Computer Science from the University of Manitoba, Canada.

After his graduation, Mr Luk was engaged in the IT industry during the years 1985 to 1996, majoring in banking applications, mainframe and networking systems support and the development of computer network recovery plans. During these times, Mr Luk had been attached to the Hong Kong & Shanghai Bank Malaysia, Development Bank of Singapore and Gendis Inc (parent company of Sony, Canada).

Mr Luk left employment to be an entrepreneur, opening his first newsstand under the name of "MAGBIT" on 25 December 1996. His newsstand business evolves with time to be now a press and retail convenience chain operating under different tradenames, most predominantly as myNEWS.com. The other trade names are "newsplus" and "THE FRONT PAGE". This homegrown myNEWS.com press and retail convenience chain which has gained recognition, locally and abroad now comprises more than 380 outlets over a span of twenty-one (21) years.



## DIRECTORS' PROFILE (cont'd)

3

### **DANG TAI WEN**

("Mr Wen")

#### **Executive Director/Chief Operating Officer**

Nationality: Malaysian  
Age: 44 years

Mr Wen was appointed to the Board on 25 April 2013 and is also the Chief Operating Officer. He has a Bachelor of Environmental Design from the University of Manitoba, Canada. Prior to joining myNEWS in late 1998, Mr Wen was an Architect attached to a local architect firm for two (2) years.

Mr Wen began his retail career with myNEWS and has now close to twenty-one (21) years of experience in the press and retail convenience sector.

Apart from overseeing the entire outlets operations, he is instrumental for myNEWS's branding and store concept.

4

### **DANG TAI HOCK**

("Mr Hock")

#### **Non Independent Non-Executive Director**

Nationality: Malaysian  
Age: 60 years

Mr Hock was appointed to the Board on 25 April 2013. He was an Executive Director from January 2014 until 31 October 2016, leading the Food & Beverage ("F&B") division and overseeing the development and expansion of the F&B offerings for the retail business. Due to his other commitments, Mr Hock relinquished his executive functions and was re-designated as Non-Independent Non-Executive Director on 1 November 2016.

Mr Hock graduated with a Bachelor of Science from University of Manitoba, Canada in 1982 and a Bachelor of Arts from University of Winnipeg, Canada, in 1983, majoring in Administrative Studies. He started his career in sales with Rank Xerox Malaysia Sdn Bhd from 1984 to 1985. Mr Hock was headhunted in 1985 to join Nationwide Express Sdn Bhd (now known as Nationwide Bhd) ("Nationwide") as one of its pioneer staff in setting up its sales department. He was subsequently promoted to Nationwide's National Sales Manager in 1988. Thereafter, he joined Federal Express Services (M) Sdn Bhd ("FedEx") in 1988 as its National Sales Manager in Malaysia.

Mr Hock left FedEx in 1990 to set up his own company, Alphanical Press Sdn Bhd, which is principally involved in printing and supplying of stationeries and had been actively involved in this company until January 2014 when he assumed an executive role in myNEWS.

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

## DIRECTORS' PROFILE (cont'd)

5

### SOON DEE HWEE

("Ms Soon")

#### Senior Independent Non-Executive Director

Nationality: Malaysian  
Age: 57 years

Ms Soon, a Chartered Accountant and member of the Malaysian Institute of Accountants was appointed to the Board on 10 July 2015. She is also the Chairperson of the Audit Committee and a member of the Nominating Committee and Remuneration Committee.

Ms Soon 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 Hwang Capital (Malaysia) Berhad.

Currently, Ms Soon is a director on the board of Prudential Assurance Malaysia Berhad and Asian Pac Holdings Berhad.

6

### MOHD SUFFIAN BIN SUBOH

("En Suffian")

#### Independent Non-Executive Director

Nationality: Malaysian  
Age: 41 years

En Suffian was appointed to the Board on 10 July 2015 and is also the Chairman of the Remuneration Committee and a member of the Audit Committee and Nominating Committee.

He graduated from George Washington University, United States of America with a Bachelor of Business Administration in 1999 and Master of Science in Information Systems Technology in 2000.

En Suffian began his career with Petroliam Nasional Berhad as a Systems Analyst, overseeing the SAP (systems, applications & products in data processing) systems. He then joined an engineering company having diverse business activities such as construction and property development, project management, oil and gas support services, manufacturing and electronics and communication.

Thereafter he joined a tin and anthracite trading firm as Logistic Manager and was later in charge of the coal and anthracite operations responsible for the implementation of structured off-take and structured finance strategies to secure supplies and mitigate operational and commercial risks. En Suffian has about ten (10) years of experience in the coal mining and trading operations specialising in the logistic aspect and until today he is still offering such advisory services.

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## DIRECTORS' PROFILE (cont'd)

### Additional Information

#### 1. Directorship in Public Companies and Listed Issuers

Save as disclosed for Mr Ding, Ms Soon and Mr Hock, the other Directors do not have any other directorship in public companies and other listed issuers.

#### 2. Family Relationship with Director and Major Shareholder

Mr Luk, Mr Wen and Mr Hock are siblings. They, together with two (2) other siblings Mr Dang Tai Kien ("DTK") and Mr Dang Tai Gean ("DTG") are the shareholders in D & D Consolidated Sdn Bhd ("D&D") which is a substantial shareholder of the Company holding 57.4% of the issued and paid-up share capital of the Company. D&D together with DTK & DTG, collectively hold 62.1% of the issued and paid-up share capital of the Company.

Mr Luk, Mr Wen and Mr Hock are directors of D&D. They also sit on the board of all the subsidiaries of the Company except for Mr Hock who is not on the board of myNEWS Kukuh Sdn Bhd (formerly known as Kukuh Network Sdn Bhd) and myNEWS Management Sdn Bhd (formerly known as Nadi Minda Sdn Bhd).

The other three (3) Directors namely, Mr Ding, Ms Soon and En Suffian do not have any family relationship with Directors and the major shareholders of the Company.

#### 3. Conflict of Interest

Save as disclosed on page 108 in the Annual Report 2017, the other Directors namely, Mr Ding, Ms Soon and En Suffian do not have any conflict of interest with myNEWS.

#### 4. 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.

#### 5. Directors' Attendance at Board Meetings

All the Directors attended the eight (8) meetings convened during the financial year under review, except for En Suffian who could not attend one (1) of the meetings.



KEY SENIOR  
MANAGEMENT



## KEY SENIOR MANAGEMENT



<i>Standing from left to right</i>	
Dang Tai Luk	Chief Executive Officer
Chong Siew Hoong	Chief Financial Officer
Jeannie Khoo Poh Gaik	Chief Marketing Officer
Dang Tai Wen	Chief Operating Officer

The Key Senior Management in FY 2017 comprise Mr Luk - Chief Executive Officer, Mr Wen - Chief Operating Officer, whose profiles are included in the Directors' Profile on pages 11 and 12 and the following persons:

### **CHONG SIEW HOONG** ("Ms Chong")

#### **Chief Financial Officer**

Nationality: Malaysian  
Age: 57 years

Ms Chong joined myNEWS in May 2016 as Joint Company Secretary and assumed her current role in April 2017. She oversees the overall finance, investor relations and secretarial functions of myNEWS. Before joining myNEWS, Ms Chong was the Head of Finance of a conglomerate where she was attached to for about 20 years, in charge of its group's accounting, financial and secretarial functions.

Ms Chong started her career as an articled student with Messrs Hanafiah, Raslan & Mohamad in 1981 and was admitted as a member of The Malaysian Association of Certified Public Accountants (now known as Malaysian Institute of Certified Public Accountants) and the Malaysian Institute of Accountants in 1987.

Ms Chong has more than 30 years of experience in auditing, taxation, financial management, corporate finance and corporate secretarial. She had served at various capacities as senior management in two public listed companies having diverse interests, both locally and overseas, ranging from retailing, plantation, motor vehicle distribution to trading, shipping, properties & investment holding, fast food and manufacturing.

## KEY SENIOR MANAGEMENT (cont'd)

### **JEANNIE KHOO POH GAIK**

("Ms Khoo")

#### **Chief Marketing Officer**

Nationality: Malaysian

Age: 52 years

Ms Khoo joined myNEWS in March 2017 and manages Marketing and Branding, PR and Communications, Digital Marketing, Ancillary Revenue projects and Corporate Social Responsibility programs. She also manages certain growth areas of E-Commerce, such as Loyalty Programs with Mobile Apps.

She has more than 18 years of experience in the Advertising industry, managing key accounts and PR and Communications for clients across diverse industries. As Group Account Director, she was in-charge of securing and managing key accounts of Multi National Companies (MNC) and local conglomerates focusing on FMCG, Hospitality, Manufacturing, Education and Telecommunications sectors. This was followed by a transition into the corporate sector where she was Head of Sales and Marketing for Tune Hotels before joining a Fortune 500 multi-national corporation as Marketing Director for both Malaysia and Singapore, leading marketing and communications, digital marketing, research and corporate accounts. Prior to her current role, she assumed the role as Executive Director in KPMG and was responsible for marketing and communications, knowledge management and markets.

Ms Khoo is a Fellow of the Institute of Chartered Secretaries and Administrators, UK and a member of MAICSA.

She was involved in the Strategic Reform Initiatives (SRI) for Malaysia's New Economic Model (NEM) in 2011 and was a member of the Industry Advisory Committee of Jabatan Pengajian Politeknik under The Ministry of Higher Education from 2012 - 2016 focusing on HR development, English curriculum, technical education and vocational training to enhance employability.

## **Additional Information**

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

None of the key senior management has any directorship in public companies and listed issuers, save for Mr Luk and Mr Wen who are Directors of the Company.

### **2. Family Relationship with Director and/or Major Shareholder**

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

### **3. Conflict of Interest**

Save for Mr Luk and Mr Wen, the other (2) key senior management do not have any conflict of interest with myNEWS.

### **4. 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.

Please

**Dual Prosperity**

5.50

**Dual Prosperity**

2.00

**Panini**

Sumo Mayo



RM7.90





## CHAIRMAN'S STATEMENT



## CHAIRMAN'S STATEMENT

**Dear Shareholders,**

On behalf of the Board of Directors ("the Board"), I am pleased to present the Annual Report and the Audited Financial Statements of Mynews Holdings Berhad ("myNEWS Holdings" or "the Company") and the Group ("myNEWS" or "the Group") for the financial year ended 31 October 2017 ("FY 2017").

**Performance**

FY 2017 was another successful year for myNEWS as we continued to deliver profitable results which surpassed the previous FY 2016 with double digit growth as indicated by the following key financial indicators:

	FY 2017 RM'000	FY 2016 RM'000	Variance	
			RM'000	%
Revenue	327,598	264,031	63,567	24.1
Profit before tax	30,696	23,621	7,075	30.0
Profit after tax	24,021	18,133	5,888	32.5
Gross profit margin	36.8%	35.8%		100bp
Net profit margin	7.3%	6.9%		40bp
Return on equity*	14.2%	11.9%		230bp
Earnings per share (sen)	7.73	6.56	1.17	17.8
Dividend paid per share (sen)	2.00	1.50	0.50	33.3
Net assets per share (sen)	77.78	49.16	28.62	58.2
No. of outlets	374	303	71	23.4%

\* Return on equity for FY 2017 is derived based on total equity without the impact of private placement which was effected on 25 October 2017.



The higher revenue was achieved as a result of the Group's success in increasing its number of outlets from 303 in FY 2016 to 374 as at the end of FY 2017, and the consistent innovation of concept and improvement of products offered to customers. Concerted collaborations with suppliers and business partners throughout the year also contributed to the better performance of the Group.

## CHAIRMAN'S STATEMENT (cont'd)

The Board had on 14 June 2017 approved an interim single tier dividend of two (2) sen per ordinary share amounting to RM6.20 million, representing 25.8% of profit after tax which was paid out to the shareholders on 15 August 2017. In deciding on the dividend, the Board was mindful of the need to balance rewarding the shareholders and reserving sufficient reserves to support the Group's expansion.

### Corporate Governance

Whilst myNEWS is committed to deliver profitable results to the shareholders, the Board is committed to uphold the highest standard of corporate governance and practices throughout the Group. The Board believes that good corporate governance is fundamental in discharging its fiduciary duties to ensure that the businesses and affairs of the Group are conducted and managed towards promoting business prosperity and corporate accountability in order to realise the long-term shareholders value as well as the interest of the other stakeholders.

The corporate governance standards and practices adopted by myNEWS are in accordance with the Malaysian Code of Corporate Governance 2012 which are more specifically spelt out in the Statement of Corporate Governance on pages 35 to 47.

### Moving Forward

In myNEWS' quest to serve Malaysians, create value for its shareholders and deliver profitable growth, myNEWS has embarked on action plans to improve its internal infrastructure and undertake new business ventures to take the Group to the next level. Such actions, amongst others, include:

- 1) In December 2016, myNEWS through its wholly-owned subsidiary, myNEWS Retail Sdn Bhd ("myNEWS Retail"), (formerly known as Bison Stores Sdn Bhd) acquired a semi-detached factory in Eco-Business Park 1, Tebrau, Johor. It is to be used as a second distribution centre to support our outlets growth in the southern region of Peninsular Malaysia. This distribution centre has been renovated to increase its built-up area from 9,800 square feet to 17,000 square feet and expected to be fully commissioned by end of March 2018. It has the capacity to serve up to eighty (80) outlets. Currently, myNEWS has thirty-five (35) outlets in Johor and Melaka.
- 2) On 30 August 2017, myNEWS Retail entered into a conditional Sale & Purchase Agreement to acquire a parcel of leasehold industrial land measuring approximately 192,340 square feet together with a single storey warehouse with an annexed 3-storey office block (with built-up area of 120,626 square feet) at Lot No. 3, Jalan Teknologi 3/1, Taman Sains Selangor 1, Seksyen 3, PJU 5, Kota Damansara, 47810 Petaling Jaya, Selangor for a cash purchase consideration of RM50.00 million. The acquisition was completed on 5 December 2017 following the shareholders' approval at the Extraordinary General Meeting held on the same date. This property will be the location for myNEWS' corporate office and a warehouse. In the long-term it will cater to future expansion plans to support its enlarged staff force and operational requirements.



## CHAIRMAN'S STATEMENT (cont'd)

**3)** On 5 October 2017 myNEWS signed the following two (2) Joint Venture Agreements to incorporate two (2) joint venture companies wherein myNEWS would have a 51% equity interest in each of the joint venture companies and the other parties the remaining 49% each:

- a)** myNEWS Holdings with Gourmet Kineya Co. Limited to incorporate myNEWS Kineya Sdn Bhd to produce delicatessen i.e. cooked meals; and
- b)** myNEWS Food Sdn Bhd ("myNEWS Food", a wholly owned subsidiary, formerly known as Otaru Fine Food Sdn Bhd) with MRA Bakery Sdn Bhd to incorporate myNEWS Ryoyupan Sdn Bhd to produce bakery products;

The delicatessen and bakery products are collectively termed as Ready-to-Eat ("RTE") food.

myNEWS Ryoyupan Sdn Bhd was incorporated on 6 February 2018 and myNEWS Kineya Sdn Bhd on 8 February 2018.

myNEWS is confident in the growth of the convenience retail business in Malaysia, especially in the underserved RTE food segment. We are pleased to have our Japanese partners who are renowned players in their own fields being the top producers of RTE food, principally delicatessen food and bakery products in Japan. The initial plan had been to construct the food preparation and packaging facility ("RTE Facility") on the piece of land in Rawang acquired by myNEWS Food in July 2016, which is close to our Rawang Distribution Centre.



After much deliberation amongst the joint venture partners, the RTE Facility will be housed in the newly acquired property in Kota Damansara for better operational efficiencies with an expected early completion of the facilities and the more strategic location of the site. Thus, the said facility will be housed at the back of the premises which was originally intended to be used as a warehouse upon our Rawang Distribution Centre reaching its maximum capacity. The preparation of the property for the new corporate office and the RTE Facility is progressing well with the office ready for occupation by June 2018 and the RTE Facility should be ready for commissioning by the end of 2018 barring any unforeseen circumstances.

The Board is confident that the above measures will bring greater value to myNEWS and the shareholders in the long term.



## CHAIRMAN'S STATEMENT (cont'd)

### Prospects

Our brand values are consistent with those since the opening of our first outlet on 25 December 1996 – a local homegrown brand that focuses on providing our customers and the community that we serve with accessibility, quality and convenience via product innovation and a clearly better shopping experience.

The Board firmly believes in the increasing importance and relevance of convenience stores as consumers' lifestyle improves. myNEWS will continuously innovate and improve our offerings with an increased range of high quality and attractive products and services to support store traffic growth and reinforce customer loyalty. With the RTE Facility coming on stream, myNEWS is all poised to leap into the next level of growth.



### Appreciation

The Board wishes to express its appreciation to our valuable customers, suppliers, business partners and associates for their support which has gotten us to where we are today – the largest homegrown brand with a present network of over 380 outlets and is still growing.

To our shareholders, our sincere gratitude for the trust and support you have given us and myNEWS will strive to continue to deliver profitable growth and increase the value of your investment in the long term.

Thank you and well done to our management and staff. myNEWS will not be what it is today without the relentless contributions from each and every one of them. In appreciation for their contributions, the Board had recommended an Employee Shares Option Scheme which was approved by you, the shareholders at the Extraordinary General Meeting held on 5 December 2017.

Lastly, my sincere appreciation to my fellow Board members for their commitment and invaluable contributions to enable the Board to properly discharge its fiduciary duties to the best of its ability.

### DING LIEN BING

Independent Non-Executive Chairman  
20 February 2018



KEDAI SERBANEKA

myNEWS







# MANAGEMENT DISCUSSION AND ANALYSIS

## MANAGEMENT DISCUSSION AND ANALYSIS

### Overview

For FY 2017, myNEWS achieved its target of opening seventy (70) new myNEWS outlets which were carefully selected out of more than a hundred sites that were offered. The sites were carefully selected based on many criteria, amongst others, the geographical location, consumer target in the vicinity, foot fall and future growth prospect to ensure that the outlets are able to operate profitably and serve the community well. In FY 2017, myNEWS closed eight (8) outlets, two (2) were due to the termination of the tenancy of the premises and the others were non-performing outlets.

myNEWS adopts a careful approach for its franchise business. During the year, it granted the franchise to only one (1) franchisee with the intention to test and improve the business model to make it a win-win proposition for both the franchisee and myNEWS. The franchisee opened six (6) outlets at the Mass Rapid Transit (“MRT”) stations in FY 2017. The business at these MRT stations was slow when the MRT service first commenced operation in December 2016 but it has subsequently picked up upon the completion of the first phase Sungai Buloh – Kajang line in July 2017. Amongst the outlets in the transportation hub category, myNEWS’ jointly controlled entity WH Smith Malaysia Sdn Bhd added three (3) new outlets in FY 2017 and ended the year with twelve (12) outlets at the Malaysian international airports.

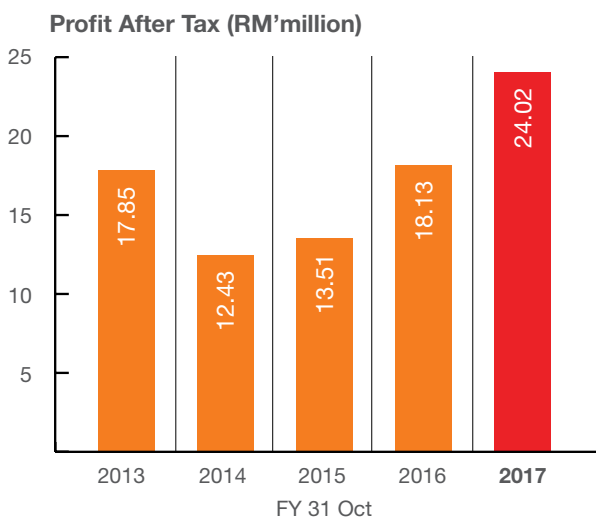
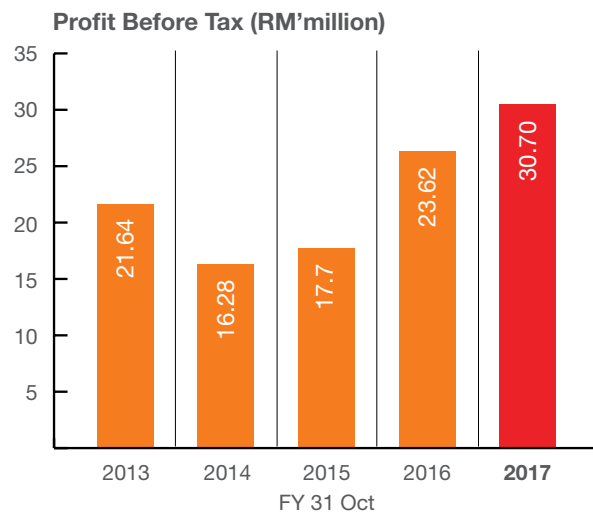
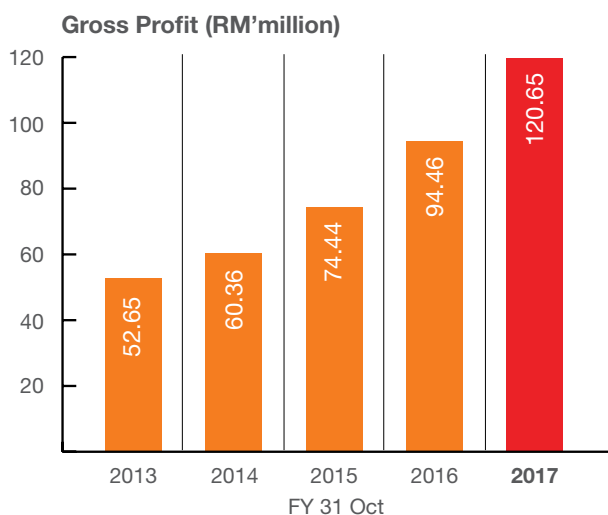
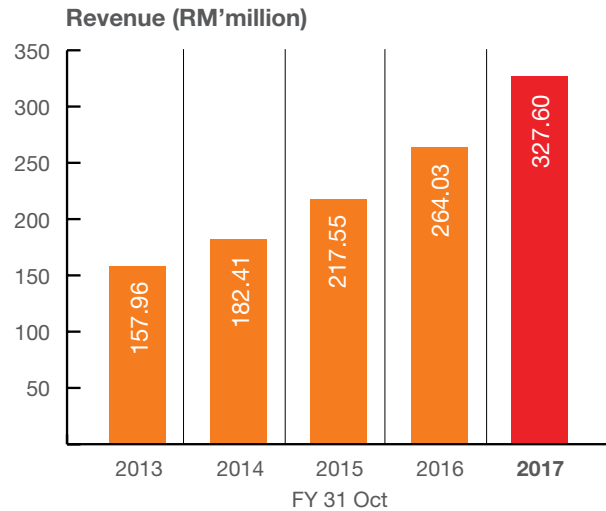
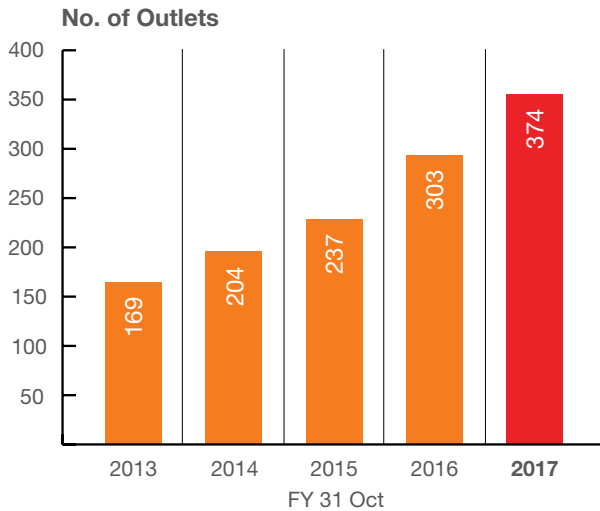
In terms of products offerings, myNEWS has close to 3,000 Stock Keeping Units (“SKU”), ranging from food and beverages, groceries, pharmaceutical, toys to tobacco. Services such as bill payments, telephone reloads, courier pick up and drop off points, were available at all myNEWS outlets, whereas the money remittance services were offered at two (2) outlets and the money changing services at five (5) outlets. myNEWS always strives to provide better products and services to its customers. It also continually improves customer shopping experiences by refreshing and innovating its outlets.

