MYNEWS HOLDINGS BERHAD (1039846-T)
(formerly known as BISON CONSOLIDATED BERHAD)

The Board of Directors of Mynews Holdings Berhad is pleased to present the unaudited interim financial report of Mynews Holdings Berhad and its subsidiaries ("Mynews" or the "Group") for the second quarter ended 30 April 2018. This report should be read in conjunction with its audited financial statements for the financial year ended 31 October 2017 and the accompanying notes attached to the interim financial report.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SECOND QUARTER ENDED 30 APRIL 2018

i) Current quarter and financial year to date

	Current Quarter 3 months ended				Cumulative Quarters 6 months ended			
	30 Apr 2018 RM'000	30 Apr 2017 RM'000	Changes Fav/(Unfav) RM'000	%	30 Apr 2018 RM'000	30 Apr 2017 RM'000	Changes Fav/(Unfav) RM'000	%
Revenue	94,181	79,259	14,922	18.8	184,305	155,491	28,814	18.5
Cost of sales	(57,766)	(49,142)	(8,624)	(17.5)	(114,033)	(97,941)	(16,092)	(16.4)
Gross profit	36,415	30,117	6,298	20.9	70,272	57,550	12,722	22.1
Other income	766	736	30	4.1	1,745	1,633	112	6.9
Operating expenses	(27,070)	(21,963)	(5,107)	(23.3)	(52,365)	(41,071)	(11,294)	(27.5)
Other expenses	(1,934)	(1,673)	(261)	(15.6)	(3,784)	(3,139)	(645)	(20.5)
Finance costs	(104)	(110)	6	5.4	(208)	(226)	18	8.0
Share of profit in jointly controlled entity	555	486	69	14.2	922	897	25	2.8
Profit before tax	8,628	7,593	1,035	13.6	16,582	15,644	938	6.0
Tax expense	(1,799)	(1,392)	(407)	(29.2)	(3,411)	(3,081)	(330)	(10.7)
Profit after tax, representing comprehensive income for the period	6,829	6,201	628	10.1	13,171	12,563	608	4.8
Profit attributable to:								
Owners of the Company	6,829	6,201	628	10.1	13,171	12,563	608	4.8
Basic earnings per ordinary share (sen) (Note B12)	1.00	2.00	(1.00)	(50.0)	1.93	4.05	(2.12)	(52.3)

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CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SECOND QUARTER ENDED 30 APRIL 2018 (Cont'd)

ii) Current quarter compared with immediate preceding quarter

	Current Quarter 30 Apr 2018	Immediate Preceding Quarter 31 Jan 2018	Changes Fav/(Unfav)	
	RM'000	RM'000	RM'000	%
Revenue	94,181	90,124	4,057	4.5
Cost of sales	(57,766)	(56,267)	(1,499)	(2.7)
Gross profit	36,415	33,857	2,558	7.6
Other income	766	979	(213)	(21.8)
Operating expenses	(27,070)	(25,294)	(1,776)	(7.0)
Other expenses	(1,934)	(1,851)	(83)	(4.5)
Finance costs	(104)	(104)	-	-
Share of profit in jointly controlled entity	555	367	188	51.2
Profit before tax	8,628	7,954	674	8.5
Tax expense	(1,799)	(1,613)	(186)	(11.5)
Profit after tax, representing comprehensive income for the period	6,829	6,341	488	7.7
Profit attributable to:				
Owners of the Company	6,829	6,341	488	7.7
Basic earnings per ordinary share (sen)	1.00	0.93	0.07	7.5

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 APRIL 2018

	Notes	Unaudited 30 April 2018 RM'000	Audited 31 October 2017 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment		140,827	80,595
Investment in jointly controlled entity		5,543	4,620
Other investments	2	5	5
Fixed deposits with licensed banks		800	800
Total non-current assets		**147,175**	**86,020**
Current assets			
Inventories	1	32,824	31,726
Trade receivables		9,131	10,652
Other receivables		31,974	31,460
Amount due from jointly controlled entity		281	1,201
Other investments	2	60,262	105,735
Deposits with licensed banks		1,028	1,028
Cash and bank balances		15,033	22,006
Total current assets		**150,533**	**203,808**
Total assets		**297,708**	**289,828**