Print media sales which was once the Group’s forte has been dwindling over the years with the advent of digital media technology. Thus, the products selection is now skewed more towards food and beverages, particularly the RTE food which is generally more popular and gives better profit margins.



## MANAGEMENT DISCUSSION AND ANALYSIS (cont'd)

## Key Performance Indicators



## Revenue

For FY 2017, myNEWS' revenue was RM327.60 million, an increase of RM63.57 million or 24.1% over last year at RM264.03 million, as a consequence of improved revenue of all sales categories except print media. The higher revenue in FY 2017, was principally attributed to the retail sales contributed by the new outlets opened during the year and the result of a full year impact of the outlets opened in FY 2016.

## MANAGEMENT DISCUSSION AND ANALYSIS (cont'd)



### Gross Profit and Gross Profit Margin

The Group's gross profit for FY 2017 was RM120.65 million with a margin of 36.8% compared to the previous year of RM94.46 million and margin of 35.8%. Improvement in gross profit or gross profit margin of RM26.19 million or 27.7% was mainly the result of improved products margins boosted by higher volume of both the retail sales and other operating income.

### Profit before Taxation

Profit before tax for FY 2017 was RM30.70 million, an increase of RM7.08 million or 30.0% compared to FY 2016 of RM23.62 million due principally to the increase in revenue as mentioned above and the higher share of profit in the jointly controlled entity of RM0.83 million or 74.8% from RM1.11 million to RM1.94 million. The profits were after charging the following expenses which were relatively higher than those in FY 2016, in tandem with the business expansion:

#### 1) Selling and Distribution Expenses

Selling and distribution expenses increased by RM10.47 million or 18.9% to RM65.84 million compared to the previous year of RM55.37 million, with the opening of new outlets in FY 2017 and the full year impact of such expenses by the outlets opened in FY 2016 coupled with higher maintenance costs for the older outlets. The major expenses comprising staff costs, outlets rental and utilities were generally higher in tandem with the bigger outlets network.

#### 2) Administration and Other Operating Expenses

Administration and other operating expenses amounted to RM19.93 million, increased by RM6.71 million or 50.8% compared to the previous year of RM13.22 million, mainly due to the increase in headquarter expenses attributed principally by staff costs as myNEWS had recruited more talents to support the business expansion and enhance the corporate governance and risk management of the Group. In addition, the Group had also incurred higher marketing and promotional expenses to build brand awareness and improve publicity to drive sales.

#### 3) Other Expenses

Other expenses comprised principally depreciation and fixed assets written off, amounted to RM6.99 million, an increase of RM1.54 million or 28.3% over previous year of RM5.45 million. The increase was the consequence of the higher depreciation charge on the bigger outlets network.



## MANAGEMENT DISCUSSION AND ANALYSIS (cont'd)

### Profit after Tax

Profit after tax for FY 2017 was RM24.02 million compared to RM18.13 million recorded for the preceding FY 2016, an improvement of RM5.89 million or 32.5%. The increase in the profit after tax was attributed to the reasons mentioned above.

### Liquidity and Financial Resources

In FY 2017, the Company issued 31,007,000 new ordinary shares, being 10% of its existing paid-up number of ordinary shares via a private placement exercise at an issue price of RM2.33 per share. The private placement raised net proceeds of RM71.39 million net of related issuing expenses. These proceeds were used for the acquisition of the new property at Kota Damansara for RM50.00 million and for the refurbishment plus relocation costs estimated at about RM4.00 million. The remaining proceeds would be used to part finance the investment in the RTE Facility via the two (2) joint venture companies where myNEWS' aggregate share of the investment is RM35.70 million.

As for the initial public offering proceeds raised in March 2016, myNEWS had an unutilised balance of about RM10.09 million as at FY 2017 which could finance the opening of up to thirty (30) new outlets.

After accounting for the above, myNEWS has sufficient working capital for the next twelve (12) months. Should there be a need for additional working capital or investment, myNEWS is confident that it can raise the funds by debts financing as it had a low gearing ratio of 0.03 times at the close of FY 2017.



### Challenges and Strategies

The major challenges of myNEWS were:

#### 1) Procuring sufficient staff to operate its outlets and the increasing staff costs

myNEWS has 31.2% of its staff force made up of foreign workers from Nepal, Bangladesh and Philippines. The cost of hiring foreign workers is not cheaper than hiring the locals as the former enjoyed benefits such as lodging, transport allowances and subsidies for utilities. In addition, there are also charges payable to agents to procure the foreign workers.

To manage the staff costs, myNEWS continuously explores avenues to automate processes wherever possible to reduce the reliance on human resources and attract more locals to reduce the reliance on foreign workers. The latter was proven to be successful as the composition of foreign workers was reduced by more than 11% from 42.9% in the previous year to 31.2% currently.



## MANAGEMENT DISCUSSION AND ANALYSIS (cont'd)



### 2) Limited products offerings

In the convenience stores of the more advanced countries, especially Japan and Taiwan, the RTE food comprise about 70% of the products offerings. RTE food offerings in myNEWS outlets were limited as the RTE food industry in Malaysia is much underdeveloped and underserved. Taking cognisance of the vast potentials in this segment, myNEWS had on 5 October 2017 signed joint venture agreements to collaborate with renowned Japanese partners who are experts and key producers of RTE food in Japan, namely, Gourmet Kineya Co. Limited and Ryoyu Baking Co. Limited to produce RTE food for sale at myNEWS' outlets. Two (2) joint venture agreements were executed, the first was between the Company and Gourmet Kineya Co. Limited to incorporate myNEWS Kineya Sdn Bhd and the other by myNEWS Food Sdn Bhd (formerly known as Otaru Fine Food Sdn Bhd) with MRA Bakery Sdn Bhd to incorporate myNEWS Ryoyupan Sdn Bhd. myNEWS has a 51% equity interest in each of the companies and the remaining 49% is held by the Japanese partners via their locally incorporated companies. These companies were incorporated on 6 and 8 February 2018.

### 3) Increasing competition for space and market share

The competition for prime locations by retail players, both the convenience and provision stores operators had caused some increase in rental expense of the Group. The Group had also undertaken more marketing initiatives to

compete with the new entrants of the convenience stores sector in the bid to maintain and/or increase our market share.

Whilst there was an increase in the rental rates and marketing expenses the Management is always mindful of the need to balance the costs and benefits of such expenditure.

Strategies for the business expansion embarked by myNEWS are progressing well. They include:

- Collaboration with Japanese partners to develop the RTE Facility;
- Commissioning of the Johor distribution centre in February 2018 to support more outlets in the southern region of Peninsular Malaysia;
- Continuing revamping of existing stores to refresh their look and to facilitate the roll out of our own line of RTE food;
- Continuous introduction of new products and services and replacement of non-sellable offerings to sellable ones to improve sales;
- Improving staff remuneration packages to attract the locals to reduce the reliance on foreign workers.

### Prospects

The Board expects the economic landscape to be soft and takes cognisance of the market challenges in terms of the growing competition and the expected cautious consumer spending. However, it remains positive that myNEWS can continue to deliver profitable results with its on-going efforts to improve products and services offerings and aggressively expanding its foray into RTE food.

The increasing affluence of the country population augurs well for the convenience stores industry as evidenced by the increasing preference of the young and working consumers to shop at convenience stores. This has created vast market opportunity for the local convenience stores industry. The trend is similar to the transition experienced by the convenience stores in the other countries in earlier years. myNEWS is confident of this industry and has set its target to open ninety (90) new outlets in FY 2018.

## STATEMENT ON CORPORATE SOCIAL RESPONSIBILITY



**In 2017, our sustainability efforts continued with the focus on entrenching corporate social responsibility into our values and strategies. Our values define who we are as a corporate citizen and how we embrace those values in serving our customers, communities and stakeholders.**

**Our corporate social responsibility framework focuses on 4 key pillars and incorporates marketplace, workplace, environment and community into many areas of our business.**

**Business-Driven Sustainability in the Marketplace**

At myNEWS integrity is fundamental to our actions as we continue to do what is best and what is right through good governance and ethical practices.

Through our professional engagements with our employees, business partners and stakeholders, we continually uphold myNEWS' values to ensure that we are accountable and responsible in everything that we do. As part of our governance and accountability framework, we conduct risk analysis, proper and timely disclosures in line with our approach towards responsible corporate citizen.

As our stores are located nationwide in Malaysia, myNEWS places emphasis on convenience, accessibility, comfort and quality offerings to achieve our financial goals and increase our customers shopping experiences. Putting in place appropriate checks and balances on store operations, various departmental functions and distribution centres, forms the guideline for our business conduct across the Group. These standards of governance which include having in place well defined policies that promote integrity and transparency are cultures that we instil across our employees, management and Directors.

**Workplace**

People are close to our hearts and being a service-oriented company, strengthening and investing in our talent pool becomes a core focus in our day-to-day business environment. myNEWS is committed to Recruit, Retain and Reskill and to provide a conducive working environment for our people which promotes employee safety, well-being, gender diversity and career growth.

Teamwork harnesses the strength of our people with cooperation across all levels and departments to achieve a common goal.

**1) Employees' Well-Being**

myNEWS strives to provide a well-balanced work life for its employees and has undertaken the following initiatives:

- Encourages its employees to embark on a healthy lifestyle by signing up memberships at the gymnasiums with fees substantially subsidised by myNEWS;
- Provides a conducive workplace where the office set up is on an open concept where all staff are seated together to promote accessibility of the senior staff to others and improve teamwork;
- Adopts the smart casual dress code in the office and provides a relatively big pantry area where staff can interact seamlessly during working hours and off work hours;
- Has a café in 1 Utama Shopping Complex and a kiosk within the myNEWS' head office where the offerings are made at discounted rate to the staff. These are part of the efforts of myNEWS to share the homegrown convenience offerings with our staff.
- Gatherings are organised during all the major festivities to gather the staff from other locations to the head office for staff to get to know each other and to promote staff bonding. The latest of such gatherings were our 21st anniversary dinner on 24 November 2017 and the Chinese New Year Lion Dance event on 9 February 2018.

## STATEMENT ON CORPORATE SOCIAL RESPONSIBILITY (cont'd)

**2) Diversity and Inclusion**

myNEWS practices non-discrimination and encourages diversity.

Our diverse workforce as at 31 January 2018 is as follows:

Age Group	Gender				Nationality			
	Male	Female	No.	%	Local	Foreigners	No.	%
<20	94	79	173	10.5	167	6	173	10.5
20-29	595	395	990	60.4	672	318	990	60.4
30-39	249	131	380	23.2	225	155	380	23.2
40-49	53	27	80	4.9	47	33	80	4.9
50-59	4	9	13	0.8	13	0	13	0.8
60-69	2	1	3	0.2	3	0	3	0.2
Total	997	642	1,639	100.0	1,127	512	1,639	100.0

The ethnicity of the workforce is as follows:

Ethnicity	No.	%
Bumiputra	982	60.0
Chinese	102	6.2
Indian	38	2.3
Others	5	0.3
Total locals	1,127	68.8
Total foreigners	512	31.2
Grand total	1,639	100.0

**3) Training and Development**

The outlet crew undergo training before they are placed at the outlets and are continuously guided and coached on the job. In-house and external trainers conduct regular trainings for the crew to impart to them the proper skills and right attitude for the job.

There are also programmes in place to facilitate the development of staff for career advancement. It is the Group's policy to source for internal talents before looking outside the Group for new talents. Team building activities were carried out to motivate as well as boost more vitality among the staff.

**Team Building Events**

Department	WH Smith Team	Internal Control Department & Operations Team	Heads of Department	Operations Team
Dates	17/11/2017-18/11/2017	16/08/2017	20/06/2017-21/06/2017	16/11/2016-17/11/2016
Place	Tadom Hill, Banting, Selangor	Skytrek Taman Botani, Shah Alam, Selangor	Sri Damansara Club House, Selangor	Sri Damansara Club House, Selangor
Number of staff involved	34	23	30	68

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## STATEMENT ON CORPORATE SOCIAL RESPONSIBILITY (cont'd)

### Environmental Impact

We continue to look at ways to operate efficiently to protect our environment to reduce carbon footprints which impacts the world we live in.

In 2017, energy efficiency solutions were deployed at our stores and head office. One of the measures include ensuring that lights and air-conditioners at the workplace and stores are switched off whenever they are not needed. Our new stores are designed to use energy saving lights such as light-emitting diode (LED) which consumes less energy and has longer life span.

Paper wastage can be avoided by printing only when necessary which helps to cut energy required to run the printers which in turn, reduces our energy cost. Reduce, Reuse and Recycle are efforts that help to promote recycling habits and go green.

### Enriching Communities

myNEWS is committed to bring change and inspire communities that we serve. Various initiatives and projects were undertaken throughout the year, as we continue to assist the communities (where and whenever we can) by providing monetary aid and support in various forms to individuals and charity organisations in need.

We support development and implementation of projects, fund raising programs, initiatives and activities that empower communities, provide societal inclusion and enhance local environments.

#### 1) Education, Youth and Sports

Our work with communities involves providing funds and assistance to support local universities and tertiary education centres, orphanages, and centres for special needs children to help address some of their needs. We believe nation building begins with education and nurture our younger generation to be the future leaders of tomorrow.

Participating in sports and leading a healthy lifestyle promotes well being and at myNEWS, we support charitable causes in areas of sports and recreation. myNEWS participated in race car branding in the Toyota Gazoo Race Fest 2017 and the race team; ST Wangan took 1st position for the Sepang 1,000km endurance race. The participation by myNEWS was to create a brand presence that promotes and connects our association with the youth and car enthusiasts via car racing sporting activities in a safety-controlled environment and arena.

#### 2) Society at large

As myNEWS progresses, we are committed to continue our outreach in charitable causes and community development efforts as we help make a sustainable difference in the lives of the less fortunate and those around us. By working closely with societies, organisations and NGOs, we work towards ensuring that our contribution and efforts result in impactful and meaningful purposes.



## STATEMENT ON CORPORATE SOCIAL RESPONSIBILITY (cont'd)

The Society of St Vincent De Paul – donation towards their RPX Building Fund as part of the charity projects for low income families and needy students



Malaysian AEON Foundation's charity gala dinner



Bursa Bull Charge Run 2017 organised by Bursa Malaysia - 5km team category and 1.5km CEO challenge



Donation to Malaysian Association of the Blind to support their upskilling activities



SK Bandar Utama Damansara 2 – fund raising for student's developmental programs for the Year 2017



Toyota Gazoo Race Fest 2017 at Sepang International Circuit, 9-12 November 2017 – 1000km endurance race. Race team ST Wangan came in 1st position



Charity Love Run 2.0 organised by Muk En Foundation Kuala Lumpur – 17 June 2017



## STATEMENT ON CORPORATE GOVERNANCE

The Board upholds the value of good governance and supports the need to cultivate an ethical and good corporate governance culture in the Group to promote accountability and build a sustainable business. It continues to stand guided by the principles set forth in the Malaysian Code of Corporate Governance 2012 (“the Code”), the relevant chapters of the Main Market Listing Requirements of Bursa Malaysia on corporate governance (“CG”) and all applicable laws and regulations throughout the financial year under review.

The Board also takes note of the new Malaysian Code on Corporate Governance 2017 (“MCCG 2017”) which came into effect on 26 April 2017 to replace the Code and that the reporting on the conformance with the MCCG 2017 by myNEWS shall be in its annual report commencing FY 2018.

For the year under review the Board is pleased to report the following:

### 1. Establish clear roles and responsibilities

The Board is guided by its Board Charter which sets out the roles and responsibilities of the Board and is available for reference at the Company’s website at [www.mynewsholdings.com](http://www.mynewsholdings.com).

#### 1.1 Clear functions for the Board and Management

The Board recognises that it is to provide strategic guidance for the Group and have an effective oversight on Management. It is also ultimately accountable and responsible for the performance and affairs of the Group. To assist the Board to discharge its responsibilities, it has established separate Board Committees, namely, Audit Committee (“AC”), Nominating Committee (“NC”) and Remuneration Committee (“RC”), each having its respective Terms of Reference (“TOR”). The Board reviews the respective Committees’ TOR from time to time to ensure that they remain relevant at all times.

The Board has identified and set out those functions reserved for its decision under “Matters Reserved for the Board” in the Board Charter. Whereas the day-to-day management of the business of the Group is delegated to Management, headed by the Executive Director/Chief Executive Officer, Mr Luk who is assisted by Mr Wen, Executive Director/Chief Operating Officer. The Management is guided by the Delegation of Authority (“DOA”) which sets out the approving limits of the various approving authorities for the daily operations and management of myNEWS’ business. The DOA is reviewed periodically and revised as and when deemed necessary.

The Management establishes the corporate objectives together with the targets and milestones which are presented to and approved by the Board together with the annual budget. These targets and milestones are monitored and reviewed regularly and are re-aligned where necessary to ensure that the Group’s needs are consistently met.

#### 1.2 Roles and responsibilities of the Board

To discharge its fiduciary and leadership functions the Board has established the following to be its primary responsibilities which are set out in the Board Charter:

- Review and adopt strategic plan for myNEWS, including the setting of performance objectives, approving operating budgets and ensuring that its business strategies promote business sustainability.
- Oversee the conduct of the Group’s businesses by ensuring the existence of an appropriate framework encompassing risk assessment and management for financial planning, operating and reporting. This includes the review and monitoring of business plan, budget, performance where deviations from targets are noted and the appropriate actions taken to rectify the unfavourable impact or optimise the favourable impacts.

## STATEMENT ON CORPORATE GOVERNANCE (cont'd)

### 1. Establish clear roles and responsibilities (cont'd)

#### 1.2 Roles and responsibilities of the Board (cont'd)

To discharge its fiduciary and leadership functions the Board has established the following to be its primary responsibilities which are set out in the Board Charter (cont'd):

- Ensure that myNEWS has a risk management and internal control system which is adequate and effective.
- Ensure the existence and review the adequacy of myNEWS' succession plan for the Board and key management personnel, particularly the Chief Executive Officer.
- Develop and implement a Disclosure Policy for effective communication with shareholders and others stakeholders so that they have access to information of myNEWS.
- Ensure the integrity of financial reporting which conforms to the Malaysian Financial Reporting Standards, Listing Requirements and all other applicable laws and regulations.
- Ensure that myNEWS adheres to the highest standards of ethics and adopts all corporate governance practices in all its dealings.

The Non-Executive Directors (except for Mr Hock) are independent from the management and major shareholders. They play an important role in contributing their expertise and experiences to give independent judgement to the Board on issues of strategy, performance and code of conduct. The effective participation of the Non-Executive Directors serves to promote greater accountability and balance in the Board's decision-making process.

#### 1.3 Code of conduct

myNEWS is committed to always uphold integrity, transparency and ethical practices and has established guidelines set out in its Code of Ethics and Conduct which is available in the Company's website at [www.mynewsholdings.com](http://www.mynewsholdings.com). These guidelines are updated/revised as and when deemed necessary.

#### 1.4 Business sustainability

The Board is committed to deliver long term sustainable values to all its stakeholders, both internal and external. Thus, in all its business decisions the Board is ever mindful that amongst the key considerations are business sustainability and ethical practices. To build business sustainability and maintain ethical practices, the Board continuously instill the need to cultivate and promote good corporate values throughout the organisation by upholding the value of "Tone at the top".

#### 1.5 Access to information and advice

The Board Charter provides that the Directors have unrestricted access to advice and service of the Company Secretaries and Senior Management of myNEWS and may obtain independent professional advice at the Company's expense in furtherance of their duties and responsibilities as Directors of the Company, whether in their individual capacity or collectively as a Board.

All Directors and members of Board Committees are furnished in advance and prior to the meetings, the meeting agenda together with other documents on matters for deliberation at the meetings. The Directors are at liberty to request for further information and documents from the Company through the Company Secretaries, Executive Directors and/or the Chief Financial Officer whenever they deem it necessary.

Management team, External Auditors and outsourced Internal Auditors are invited to the meetings to present reports or information pertaining to their respective areas to the Board or Board Committees where necessary and relevant.

## STATEMENT ON CORPORATE GOVERNANCE (cont'd)

### 1. Establish clear roles and responsibilities (cont'd)

#### 1.5 Access to information and advice (cont'd)

During the financial year under review, there were eight (8) board meetings held. Details of each Director's attendance is as follows:

Director	Directorate	Total Meeting Attendance
Ding Lien Bing	Independent Non-Executive Chairman	8/8
Dang Tai Luk	Executive Director/Chief Executive Officer	8/8
Dang Tai Wen	Executive Director/Chief Operating Officer	8/8
Soon Dee Hwee	Senior Independent Non-Executive Director	8/8
Dang Tai Hock	Non-Independent Non-Executive Director	8/8
Mohd Suffian Bin Suboh	Independent Non-Executive Director	7/8
Ong Chee Jern (Appointed on 3 January 2017 and resigned on 25 September 2017)	Executive Director	4/5

Matters requiring Board's decision during the intervals between the Board meetings are circulated and approved via circular resolutions.

During the financial year ended 31 October 2017, none of the Directors had sought independent professional advice.

#### 1.6 Qualified and competent Company Secretaries

The Company has two (2) professionally qualified Company Secretaries who individually has more than 10 years of experience in corporate secretarial matters, having served other entities listed on Bursa Malaysia.

The Company Secretaries play an advisory role, advising the Board and its Committees on matters pertaining to compliance with statutory and regulatory requirements by myNEWS.

The Board is regularly updated by the Company Secretaries on changes in the legal and regulatory framework, latest enhancement in corporate governance, new statutory requirements and best practices. The Company Secretaries issue notices to the Board and principal officers of the Group on closed period for the trading of the Company shares. They also ensure that meetings are properly convened, keep proper records of resolutions passed by the Board and proceedings of Board Meetings, Board Committee Meetings, Annual General Meeting ("AGM") and Extraordinary General Meetings ("EGM"). In addition, they work closely with Management to facilitate the flow of timely and accurate information to the Board.



## STATEMENT ON CORPORATE GOVERNANCE (cont'd)

### 1. Establish clear roles and responsibilities (cont'd)

#### 1.7 Board Charter

The Board Charter sets out the roles and responsibilities of the Board, Board Committees, Chairman, Independent Director, Executive Director and Company Secretaries. Amongst others, included therein the Charter are:

- Board structure
- Board proceedings
- Board performance evaluation
- The need for Directors to undertake training and continuing education programmes.

The Board shall review its Charter from time to time or at least once annually to ensure it remains consistent with its objectives and responsibilities and the prevailing regulatory requirements.

### 2. Strengthen composition

The Board comprises competent members with a wide spectrum of skills and experience whom it believes can lead myNEWS to achieve its operational performance goals and attain good corporate standing in terms of governance and credibility. It currently has six (6) members, comprising three (3) Independent Non-Executive Directors, two (2) Non-Independent Executive Directors and a Non-Independent Non-Executive Director. The composition of the Board fulfills the Listing Requirement of having at least two (2) or one-third (1/3) of the Board comprising independent directors. The Directors' Profile is disclosed on pages 10 to 14 in the Annual Report 2017.

The Board has established separate Nominating Committee and Remuneration Committee to assist in ensuring that its members remain relevant to myNEWS, having in place a remuneration policy which is competitive to attract and retain suitably qualified directors.

The Chairman of the respective Committees reports to the Board during the Board meetings on matters deliberated at the respective Committees' meetings.

#### 2.1 Nominating Committee ("NC")

The NC's principal responsibility is to oversee the selection and assessment of directors. The NC's role is to assist the Board in identifying, nominating and orientating new nominees to the Board to ensure that the Board's composition consistently meets the needs of myNEWS and the legal and regulatory requirements.

The three (3) members of NC currently comprise of exclusively non-executive directors who are also independent. Two (2) meetings were held during the financial year and the attendance is as follows:

No.	Members	Membership	Meeting Attendance
1	Ding Lien Bing	Chairman	2/2
2	Soon Dee Hwee	Member	2/2
3	Mohd Suffian Bin Suboh	Member	2/2

The Board strongly believes that the members of its NC is most befitting the roles of the NC as Mr Ding is also the Chairman of the Board and Ms Soon the Senior Independent Director and supported by En Suffian who has varied exposure in operations, technical know-how and management.

## STATEMENT ON CORPORATE GOVERNANCE (cont'd)

### 2. Strengthen composition (cont'd)

#### 2.2 Recruitment and assessment of directors

During the financial year the NC carried out the following activities:

- The NC has revised the assessment form for candidates of directorship and annual assessment of Directors' performance and found them to remain relevant for myNEWS. The assessment of performance is properly documented and done on an individual basis as compiled by the Company Secretaries. For the assessment in respect of the appointment of Mr Ong Chee Jern as Director, the NC had collectively decided and resolved so before its recommendation for Board's decision;
- Reviewed the annual assessment of the required mix of skills and experience of the individual Board Members and the Board Committees;
- Assessed the annual effectiveness of the Board as a whole, the Committees of the Board, the contribution of each individual Director, including the Independent Non-Executive Chairman and Chief Executive Officer;
- Reviewed and recommended the re-election of Directors at the 5th AGM for Shareholders' approval, pursuant to the Constitution of the Company;
- Reviewed the need for continuous training and development for the Directors and noted the training programmes attended by Directors;
- Reviewed and recommended the updated terms of reference of NC, for approval by the Board;
- Reviewed and recommended the appointment of Senior Management personnel for approval by the Board;
- Deliberated on the areas that need action by the Group in relation to the best practices recommended by the MCCG 2017.

In its assessment for recruitment of directors and the annual performance of the Board members, the NC will consider the following attributes of the candidate:

- Skills, knowledge, expertise, experience
- Character
- Professionalism
- Integrity
- Competencies, commitment, contribution and performance
- Potential conflict of interest situations
- Independence if candidate is for an independent position

The NC is mindful of the Board's support for boardroom diversity, particularly, in terms of ethnicity and gender. These factors will continue to be given prime consideration in the recruitment of new Board members. Mr Ong was appointed during the year but left shortly thereafter to pursue his own interest. Consequently, the Board members at the end of FY 2017 and the date of this report remain the same as at the beginning of FY 2017:

<b>Ethnicity</b>	<b>No.</b>	<b>%</b>	<b>Gender</b>	<b>No.</b>	<b>%</b>
Bumiputra	1	17	Male	5	83
Chinese	5	83	Female	1	17
Total	6	100	Total	6	100

## STATEMENT ON CORPORATE GOVERNANCE (cont'd)

**2. Strengthen composition (cont'd)****2.3 Directors' remuneration**

The Board believes that myNEWS has a fair remuneration policy to attract, retain and motivate Directors and senior management. It has established a RC to review and ensure that the remuneration of its members fairly reflect the Board's and members' responsibilities, the expertise required by myNEWS and the complexity of its operations. The said remuneration is in line with the business strategy and long term objectives of myNEWS. The aggregate annual Directors' fee and other benefits payable are to be approved by shareholders at the AGM based on recommendations of the Board.

The RC is a three (3) member committee, comprising exclusively of non-executive directors, majority of whom are independent and had three (3) meetings during the financial year as follows:

No.	Members	Membership	Meeting Attendance
1	Mohd Suffian Bin Suboh	Chairman	3/3
2	Soon Dee Hwee	Member	3/3
3	Dang Tai Hock	Member	3/3

A summary of the activities carried out by the RC during the financial year is as follows:

- Reviewed and approved the Service Agreement of the Executive Directors prior to recommending to the Board for execution.
- Reviewed and recommended to the Board for approval, the remuneration structure for staff.
- Reviewed and recommended to the Board for approval on Remuneration Package of the Executive Directors.

The terms of reference of the RC is to annually review and assess the remuneration of the Executive and Non-Executive Directors, senior and key management of myNEWS.

Details of the aggregate remuneration received by the Directors during the financial year are as follows:

	Group RM'000	Company RM'000
Executive Directors		
- Salaries and other emoluments	1,162	-
- Benefits in kind	19	-
- Statutory contributions	214	-
Total	1,395	-
Non-Executive Directors		
- Fee	276	276
- Allowance	41	41
Total	317	317
Total Directors	6	6

## STATEMENT ON CORPORATE GOVERNANCE (cont'd)

### 2. Strengthen composition (cont'd)

#### 2.3 Directors' remuneration (cont'd)

The number of Directors whose remuneration falls within the following bands during FY 2017 is as follows:

	Number of Directors	
	Executive	Non-Executive
RM50,001 to RM100,000	-	4
RM450,001 to RM500,000	1	-
RM550,001 to RM600,000	1	-
Total	2	4

### 3. Reinforce independence

The Board recognises the important role of the independent directors for effective check and balance in myNEWS. It has a high composition of independent directors wherein 50% of the members are independent and non-executive. The performance and requisite assessment process of the Board is delegated to NC where self and peer assessment is the norm and conducted annually.

#### 3.1 Annual assessment of independent directors

It is myNEWS' policy to assess its Board members at least once annually and independence is one of the many criteria for the assessment. The Independent Directors had declared their independence and the NC in its assessment had not notified the Board of any issue of independence by them and there was no report on conflict of interest by them too.

#### 3.2 Tenure of independent directors

All the three (3) Independent Directors, namely, Mr Ding, Ms Soon and En Suffian were appointed on 10 July 2015. Their term of service as independent directors is less than the nine (9) years, as stipulated in the Code.

#### 3.3 Approval for tenure extension of independent directors

The Company need not seek the approval of the shareholders in the coming AGM for the Independent Directors to continue their service as Independent Directors.

#### 3.4 Chairman and Chief Executive Officer

Mr Ding is the Chairman of the Board and he is independent and has no executive role in the Company. Whereas Mr Luk, Chief Executive Officer is a substantial shareholder having an indirect deemed interest of 57.4% in the issued and paid-up share capital of the Company via his interest in D&D Consolidated Sdn Bhd. The Chairman of the Board and the Chief Executive Officer of the Company are different individuals.



## STATEMENT ON CORPORATE GOVERNANCE (cont'd)

**3. Reinforce independence (cont'd)****3.5 Board composition**

The Board fulfills the requirement of the Code and the Listing Requirements in that 50% or three (3) of its members are independent and non-executive whom one of them is the Chairman of the Board. The Board comprises:

	Director	Directorate	Independent	Non-Executive
1	Ding Lien Bing	Chairman	√	√
2	Dang Tai Luk	Executive Director/ Chief Executive Officer		
3	Dang Tai Wen	Executive Director/ Chief Operating Officer		
4	Soon Dee Hwee	Senior Non-Executive Director	√	√
5	Dang Tai Hock	Non-Independent Non-Executive Director		√
6	Mohd Suffian Bin Suboh	Non-Executive Director	√	√
	Total - Number		3	4
	Total - %		50%	67%

Information on the Directors is reported in Directors' Profile on pages 10 to 14 of the Annual Report.

**4. Foster commitment**

The Board is committed to dedicate sufficient time and attention to lead and manage myNEWS to deliver sustainable values to its stakeholders. It is satisfied with the level of time commitment by the Directors in discharging their respective roles and responsibilities.

**4.1 Board's commitment**

Save for Ms Soon, the Directors do not have directorship in any other listed companies. Ms Soon does not hold more than five (5) directorships in listed companies and complies with paragraph 15.06 of the Listing Requirements. The Executive Directors were involved full time in the day-to-day operations and management of myNEWS.

The Board Charter under Item 2.2 provides that a Director shall inform the Chairman before he or she accepts any new directorship in other companies, listed or non-listed. This is to ensure that the Directors could accord the level of time commitment to myNEWS as desired by the Board.

Annual assessment, both self and peer, had been conducted to re-enforce the required commitment by the Board members. During the FY 2017, the Board convened eight (8) meetings which were attended by all the Directors except for Encik Suffian who could not attend the meeting on 14 June 2017.

**4.2 Continuing education programmes**

The Company Secretaries appraised the Board of all updates and new regulations by the regulatory bodies, legislators and statutes. myNEWS upholds its stance on the need for the Board members to keep themselves abreast of updates and changes in all aspects relating to myNEWS, be they, the operations, technical know-how, financial related matters and others. This is frequently echoed by the Chairman of the Board in the meetings.

## STATEMENT ON CORPORATE GOVERNANCE (cont'd)

### 4. Foster commitment (cont'd)

#### 4.2 Continuing education programmes (cont'd)

Details of the seminars and workshops attended by the Directors during FY 2017 are as follows:

Director	Seminars/Workshops	Date of Attendance
Ding Lien Bing	1) Tax, Goods and Service Tax & Customs Seminar 2017 – By Lee Hishammuddin, Allen & Gledhill (“LHAG”)	16 May 2017
	2) Corporate Counsel Day 2017 – Crisis Proofing: Tackling Challenges Ahead with Practical Legal Measures – By LHAG	20 July 2017
	3) Shares with no par value, share buy back and redeemable preference share – By Malaysian Institute of Accountants	14 August 2017
	4) Annual Auditing and Accounting – By Crowe Horwath	29 September 2017
	5) In house seminars: a) Updates on Companies Act 2016	15 February 2017
	b) Updates on Malaysian Corporate Governance Code 2017	14 June 2017
Dang Tai Luk	1) Morgan Stanley Capital Investment Presentation to Listed Companies – By Maybank Investment Bank Berhad	12 July 2017
	2) Market Outlook Seminar – By Credit Suisse AG	3 August 2017
	3) Spoke at Astro Awani on Biz 123 Campaign Launch on the Company's journey in business and its relationship with CIMB Commercial Banking	7 August 2017
	4) Attended NEC iExpo in Tokyo, Japan	9-10 November 2017
	5) In house seminars: a) Updates on Companies Act 2016	15 February 2017
	b) Updates on Malaysian Corporate Governance Code 2017	14 June 2017
Soon Dee Hwee	1) Technology-based Innovation that Counts - By FIDE FORUM	2 November 2016
	2) Empowering Women Series – By Bursa Malaysia	10 November 2016
	3) Companies Bill 2016 – By Suruhanjaya Syarikat Malaysia	8 December 2016
	4) Sustainability Reporting Workshop for Practitioners – By Bursa Malaysia	5-6 April 2017
	5) Goods and Service Tax Workshop: Latest Developments and Uncovering the Truth about GST Audits – By KPMG	11 May 2017

## STATEMENT ON CORPORATE GOVERNANCE (cont'd)

**4. Foster commitment (cont'd)****4.2 Continuing education programmes (cont'd)**

Details of the seminars and workshops attended by the Directors during FY 2017 are as follows (cont'd):

Director	Seminars/Workshops	Date of Attendance
Soon Dee Hwee (cont'd)	6) Leading in a Volatile, Uncertain, Complex, Ambiguous World - By Bursa Malaysia.	13 October 2017
	7) In house seminars: a) Updates on Companies Act 2016	15 February 2017
	b) Updates on Malaysian Corporate Governance Code 2017	14 June 2017
Dang Tai Wen	In house seminars: a) Updates on Companies Act 2016	15 February 2017
	b) Updates on Malaysian Corporate Governance Code 2017	14 June 2017
Dang Tai Hock	In house seminars: a) Updates on Companies Act 2016	15 February 2017
	b) Updates on Malaysian Corporate Governance Code 2017	14 June 2017
Mohd Suffian Bin Suboh	In house seminars: a) Updates on Companies Act 2016	15 February 2017
	b) Updates on Malaysian Corporate Governance Code 2017	14 June 2017

The Board will continuously evaluate and determine the training needs of each Director, particularly on relevant new law and regulations and essential practices to enable the Directors to effectively discharge their duties.

In supplementary to the above, Directors were updated on recent developments in the areas of statutory and regulatory requirements by the External Auditors, the Internal Auditors and Company Secretaries during the Board and Committee Meetings.

**5. Uphold integrity in financial reporting**

The Board continuously strive to present an accurate, timely and meaningful financial statements for the shareholders and other stakeholders to have a complete and informed reporting on myNEWS.

**5.1 Compliance with applicable financial reporting standards**

The AC assists the Board to review myNEWS' quarterly results before recommending to the Board for approval to release to Bursa Malaysia. The AC members are conversant in accounting and financial reporting as amongst them, two (2) members are professionally qualified accountants having vast experience in the finance industry and had been involved in financial reporting.

The audited accounts and annual report of the Company for FY 2017 are prepared in accordance with the Malaysian Financial Reporting Standards, Listing Requirements and the Companies Act, 2016 and was reviewed by the AC with the External Auditors.

## STATEMENT ON CORPORATE GOVERNANCE (cont'd)

### 5. Uphold integrity in financial reporting (cont'd)

#### 5.2 Suitability and independence of External Auditors

Recognising the credibility that the External Auditors could accord on myNEWS' audited accounts, the Board has provided in its Board Charter the matter for appointment, re-appointment or termination of the External Auditors to be reserved for its review before tabling to the shareholders for their approval.

The AC which is entrusted with the responsibility to ensure the suitability and independence of the External Auditors, had conducted the assessment on Messrs Grant Thornton Malaysia based on stringent criteria adopted from best practices. Additionally, written confirmation of independence was obtained from the External Auditors. The outcome of the assessment by AC was satisfactory and accordingly the AC recommended to the Board to table the resolution for their re-appointment as External Auditors for the next financial year for shareholders' approval at the forthcoming 5th AGM.

### 6. Recognise and manage risks

The Board acknowledges its responsibility for implementing a sound system of internal controls to manage risks and safeguard myNEWS' assets and shareholders' investment.

#### 6.1 Risk management framework

The Board has established a risk management framework for myNEWS to formulate and review risk management policies and risks strategies. It has appointed a Risk Management Manager to oversee identify, evaluate, control, monitor and report on the critical risks faced by myNEWS on an on-going basis, including remedial measures to be taken to address the risks vis-à-vis the risk parameters of the AC. All risks identified and the resolution thereof are recorded in myNEWS' Risks Register. The respective Heads of Department are responsible to identify and manage the risks associated to his/her department's functions. The Board, assisted by the AC reviews the risk management policies regularly to ensure they remain relevant and effective to safeguard the interest of myNEWS and its shareholders.

Internal controls are vital for risk management and the Board is committed to ensure that myNEWS has an effective and efficient internal control system. The Internal Audit function which is outsourced, regularly conducts tests and assesses if the internal controls are robust and viable.

#### 6.2 Internal audit function

The internal audit function of myNEWS is outsourced and the Internal Auditors report directly to the AC. The internal audit plan is designed to test the internal controls put in place and to check the identified risks to ensure that they do not breach myNEWS' risk tolerance level. The annual internal audit plan is presented to the AC for review and consideration for recommendation to the Board for approval before the Internal Auditors commence work.

Details of the myNEWS' risk management framework and system of internal controls are set out in the Statement on Internal Control and Risk Management on pages 51 to 53 of the Annual Report.

### 7. Timely and high quality disclosure

Recognising that timeliness and accuracy of information are pertinent for informed decision making, the Board always strive to provide reports, financial or otherwise, prepared with the highest level of integrity.

#### 7.1 Corporate disclosure policy

myNEWS' Corporate Disclosure Policy is formulated to ensure its disclosure and announcements are in conformity with all applicable regulatory requirements. Such disclosure and announcements are subject to internal compliance checking procedures before their release to Bursa Malaysia.



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## STATEMENT ON CORPORATE GOVERNANCE (cont'd)

### 7. Timely and high quality disclosure (cont'd)

#### 7.1 Corporate disclosure policy (cont'd)

myNEWS has a Corporate Disclosure Committee (“CDC”) comprising the Executive Director/Chief Executive Officer, Company Secretaries, Executive Director/Chief Operating Officer and the Chief Financial Officer. The CDC manages the release of all communications of material information to Bursa Malaysia through the Company Secretaries. The draft announcement is prepared by the Company Secretaries and reviewed by the CDC before it is circulated to the Board for review and approval. The Executive Director/Chief Executive Officer as empowered by the Board shall approve the final draft for announcement.

The authorised spokespersons for myNEWS are the Chairman of the Board and the Executive Director/Chief Executive Officer and any other officers as may be authorised by the Executive Director/Chief Executive Officer.

#### 7.2 Effective dissemination of information

The Board is cognizant that for effective dissemination of information it has to be fast and to a wide audience. Thus, it encourages myNEWS to leverage on information technology and endeavour to disclose information relevant to the public in myNEWS Holding’s website [www.mynewsholdings.com](http://www.mynewsholdings.com) of which information is categorised in an orderly and structured manner for the ease of reference by the public. All announcements by the Company are uploaded to the Company’s website simultaneously and the investors’ review on myNEWS, as soon as practicable.

### 8. Strengthen relationship between Company and shareholders

The annual general meetings are the principal forum for communication by the Company with its shareholders. With the advent of information technology, the other avenue for such communication is the Company’s website and Facebook.

#### 8.1 Shareholder participation

The forthcoming fifth (5th) AGM will be the second AGM of the Company, post its listing on Bursa Malaysia. The Board understands that the AGM is an important avenue for shareholders to exercise their rights. Thus, it has approved the Notice for the AGM to be served to the shareholders on 28 February 2018 which is twenty-eight (28) days’ notice as stipulated in the MCCG 2017. This is to encourage more shareholders to attend the AGM so that they can participate in the meeting.

The Company did allocate time during the previous AGM and EGM for a Question-and-Answer session whereby the Chairman together with the other Board members were available to provide responses to questions posed by the shareholders. External Auditors and advisers were also present to provide their professional and independent clarification on matters raised by shareholders.

The relevant information for the shareholders to exercise their rights on voting on the resolutions at the AGM are set out clearly in the Notice of AGM. In addition, the Company has a website – [www.mynewsholdings.com](http://www.mynewsholdings.com) which has the contact details should the shareholders and investors wish to contact the Company for information.

## STATEMENT ON CORPORATE GOVERNANCE (cont'd)

### 8. Strengthen relationship between Company and shareholders (cont'd)

#### 8.2 Poll voting

The voting on all resolutions to be tabled at the previous AGM and EGM had been by way of poll in accordance with the Listing Requirements. The detailed results of the voting in terms of number of votes and % for and against the respective resolution were announced to Bursa Malaysia.