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 APRIL 2018 (Cont'd)

	Notes	Unaudited 30 April 2018 RM'000	Audited 31 October 2017 RM'000
EQUITY AND LIABILITIES			
Equity			
Share capital		201,581	201,581
Revaluation reserve		8,561	8,561
Merger deficit		(45,952)	(45,952)
Retained earnings		90,612	77,441
Total equity		**254,802**	**241,631**
LIABILITIES			
Non-current liabilities			
Bank borrowings		4,323	5,500
Finance lease liabilities		933	751
Deferred tax liabilities		2,712	2,749
Total non-current liabilities		**7,968**	**9,000**
Current liabilities			
Trade payables		23,795	23,022
Other payables		7,544	13,424
Amount due to related parties		-	61
Bank borrowings		1,414	1,414
Finance lease liabilities		386	290
Tax payable		1,799	986
Total current liabilities		**34,938**	**39,197**
Total liabilities		**42,906**	**48,197**
Total equity and liabilities		**297,708**	**289,828**
Net assets per share (RM)		**0.37**	**0.71**

Notes:

1 Included in inventories are foreign currencies equivalent to RM580,000 held for the money changing business.

2 Other investments comprised placement in money market instrument funds (RM60,262,000) and Real Estate Investment Trust (RM5,000).

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SECOND QUARTER ENDED 30 APRIL 2018

	Share Capital RM'000	Share Premium RM'000	Revaluation Reserve RM'000	Merger Deficit RM'000	Retained Earnings RM'000	Total Equity RM'000
As at 1 November 2016	62,014	67,320	8,561	(45,952)	60,482	152,425
Transfer pursuant to S618(2) of CA 2016 [(1)]	67,320	(67,320)	-	-	-	-
Issuance of new shares [(2)]	72,247	-	-	-	-	72,247
Share issuance expenses [(3)]	-	-	-	-	(861)	(861)
Dividends	-	-	-	-	(6,201)	(6,201)
Total comprehensive income for the year	-	-	-	-	24,021	24,021
As at 31 October 2017	201,581	-	8,561	(45,952)	77,441	241,631
Total comprehensive income for the period	-	-	-	-	13,171	13,171
As at 30 April 2018	201,581	-	8,561	(45,952)	90,612	254,802

Notes:

(1) Pursuant to Section 618(2) of the Companies Act 2016 ("CA 2016") which came into effect on 31 January 2017, any outstanding share premium and capital redemption reserve accounts shall become part of the share capital account. Under the transitional provision in Section 618 (3) of the CA 2016, the Company had utilised the credit of RM67,320,000 being transferred from the share premium account to the share capital account for the issuance of bonus shares on the basis of one (1) bonus share for each existing Mynews share held on 20 December 2017, being the entitlement date, at RM0.20 per bonus share being the par value of the Mynews shares immediately before the effective date of the CA 2016.

(2) On 25 October 2017, the Company issued 31,007,000 new ordinary shares, being 10% of its existing paid-up number of shares via a private placement at an issue price of RM2.33 per share.

(3) The share issuance expenses for the private placement as in Note (2) above which amounted to RM861,000 were written off against retained earnings in accordance to MFRS 101 Presentation of Financial Statements.