#### 8.3 Engagement with shareholders

myNEWS Holdings engages regularly with the analysts, journalists and institutional investors on myNEWS' performance, developments and matters of interest to the investing public. Any request for further information and meetings were generally granted and myNEWS is always mindful and ensured that there is no selective dissemination of information. In these meetings, there were also constructive exchange of information and ideas.

The Board understands that good corporate governance is beyond the minimum prescribed by regulation. It upholds its commitment to cultivate a good corporate governance culture within myNEWS and strives to continuously improve and strengthen myNEWS' corporate governance framework.

## AUDIT COMMITTEE REPORT

The Audit Committee (“AC”) of myNEWS Holdings is pleased to present its report for FY 2017.

### Objective

The AC was established to assist and support the Board in fulfilling its fiduciary responsibilities to review the adequacy and integrity of the Group’s financial administration and reporting, including the internal controls in accordance with its adopted Terms of Reference as approved by the Board.

### Membership and Meeting Attendance

The AC comprises of three (3) members and they are:

- Soon Dee Hwee - Chairman, Senior Independent Non-Executive Director
- Ding Lien Bing - Member, Independent Non-Executive Chairman
- Mohd Suffian Bin Suboh - Member, Independent Non-Executive Director

The attendance of the members at the AC meetings held during FY 2017 is as follows:

	Members	Designation	Attendance of Meeting	
1	Soon Dee Hwee	Chairperson	5/5	100%
2	Ding Lien Bing	Member	5/5	100%
3	Mohd Suffian Bin Suboh	Member	4/5	80%

### Terms of Reference

The Terms of Reference of the AC is made available on the Company’s website, [www.mynewsholdings.com](http://www.mynewsholdings.com). The Board is satisfied that the AC and each of the members had discharged their functions, duties and responsibilities in accordance with its Terms of Reference.

### Summary of Work Carried Out During FY 2017

#### a) Financial Reporting

During FY 2017, the AC had carried out the following activities to discharge its functions and duties:

- Reviewed the unaudited quarterly financial results of the Group before recommending the same for Board’s approval and release to Bursa Malaysia.
- Reviewed the Group’s draft audited financial statements for FY 2017, the issues arising from the audit, their resolutions and the External Auditors’ report thereon prior to submission 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 adhered to all legal and regulatory requirements.

#### b) External Audit

- Had a meeting with the External Auditors to review the audit plan for FY 2017 to ensure the adequacy of the work scope and determine the audit focus areas.
- Discussed with the External Auditors on the results of the audit, their findings and the resolution of the findings.

## AUDIT COMMITTEE REPORT (cont'd)

### Summary of Work Carried Out During FY 2017 (cont'd)

#### b) External Audit (cont'd)

- Reviewed the audited financial statements with the External Auditors and Management before recommending them to the Board for adoption.
- Had private meeting with the External Auditors without the presence of the Executive Directors and Management.
- Reviewed the proposed audit fees for FY 2017 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

The AC was supported by Axcelasia Columbus Sdn Bhd, the outsourced Internal Auditors in the discharge of its duties and responsibilities with regards to the Internal Audit function of the Group. Based on the results of the audits, the outsourced internal auditor had provided independent and objective assurance on the adequacy and effectiveness of the internal controls of the operating departments within the Group.

The activities of the outsourced Internal Auditors during FY 2017 were:

- Conducted scheduled internal audits in accordance with the approved internal audit plan. The results of the audit reviews were discussed with Senior Management and subsequently, the audit findings, including the recommendations for improvement were reported to the AC at the quarterly meetings.
- Follow-up visits were conducted to ensure that management's action plans in respect of the matters highlighted in the internal audit reports had been adequately addressed and the results of the follow up reviews were also reported to the AC.

The internal audit activities carried out in accordance with the approved audit plan for FY 2017 were on the following areas:

1. Management Information System
2. Financial Statements Preparation Process
3. Sales and Marketing
4. Risk Management Framework Assessment
5. Procurement
6. Inventory Management
7. Collection and Cash Management

The AC had reviewed the internal audit reports, the recommendations and management action plans thereon. No major weaknesses that have resulted in material losses, contingencies or uncertainties were reported or noted.

The AC had met with the Internal Auditors without the presence of Management to review key issues within their responsibilities and interest. The AC had also reviewed the quality of the internal audit function and assessed the effectiveness of the internal audit process and found them to be satisfactory. The fee incurred for the internal audit function in FY 2017 was RM86,000.



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## AUDIT COMMITTEE REPORT (cont'd)

### Summary of Work Carried Out During FY 2017 (cont'd)

#### d) Risk Management

A Risk Management Department was set up in FY 2017 to assist the AC in carrying out the following duties:

- Maintaining the risk register and assessing the risks covering areas such as likelihood of occurrence, the impact of the risks, risk treatment, risk owner and the effectiveness of the controls to ensure that the management of the relevant risks is appropriately placed within the Group.
- Review the risk management activities on the Group, its existing controls to ensure the business activities and risk areas are continuously re-aligned and enhanced.

The AC is satisfied that the risk management at myNEWS is effective in continuously identifying and evaluating risks and ensuring that these risks are managed in line with the business strategy.

#### e) Related Party Transactions

The AC had performed the following on related party transactions:

- Reviewed related party transactions on a quarterly basis; and
- Assessed the possibilities of conflict of interest situation within the Group.

For FY 2017, the AC noted:

- There were no new recurrent related party transactions relative to the previous year; and
- The 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 favourable to the related parties than those generally available to the public and were not detrimental to the minority shareholders.

The AC is satisfied that myNEWS had complied with the financial and regulatory reporting requirements and noted no material changes in accounting policies, significant audit adjustments, unusual transactions or non-favourable related party transactions.

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

### Introduction

Pursuant to Paragraph 15.26(b) of the Bursa Malaysia Main Market Listing Requirements, the Board of myNEWS Holdings is pleased to provide this Risk Management and Internal Control Statement which outlines the state of the Risk Management and Internal Control of myNEWS for FY 2017.

### Board's Responsibility

The Board acknowledges that it is ultimately responsible for myNEWS' internal control system which includes the establishment of an appropriate control environment and framework, and ensuring that it is adequate and effective in managing risks. It is committed to maintain a sound risk management framework and internal control system. However, due to inherent limitation in any system of internal control, it is to manage rather than eliminate risks and to provide assurance against material losses or failure associated with risks to achieve myNEWS' corporate objectives.

### Risk Management Framework

The risk management framework established and approved by the Board on 20 December 2016 was subsequently reviewed on 25 September 2017 with the aim to set out more clearly the risk management guidelines and re-assess the level of risks acceptable to myNEWS. The framework has been designed to ensure proper management of the risks that may impede the achievement of myNEWS' goals and objectives.

The Group has in place an on-going process for identifying, assess, evaluating the principal risks that affect its goals and objectives for the year under review. In ensuring that the risk management framework is in conformance with internationally recognised standards, myNEWS has adopted ISO 31000 Risk Management – Principles and Guidelines in preparing the framework.

The Board is supported by the Risk Management Working Committee ("RMWC"), headed by the Chief Executive Officer in overseeing the risk management efforts within the Group. The risk management process includes identifying principal business risks in major operating units, assessing the likelihood of occurrence and impact of exposures and determining the corresponding risk mitigation and treatment measures. The RMWC meeting is held every quarter and the results are presented to the AC and the AC Chairman updates the Board thereafter.

### Internal Control

myNEWS' internal audit function was outsourced to a third-party service provider, Messrs Audex Governance Sdn Bhd ("Audex"). Audex was acquired by Messrs Axcelasia Columbus Sdn Bhd on 8 March 2017 and accordingly had its name changed to Axcelasia Columbus Sdn Bhd ("Axcelasia"). The internal audit function reports directly to the AC.

During FY 2017, Axcelasia had devised a risk-based internal audit plan which was reviewed by the AC before it was recommended for approval by the Board. Based on the approved internal audit plan, Axcelasia had conducted regular reviews of myNEWS' system of internal control including its compliance with policies and procedures as well as relevant laws and regulations. All deviations and non-compliances reported by Axcelasia had been addressed to the satisfaction of the AC and Board.

The Group has an in-house Internal Control department that carries out operational audits to assess and ensure the operating units, namely, the retail outlets' and distribution center's compliance with their respective Standard Operating Procedures. Observations/findings and action plans to rectify the breakdown of controls and enhance the effectiveness of the internal control are reported to the respective Heads of Department, Chief Operating Officer and Chief Executive Officer.

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (cont'd)

### Internal Control (cont'd)

myNEWS relies on its existing internal control mechanisms to provide the required level of assurance that the business is operated in an orderly manner and that the likelihood of a significant adverse impact on the objectives arising from a future event is at an acceptable level to the business.

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 daily running of the business is entrusted to the Executive Directors and the Management team. The Heads of Department are empowered with the responsibility of managing their respective operations.
2. **Authority and Responsibility** – The day to day operation of myNEWS is guided by its Standard Operating Procedures and approval matrix 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. **Monitoring and Reporting** – The Chief Financial Officer is primarily responsible for the financial management of myNEWS and is required to give assurance to the AC that there has been adequate process and controls in place for the preparation of the financial statements and that these financial statements are prepared based on appropriate accounting policies which are consistently applied and in compliance with Financial Reporting Standards to give a true and fair view of the state of affairs of myNEWS.

The AC reviews the quarterly financial statements with the Chief Financial Officer and Executive Directors before it recommends to the Board for approval to release them to Bursa Malaysia. Similarly, the audited financial statements are reviewed with the External Auditors before recommending them to the Board to be tabled to the shareholders at the annual general meeting.

4. **Regular Management Meetings** – Management meetings are held bi-monthly and are attended by the Heads of Department to discuss operational performance and operational matters. Regular operational meetings are convened as and when necessary with the related departments to monitor the progress of projects and to be informed of the status of operational developments.
5. **Staff Competency** – The Board fully supports the need for continuing education for all its members and all levels of staff. The Board members are encouraged to participate in programmes to equip themselves with the latest updates on the industry and regulatory requirements. It is myNEWS' policy to provide continuing training and development programmes for its staff, for example, the front-end staff are trained on customer services and operational efficiencies before posted to the outlets and thereafter are provided with on the job training on a regular basis. The other staffs are trained internally or by external professionals to improve their competency and are 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

The External Auditors have reviewed this Statement on Risk Management and Internal Control pursuant to the scope set out in the Recommended Practice Guide 5 (Revised) - Guidance for Auditors on Engagement (“RPG 5 - Revised”) to Report on the Statement on Risk Management and Internal Control included in the Annual Report issued by the Malaysian Institute of Accountants. RPG 5 - Revised does not require the External Auditors to consider whether the Directors' Statement on Risk Management and Internal Control covers all risk and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system including the assessment and opinion by the Board and Management thereon. The External Auditors are also not required to consider whether the processes described to deal with material internal control aspects of any significant problems disclosed in the Annual Report will, in fact, remedy the problems.

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (cont'd)

### Review of the Statement by External Auditors (cont'd)

The External Auditors reported to the Board that nothing has come to their attention that cause them to believe that this statement intended to be included in the Annual Report of myNEWS for FY 2017, in all material respects:

- a) Has not been prepared in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers; or
- b) Is factually inaccurate.

### Conclusion

For FY 2017, the Chief Executive Officer and the Chief Financial Officer had provided assurance to the Board that the Group's Risk Management and Internal Control system had been operating adequately and effectively, in all material aspects.

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.

This Statement on Risk Management and Internal Control was approved by the Board on 8 February 2018



## STATEMENT ON DIRECTORS' RESPONSIBILITY

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.

This Statement on Directors' Responsibility for preparing the financial statements was approved by the Board at its meeting on 8 February 2018.

# FINANCIAL STATEMENTS

56

■ Directors' Report

61

■ Statement by Directors  
and Statutory Declaration

62

■ Independent  
Auditors' Report

66

■ Statements of  
Financial Position

68

■ Statements of  
Profit or Loss and Other  
Comprehensive Income

69

■ Statements of  
Changes in Equity

71

■ Statements of  
Cash Flows

73

■ Notes to the  
Financial Statements

## DIRECTORS' REPORT

The Directors have pleasure in submitting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 October 2017.

### CHANGE OF COMPANY NAME

On 11 December 2017, the Company changed its name from Bison Consolidated Berhad to Mynews Holdings Berhad.

### PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of its subsidiaries and jointly controlled entity are disclosed in Notes 5 and 6 to the Financial Statements respectively.

There have been no significant changes in the nature of these activities during the financial year.

### FINANCIAL RESULTS

	Group RM'000	Company RM'000
Net profit for the financial year	24,021	8,072

### DIVIDENDS

The amount of dividend declared and paid since the end of the previous financial year is as follows:-

	RM'000
An interim single tier dividend of RM0.02 per ordinary share in respect of the financial year ended 31 October 2017	6,201

The Directors do not recommend any final dividend for the financial year ended 31 October 2017.

### RESERVES AND PROVISIONS

All material transfers to or from reserves or provisions during the financial year are disclosed in the financial statements.

### HOLDING COMPANY

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

## DIRECTORS' REPORT (cont'd)

### DIRECTORS

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

Ding Lien Bing  
Dang Tai Luk\*  
Dang Tai Wen\*  
Soon Dee Hwee  
Dang Tai Hock#  
Mohd Suffian Bin Suboh  
Ong Chee Jern (Appointed on 3.1.2017 and resigned on 25.9.2017)

\* also the Directors of all the subsidiaries

# also the Director of all the subsidiaries except for myNEWS Kukuh Sdn Bhd (formerly known as Kukuh Network Sdn Bhd) and myNEWS Management Sdn Bhd (formerly known as Nadi Minda Sdn Bhd)

### 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 1.11.2016	Number of Ordinary Shares		Balance at 31.10.2017
		Bought	Sold	
<b>The Company</b>				
<u>Direct interests</u>				
Ding Lien Bing	200,000	-	-	200,000
Soon Dee Hwee	200,000	-	-	200,000
Mohd Suffian Bin Suboh	80,000	10,000	45,000	45,000
<u>Indirect interests</u>				
Dang Tai Luk #	213,388,500	-	10,000,000	203,388,500
Dang Tai Wen #	213,388,500	-	10,000,000	203,388,500
Dang Tai Hock #	213,388,500	-	10,000,000	203,388,500
<b>Direct interest in the shares of the holding company D&amp;D Consolidated Sdn Bhd</b>				
Dang Tai Luk	4,341	-	-	4,341
Dang Tai Wen	1,648	-	-	1,648
Dang Tai Hock	3,241	-	-	3,241

# Indirect interests by virtue of their shareholdings in D&D Consolidated Sdn Bhd

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

Other than as disclosed above, none of the other Director in office at the end of the financial year held any shares or had any direct interest in the shares of the Company or its related corporations during the financial year.

## DIRECTORS' REPORT (cont'd)

### DIRECTORS' BENEFITS

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 Notes 28 and 29 to the Financial Statements) 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.

### ISSUE OF SHARES AND DEBENTURES

During the financial year, the Company issued 31,007,000 new ordinary shares at an issue price of RM2.33 per ordinary share for a total cash consideration of RM72,247,000 for the acquisition of a property to be used as corporate office and warehouse and for its working capital purposes.

Subsequent to the financial year, the Company issued 341,077,000 ordinary shares as bonus shares as detailed in Note 34(a) to the Financial Statements.

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

There were no debentures issued during the financial year.

### 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 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.



## DIRECTORS' REPORT (cont'd)

### OTHER STATUTORY INFORMATION (cont'd)

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
- (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.

### INDEMNITY AND INSURANCE FOR DIRECTORS AND OFFICERS

The Company maintains a Directors' and Officers' liability insurance to cover any legal action taken against the Directors and Officers in discharge of their duties while holding office for the Group and the Company. The total amount of such insurance premium paid by the Company for the financial year was RM21,000.

### SIGNIFICANT EVENTS DURING AND AFTER THE FINANCIAL YEAR

The significant events during and after the financial year are disclosed in Note 34 to the Financial Statements.

## AUDITORS

Signed on behalf of the Directors in accordance with a resolution of the Directors,

## DIRECTORS

DANG TAI WEN

Kuala Lumpur  
8 February 2018

## STATEMENT BY DIRECTORS

In the opinion of the Directors, the financial statements set out on pages 66 to 122 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 2017 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Directors in accordance with a resolution of the Directors,

.....  
**DANG TAI LUK**

Kuala Lumpur  
8 February 2018

.....  
**DANG TAI WEN**

## STATUTORY DECLARATION

I, Chong Siew Hoong, being the Officer primarily responsible for the financial management of Mynews Holdings Berhad (formerly known as Bison Consolidated Berhad) do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 66 to 122 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 )  
8 February 2018 ) .....  
**CHONG SIEW HOONG**

Before me:

S. ARULSAMY (W490)  
Commissioner for Oaths  
Kuala Lumpur

## INDEPENDENT AUDITORS' REPORT

### TO THE MEMBERS OF MYNEWS HOLDINGS BERHAD (FORMERLY KNOWN AS BISON CONSOLIDATED BERHAD) AND ITS SUBSIDIARIES

#### Report on the Audit of the Financial Statements

##### *Opinion*

We have audited the financial statements of Mynews Holdings Berhad (formerly known as Bison Consolidated Berhad), which comprise the statements of financial position as at 31 October 2017 of the Group and of the Company, 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 66 to 122.

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 2017, 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 of 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' Code of Ethics for Professional Accountants ("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.

##### *Risk of valuation and existence of inventories*

##### ***The risk***

The inventories balances amounting to RM31,726,000 as disclosed in Note 9 to the Financial Statements is significant to the total assets. Inventories are measured at the lower of cost and net realisable value ("NRV"). The Group estimates the NRV of inventories based on an assessment of expected sales prices. Changes in these assumptions could result in a material change in the carrying value of inventories and the financial performance of the Group.

##### ***Our response***

We have tested the valuation of inventories in accordance with MFRS 102, Inventories and ascertained that inventories are stated at the lower of cost and NRV.

We have obtained an understanding and reviewed the management's assessment of NRV of the inventories and tested the subsequent selling price of inventories.

We have examined the condition of selected inventories by attending physical stock count at financial year end at selected locations.

We have also considered the adequacy of the Group's disclosures in respect of inventories valuation.

**INDEPENDENT AUDITORS' REPORT**  
**TO THE MEMBERS OF MYNEWS HOLDINGS BERHAD (FORMERLY KNOWN AS BISON**  
**CONSOLIDATED BERHAD) AND ITS SUBSIDIARIES (cont'd)**

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

*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 management accounted for the revenue solely based on the sales report generated from the information technology system of the Group. During the financial year, cash sales from outlets represented 99% of the Group's total revenue.

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 the processing of large volume of individually insignificant transactions using the Group's information technology system.

***Our response***

We have obtained an understanding and reviewed the internal control over the process of recording cash sales from outlets.

We have 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.

We have test-checked the reconciliation of cash receipts to the revenue recognised during the financial year.

We have also 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.

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.



**INDEPENDENT AUDITORS' REPORT**  
**TO THE MEMBERS OF MYNEWS HOLDINGS BERHAD (FORMERLY KNOWN AS BISON**  
**CONSOLIDATED BERHAD) AND ITS SUBSIDIARIES (cont'd)**

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

*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.

*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 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.

**INDEPENDENT AUDITORS' REPORT**  
**TO THE MEMBERS OF MYNEWS HOLDINGS BERHAD (FORMERLY KNOWN AS BISON**  
**CONSOLIDATED BERHAD) AND ITS SUBSIDIARIES (cont'd)**

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

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

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 identify during our audit.

We also provide 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.

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**  
(NO. AF: 0737)  
CHARTERED ACCOUNTANTS

**KHO KIM ENG**  
(NO: 3137/10/18(J))  
CHARTERED ACCOUNTANT

Kuala Lumpur  
8 February 2018

# STATEMENTS OF FINANCIAL POSITION

## AS AT 31 OCTOBER 2017

		Group		Company	
	Note	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	4	80,595	65,266	-	-
Investment in subsidiaries	5	-	-	46,090	46,090
Investment in jointly controlled entity	6	4,620	2,679	-	-
Other investments	7	5	5	-	-
Fixed deposits with licensed banks	8	800	730	-	-
Total non-current assets		86,020	68,680	46,090	46,090
<b>Current assets</b>					
Inventories	9	31,726	29,782	-	-
Trade receivables	10	10,652	6,956	-	-
Other receivables	11	31,460	18,459	120	2
Amount due from subsidiaries	5	-	-	53,758	29,141
Amount due from jointly controlled entity	6	1,201	1,218	-	-
Amount due from a related party	12	-	14	-	-
Other investments	7	105,735	63,330	105,735	59,022
Fixed deposits with licensed banks	8	1,028	328	-	-
Cash and bank balances		22,006	15,675	2,066	139
Total current assets		203,808	135,762	161,679	88,304
<b>Total assets</b>		<b>289,828</b>	<b>204,442</b>	<b>207,769</b>	<b>134,394</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity</b>					
Share capital	13	201,581	62,014	201,581	62,014
Share premium	14	-	67,320	-	67,320
Revaluation reserve	15	8,561	8,561	-	-
Merger deficit	16	(45,952)	(45,952)	-	-
Retained earnings		77,441	60,482	5,718	4,708
<b>Total equity</b>		<b>241,631</b>	<b>152,425</b>	<b>207,299</b>	<b>134,042</b>
<b>LIABILITIES</b>					
<b>Non-current liabilities</b>					
Bank borrowings	17	5,500	6,934	-	-
Finance lease liabilities	18	751	377	-	-
Deferred tax liabilities	19	2,749	2,587	-	-
Total non-current liabilities		9,000	9,898	-	-

## STATEMENTS OF FINANCIAL POSITION

AS AT 31 OCTOBER 2017 (cont'd)

		Group		Company	
	Note	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
<b>Current liabilities</b>					
Trade payables	20	23,022	26,081	-	-
Other payables	21	13,424	14,337	428	310
Amount due to related parties	12	61	60	-	-
Amount due to a Director	22	-	36	-	-
Bank borrowings	17	1,414	1,335	-	-
Finance lease liabilities	18	290	216	-	-
Tax payable		986	54	42	42
Total current liabilities		39,197	42,119	470	352
<b>Total liabilities</b>		48,197	52,017	470	352
<b>Total equity and liabilities</b>		289,828	204,442	207,769	134,394

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 2017

		<b>Group</b>		<b>Company</b>	
	<b>Note</b>	<b>2017 RM'000</b>	<b>2016 RM'000</b>	<b>2017 RM'000</b>	<b>2016 RM'000</b>
Revenue	23	327,598	264,031	8,770	11,328
Cost of sales		(206,948)	(169,572)	-	-
Gross profit		120,650	94,459	8,770	11,328
Other income		1,285	2,590	-	-
Administration expenses		(85,773)	(68,587)	(655)	(1,707)
Other expenses		(6,987)	(5,447)	-	-
Finance costs		(420)	(505)	-	-
Share of profit of jointly controlled entity		1,941	1,111	-	-
Profit before tax	24	30,696	23,621	8,115	9,621
Tax expense	25	(6,675)	(5,488)	(43)	(42)
Net profit/total comprehensive income for the financial year		24,021	18,133	8,072	9,579
<b>Earnings per share</b>					
Basic earnings per share attributable to owners of the Company (sen)	26	7.73	6.56		

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



## STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2017

Group	Note	[-----Non-distributable-----]				Distributable (Accumulated losses)/ retained earnings		Total RM'000
		Share capital RM'000	Share premium RM'000	Revaluation reserve RM'000	Merger deficit RM'000	RM'000	RM'000	
Balance at 1 November 2015		45,890	-	8,561	(45,952)	47,000		55,499
Total comprehensive income for the financial year		-	-	-	-	18,133		18,133
<b>Transactions with owners</b>								
Dividend	27	-	-	-	-	(4,651)		(4,651)
Issuance of ordinary shares pursuant to Initial Public Offering	13,14	16,124	67,320	-	-	-		83,444
Total transactions with owners		16,124	67,320	-	-	(4,651)		78,793
Balance at 31 October 2016		62,014	67,320	8,561	(45,952)	60,482		152,425
Total comprehensive income for the financial year		-	-	-	-	24,021		24,021
<b>Transactions with owners</b>								
Dividend	27	-	-	-	-	(6,201)		(6,201)
Issuance of ordinary shares	13	72,247	-	-	-	(861)		71,386
Total transactions with owners		72,247	-	-	-	(7,062)		65,185
Transition to no-par value regime on 31 January 2017	13,14	67,320	(67,320)	-	-	-		-
Balance at 31 October 2017		201,581	-	8,561	(45,952)	77,441		241,631

**STATEMENTS OF CHANGES IN EQUITY**  
FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2017 (cont'd)

Company	Note	[-----Non-distributable-----]				Distributable (Accumulated losses)/ retained earnings		Total RM'000
		Share capital RM'000	Share premium RM'000	Revaluation reserve RM'000	Merger deficit RM'000	RM'000	RM'000	
Balance at 1 November 2015		45,890	-	-	-	(220)		45,670
Total comprehensive income for the financial year		-	-	-	-	9,579		9,579
<b>Transactions with owners</b>								
Dividend	27	-	-	-	-	(4,651)		(4,651)
Issuance of ordinary shares pursuant to Initial Public Offering	13,14	16,124	67,320	-	-	-		83,444
Total transactions with owners		16,124	67,320	-	-	(4,651)		78,793
Balance at 31 October 2016		62,014	67,320	-	-	4,708		134,042
Total comprehensive income for the financial year		-	-	-	-	8,072		8,072
<b>Transactions with owners</b>								
Dividend	27	-	-	-	-	(6,201)		(6,201)
Issuance of ordinary shares	13	72,247	-	-	-	(861)		71,386
Total transactions with owners		72,247	-	-	-	(7,062)		65,185
Transition to no-par value regime on 31 January 2017	13,14	67,320	(67,320)	-	-	-		-
Balance at 31 October 2017		201,581	-	-	-	5,718		207,299

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

## STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2017

		Group		Company	
	Note	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
<b>OPERATING ACTIVITIES</b>					
Profit before tax		30,696	23,621	8,115	9,621
<b>Adjustments for:</b>					
Depreciation of property, plant and equipment		6,000	4,481	-	-
Amortisation of intangible asset		-	1	-	-
Bad debts written off		-	15	-	-
Dividend income from other investments		(838)	(703)	(712)	(437)
Dividend income from subsidiary		-	-	(7,000)	(10,000)
Fair value gain on other investments		(1,070)	(688)	(1,051)	(703)
Loss/(gain) on disposal of property, plant and equipment		57	(4)	-	-
Listing expenses		-	1,150	-	1,150
Property, plant and equipment written off		925	927	-	-
Intangible asset written off		-	5	-	-
Share of profit of jointly controlled entity		(1,941)	(1,111)	-	-
Negative goodwill on acquisition of a subsidiary		-	(51)	-	-
Interest expense		420	505	-	-
Interest income		(215)	(395)	(7)	(188)
Unrealised gain on foreign exchange		-	(105)	-	-
Operating profit/(loss) before working capital changes		34,034	27,648	(655)	(557)
Changes in working capital:-					
Inventories		(1,944)	(8,018)	-	-
Receivables		(16,697)	(4,082)	(118)	21
Payables		(3,972)	9,370	118	253
Jointly controlled entity		29	25	-	-
Related parties		15	(83)	-	-
Cash generated from/(used in) operations		11,465	24,860	(655)	(283)
Tax refunded		189	20	-	-
Tax paid		(5,770)	(5,412)	(43)	-
Net cash from/(used in) operating activities		5,884	19,468	(698)	(283)
<b>INVESTING ACTIVITIES</b>					
Dividend received from other investments		838	703	712	437
Proceeds from disposal of property, plant and equipment		155	113	-	-
Purchase of property, plant and equipment	A	(21,736)	(23,725)	-	-
Advances to subsidiaries		-	-	(17,617)	(19,322)
Advances to jointly controlled entity		(12)	-	-	-
Placement of fixed deposits		(70)	(132)	-	-
Placement of funds in other investments		(128,355)	(134,000)	(128,355)	(104,000)
Proceeds from redemption of other investments		87,020	71,358	82,693	45,681
Interest received		215	395	7	188
Net cash outflow from acquisition of a subsidiary	5	-	(193)	-	(200)
Net cash used in investing activities		(61,945)	(85,481)	(62,560)	(77,216)

**STATEMENTS OF CASH FLOWS**  
FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2017 (cont'd)

	Note	Group		Company	
		2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
<b>FINANCING ACTIVITIES</b>					
Dividend paid		(6,201)	(4,651)	(6,201)	(4,651)
Interest paid		(420)	(505)	-	-
Repayment of finance lease liabilities		(282)	(297)	-	-
Repayment of term loans		(1,355)	(1,274)	-	-
Proceeds from issuance of ordinary shares		72,247	88,682	72,247	88,682
Payments of share issuance expenses/initial public offering exercise expenses		(861)	(6,388)	(861)	(6,388)
Repayment to a Director		(36)	31	-	(5)
Net cash from financing activities		63,092	75,598	65,185	77,638
<b>CASH AND CASH EQUIVALENTS</b>					
Net increase		7,031	9,585	1,927	139
Brought forward		16,003	6,418	139	-
Carried forward	B	23,034	16,003	2,066	139

**NOTES TO THE STATEMENTS OF CASH FLOWS**

**A. PURCHASE OF PROPERTY, PLANT AND EQUIPMENT**

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Acquisition of property, plant and equipment	22,466	23,902	-	-
Less: Financed by finance lease arrangements	(730)	(177)	-	-
Cash payments	21,736	23,725	-	-

**B. CASH AND CASH EQUIVALENTS**

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

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Fixed deposits with licensed banks	1,828	1,058	-	-
Cash and bank balances	22,006	15,675	2,066	139
	23,834	16,733	2,066	139
Less: Fixed deposits pledged to licensed banks	(800)	(730)	-	-
	23,034	16,003	2,066	139

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

## NOTES TO THE FINANCIAL STATEMENTS

### 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.

On 11 December 2017, the Company changed its name from Bison Consolidated Berhad to Mynews Holdings Berhad.

The registered office and principal place of business of the Company are located at 260, Jalan KIP 4, KIP Industrial Park, 52200 Kuala Lumpur.

The principal activity of the Company is investment holding. The principal activities of its subsidiaries and jointly controlled entity are disclosed in Notes 5 and 6 to the Financial Statements respectively.

There have been no significant changes in the nature of these activities during the financial year.

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

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors passed on 8 February 2018.

### 2. BASIS OF PREPARATION

#### 2.1 Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards ("IFRSs") and the requirements of the Companies Act 2016 in Malaysia.

#### 2.2 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 year 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.



## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

### 2. BASIS OF PREPARATION (cont'd)

#### 2.2 Basis of measurement (cont'd)

The Group and the Company use valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair 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 year.

For the purpose of fair value disclosures, the Group has 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.

#### 2.3 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.

#### 2.4 Adoption of amendments to MFRSs and IC Interpretations ("IC Int")

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 amendments to MFRSs which are mandatory for the financial periods beginning on or after 1 January 2016.

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

#### 2.5 Standards issued but not yet effective

The Group and the Company have not applied the following MFRSs 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:

##### *Amendments to MFRSs effective 1 January 2017:*

MFRS 12	Disclosure of Interests in Other Entities (under Annual Improvements to MFRS Standards 2014-2016 Cycle)
MFRS 107	Statement of Cash Flows: Disclosure Initiatives
MFRS 112*	Income Taxes: Recognition of Deferred Tax Assets for Unrealised Losses

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

### 2. BASIS OF PREPARATION (cont'd)

#### 2.5 Standards issued but not yet effective (cont'd)

The Group and the Company have not applied the following MFRSs 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 (cont'd):

MFRSs, Amendments to MFRSs and IC Interpretation effective 1 January 2018:

MFRS 9	Financial Instruments IFRS 9 Issued by International Accounting Standards Board ("IASB") in July 2014
MFRS 15	Revenue from Contracts with Customers
MFRS 15	Clarification to MFRS 15
Amendments to MFRS 2*	Share-based Payment: Clarification and Measurement of Share-based Payment Transactions
Amendments to MFRS 4*	Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts
Amendments to MFRS 7	Financial Instruments – Disclosures: Mandatory effective date of MFRS 9 and transitional disclosures
Amendments to MFRS 140*	Transfer of Investment Property
IC Interpretation 22*	Foreign Currency Transaction and Advance Consideration
Annual Improvements to MFRSs 2014-2016 Cycle (except for Amendments to MFRS 12 Disclosure of Interests in Other Entities)*	

MFRS, Amendments to MFRSs and IC Interpretation effective 1 January 2019:

MFRS 16	Leases
Amendments to MFRS 9*	Prepayment Features with Negative Compensation
Amendments to MFRS 128	Long-term Interests in Associates and Joint Ventures
IC Interpretation 23*	Uncertainty over Income Tax Treatments
Annual Improvements to MFRS Standards 2015-2017 Cycle	

MFRS effective 1 January 2021:

MFRS 17*	Insurance Contract
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Amendments to MFRSs - Effective date deferred indefinitely:

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

The initial application of the above standards, amendments and interpretation are not expected to have any financial impacts to the financial statements, except for:

MFRS 9 Financial instruments

MFRS 9 replaces MFRS 139 Financial Instruments: Recognition and Measurement and all previous version of MFRS 9. The new standard introduces extensive requirements and guidance for classification and measurement of financial assets and financial liabilities which fall under the scope of MFRS 9, new "expected credit loss model" under the impairment of financial assets and greater flexibility has been allowed in hedge accounting transactions. Upon adoption of MFRS 9, financial assets will be classified as three categories which are financial assets measured at amortised cost, fair value through other comprehensive income ("OCI") and fair value through profit or loss ("FVTPL"). For financial liabilities under MFRS 139, all fair value changes of liabilities designated as FVTPL are recognised in profit or loss, whereas under MFRS 9, these fair value changes are generally presented as follows:

- the amount of change in the fair value that is attributable to changes in the credit risk of the liability is presented in OCI; and
- the remaining amount of change in the fair value is presented in profit or loss.

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

### 2. BASIS OF PREPARATION (cont'd)

#### 2.5 Standards issued but not yet effective (cont'd)

The initial application of the above standards, amendments and interpretation are not expected to have any financial impacts to the financial statements, except for (cont'd):

##### MFRS 9 Financial instruments (cont'd)

The Group and the Company plan to adopt the new standard on the required effective date. The Group and the Company have performed a high-level impact assessment on adoption of MFRS 9. This preliminary assessment is based on currently available information and may subject to changes arising from further detailed analysis or additional reasonable and supportable information being made available to the Group and the Company in the future. Overall, the Group and the Company expect no significant impact on their statements of financial position and equity except for extensive new disclosures as required by MFRS 9.

##### MFRS 15 Revenue from contracts with customers

MFRS 15 presents new requirements for the recognition of revenue, replacing the guidance of MFRS 111 Construction Contracts, MFRS 118 Revenue, IC Int 13 Customer Loyalty Programmes, IC Int 15 Agreements for Construction of Real Estate, IC Int 18 Transfers of Assets from Customers and IC Int 131 Revenue – Barter Transaction Involving Advertising Services. The principles in MFRS 15 provide a more structured approach to measuring and recognising revenue. It establishes a new five-step model that will apply to revenue arising from contracts with customers. Under MFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The Group and the Company plan to adopt the new standard on the required effective date using the full retrospective method. The Group and the Company have completed an initial assessment of the potential impact of the adoption of MFRS 15 on their financial statements, which is subject to changes arising from a more detailed ongoing analysis.

Based on the initial assessment on the adoption of MFRS 15, the Group and the Company do not expect that there will be a significant impact on their financial statements, except the change in accounting policy and more details of the presentation and disclosure requirements.

##### MFRS 16 Leases

MFRS 16 replaces MFRS 117 Leases. MFRS 16 eliminates the distinction between finance and operating leases for lessees. As off-balance sheet will no longer be allowed except for some limited practical exemptions, all leases will be brought onto the statement of financial position by recognising a “right-of-use” asset and a lease liability. In other words, for a lessee that has material operating leases, the assets and liabilities reported on the statements of financial position of the Group are expected to be increased substantially.

MFRS 16 also:

- Changes the definition of a lease,
- Sets requirements on how to account for the asset and liability, including complexities such as non-lease elements, variable lease payments and option periods,
- Changes the accounting for sale and leaseback arrangements,
- Largely retains MFRS 117's approach to lessor accounting, and
- Introduces new disclosure requirements.

The adoption of MFRS 16 will result in a change in accounting policy. The Group and the Company are currently assessing the financial impact of adopting MFRS 16.

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

### 2. BASIS OF PREPARATION (cont'd)

#### 2.5 Standards issued but not yet effective (cont'd)

##### *Amendments to MFRS 107 Statement of Cash Flows: Disclosure Initiative*

The amendments require entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financial activities, including changes from cash flows and non-cash changes. The disclosure requirement could be satisfied in various ways, and one method is by providing reconciliation between the opening and closing balances in the statements of financial position of the Group and the Company for liabilities arising from financing activities.

On initial application of the amendments, entities are not required to provide comparative information for preceding periods. These amendments are effective for annual periods beginning on or after 1 January 2017, with early application permitted. Application of the amendments will result in additional disclosures to be provided by the Group.

#### 2.6 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.

##### 2.6.1 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*

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

The carrying amount of the freehold land and buildings at the end of the reporting year and the relevant revaluation bases are disclosed in Note 4 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 2017, 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, which resulting 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.

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## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

### 2. BASIS OF PREPARATION (cont'd)

#### 2.6 Significant accounting estimates and judgements (cont'd)

##### 2.6.1 Estimation uncertainty (cont'd)

###### 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.

###### 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 end of the reporting year is disclosed in Note 9 to the Financial Statements.

###### Impairment of loans and receivables

The Group and the Company assess at the end of each reporting year whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Group and the Company consider factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience of assets with similar credit risk characteristics.

The carrying amounts of the Group's and of the Company's loans and receivables at the end of the reporting year are as summarised in Notes 5, 6, 10, 11 and 12 to the Financial Statements.

###### Income taxes and deferred tax liabilities

Significant judgement is involved in determining the Group's and the Company'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 and the Company recognise 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.



## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

### 2. BASIS OF PREPARATION (cont'd)

#### 2.6 Significant accounting estimates and judgements (cont'd)

##### 2.6.1 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 year.

### 3. SIGNIFICANT ACCOUNTING POLICIES

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

#### 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.

###### 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 (formerly known as Bison Stores Sdn Bhd), myNEWS Kukuh Sdn Bhd (formerly known as Kukuh Network Sdn Bhd), Eemerge Incorporated Sdn Bhd and 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.

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## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

### 3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### 3.1 Consolidation (cont'd)

##### 3.1.1 Basis of consolidation (cont'd)

###### Merger method (cont'd)

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 differences is classified as equity and regarded as a non-distributable reserve. Any resulting debit difference is adjusted against any suitable reserve. Any share premium, capital redemption reserve and any other 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. This is not applicable to myNEWS Food Sdn Bhd (formerly known as Otaru Fine Food Sdn Bhd) which is accounted for under acquisition method.

###### Acquisition method

The Company applies the acquisition method for those entities controlled by the Company. Control exists when the Company is exposed, or has rights to variable returns from its involvement with the entity and the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control and only when such rights are substantive. Besides, the Group considers it has de facto power over an investee when despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

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 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 investments in its joint venture are accounted for using the equity method. Under the equity method, investment in a joint venture is carried in the statements 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.

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

### 3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### 3.1 Consolidation (cont'd)

##### 3.1.2 Joint arrangement (cont'd)

The aggregate of the Group's share of profit or loss of a joint venture is shown on the face of the statements 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.

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 each end of the reporting year whether there is any objective evidence that the investments 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 investments 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 decreases 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.

#### 3.2 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 year.

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

### 3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### 3.2 Property, plant and equipment (cont'd)

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. To the extent that any revaluation decrease 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, renovations and electrical installation	10 %
Motor vehicles	20 %
Office equipment and signboards	10 %
Plant and machinery	10 %

Capital work-in-progress consists of buildings under construction. The amount is measured at cost and not depreciated until it is completed and ready for its 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 on 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 Financial instruments

##### 3.3.1 Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Group and the Company become a party to the contractual provisions of the financial instrument.

Financial assets and financial liabilities are measured initially at fair value plus transactions costs, except for financial assets and financial liabilities carried at fair value through profit or loss, which are measured initially at fair value. Financial assets and financial liabilities are measured subsequently as described below:-

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

### 3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### 3.3 Financial instruments (cont'd)

##### 3.3.2 Financial assets – categorisation and subsequent measurement

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the following categories upon initial recognition:-

- (a) financial assets at fair value through profit or loss;
- (b) held to maturity investments;
- (c) loans and receivables; and
- (d) available-for-sale financial assets.

The category determines subsequent measurement and whether any resulting income and expense is recognised in profit or loss or in other comprehensive income.

All financial assets except for those at fair value through profit or loss are subject to review for impairment at least at end of each reporting year. Financial assets are impaired when there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets.

A financial asset or part of it is derecognised when, and only when the contractual rights to the cash flows from the financial asset expire or the financial asset is transferred to another party without retaining control or substantially all risks and rewards of the asset. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assume) and any cumulative gain or loss that had been recognised in equity is recognised in the profit or loss.

As at the reporting date, the Group and the Company carried only loans and receivables, financial assets at fair value through profit or loss and available-for-sale financial assets on their statements of financial position.

##### Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortised cost using the effective interest method, less allowance for impairment. Discounting is omitted where the effect of discounting is immaterial. Gains or losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process. The Group's and the Company's cash and cash equivalents, trade and other receivables, amounts due from subsidiaries, jointly controlled entity and a related party fall into this category of financial instruments.

Loans and receivables are classified as current assets, except for those having maturity dates later than 12 months after the reporting date which are classified as non-current assets.

##### Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either designated to this category or do not qualify for inclusion in any of the other categories of financial assets. The Group's available-for-sale financial assets include listed securities.



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## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

### 3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### 3.3 Financial instruments (cont'd)

##### 3.3.2 Financial assets – categorisation and subsequent measurement (cont'd)

###### Available-for-sale financial assets (cont'd)

Available-for-sale financial assets are measured at fair value subsequent to the initial recognition. Gains and losses are recognised in other comprehensive income and reported within the available-for-sale reserve within equity, except for impairment losses and foreign exchange differences on monetary assets, which are recognised in profit or loss. When the asset is disposed of or is determined to be impaired the cumulative gain or loss recognised in other comprehensive income is reclassified from the equity reserve to profit or loss and presented as a reclassification adjustment within other comprehensive income.

Interest calculated using the effective interest method and dividends are recognised in profit or loss. Dividends on an available-for-sale equity are recognised in profit or loss when the Group's right to receive payment is established.

Investment in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost less impairment loss.

Available-for-sale financial assets are classified as non-current assets unless they are expected to be realised within 12 months after the end of the reporting year.

###### Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets that are either classified as held for trading or that meet certain conditions and are designated at fair value through profit or loss upon initial recognition. All derivative financial instruments (including separated embedded derivatives) which are acquired principally for the purpose of selling in the near term fall into this category.

Subsequent to initial recognition, assets in this category are measured at fair value with gains or losses recognised in profit or loss. The fair values of derivatives financial instruments are determined by reference to active market transactions or using a valuation technique where no market exists. Net gains or net losses on financial assets at fair value through profit or loss do not include exchange differences, interest and dividend income. Exchange differences, interest and dividend income on financial assets at fair value through profit or loss are recognised separately in profit or loss as part of other expenses or other income.

Financial assets at fair value through profit or loss could be presented as current or non-current. Financial assets that are held primarily for trading purposes are presented as current whereas financial assets that are not held primarily for trading purposes are presented as current or non-current based on settlement date.

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

### 3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### 3.3 Financial instruments (cont'd)

##### 3.3.3 Financial liabilities – categorisation and subsequent measurement

After the initial recognition, financial liabilities are classified as:-

- (a) financial liabilities at fair value through profit or loss;
- (b) other financial liabilities measured at amortised cost using the effective interest method; and
- (c) financial guarantee contracts.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expired. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

As at the reporting date, the Group and the Company carried only other financial liabilities on their statements of financial position.

##### Other financial liabilities measured at amortised cost

The Group's and the Company's other financial liabilities include trade and other payables, finance lease liabilities, bank borrowings and amounts due to related parties and a Director.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting year.