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SECOND QUARTER ENDED 30 APRIL 2018

	Cumulative Quarters 6 months ended	
	30 Apr 2018	**30 Apr 2017**
	RM'000	**RM'000**
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	16,582	15,644
Adjustments for:		
Depreciation of property, plant and equipment	3,552	2,783
Bad debts written off	9	-
Net gain on disposal of property, plant and equipment	(8)	(8)
Dividend income from other investments	(1,252)	(1,260)
Interest expense	208	226
Share of profit in jointly controlled entity	(922)	(897)
Property, plant and equipment written off	232	348
Interest income	(131)	(76)
Operating profit before working capital changes	18,270	16,760
Changes in working capital		
Increase in inventories	(1,098)	(2,292)
Decrease / (Increase) in receivables	1,015	(7,035)
(Decrease) / Increase in payables	(8,445)	241
Decrease in amount due to a director	-	(36)
Decrease / (Increase) in amount due from jointly controlled entity	920	(53)
Decrease in amount due to related parties	(61)	(43)
Cash generated from operations	10,601	7,542
Tax paid	(2,635)	(2,840)
Net cash generated from operating activities	7,966	4,702
CASH FLOWS FROM INVESTING ACTIVITIES		
Dividend income from other investments	1,252	1,051
Proceeds from disposal of property, plant and equipment	168	56
Purchase of property, plant and equipment	(60,856)	(11,803)
Upliftment of funds in other investments	45,473	7,957
Placement of fixed deposits	-	(70)
Interest income	45	50
Net cash used in investing activities	(13,918)	(2,759)

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SECOND QUARTER ENDED 30 APRIL 2018 (Cont'd)

	Cumulative Quarters 6 months ended	
	30 Apr 2018	**30 Apr 2017**
	RM'000	**RM'000**
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(208)	(226)
Repayment of term loans	(1,177)	(654)
Drawdown / (Repayment) of finance lease liabilities	278	(159)
Net cash used in financing activities	(1,107)	(1,039)
Net (decrease) / increase in cash and cash equivalents	(7,059)	904
Cash and cash equivalents at 1 November	23,034	16,074
Cash and cash equivalents at 30 April	15,975	16,978
Reconciliation of cash and cash equivalents		
Cash and bank balances	15,033	14,626
Deposits with licensed banks	1,828	3,106
	16,861	17,732
Less: Deposits pledged to licensed banks	(886)	(754)
	15,975	16,978

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NOTES TO INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 APRIL 2018

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

A1 CORPORATE INFORMATION

The principal activity of the Company is investment holding while its subsidiaries are principally involved in the business of press and convenience retailing, predominantly operating a homegrown retail chain in Malaysia under the trade name of "myNEWS.com".

A2 BASIS OF PREPARATION

The interim financial report is unaudited and has been prepared in accordance with the requirements of MFRS No. 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board and Appendix B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"). It should be read in conjunction with the audited financial statements of Mynews for the financial year ended 31 October 2017.

A3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of these interim financial statements are consistent with those adopted in the audited financial statements for the year ended 31 October 2017. In the previous years, the financial statements of the Group and the Company were prepared in accordance with Malaysian Financial Reporting Standard ("MFRSs").

At the date of issuance of this quarterly report, the MFRSs, and amendments to MFRSs that have been issued but yet to be made effective are listed below:

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
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

NOTES TO INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 APRIL 2018 (Cont'd)

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

A3 SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

MFRSs, Amendments to MFRSs and IC Interpretation effective 1 January 2018: (Cont'd)

Annual Improvements to MFRSs 2014-2016 Cycle (except for Amendments to MFRS 12 Disclosure of Interests in Other Entities)*

MFRSs, 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

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

* Not applicable to the Group's and the Company's operations

The Group has not early adopted any of the new or revised standards and amendments to standards that have been issued but not yet effective. The Group intends to adopt these standards, if applicable, when they become effective. The initial application of the new or revised MFRSs and Amendments to MFRSs, will be applied prospectively which entails more disclosure and is not expected to have any significant financial impacts to the financial statements of the Group upon their initial adoption, other than MFRS 16: Leases which will be effective from 1 January 2019. The adoption of MFRS 16: Leases will have an effect on the classification and measurement of the Group's lease assets and liabilities.

A4 AUDITORS' REPORT

There was no qualification on the audited financial statements of the Group for the financial year ended 31 October 2017.

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NOTES TO INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 APRIL 2018 (Cont'd)

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

A5 SEASONAL OR CYCLICAL FACTORS

The Group does not experience any material seasonality in sales.