##### 3.3.4 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.

### 3.4 Impairment of assets

#### 3.4.1 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 pre-tax 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.

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## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

### 3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### 3.4 Impairment of assets (cont'd)

##### 3.4.1 Non-financial assets (cont'd)

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 and the Company estimate 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.

##### 3.4.2 Financial assets

The Group and the Company assess at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred "loss event") and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

##### Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group and the Company first assess whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant.

If the Group and the Company determine that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continue to be, recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the assets carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate.

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

### 3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### 3.4 Impairment of assets (cont'd)

##### 3.4.2 Financial assets (cont'd)

###### Financial assets carried at amortised cost (cont'd)

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the profit or loss. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income in the profit or loss. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral have been realised or have been transferred to the Group and the Company. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to finance costs in the profit or loss.

###### Available-for-sale financial assets

For available-for-sale financial assets, the Group and the Company assess at each reporting date whether there is objective evidence that an investment or a group of investments is impaired.

For equity investments classified as available-for-sale, objective evidence would include a significant or prolonged decline in the fair value of the investment below its cost. "Significant" is evaluated against the original cost of the investment and "prolonged" against the period in which the fair value has been below its original cost. Where there is evidence of impairment, the cumulative loss measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognised in the profit or loss is removed from other comprehensive income and recognised in the profit or loss. Impairment losses on equity investments are not reversed through profit or loss; increases in their fair value after impairments are recognised directly in other comprehensive income.

#### 3.5 Inventories

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

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

Cost of finished goods includes raw materials, direct labour cost and an appropriate proportion of production overheads.

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

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

### 3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### 3.6 Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date, whether fulfilment of the arrangement is dependent on the use of a specific asset or asset or the arrangement conveys a right to use the asset, even if that right is not explicitly specific in an arrangement.

##### 3.6.1 Finance leases

Leases in terms of which the Group assume substantially all the risks and rewards of ownership are classified as finance lease. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments.

Minimum lease payments made under finance leases are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability.

Finance charges are recognised in finance costs in the profit or loss. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

##### 3.6.2 Operating leases

Leases, where the Group does not assume substantially all the risks and rewards of ownership are classified as operating leases.

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense, over the term of the lease. Contingent rentals are charged to profit or loss in the reporting year in which they incurred.

#### 3.7 Borrowing costs

Borrowing costs are recognised as expenses in the statements of profit or loss and comprehensive income in the period in which they incurred.

#### 3.8 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.

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

### 3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### 3.9 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the Company and the revenue can be reliably measured. Revenue is measured at the fair value of consideration received or receivable.

##### 3.9.1 Press and retail convenience income

Press and retail convenience income are recognised net of discounts and goods returns in the statements of profit or loss and other comprehensive income upon delivery of goods and customers' acceptance.

##### 3.9.2 Income from investments

Gross dividend, fair value gain and interest earned from investments and bank deposits are recognised as income in the statements of profit or loss and other comprehensive income when the right to receive such payments has been established.

##### 3.9.3 Rental income

Rental income is recognised when the rent is due.

##### 3.9.4 Interest income

Interest income is recognised on a time-apportionment basis using the effective interest method.

##### 3.9.5 Deferred revenue

Revenue invoiced where risks and ownership on sales of goods have not been transferred or services have not been rendered at reporting date is recognised as deferred revenue.

##### 3.9.6 Dividend income

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

##### 3.9.7 Rendering of services

Revenue from services is recognised when the services are rendered.

#### 3.10 Employees' benefits

##### 3.10.1 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.



## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

### 3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### 3.10 Employees' benefits (cont'd)

##### 3.10.2 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.

#### 3.11 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.

The new Companies Act 2016 which came into operation on 31 January 2017, abolished the concept of authorised share capital and par value of the share.

(Accumulated losses)/retained earnings include all current and prior years' losses or profits.

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.

#### 3.12 Contingencies

Where it is not probable that an inflow or an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the asset or the obligation is not recognised in the statements of financial position and is disclosed as a contingent asset or contingent liability, unless the probability of inflow or outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent assets or contingent liabilities unless the probability of inflow or outflow of economic benefits is remote.

#### 3.13 Provisions

Provisions are recognised when there is a present obligation, legal or constructive, as a result of a past event, when 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. Provisions are not recognised for future operating losses.

If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. Where the effect of the time of money is material, provisions is discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

### 3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### 3.14 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.

##### 3.14.1 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).

##### 3.14.2 Deferred tax

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statement 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.

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

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.

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.

#### 3.15 Goods and services tax

Goods and services tax ("GST") is a consumption tax based on value-added concept. GST is imposed on goods and services at every production and distribution stage in the supply chain including importation of goods and services, at the applicable tax rate of 6%. Input GST that the Group and the Company pay on purchases of business inputs can be deducted from output GST.

Revenues, expenses and assets are recognised net of the amount of GST except:

- (i) Where the GST incurred in a purchase of assets or services is not recoverable from the authority, in which case the GST is recognised as part of the cost of acquisition of the assets or as part of the expense item as applicable; and
- (ii) Receivables and payables that are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statements of financial position.

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

### 3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### 3.16 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.

Majority of the operations of the Group is involved in press and retail convenience business. Hence, the Group is not required to present its segment reporting under MFRS 8.

#### 3.17 Related parties

A related party is a person or entity that is related to the Group. A related party transaction is a transfer of resources, services or obligations between the Group and its related party, regardless of whether a price is charged.

(a) A person or a close member of that person's family is related to the Group if that person:-

- (i) has control or joint control over the Group;
- (ii) has significant influence over the Group; or
- (iii) is a member of the key management personnel of the ultimate holding company of the Group, or the Group.

(b) An entity is related to the Group if any of the following conditions applies:-

- (i) the entity and the Group are members of the same group;
- (ii) one entity is an associate or joint venture of the other entity;
- (iii) both entities are joint ventures of the same third party;
- (iv) an entity is a joint venture of a third entity and the other entity is an associate of the third entity;
- (v) the entity is a post-employment benefit plan for the benefits of employees of either the Group or an entity related to the Group;
- (vi) the entity is controlled or jointly-controlled by a person identified in (a) above;
- (vii) a person identified in (a)(i) above has significant influence over the entity or is a member of the key management personnel of the entity (or parent of the entity); or
- (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

### 4. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold land	Buildings	Capital work-in-progress	Computers and software	Furniture, fittings, renovations and electrical installation	Motor vehicles	Office equipment and signboards	Plant and machinery	Total
Valuation/Cost	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 November 2015	12,277	12,993	560	4,347	20,658	2,811	8,622	28	62,296
Additions	-	8,334	-	821	9,548	512	4,687	-	23,902
Disposals	-	-	-	(110)	-	(84)	(69)	-	(263)
Written off	-	-	-	-	(1,226)	(259)	(85)	-	(1,570)
Reclassification	-	560	(560)	-	-	-	-	-	-
Effect of acquisition of a subsidiary	-	-	-	5	137	84	175	-	401
At 31 October 2016	12,277	21,887	-	5,063	29,117	3,064	13,330	28	84,766
Additions	-	-	4,114	1,785	10,699	889	4,979	-	22,466
Disposals	-	-	-	(213)	(98)	(542)	(194)	-	(1,047)
Written off	-	-	-	(1)	(1,357)	-	(396)	-	(1,754)
At 31 October 2017	12,277	21,887	4,114	6,634	38,361	3,411	17,719	28	104,431
At:									
Cost	-	8,914	4,114	6,634	38,361	3,411	17,719	28	79,181
Valuation	12,277	12,973	-	-	-	-	-	-	25,250
	12,277	21,887	4,114	6,634	38,361	3,411	17,719	28	104,431
<b>Accumulated depreciation</b>									
At 1 November 2015	-	252	-	2,788	7,797	1,900	2,863	17	15,617
Charge for the year	-	258	-	562	2,331	319	1,009	2	4,481
Disposals	-	-	-	(101)	-	(46)	(7)	-	(154)
Written off	-	-	-	-	(418)	(184)	(41)	-	(643)
Effect of acquisition of a subsidiary	-	-	-	4	64	43	88	-	199
At 31 October 2016	-	510	-	3,253	9,774	2,032	3,912	19	19,500
Charge for the year	-	290	-	767	3,091	379	1,472	1	6,000
Disposals	-	-	-	(201)	(24)	(504)	(106)	-	(835)
Written off	-	-	-	-	(611)	-	(218)	-	(829)
At 31 October 2017	-	800	-	3,819	12,230	1,907	5,060	20	23,836
<b>Net carrying amount</b>									
At 31 October 2017	12,277	21,087	4,114	2,815	26,131	1,504	12,659	8	80,595
At 31 October 2016	12,277	21,377	-	1,810	19,343	1,032	9,418	9	65,266

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

**4. PROPERTY, PLANT AND EQUIPMENT (cont'd)**

- (a) The net carrying amount of property, plant and equipment of the Group under finance lease arrangement is RM1,235,000 (2016: RM686,000).
- (b) Freehold land and buildings of the Group with net carrying amount of RM32,045,000 (2016: RM32,308,000) are pledged to licensed banks as securities for bank facilities granted to the Group as disclosed in Note 17 to the Financial Statements.
- (c) The Group applies revaluation model in measuring its freehold land and buildings. The freehold land and buildings of the Group were revalued in the financial year ended 2014 by DTZ Nawawi Tie Leung Property Consultants Sdn Bhd, an independent professional valuer. The revaluation surplus net of applicable deferred tax was credited to other comprehensive income and is shown in "revaluation reserve" under the equity.

Level 2 fair value

Level 2 fair value of freehold land and buildings have been generally derived using the sales comparison approach. Sales price of comparable properties in close proximity 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 was no transfer between Level 1 and Level 2 during the financial year.

The carrying amounts of revalued freehold 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 accumulated impairment losses are as follows:

	<b>Group</b>	
	<b>2017</b>	<b>2016</b>
	<b>RM'000</b>	<b>RM'000</b>
Freehold land	8,173	8,173
Buildings	7,400	7,565

**5. SUBSIDIARIES****(i) Investment in subsidiaries**

	<b>Company</b>	
	<b>2017</b>	<b>2016</b>
	<b>RM'000</b>	<b>RM'000</b>
Unquoted shares, at cost		
At beginning of the year	46,090	45,890
Addition during the year	-	200
At end of the year	46,090	46,090

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

### 5. SUBSIDIARIES (cont'd)

#### (i) Investment in subsidiaries (cont'd)

Details of the subsidiaries are as follows:-

Name of companies	Effective equity interest		Principal activities
	2017 %	2016 %	
myNEWS Retail Sdn Bhd (formerly known as Bison Stores Sdn Bhd)	100	100	Retailer of print media and convenience items.
Eemerge Incorporated Sdn Bhd	100	100	Retailer of print media and convenience items.
Bison Foods Sdn Bhd	100	100	Operator of food and beverage restaurant.
myNEWS Kukuh Sdn Bhd (formerly known as Kukuh Network Sdn Bhd)	100*	100*	Retailer of print media, convenience items and involved in money changer business.
myNEWS Food Sdn Bhd (formerly known as Otaru Fine Food Sdn Bhd)	100	100	Manufacturer and dealer in bread, flour, biscuits and farinaceous compounds.

#### Subsidiaries of myNEWS Retail Sdn Bhd (formerly known as Bison Stores Sdn Bhd)

DKE Technology Sdn Bhd	100	100	Commercialisation of a publications and magazine distribution software as well as the provision of implementation, maintenance and technical services, relating to the software.
myNEWS Management Sdn Bhd (formerly known as Nadi Minda Sdn Bhd)	100	100	Provision of management services.

\* 20% of equity interest is held by myNEWS Retail Sdn Bhd (formerly known as Bison Stores Sdn Bhd).

#### **Acquisition of a subsidiary**

On 13 July 2016, the Company acquired 100% equity interest in myNEWS Food Sdn Bhd (formerly known as Otaru Fine Food Sdn Bhd) for a total consideration of RM200,000.



## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

**5. SUBSIDIARIES (cont'd)****(i) Investment in subsidiaries (cont'd)****Acquisition of a subsidiary (cont'd)**

The fair value of the assets and liabilities acquired and the negative goodwill arising are as follows:-

	<b>2016 RM'000</b>
Property, plant and equipment	202
Trade receivables	7
Other receivables	77
Cash and bank balances	7
Inventories	9
Trade payables	(2)
Other payables	(1)
Finance lease liabilities	(48)
Net assets acquired	251
Negative goodwill	(51)
Total consideration paid	200
Cash and cash equivalents	(7)
Net cash outflow arising from acquisition of a subsidiary	193

The acquisition of this subsidiary had reduced the Group's profit after tax for the previous financial year between the date of acquisition and 31 October 2016 by RM87,000.

**(ii) Amount due from subsidiaries**

Amount due from subsidiaries is non-trade in nature, unsecured, bears no interest and repayable on demand.

**6. JOINTLY CONTROLLED ENTITY****(i) Investment in jointly controlled entity**

	<b>Group 2017 RM'000</b>	<b>2016 RM'000</b>
Unquoted shares, at cost	500	500
Share of results of jointly controlled entity	4,120	2,179
	4,620	2,679

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

### 6. JOINTLY CONTROLLED ENTITY (cont'd)

#### (i) Investment in jointly controlled entity (cont'd)

Details of the jointly controlled entity are as follows:-

Name of company	Effective equity interest		Principal activity
	2017 %	2016 %	
WH Smith Malaysia Sdn Bhd <sup>*^</sup>	50	50	Retailer in magazines and convenience items.

\* not audited by Grant Thornton Malaysia

<sup>^</sup> The latest audited financial statements for this jointly controlled entity is for the financial year ended 31 August 2017. 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 2017.

The following table summarises the information of the Group's jointly controlled entity:-

	2017 RM'000	2016 RM'000
<b>Financial position as at 31 October</b>		
Non-current assets	1,988	1,872
Current assets	14,102	9,511
Non-current liabilities	(5)	(48)
Current liabilities	(6,845)	(5,977)
Cash and cash equivalents	7,336	3,193
Non-current liabilities (excluding trade and other payables and provisions)	(5)	(48)
Current liabilities (excluding trade and other payables and provisions)	(2,093)	(1,877)
<b>Summary of financial performance for the financial year ended 31 October</b>		
Net profit/total comprehensive income for the financial year	3,882	2,221

Included in net profit/total comprehensive income:

Revenue	28,909	24,056
Depreciation and amortisation	(842)	(740)
Interest income	72	7
Interest expense	(83)	(90)
Income tax expense	(1,257)	(952)

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

## 6. JOINTLY CONTROLLED ENTITY (cont'd)

## (i) Investment in jointly controlled entity (cont'd)

	2017 RM'000	2016 RM'000
<b>Reconciliation of net assets to carrying amount as at 31 October</b>		
Group's share of net assets/carrying amount in the statements of financial position	4,620	2,679
<b>Group's share of results for the financial year ended 31 October</b>		
Group's share of net profit/total comprehensive income	1,941	1,111

**Contingent liabilities and capital commitments**

The jointly controlled entity has no contingent liabilities or capital commitments as at the reporting date.

## (ii) Amount due from jointly controlled entity

	Group	
	2017 RM'000	2016 RM'000
Trade	106	135
Non-trade	1,095	1,083
	1,201	1,218

Amount due from jointly controlled entity is interest free, unsecured and repayable on demand except for RM1,048,000 (2016: RM1,048,000) being the Group's equal share of shareholders' loan to jointly controlled entity which bears interest at rates ranging from 2.88% to 3.00% (2016: 3.52% to 3.86%) per annum.

## 7. OTHER INVESTMENTS

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
<b>Available-for-sale financial asset</b>				
<u>Non-current asset</u>				
Quoted shares in Malaysia	5	5	-	-
<b>Financial asset at fair value through profit or loss</b>				
<u>Current asset</u>				
Unit trust funds	105,735	63,330	105,735	59,022

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

### 7. OTHER INVESTMENTS (cont'd)

#### Movement of unit trust funds:-

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
At beginning of the year	63,330	-	59,022	-
Additions during the year	128,355	134,000	128,355	104,000
Gain on fair value adjustment	1,070	688	1,051	703
Redemption during the year	(87,020)	(71,358)	(82,693)	(45,681)
At end of the year	105,735	63,330	105,735	59,022

### 8. FIXED DEPOSITS WITH LICENSED BANKS

#### Group

Fixed deposits with licensed banks bear effective interest rates ranging from 2.80% to 4.00% (2016: 3.00% to 3.15%). RM800,000 (2016: RM730,000) of fixed deposits are pledged to licensed bank for bank guarantee facilities granted to the Group and jointly controlled entity. Hence, are not available for general use.

### 9. INVENTORIES

	Group	
	2017 RM'000	2016 RM'000
<b>At cost</b>		
Raw materials	28	126
Trading goods	31,108	29,484
Trading currencies	590	168
	31,726	29,778
<b>At net realisable value</b>		
Finished goods	-	4
	31,726	29,782
Inventories recognised in profit or loss	205,318	169,100

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

**10. TRADE RECEIVABLES**

Trade receivables are generally on 30 to 60 (2016: 30 to 60) days term and are non-interest bearing.

**11. OTHER RECEIVABLES**

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Other receivables	8,719	4,729	-	-
Deposits	19,051	12,115	2	2
Prepayments	3,690	1,138	118	-
GST receivable	-	477	-	-
	31,460	18,459	120	2

**12. AMOUNTS DUE FROM/TO RELATED PARTIES**

Related parties refer to companies in which certain Directors of the Company have interests.

Amounts due from/to related parties are unsecured and bear no interest. The credit terms range from 30 to 60 (2016: 30 to 60) days.

	Group	
	2017 RM'000	2016 RM'000
Amount due from a related party		
- Trade	-	14
Amount due to related parties		
- Trade	61	60

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

### 13. SHARE CAPITAL

	Group and Company			
	Number of ordinary shares		Amount	
	2017 Unit ('000)	2016 Unit ('000)	2017 RM'000	2016 RM'000
Issued and fully paid:				
At beginning of the year	310,070	229,450	62,014	45,890
Issued during the year	31,007	80,620	72,247	16,124
Transition to no-par value regime on 31 January 2017*	-	-	67,320	-
At end of the year	341,077	310,070	201,581	62,014

\* The new Companies Act 2016 (the "Act"), which came into operation on 31 January 2017, abolished the concept of authorised share capital and par value of share. Consequently, the amount standing to the credit of the share premium account become part of the Company's share capital pursuant to the transitional provisions set out in Section 618 (2) of the Act. Notwithstanding this provision, the Company may within 24 months from the commencement of the Act, use the amount standing to the credit of its share premium account of RM67,320,000 for purposes as set out in Sections 618 (3) of the Act. There is no impact on the numbers of ordinary shares in issue or the relative entitlement of any of the members as a result of this transition.

### 14. SHARE PREMIUM

	Group and Company	
	2017 RM'000	2016 RM'000
At beginning of the year	67,320	-
Arising on issuance of new ordinary shares pursuant to Initial Public Offering (Note (a))	-	72,558
Transaction costs for Initial Public Offering (Note (b))	-	(5,238)
Transition to no-par value regime on 31 January 2017 (Note 13)	(67,320)	-
At end of the year	-	67,320

(a) Share premium represents the premium received for the issuance of 80,620,000 new ordinary shares of RM0.20 each at an issue price of RM1.10 per share to the public in conjunction with the Initial Public Offering for the listing and quotation of the Company's enlarged and paid up capital comprising 310,070,000 ordinary shares on the Main Market of Bursa Malaysia Securities Berhad in previous financial year.

(b) Total share issuance expenses for the Initial Public Offering exercise amounted to RM6,388,000 of which RM5,238,000 was written off against share premium account pursuant to Section 60 of Companies Act, 1965 and the balance of RM1,150,000 recognised in profit or loss in the previous financial year.



## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

**15. REVALUATION RESERVE**

	<b>Group</b>	
	<b>2017</b>	<b>2016</b>
	<b>RM'000</b>	<b>RM'000</b>
At beginning/end of the year	8,561	8,561

The revaluation reserve represents the surplus on revaluation of freehold land and buildings, net of applicable deferred tax liability.

**16. MERGER DEFICIT**

The Group's merger deficit arose from the acquisition of:-

- (i) 100% of DKE Technology Sdn Bhd and 20% of myNEWS Kukuh Sdn Bhd (formerly known as Kukuh Network Sdn Bhd), during the financial year ended 31 October 2012

	<b>RM'000</b>
Nominal value of shares issued	2,362
Less: Nominal values of share capital of combining entities acquired	(110)
	2,252

- (ii) 100% of myNEWS Retail Sdn Bhd (formerly known as Bison Stores Sdn Bhd), Eemerge Incorporated Sdn Bhd, Bison Foods Sdn Bhd and 80% of myNEWS Kukuh Sdn Bhd (formerly known as Kukuh Network Sdn Bhd), during the financial year ended 31 October 2015

	<b>RM'000</b>
Nominal value of shares issued	45,890
Less: Nominal values of share capital of combining entities acquired	(2,190)
	43,700

Total as at 31 October 2017/2016	45,952
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## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

### 17. BANK BORROWINGS

	Group 2017 RM'000	2016 RM'000
<b>Secured:</b>		
<b>Non-current</b>		
Term loans	5,500	6,934
<b>Current</b>		
Term loans	1,414	1,335
	6,914	8,269

The term loans of the Group are secured by:-

- (a) Legal charge over the Group's freehold land and buildings;
- (b) Personal guarantee provided by certain Directors of the Company; and
- (c) Corporate guarantee of the Company.

The term loans bear interest at rates ranging from 4.45% to 5.61% (2016: 4.55% to 5.63%) per annum.

### 18. FINANCE LEASE LIABILITIES

	Group 2017 RM'000	2016 RM'000
Finance lease liabilities		
- less than 1 year	341	244
- more than 1 year but less than 5 years	819	404
	1,160	648
Less: Interest-in-suspense	(119)	(55)
	1,041	593
Present value of finance lease liabilities		
- less than 1 year	290	216
- more than 1 year but less than 5 years	751	377
	1,041	593

The finance lease liabilities bear interest at rates ranging from 2.35% to 3.65% (2016: 2.35% to 3.90%) per annum.

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

**19. DEFERRED TAX LIABILITIES**

	<b>Group</b>	
	<b>2017</b>	<b>2016</b>
	<b>RM'000</b>	<b>RM'000</b>
At beginning of the year	2,587	2,108
Recognised in profit or loss (Note 25)	162	479
At end of the year	2,749	2,587

The components of deferred tax liabilities are as follow:-

	<b>Group</b>	
	<b>2017</b>	<b>2016</b>
	<b>RM'000</b>	<b>RM'000</b>
Carrying amount of qualifying property, plant and equipment in excess of their tax base	2,723	2,839
Revaluation of freehold land and buildings	451	451
Others	(425)	(703)
	2,749	2,587

**20. TRADE PAYABLES****Group**

The normal trade credit terms of trade payables ranged from 30 to 90 (2016: 30 to 90) days and are non-interest bearing.

**21. OTHER PAYABLES**

	<b>Group</b>		<b>Company</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Other payables	3,874	4,013	81	26
Accruals	7,466	6,936	347	284
GST payable	313	458	-	-
Deferred revenue	1,771	2,930	-	-
	13,424	14,337	428	310

**22. AMOUNT DUE TO A DIRECTOR****Group**

Amount due to a Director comprised reimbursable expenses incurred by the Director which were yet to be paid by the Group as at the financial year end. It is non-trade in nature, unsecured, bears no interest and repayable on demand.

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

### 23. REVENUE

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Press and retail convenience income	325,828	262,703	-	-
Dividend income	712	437	7,712	10,437
Others	1,058	891	1,058	891
	327,598	264,031	8,770	11,328

### 24. PROFIT BEFORE TAX

Profit before tax has been determined after charging/(crediting), amongst others, the following items:-

	Group	
	2017 RM'000	2016 RM'000
Rental expenses		
- staff hostels	1,365	1,137
- outlets	29,483	23,256
- premises	448	278
Rental income	(355)	(310)
Realised loss/(gain) on foreign exchange	44	(18)

### 25. TAX EXPENSE

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Current tax				
- current year	6,201	5,139	43	42
- under/(over) provision in prior year	312	(130)	-	-
	6,513	5,009	43	42
Deferred tax liabilities (Note 19)				
- current year	818	480	-	-
- overprovision in prior year	(656)	(1)	-	-
	162	479	-	-
	6,675	5,488	43	42

Malaysian income tax is calculated at the statutory rate of 24% (2016: 24%) of the estimated assessable profits for the financial year.

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

**25. TAX EXPENSE (cont'd)**

A reconciliation of income tax expense applicable to 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:-

	<b>Group</b>		<b>Company</b>	
	<b>2017 RM'000</b>	<b>2016 RM'000</b>	<b>2017 RM'000</b>	<b>2016 RM'000</b>
Profit before tax	30,696	23,621	8,115	9,621
Income tax at rate of 24%	7,367	5,669	1,948	2,309
Non-allowable expenses	929	1,049	198	408
Income not subject to tax	(1,277)	(1,099)	(2,103)	(2,675)
Overprovision in prior years	(344)	(131)	-	-
Tax expense for the financial year	6,675	5,488	43	42

**26. EARNINGS PER SHARE**Basic earnings per share

Basic earnings per share is calculated by dividing net profit 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.

	<b>Group</b>	
	<b>2017</b>	<b>2016</b>
Net profit for the financial year attributable to ordinary equity holders of the Company (RM'000)	24,021	18,133
Weighted average number of ordinary shares in issue (Number in '000)	310,665	276,478
Basic earnings per share (sen)	7.73	6.56

Diluted earnings per share

No diluted earnings per share is presented as there are no potential dilutive ordinary shares at the end of the financial year.

**27. DIVIDENDS**

	<b>Group and Company RM'000</b>
<b>2017</b>	
In respect of the financial year ended 31 October 2017:-	
An interim single tier dividend of RM0.02 per ordinary share	6,201

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

### 27. DIVIDENDS (cont'd)

	Group and Company RM'000
<b>2016</b>	
In respect of the financial year ended 31 October 2016:-	
An interim single tier dividend of RM0.015 per ordinary share	4,651

The Directors do not recommend any final dividend payment in respect of the current financial year.

### 28. EMPLOYEES' BENEFITS EXPENSES

	Group 2017 RM'000	2016 RM'000
Salaries and other emoluments	34,749	24,852
Directors' remuneration	1,693	1,558
Defined contribution plan	2,024	1,533
Social security contributions	289	203
	38,755	28,146

Included in the employees' benefits expenses are the Directors' remuneration as below:-

	Group 2017 RM'000	2016 RM'000
Salaries and other emoluments	1,203	1,147
Defined contribution plan	212	193
Social security contributions	2	2
Fee	276	216
	1,693	1,558

#### Company

The Directors' remuneration consists of meeting allowance and Directors' fee amounting to RM41,000 (2016: RM22,000) and RM276,000 (2016: RM216,000).



## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

**29. SIGNIFICANT RELATED PARTY DISCLOSURES****29.1 Significant related party transactions**

	<b>Group</b>	
	<b>2017 RM'000</b>	<b>2016 RM'000</b>
Sales to jointly controlled entity	-	19
Purchases from jointly controlled entity	-	3
Management fees charged to jointly controlled entity	577	480
Interest charged to jointly controlled entity	38	40
Warehouse and storage fee charged to jointly controlled entity	311	295
Travelling expenses charged to jointly controlled entity	60	30
Purchases from related parties	577	752
Advertising and promotion fee charged to related parties	58	38
Rental charged by related parties		
- Office	72	72
- Hostels	36	36
Sale of motor vehicle to a Director	33	-
Hostel rental charged by certain Directors	34	34
	<b>Company</b>	
	<b>2017 RM'000</b>	<b>2016 RM'000</b>
Dividend income from a subsidiary	7,000	10,000

**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:-

	<b>Group</b>		<b>Company</b>	
	<b>2017 RM'000</b>	<b>2016 RM'000</b>	<b>2017 RM'000</b>	<b>2016 RM'000</b>
Salaries and other emoluments	1,740	1,542	41	22
Fee	276	216	276	216
Defined contribution plan	273	237	-	-
Social security contributions	3	5	-	-
	2,292	2,000	317	238

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

### 29. SIGNIFICANT RELATED PARTY DISCLOSURES (cont'd)

#### 29.2 Compensation of key management personnel (cont'd)

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.

#### 29.3 Outstanding balances arising from related parties

The outstanding balances arising from related parties as at the reporting date are disclosed in Notes 5, 6, 12 and 22 to the Financial Statements.

### 30. CONTINGENT LIABILITIES

	Group 2017 RM'000	2016 RM'000
<u>Secured:</u>		
Fixed deposits pledged for bank guarantee facilities of a subsidiary and the jointly controlled entity	800	730

### 31. COMMITMENTS

#### 31.1 Operating lease commitments

The future lease payable under non-cancellable operating leases pertaining to the Group in respect of rental of premises are as follows:-

	Group 2017 RM'000	2016 RM'000
Not later than one year	26,757	21,618
Later than one year but not later than five years	22,860	20,277
	49,617	41,895

Operating lease commitments represent rental payables for rental of outlets. These leases have tenure between less than 1 to 4 years with renewal options.

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

## 31. COMMITMENTS (cont'd)

## 31.2 Capital commitments

	Group	
	2017 RM'000	2016 RM'000
<u>Authorised and contracted for:</u>		
- Property, plant and equipment*	50,798	4,327
- Joint ventures: Ready-to-Eat food facility	34,368	-

\* Includes the balance of the purchase price of RM45,000,000 for the Proposed Acquisition as disclosed in Note 34 (a) (ii) to the Financial Statements.

## 32. FINANCIAL INSTRUMENTS

## 32.1 Categories of financial instruments

The table below provides an analysis of financial instruments categorised as follows:-

- (i) Fair value through profit or loss ("FVTPL");
- (ii) Loans and receivables ("L&R");
- (iii) Available-for-sale financial assets ("AFS"); and
- (iv) Other liabilities measured at amortised cost ("OL")

Group	Carrying amount RM'000	FVTPL RM'000	L&R RM'000	AFS RM'000	OL RM'000
<b>2017</b>					
<b>Financial assets</b>					
Trade receivables	10,652	-	10,652	-	-
Other receivables	27,770	-	27,770	-	-
Amount due from jointly controlled entity	1,201	-	1,201	-	-
Other investments	105,740	105,735	-	5	-
Fixed deposits					
with licensed banks	1,828	-	1,828	-	-
Cash and bank balances	22,006	-	22,006	-	-
	169,197	105,735	63,457	5	-
<b>Financial liabilities</b>					
Trade payables	23,022	-	-	-	23,022
Other payables	11,340	-	-	-	11,340
Amount due to related parties	61	-	-	-	61
Bank borrowings	6,914	-	-	-	6,914
Finance lease liabilities	1,041	-	-	-	1,041
	42,378	-	-	-	42,378

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

### 32. FINANCIAL INSTRUMENTS (cont'd)

#### 32.1 Categories of financial instruments (cont'd)

The table below provides an analysis of financial instruments categorised as follows (cont'd):-

- (i) Fair value through profit or loss ("FVTPL");
- (ii) Loans and receivables ("L&R");
- (iii) Available-for-sale financial assets ("AFS"); and
- (iv) Other liabilities measured at amortised cost ("OL")

Group (cont'd)	Carrying amount RM'000	FVTPL RM'000	L&R RM'000	AFS RM'000	OL RM'000
<b>2016</b>					
<b>Financial assets</b>					
Trade receivables	6,956	-	6,956	-	-
Other receivables	16,844	-	16,844	-	-
Amount due from jointly controlled entity	1,218	-	1,218	-	-
Amount due from a related party	14	-	14	-	-
Other investments	63,335	63,330	-	5	-
Fixed deposits with licensed banks	1,058	-	1,058	-	-
Cash and bank balances	15,675	-	15,675	-	-
	105,100	63,330	41,765	5	-
<b>Financial liabilities</b>					
Trade payables	26,081	-	-	-	26,081
Other payables	10,949	-	-	-	10,949
Amount due to related parties	60	-	-	-	60
Amount due to a Director	36	-	-	-	36
Bank borrowings	8,269	-	-	-	8,269
Finance lease liabilities	593	-	-	-	593
	45,988	-	-	-	45,988

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

## 32. FINANCIAL INSTRUMENTS (cont'd)

## 32.1 Categories of financial instruments (cont'd)

The table below provides an analysis of financial instruments categorised as follows (cont'd):-

- (i) Fair value through profit or loss ("FVTPL");
- (ii) Loans and receivables ("L&R");
- (iii) Available-for-sale financial assets ("AFS"); and
- (iv) Other liabilities measured at amortised cost ("OL")

Company	Carrying amount RM'000	FVTPL RM'000	L&R RM'000	AFS RM'000	OL RM'000
<b>2017</b>					
<b>Financial assets</b>					
Other receivables	2	-	2	-	-
Amount due from subsidiaries	53,758	-	53,758	-	-
Other investments	105,735	105,735	-	-	-
Cash and bank balances	2,066	-	2,066	-	-
	161,561	105,735	55,826	-	-
<b>Financial liability</b>					
Other payables	428	-	-	-	428
<b>2016</b>					
<b>Financial assets</b>					
Other receivables	2	-	2	-	-
Amount due from subsidiaries	29,141	-	29,141	-	-
Other investments	59,022	59,022	-	-	-
Cash and bank balances	139	-	139	-	-
	88,304	59,022	29,282	-	-
<b>Financial liability</b>					
Other payables	310	-	-	-	310

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

### 32. FINANCIAL INSTRUMENTS (cont'd)

#### 32.2 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 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.

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 Group does not offer credit terms without the approval of the head of credit control.

The following are the areas where the Group and the Company are exposed to credit risk:-

##### (i) Receivables

At the end of the reporting year, the maximum exposure to credit risk arising from receivables is limited to the carrying amounts in the statements of financial position.

With a credit policy in place to ensure the credit risk is monitored on an ongoing basis, management has taken reasonable steps to ensure that receivables that are neither past due nor impaired are stated at their realisable values. A significant portion of these receivables are regular customers that have been transacting with the Group. The Group uses ageing analysis to monitor the credit quality of the receivables. Any receivables having significant balances past due more than credit terms granted are deemed to have higher credit risk and are monitored individually.

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

## 32. FINANCIAL INSTRUMENTS (cont'd)

## 32.2 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):-

(i) Receivables (cont'd)

Trade receivables consist of a large number of customers in various background. Based on historical information about customer's default rates, management consider the credit quality of trade receivables that are not past due or impaired to be good.

The ageing analysis of the trade receivables is as follows:-

Group	Gross RM'000	Individually impaired RM'000	Net RM'000
<b>2017</b>			
Not past due	9,921	-	9,921
Past due 1-30 days	337	-	337
Past due 31-60 days	62	-	62
Past due 61-90 days	248	-	248
Past due more than 90 days	84	-	84
	10,652	-	10,652
<b>2016</b>			
Not past due	5,190	-	5,190
Past due 1-30 days	389	-	389
Past due 31-60 days	568	-	568
Past due 61-90 days	707	-	707
Past due more than 90 days	102	-	102
	6,956	-	6,956

The net carrying amount of trade receivables is considered a reasonable approximate of fair values. The maximum exposure to credit risk is the carrying value of each class of receivables mentioned above.

Trade receivables that are neither past due nor impaired are creditworthy receivables with good payment records with the Group. None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

As at 31 October 2017, trade receivables of RM731,000 (2016: RM1,766,000) were past due but not impaired. These relate to a number of independent customers from whom there is no recent history of default.



## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

### 32. FINANCIAL INSTRUMENTS (cont'd)

#### 32.2 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):-

###### (i) Receivables (cont'd)

In respect of trade and other receivables, the Group is not exposed to any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics other than 74% (2016: 65%) of the trade receivables are due from 2 (2016: 2) customers. While 40% (2016: 58%) of the other receivables are due from 2 (2016: 1) debtors.

###### (ii) Intercompany/related party balances

The maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position.

The Group provides unsecured advances and loans to the jointly controlled entity while the Company provides unsecured advances to its subsidiaries. The Group and the Company monitor their results regularly. As at the reporting date, there was no indication that the amounts due from jointly controlled entity, related parties and subsidiaries are not recoverable.

###### (iii) 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.

###### (iv) Financial guarantee

The maximum exposure to credit risk is RM1,577,000 (2016: Nil), represented by the outstanding finance lease liabilities and tenancy contracts of the subsidiaries as at the reporting date.

The Company provides unsecured financial guarantee to financial institutions and third parties in respect of finance lease liabilities and guarantee for rental of premises granted to certain subsidiaries. The Company monitors on an on-going basis the results of the subsidiaries and repayments made by the subsidiaries. As at the end of the reporting year, there was no indication that any subsidiaries would default on repayment on borrowings or rental payments.

##### (b) Liquidity risk

Liquidity risk is the risk that the Group and the Company will not be able to meet their financial obligations as they fall due, due to shortage of fund.

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 when they fall due.

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

## 32. FINANCIAL INSTRUMENTS (cont'd)

## 32.2 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 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.

The summary of the maturity profile based on the contractual undiscounted repayment obligation is as follows:-

Group	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
<b>2017</b>						
<b>Unsecured:</b>						
Trade payables	23,022	23,022	23,022	-	-	-
Other payables	11,340	11,340	11,340	-	-	-
Amount due to related parties	61	61	61	-	-	-
<b>Secured:</b>						
Bank borrowings	6,914	7,977	1,740	1,740	3,713	784
Finance lease liabilities	1,041	1,160	341	299	520	-
	42,378	43,560	36,504	2,039	4,233	784
<b>2016</b>						
<b>Unsecured:</b>						
Trade payables	26,081	26,081	26,081	-	-	-
Other payables	10,949	10,949	10,949	-	-	-
Amount due to related parties	60	60	60	-	-	-
Amount due to a Director	36	36	36	-	-	-
<b>Secured:</b>						
Bank borrowings	8,269	9,720	1,743	1,740	4,715	1,522
Finance lease liabilities	593	648	245	200	203	-
	45,988	47,494	39,114	1,940	4,918	1,522

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

### 32. FINANCIAL INSTRUMENTS (cont'd)

#### 32.2 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 (cont'd):-

Company	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
<b>2017</b>						
<b>Unsecured:</b>						
Other payables	428	428	428	-	-	-
Financial guarantee for subsidiaries	-	1,577	1,577	-	-	-
<b>2016</b>						
<b>Unsecured:</b>						
Other payables	310	310	310	-	-	-
Financial guarantee for subsidiaries	-	-	-	-	-	-

##### (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.

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

## 32. FINANCIAL INSTRUMENTS (cont'd)

## 32.2 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 interest rate profile of the Group's significant interest bearing financial instruments based on the carrying amounts as at the reporting date are as follows:-

Group	2017 RM'000	2016 RM'000
<b>Fixed rate instruments</b>		
Financial asset		
Fixed deposits with licensed banks	1,828	1,058
Financial liability		
Finance lease liabilities	1,041	593
<b>Floating rate instruments</b>		
Financial asset		
Loan to jointly controlled entity	1,048	1,048
Financial liability		
Bank borrowings	6,914	8,269

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 rates at the end of the reporting year would have (decreased)/increased in profit for the financial year by amount shown below. This analysis assumes that other variables, remain constant.

	(Decrease)/Increase Net profit for the financial year	
	RM'000 +0.5%	RM'000 -0.5%
2017	(29)	29
2016	(36)	36

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

### 32. FINANCIAL INSTRUMENTS (cont'd)

#### 32.2 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):-

##### (d) Market price risk

Market price risk is the risk that the fair value or future cash flows of the Group and Company's financial instruments will fluctuate because of changes in market prices (other than exchange or interest rates). Market price risk arises from the Group's and the Company's investments in equity securities quoted in Bursa Malaysia and the unit trust investments.

Management of the Group and of the Company monitors the unit trust investments on a portfolio basis. Material investments within the portfolio are managed on an individual basis.

The carrying amounts of the Group's and of the Company's financial assets that subject to market risk are as follows:-

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Quoted shares	5	5	-	-
Unit trust funds	105,735	63,330	105,735	59,022
	105,740	63,335	105,735	59,022

##### Market price risk sensitivity analysis:

This analysis assumes that all other variables remain constant and changes of 0.38% (2016: 0.05%) in the market price at the end of the reporting year, the impacts to profit would be as follows:-

	Increase/(Decrease) Net profit for the financial year	
	RM'000 +0.38%/0.05%	RM'000 -0.38%/0.05%
<b>Group</b>		
2017	402	(402)
2016	32	(32)
<b>Company</b>		
2017	402	(402)
2016	30	(30)

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

## 32. FINANCIAL INSTRUMENTS (cont'd)

## 32.3 Fair value of financial instruments

The carrying amounts of financial assets and 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.

The table below analyses financial instruments carried at fair value and those not carried at fair value for which fair value is disclosed, together with their values and carrying amounts shown in the statements of financial position.

Group	Fair value of financial instruments carried at fair value Level 1 RM'000	Fair value of financial instruments not carried at fair value Level 2 RM'000	Carrying amount RM'000
<b>2017</b>			
<b>Financial assets</b>			
Quoted shares	9	-	5
Unit trust funds	105,735	-	105,735
<b>Financial liabilities</b>			
Finance lease liabilities	-	803	1,041
Bank borrowings	-	6,422	6,914
<b>2016</b>			
<b>Financial assets</b>			
Quoted shares	6	-	5
Unit trust funds	63,330	-	63,330
<b>Financial liabilities</b>			
Finance lease liabilities	-	584	593
Bank borrowings	-	7,595	8,269
<b>Company</b>			
<b>2017</b>			
<b>Financial asset</b>			
Unit trust funds	105,735	-	105,735
<b>2016</b>			
<b>Financial asset</b>			
Unit trust funds	59,022	-	59,022

There were no transfers between Level 1 and Level 2 during the financial year (2016: no transfer in either direction).

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

### 32. FINANCIAL INSTRUMENTS (cont'd)

#### 32.3 Fair value of financial instruments (cont'd)

##### Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

##### Level 1 fair value

Level 1 fair value is derived from quoted price (unadjusted) in active markets for identical financial assets or liabilities that the entity can access at the measurement date.

##### Level 2 fair value

Level 2 fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the financial assets or liabilities, either directly or indirectly.

### 33. 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, return capital to shareholders, issue new shares or sell assets to reduce debts.

There were no changes in the Group's approach to capital management during the financial year.

### 34. SIGNIFICANT EVENTS DURING AND AFTER THE FINANCIAL YEAR

- (a) On 30 August 2017, the Group and the Company proposed to undertake the following:-
- (i) Proposed private placement of up to 31,007,000 ordinary shares ("Placement Shares");
  - (ii) Proposed acquisition of a parcel of leasehold industrial land from Leno Marketing Sdn Bhd ("Leno") by myNEWS Retail Sdn Bhd (formerly known as Bison Stores Sdn Bhd), a wholly-owned subsidiary of the Company, for a cash consideration of RM50,000,000 to be satisfied entirely by cash ("Proposed Acquisition");
  - (iii) Proposed bonus issue of up to 341,077,000 bonus shares on the basis of 1 bonus share for every 1 existing share of the Company held by the entitled shareholders on the entitlement date ("Proposed Bonus Issue"); and
  - (iv) Proposed establishment of an Employees' Share Option Scheme (ESOS) of up to 10% of the total number of issued shares of the Company at any point in time to be granted to the eligible persons.



## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

### 34. SIGNIFICANT EVENTS DURING AND AFTER THE FINANCIAL YEAR (cont'd)

- (a) On 30 August 2017, the Group and the Company proposed to undertake the following (cont'd):-

The Placement Shares was completed on 25 October 2017 with the issuance of 31,007,000 ordinary shares at an issue price of RM2.33 per share.

The Proposed Acquisition was completed on 5 December 2017.

The Company issued 341,077,000 ordinary shares pursuant to the Proposed Bonus Shares on 20 December 2017 and the shares were listed on Bursa Malaysia on 21 December 2017.

The ESOS was effective on 21 December 2017 but the ESOS Committee has yet to be established.