A6 UNUSUAL ITEMS AFFECTING ASSETS, LIABILITIES, EQUITY, NET INCOME OR CASH FLOW

There were no unusual items affecting assets, liabilities, equity, net income or cash flow of the Group during the quarter under review.

A7 CHANGES IN ESTIMATES

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

A8 DEBT AND EQUITY SECURITIES

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

A9 DIVIDEND PAID

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

A10 SEGMENTAL INFORMATION

The Group operates in the press and retail convenience segment in Malaysia and has a licensing arrangement in Myanmar. The contribution from Myanmar is insignificant and as such the Group does not present its results by geographical or industry segment.

A11 SUBSEQUENT MATERIAL EVENTS

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

A12 CHANGES IN COMPOSITION OF THE GROUP

Except for the incorporation of the following 51% owned subsidiaries, there is no material subsequent event after the financial period ended 30 April 2018 until the date of this report:

a) Mynews Ryoyupan Sdn Bhd was incorporated on 6 February 2018 pursuant to the Joint Venture Agreement entered by Mynews Food Sdn Bhd (formerly known as Otaru Fine Food Sdn Bhd), a wholly-owned subsidiary of the Company with MRA Bakery Sdn Bhd on 5 October 2017; and

b) Mynews Kineya Sdn Bhd, incorporated on 8 February 2018 pursuant to the Joint Venture Agreement between the Company and Gourmet Kineya Co Ltd on 5 October 2017.

NOTES TO INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 APRIL 2018 (Cont'd)

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

A13 CONTINGENT LIABILITIES OR CONTINGENT ASSETS

There were no contingent assets as at 30 April 2018.

Contingent liabilities of the Group as at 30 April 2018 comprised bank guarantees totalling RM754,000 issued as security deposits in respect of tenancy of outlets of the jointly controlled entity and subsidiaries, including security deposit for the money remittance business.

A14 CAPITAL COMMITMENTS

The capital commitments of the Group as at 30 April 2018 were as follows:

	RM'000
Authorised and contracted for:	
- purchase of property, plant and equipment	6,163
- investment in joint venture companies	35,700
	41,863

A15 PROPERTY, PLANT AND EQUIPMENT

For the six (6) months ended 30 April 2018, the Group acquired assets at the cost of RM60.86 million, which comprised RM50.00 million for the new premises at Kota Damansara; and the balance of RM10.86 million, principally for renovations, furniture and fittings, equipment and computers that were mainly for the setting up of new outlets and the Distribution Centre in Johor Bharu.

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NOTES TO INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 APRIL 2018 (Cont'd)

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

A16 SIGNIFICANT RELATED PARTY TRANSACTIONS

	Current Quarter 3 months ended		Cumulative Quarter 6 months ended	
	30 Apr 2018 RM'000	30 Apr 2017 RM'000	30 Apr 2018 RM'000	30 Apr 2017 RM'000
Transactions with jointly controlled entity				
Management fees income	(168)	(143)	(328)	(278)
Transactions with related parties				
Purchases of stocks	158	149	331	292
Office rental expense	18	18	36	36
Hostel rental expense	17	17	34	35
Advertising and promotion income	(115)	-	(115)	-

B. COMPLIANCE WITH APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B1 REVIEW OF PERFORMANCE

Review of current quarter performance

For the quarter ended 30 April 2018, Mynews recorded revenue of RM94.18 million, an increase of RM14.92 million or 18.8% compared with RM79.26 million in the preceding year's corresponding quarter. Gross profit for the current quarter was RM36.42 million with a margin of 38.7%, an increase of RM6.30 million or 20.9% compared with RM30.12 million or 38.0% in the same quarter of the preceding year. The improved performance was attributed to the growth in stores number, better products mix and the higher other operational income.

The operating expenses which comprised principally establishment, staff and marketing costs amounted to RM27.07 million, an increase of RM5.11 million or 23.3% compared with RM21.96 million in the preceding year's corresponding quarter. This was in tandem with the increase in the number of outlets to 385 stores compared to 325 as at 30 April 2017.