- (b) On 5 October 2017, the Group entered into 2 separate joint venture agreements with third parties, namely Gourmet Kineya Co Limited and MRA Bakery Sdn Bhd to incorporate separate joint venture companies as part of its expansion strategy for food preparation and packaging facility. The joint venture companies, myNEWS Ryoyupan Sdn Bhd was incorporated on 6 February 2018 and myNEWS Kineya Sdn Bhd on 8 February 2018 with the Group having 51% equity interest in each of the companies.

## LIST OF PROPERTIES

No.	Location / Postal address	Description / Existing use / Age of building	Land / Built-up area (sq. ft.)	Tenure / Date of expiry of lease	NBV as at 31 October 2017 (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 - 13 years	Land area: 108,715 (equivalent to 10,100 sq. m.)  Built-up area 125,270 (equivalent to 11,638 sq. m.)	Freehold/ Perpetuity	17,677
2.	Geran 213977, Lot 2801, Bandar Kepong, Daerah Gombak, Negeri Selangor bearing postal address of 258, Jalan KIP 4, Taman Perindustrian KIP, 52200 Kuala Lumpur	A 1 ½ storey terrace factory lot / Office premises  Age of building - 18 years	Land area: 2,002 (equivalent to 186 sq. m.)  Built-up area 2,750 (equivalent to 255 sq. m.)	Freehold/ Perpetuity	1,600
3.	Geran 213978, Lot 2802, Bandar Kepong, Daerah Gombak, Negeri Selangor bearing postal address of 259, Jalan KIP 4, Taman Perindustrian KIP, 52200 Kuala Lumpur	A 1 ½ storey terrace factory lot / Office premises  Age of building - 18 years	Land area: 2,002 (equivalent to 186 sq. m.)  Built-up area 2,750 (equivalent to 255 sq. m.)	Freehold/ Perpetuity	1,600
4.	HS(D) 158129, PT 41071, Mukim Sungai Buloh, Daerah Petaling, Negeri Selangor bearing postal address of No. 48, Jalan Nova K U5/K, Seksyen U5, 40150 Shah Alam, Selangor	5 storey terrace shop office / Vacant  Age of building - 3 years	Land area: 2,433 (equivalent to 226 sq. m.)  Built-up area: 12,163 (equivalent to 1,130 sq. m.)	99 years, expires on 22 May 2095	3,637

## LIST OF PROPERTIES (cont'd)

No.	Location / Postal address	Description / Existing use / Age of building	Land / Built-up area (sq. ft.)	Tenure / Date of expiry of lease	NBV as at 31 October 2017 (RM'000)
5.	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) / Vacant  Age of building - 2 years	Built-up area: 486 (equivalent to 45 sq. m.)	Freehold/ Perpetuity	274
6.	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 multi-storey building comprising 3 office towers (Tower B - 36 storeys) / Vacant  Age of building - 2 years	Built-up area: 486 (equivalent to 45 sq. m.)	Freehold/ Perpetuity	274

## LIST OF PROPERTIES (cont'd)

No.	Location / Postal address	Description / Existing use / Age of building	Land / Built-up area (sq. ft.)	Tenure / Date of expiry of lease	NBV as at 31 October 2017 (RM'000)
7.	Geran 212288, Lot 21203, Mukim Rawang, Daerah Gombak, Negeri Selangor bearing postal address of Lot 66 (Pecahan Lot 1289), Jalan Industri 2/3, Rawang Integrated Industrial Park, 48000 Rawang, Selangor	Vacant Land  Age of building - N/A	Land area: 59,998 (equivalent to 5,574 sq. m.)	Freehold/ Perpetuity	6,983
8.	A-11- 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, Daerah Petaling, Selangor	Office Suite  Age of building - 4 years	Built-up area: 2,175 (equivalent to 202 sq. m.)	99 years, expires on 28 May 2105	1,319
9.	HS(D) 560918, PTD 186476, Mukim Tebrau, Daerah Johor Bahru, Negeri Johor also known as No 2, Jalan Ekoperniagaan 1/11, Taman Ekoperniagaan, 81100 Johor Bahru, Johor	2 storey semi- detached factory- Under renovation to increase its capacity to be used as a distribution centre  Age of building - 1 year	Land area: 0.25 hectare (equivalent to 2,500 sq. m.)  Built-up area: 17,000 (equivalent to 1,579 sq. m.)	Freehold/ Perpetuity	4,114

Note: All properties were revalued in FY 2014 except for items 5 to 9 which are stated at cost.

## ADDITIONAL COMPLIANCE INFORMATION

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

### 1. Utilisation of Proceeds

#### a) Initial Public Offer

In FY 2016, the Company raised a sum of RM88.68 million through an initial public offering of 80,620,000 ordinary shares of RM0.20 each in conjunction with the listing of and quotation for the entire 310,070,000 ordinary shares of RM0.20 each in the Company. The proceeds which have a timeframe for utilisation within 36 months from the listing date were utilised as follows:

Utilisation of Proceeds	Total Proceeds	Amount Utilised	Amount Unutilised	Status of Utilisation
	RM'million	RM'million	RM'million	
Capital expenditure	50.00	47.13	2.87	Partially
Working capital	32.23	25.07	7.16	Partially
Listing expenses	6.45	6.39	0.06	Fully
<b>Total</b>	<b>88.68</b>	<b>78.59</b>	<b>10.09</b>	

#### b) Private Placement

In FY 2017, the Company issued 31,007,000 new ordinary shares, being 10% of its existing paid-up number of ordinary shares via a private placement at an issue price of RM2.33 per share. The private placement raised total proceeds of RM72.25 million which were expected to be fully utilised within twelve (12) months from 31 October 2017 as below:

Utilisation of Proceeds	Total Proceeds	Amount Utilised	Amount Unutilised	Status of Utilisation
	RM'million	RM'million	RM'million	
Acquisition of property	50.00	50.00	-	Fully
Investment in food preparation and packaging facilities	19.12	-	19.12	Not utilised yet
Private placement expenses	0.83	0.86	(0.03)	Fully utilised
Other proposal expenses	2.30	2.30	-	Fully utilised. Includes stamping fee for the property acquisition of RM1.49 million
<b>Total</b>	<b>72.25</b>	<b>53.16</b>	<b>19.09</b>	

### 2. Recurrent Related Party Transactions ("RRPT")

There were no RRPT of a revenue or trading nature between myNEWS and its related parties which required shareholders' mandate during FY 2017.

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

Other than the significant related party transactions which are disclosed in Note 29 to the financial statements, there were no material contracts entered by the Group involving the interest of Directors and/or major shareholders or subsisting at the end of FY 2017.

## ANALYSIS OF SHAREHOLDINGS as at 30 January 2018

Issued and Paid-up Share Capital : RM682,154,000.00

Class of Shares : Ordinary Shares

Voting Right : One (1) vote per Ordinary Share

### ANALYSIS BY SIZE OF SHAREHOLDINGS AS AT 30 JANUARY 2018

Size of shareholding	No. of shareholders		No. of shares	
	No.	%	No.	%
Less than 100	20	2.29	234	0.00
100 to 1,000	141	16.13	79,446	0.01
1,001 to 10,000	403	46.12	1,892,500	0.28
10,001 to 100,000	184	21.05	6,146,920	0.90
100,001 to less than 5% of issued shares	123	14.07	195,570,600	28.67
5% and above of issued shares	3	0.34	478,464,300	70.14
<b>Total</b>	<b>874</b>	<b>100.00</b>	<b>682,154,000</b>	<b>100.00</b>

### LIST OF THIRTY (30) LARGEST SHAREHOLDERS AS AT 30 JANUARY 2018

No.	Shareholder	Shareholding	
		No.	%
1	D&D Consolidated Sdn Bhd	373,777,000	54.79
2	Kumpulan Wang Persaraan (Diperbadankan)	28,297,000	4.15
3	Dang Tai Kien	22,945,000	3.36
4	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board	16,360,900	2.40
5	HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd for Affin Hwang Select Opportunity Fund (3969)	14,854,400	2.18
6	DB (Malaysia) Nominee (Asing) Sdn Bhd The Bank of New York Mellon for The Board of Regents of the University of Texas System	13,535,000	1.98
7	HSBC Nominees (Asing) Sdn Bhd Exempt An for Morgan Stanley & Co. International PLC (IPB Client Acct)	13,466,200	1.97
8	CIMB Group Nominees (Tempatan) Sdn Bhd CIMB Commerce Trustee Berhad - Kenanga Growth Fund	12,545,600	1.84
9	Citigroup Nominees (Asing) Sdn Bhd Exempt An for Citibank New York (Nogres Bank 9)	9,486,900	1.39
10	Dang Tai Gean	9,178,000	1.35
11	CIMSEC Nominees (Tempatan) Sdn Bhd CIMB Bank for D&D Consolidated Sdn. Bhd. (M2681A)	9,000,000	1.32
12	CIMSEC Nominees (Tempatan) Sdn Bhd CIMB Bank for D&D Consolidated Sdn. Bhd. (M2682A)	9,000,000	1.32

## ANALYSIS OF SHAREHOLDINGS (cont'd)

as at 30 January 2018

### LIST OF THIRTY (30) LARGEST SHAREHOLDERS AS AT 30 JANUARY 2018 (cont'd)

No.	Shareholder	Shareholding	
		No.	%
13	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (Aberdeen)	9,000,000	1.32
14	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (Amundi)	8,289,100	1.22
15	Maybank Nominees (Tempatan) Sdn Bhd Affin Hwang Asset Management Berhad for Hong Leong Assurance Berhad (PAR-220082)	7,165,200	1.05
16	Citigroup Nominees (Tempatan) Sdn Bhd Kumpulan Wang Persaraan (Diperbadankan) (Aberdeen)	6,963,300	1.02
17	HSBC Nominees (Asing) Sdn Bhd HSBC-FS I for JPMorgan Malaysia Fund	6,356,600	0.93
18	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (CIMB Prin)	6,283,500	0.92
19	HSBC Nominees (Asing) Sdn Bhd HSBC-FS I for JPMorgan Eastern Smaller Companies Fund	5,281,000	0.77
20	Maybank Nominees (Tempatan) Sdn Bhd National Trust Fund (IFM Kenanga)	4,929,600	0.72
21	Citigroup Nominees (Tempatan) Sdn Bhd Kumpulan Wang Persaraan (Diperbadankan) (Kenanga)	4,705,800	0.69
22	HSBC Nominees (Asing) Sdn Bhd TNTC For Strathclyde Pension Fund	4,419,800	0.65
23	HSBC Nominees (Asing) Sdn Bhd Pictet And CIE (Europe) for Argos Funds - The Bamboo Fund	4,280,000	0.63
24	Maybank Nominees (Tempatan) Sdn Bhd Medical Fund (IFM AffinHwang)	3,398,300	0.50
25	Liew Heng Heng	3,290,100	0.48
26	CIMB Group Nominees (Tempatan) Sdn Bhd Exempt An for Petroliaam Nasional Berhad (Affin)	2,605,400	0.38
27	DB (Malaysia) Nominee (Tempatan) Sendirian Berhad Affin Hwang Asset Management Berhad for Malaysian Timber Council	2,544,000	0.37
28	DB (Malaysia) Nominee (Tempatan) Sendirian Berhad Affin Hwang Asset Management Berhad for Malaysian Timber Council (Operating Fund)	2,404,600	0.35
29	Citigroup Nominees (Tempatan) Sdn Bhd Kumpulan Wang Persaraan (Diperbadankan) (Affin Hwng SM CF)	2,380,000	0.35
30	Amsec Nominees (Tempatan) Sdn Bhd Aberdeen Asset Management Sdn Bhd for Tenaga Nasional Berhad Retirement Benefit Trust Fund (FM-Aberdeen)	2,250,000	0.33



## ANALYSIS OF SHAREHOLDINGS (cont'd)

as at 30 January 2018

### SUBSTANTIAL SHAREHOLDERS AS AT 30 JANUARY 2018

(As per the Register of Substantial Shareholders of the Company)

Name	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
D&D Consolidated Sdn Bhd	391,777,000	57.43	-	-
Dang Tai Luk	-	-	*391,777,000	57.43
Dang Tai Wen	-	-	*391,777,000	57.43
Dang Tai Hock	-	-	*391,777,000	57.43
Kumpulan Wang Persaraan (Diperbadankan)	28,297,000	4.15	**18,456,800	2.71
Employees Provident Fund Board	39,933,500	5.85	-	-

Note:

- \* Deemed interested by virtue of Section 8(4) of the Companies Act, 2016 through their shareholdings in D&D Consolidated Sdn Bhd.
- \*\* Held by KWAP's Fund Managers.

### DIRECTORS' SHAREHOLDINGS AS AT 30 JANUARY 2018

(As per the Register of Directors' Shareholdings of the Company)

Name	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
Ding Lien Bing	400,000	0.06	-	-
Dang Tai Luk	-	-	391,777,000	57.43
Dang Tai Wen	-	-	391,777,000	57.43
Dang Tai Hock	-	-	391,777,000	57.43
Soon Dee Hwee	400,000	0.06	-	-
Mohd Suffian Bin Suboh	90,000	0.01	-	-

Note:

Deemed interested by virtue of Section 8(4) of the Companies Act, 2016 through their shareholdings in D&D Consolidated Sdn Bhd

## NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** the Fifth Annual General Meeting of the Company will be held at The Club, Bukit Utama Golf Resort, 1 Club Drive, Bukit Utama, Bandar Utama, 47800 Petaling Jaya, Selangor Darul Ehsan on 29 March 2018, Thursday at 10.00 am.

### AGENDA

#### AS ORDINARY BUSINESS:

- |    |  |  |
|----|--|--|
| 1. | To receive the Audited Financial Statements for the year ended 31 October 2017 together with the Reports of Directors and Auditors thereon.  | <b>Please refer to Explanatory Note A to this Agenda</b> |
| 2. | To approve the payment of Directors' fee and allowance of RM317,000 for the financial year ended 31 October 2017.  | <b>Ordinary Resolution 1</b>                             |
| 3. | To approve the payment of Directors' fee and allowance for an amount not exceeding RM345,000 for the financial year ending 31 October 2018.  | <b>Ordinary Resolution 2</b>                             |
| 4. | To approve the payment of Directors' fee and allowance for an amount not exceeding RM146,000 for the period commencing 1 November 2018 until the next Annual General Meeting of the Company. | <b>Ordinary Resolution 3</b>                             |
| 5. | To re-elect the following Directors who are retiring in accordance with Article 88 of the Company's Constitution:  |  |
|    | 5.1 Dang Tai Hock  | <b>Ordinary Resolution 4</b>                             |
|    | 5.2 Mohd Suffian Bin Suboh   | <b>Ordinary Resolution 5</b>                             |
| 6. | To re-appoint Messrs. Grant Thornton Malaysia as the Company's Auditors for the ensuring year and to authorize the Directors to fix their remuneration.                                      | <b>Ordinary Resolution 6</b>                             |

#### 7. AS SPECIAL BUSINESS:

To consider and, if thought fit, to pass with or without modifications, the following Resolution:

**Authority to Allot Shares Pursuant to Section 75 and 76 of the Companies Act, 2016**

**Ordinary Resolution 7**

**"THAT** subject always to the approvals of the relevant authorities, the Directors be hereby authorised pursuant to Section 75 and 76 of the Companies Act, 2016, to allot and issue shares in the Company at any time and upon such terms and conditions and for such purposes as the Directors may in their absolute discretion, deem fit, provided that the aggregate number of shares to be issued pursuant to this resolution does not exceed 10% of the total issued capital of the Company at the time of issue AND THAT the Directors be hereby also empowered to obtain the approval for the listing of and quotation for the additional shares to be issued on Bursa Malaysia Securities Berhad.

**AND FURTHER THAT** such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company."

## NOTICE OF ANNUAL GENERAL MEETING (cont'd)

8. To transact any other business of the Company of which due notice shall be given in accordance with the Company's Constitution and the Companies Act, 2016.

### BY ORDER OF THE BOARD

**CHONG SIEW HOONG** (MIA 5062)  
**VASATHI A/P NANUNARAYANAN** (MAICSA 7061774)  
Company Secretaries

Selangor Darul Ehsan  
28 February 2018

### NOTES:

1. 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.
2. 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 holdings to be represented by each proxy.
3. 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.
4. 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.
5. The instrument appointing a proxy must be deposited at the **Share Registrar's Office at Symphony Share Registrars Sdn Bhd, Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan** not less than **forty-eight (48)** hours before the time set for the meeting or any adjournment thereof.

## NOTICE OF ANNUAL GENERAL MEETING (cont'd)

### EXPLANATORY NOTES TO THE AGENDA

A. Item 1 of the Agenda

To receive the Audited Financial Statements for the year ended 31 October 2017 together with the Reports of Directors and Auditors thereon

This is meant for discussion only, as the provision of Section 340(1) of the Companies Act, 2016 does not require a formal approval of the shareholders for the Audited Financial Statements. Hence, this item of the Agenda is not put forward for voting.

B. Items 2 to 4 of the Agenda – Ordinary Resolutions 1, 2 and 3

Payment of Directors' fee and allowance

Pursuant to Section 230 (1) of the Companies Act 2016, the fees of the directors and any benefits payable to the directors shall be approved at a general meeting.

The Proposed Ordinary Resolution 2 is to facilitate the payment of Directors' fee and allowance on a current financial year basis, calculated based on the number of scheduled Board and Committee meetings for financial year ending 31 October 2018 and assuming, that all Directors will hold office until the end of the financial year. 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 Annual General Meeting for additional fee and allowance to meet the shortfall.

The Proposed Ordinary Resolution 3 is for the Directors' fee and allowance calculated based on the current Board size and the number of scheduled Board and Committee meetings for the period from 1 November 2018 up to the next Annual General Meeting. 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 Annual General Meeting for additional fee and allowance to meet the shortfall.

C. Item 7 of the Agenda – Ordinary Resolution 7

Authority to Allot Shares Pursuant to Section 75 and 76 of the Companies Act, 2016

The Ordinary Resolution 7 is a proposed general mandate by the shareholders for the Company to issue and allot shares at any time to such persons in its absolute discretion without convening a general meeting provided, that the aggregate number of shares issued does not exceed 10% of the issued share capital of the Company.

The proposed Ordinary Resolution 7, if passed, will give the Directors of the Company, from the date of the meeting, the authority to issue and allot ordinary shares from the unissued share capital of the Company up to an amount not exceeding in total ten per centum (10%) of the total issued share capital of the Company for the time being for such purposes as the Directors of the Company consider would be in the best interest of the Company.

The mandate, if passed, will provide the flexibility to the Company and empower the Directors to speedily allot and issue new shares in the Company of up to ten per centum (10%) of its issued share capital for purposes of funding the working capital or strategic development of the Group. This would expedite the process and eliminate the costs for convening a general meeting to seek shareholders' approval. This authority, unless revoked or varied by the Company at a general meeting, will expire at the next AGM.

At this juncture, there is no decision to issue new shares. If there should be such a decision to do so after the general mandate is granted, the Company will make an announcement in respect thereof.

### 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 62 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 22 March 2018. Only a depositor whose name appears on the Record of Depositors as at 22 March 2018 shall be entitled to attend this meeting or appoint proxy/proxies to attend and/or vote in his/her stead.







**MYNEWS HOLDINGS BERHAD** (Company No: 1039846-T)  
(FORMERLY KNOWN AS BISON CONSOLIDATED BERHAD)  
(Incorporated in Malaysia)

CDS Account	
Number of shares held	
*NRIC/ Company No.	

## PROXY FORM

I/We \_\_\_\_\_  
of \_\_\_\_\_ being a member/members of MYNEWS HOLDINGS BERHAD (FORMERLY KNOWN AS BISON CONSOLIDATED BERHAD) hereby appoint \_\_\_\_\_  
\_\_\_\_\_ of \_\_\_\_\_  
and/or \_\_\_\_\_  
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 Fifth Annual General Meeting of the Company to be held at The Club, Bukit Utama Golf Resort, 1 Club Drive, Bukit Utama, Bandar Utama, 47800 Petaling Jaya, Selangor Darul Ehsan on 29 March 2018, Thursday at 10.00 am and at any adjournment thereof.

\*My/\*our Proxy(ies) is/are to vote as indicated below:

Resolution	Ordinary Business	For	Against
1.	To approve the payment of Directors' fee and allowance of RM317,000 for the financial year ended 31 October 2017.		
2.	To approve the payment of Directors' fee and allowance for an amount not exceeding of RM345,000 for the financial year ending 31 October 2018.		
3.	To approve the payment of Directors' fee and allowance for an amount not exceeding RM146,000 for the period commencing 1 November 2018 until the next Annual General Meeting of the Company.		
4.	To re-elect Dang Tai Hock as a Director.		
5.	To re-elect Mohd Suffian Bin Suboh as a Director.		
6.	To re-appoint Messrs. Grant Thornton Malaysia, as the Company's Auditors and authority for Directors to fix their remuneration.		
<b>Special Business</b>			
7.	Authority for Directors to issue and allot shares in the Company pursuant to Section 75 and 76 of the Companies Act, 2016.		

[Please indicate with (X) in the spaces provided how you wish your vote to be cast. If no specific direction as to voting is given, the Proxy/ies will vote or abstain at his/her discretion]

For appointment of two (2) proxies, number of shares and percentages of shareholding to be represented by each proxy:			
	Name of proxy	No. of shares	% of shareholding
Proxy 1			
Proxy 2			
Total			

Dated this .....day of.....2018

[\* Delete if not applicable]

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[Signature/Common Seal of Shareholder]

Notes:

- In respect of deposited securities, only members/shareholders whose names appear in the Record of Depositors as at 22 March 2018 ("General Meeting Record of Depositors") shall be eligible to attend, speak and vote at the meeting.
- 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.
- 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.
- 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.
- 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.
- The instrument appointing a proxy must be deposited at the Share Registrar's Office at Symphony Share Registrars Sdn Bhd, Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan not less than forty-eight (48) hours before the time set for the meeting or any adjournment thereof.



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AFFIX  
STAMP

**The Share Registrar**  
SYMPHONY SHARE REGISTRARS SDN. BHD.  
Level 6, Symphony House  
Pusat Dagangan Dana 1  
Jalan PJU 1A/46  
47301 Petaling jaya  
Selangor Darul Ehsan

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