In summary, Mynews ended its second quarter 2018 with profit before taxation of RM8.63 million, RM1.04 million or 13.6% better than the RM7.59 million reported for the preceding year's corresponding quarter.

NOTES TO INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 APRIL 2018 (Cont'd)

B. COMPLIANCE WITH APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (Cont'd)

B1 REVIEW OF PERFORMANCE

Review of six-months period performance

For the period ended 30 April 2018, Mynews' revenue was RM184.31 million, an increase of RM28.81 million or 18.5% over its 2017's corresponding period of RM155.49 million. Its gross profit margin was 38.1% and profit before tax was RM16.58 million compared to the corresponding period of 2017 of 37.0% and RM15.64 million respectively. Operating expenses were at RM52.36 million, an increase of RM11.29 million or 27.5% compared to the same period of the preceding year of RM41.07 million, in line with the increased business volume and outlets network coupled with the expenditure to prepare for the ready-to-eat food offerings.

B2 MATERIAL CHANGES IN THE PROFIT BEFORE TAXATION FOR THE CURRENT QUARTER AS COMPARED WITH THE IMMEDIATE PRECEDING QUARTER

Revenue for the current quarter of RM94.18 million was higher by RM4.06 million or 4.5% compared with RM90.12 million in the immediate preceding quarter. Gross profit increased by RM2.56 million or 7.6%, with an improved average gross margin from 37.6% to 38.7%.

Profit before taxation for the current quarter was RM8.63 million, an increase of RM0.67 million or 8.5% compared with RM7.95 million in the immediate preceding quarter. This was mainly contributed by the higher revenue from more outlets (385 vs 366) and the improved margins which was mitigated by higher operating costs, mainly higher staff costs and rental on larger premises to support the expanding business.

B3 PROSPECTS

This is a transformation year for Mynews to improve and innovate its business concept. The transformation initiatives will take Mynews to the next level and become more competitive.

Mynews has recently relocated its corporate office to its newly acquired premises in Kota Damansara wherein the food processing centre ("FPC") is to be constructed. The FPC is expected to be ready by early 2019. Mynews will continue to grow the number of stores to reach more customers so that Malaysians will truly experience the convenience of having a good neighbourhood convenience store serving them.

The Board is confident on the growth and sustainability of Mynews' business.

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NOTES TO INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 APRIL 2018 (Cont'd)

B. COMPLIANCE WITH APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (Cont'd)

B4 VARIANCE OF ACTUAL PROFIT FROM PROFIT FORECAST AND PROFIT GUARANTEE

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

B5 NOTES TO THE CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Current Quarter 3 months ended		Cumulative Quarter 6 months ended	
	30 Apr 2018 RM'000	30 Apr 2017 RM'000	30 Apr 2018 RM'000	30 Apr 2017 RM'000
Profit before tax is arrived at after charging:				
Depreciation of property, plant and equipment	1,804	1,446	3,552	2,783
Property, plant and equipment written off	137	215	232	348
Interest expense	104	110	208	226
Bad debts written off	-	-	9	-
And after crediting:				
Interest Income	(62)	(34)	(131)	(76)
Dividend income from other investments	(541)	(599)	(1,252)	(1,260)
Unrealised foreign exchange gain	(9)	(5)	(9)	(5)
Net gain on disposal of property, plant and equipment	(8)	(12)	(8)	(8)

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

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NOTES TO INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 APRIL 2018 (Cont'd)

B. COMPLIANCE WITH APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (Cont'd)

B6 TAX EXPENSE

	Current Quarter 3 months ended		Cumulative Quarter 6 months ended	
	30 Apr 2018 RM'000	30 Apr 2017 RM'000	30 Apr 2018 RM'000	30 Apr 2017 RM'000
Income tax expense:				
Provision for current period	1,799	1,362	3,448	3,061
Deferred tax:				
Provision for current period	-	30	(37)	20
Overprovision in prior year	-	-	-	-
Total tax expense	1,799	1,392	3,411	3,081

Tax expense is recognised based on management's best estimates. The Group's effective tax rate is lower than the Malaysian's statutory tax rate because one of its wholly-owned subsidiaries is a MSC status company which enjoys certain tax incentives.

B7 STATUS OF CORPORATE PROPOSAL

There was no other corporate proposal during the period under review.

B8 UTILISATION OF PROCEEDS

The status of utilisation of the proceeds from the corporate exercises as at 30 April 2018 was as follows:

(a) Initial public offering of 80,620,000 new ordinary shares at RM1.10 per share in March 2016

	Purpose	Proposed Utilisation RM'000	Actual Utilisation RM'000	Deviation RM'000	Balance RM'000	Estimated Timeframe for Utilisation
a)	Capital expenditure	50,000	57,581	(7,581)	-	Within 36 months (until 28 March 2019)
b)	Working capital	32,230	24,712	7,518	-	
c)	Listing expenses	6,450	6,387	63	-	
	Total	**88,680**	**88,680**	**-**	**-**	

NOTES TO INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 APRIL 2018 (Cont'd)

B. COMPLIANCE WITH APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (Cont'd)

B8 UTILISATION OF PROCEEDS (Cont'd)

(b) Private placement of 31,007,000 new ordinary shares at RM2.33 per share in October 2017

	Purpose	Proposed Utilisation RM'000	Actual Utilisation RM'000	Deviation RM'000	Balance RM'000	Estimated Timeframe for Utilisation
a)	Acquisition of property	50,000	50,000	-	-	
b)	Investment in food preparation and packaging facilities*	19,116	-	(31)	19,085	Within 12 months (until 31 October 2018)
c)	Private placement and other proposal expenses	3,130	3,161	31	-	
	Total	**72,246**	**53,161**	**-**	**19,085**	

* The proceeds are for the capital injection into the 51% owned subsidiaries, Mynews Kineya Sdn Bhd and Mynews Ryoyupan Sdn Bhd. It is expected that the paid-up share capital of the companies shall be RM25.00 million and RM8.00 million respectively by the end of third quarter ending 31 July 2018. Mynews' contribution will be RM12.75 million for Mynews Kineya Sdn Bhd and RM4.08 million for Mynews Ryoyupan Sdn Bhd.

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NOTES TO INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 APRIL 2018 (Cont'd)

B. COMPLIANCE WITH APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (Cont'd)

B9 BORROWINGS AND DEBT SECURITIES

The Group's borrowings as at 30 April 2018 are as follows:

	Unaudited As at 30 Apr 2018 RM'000	Audited As at 31 Oct 2017 RM'000
Short term borrowings – Secured		
Term loans	1,414	1,414
Finance lease liabilities	386	290
	1,800	1,704
Long term borrowings – Secured		
Term loans	4,323	5,500
Finance lease liabilities	933	751
	5,256	6,251
Total borrowings – Secured		
Term loans	5,737	6,914
Finance lease liabilities	1,319	1,041
	7,056	7,955

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

B10 MATERIAL LITIGATION

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

B11 DIVIDEND

The Board of Directors has approved an interim single tier dividend of 1.00 sen per ordinary share amounting to RM6.82 million for the financial year ending 31 October 2018. The entitlement and payment dates will be announced at a later date.

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NOTES TO INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 APRIL 2018 (Cont'd)

B. COMPLIANCE WITH APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (Cont'd)

B12 EARNINGS PER SHARE

	Current Quarter 3 months ended		Cumulative Quarter 6 months ended	
	30 Apr 2018	**30 Apr 2017**	**30 Apr 2018**	**30 Apr 2017**
Profit attributable to owners of the Company (RM'000)	6,829	6,201	13,171	12,563
Weighted average number of ordinary shares in issue ('000)	682,154	310,070	682,154	310,070
Basic earnings per share (sen)	1.00	2.00	1.93	4.05

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

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