



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 third quarter ended 31 July 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 THIRD QUARTER ENDED 31 JULY 2018**

i) Current quarter and financial year to date

	Current Quarter				Cumulative Quarters			
	3 months ended		Changes		9 months ended		Changes	
	31 Jul 2018 RM'000	31 Jul 2017 RM'000	Fav/(Unfav) RM'000	%	31 Jul 2018 RM'000	31 Jul 2017 RM'000	Fav/(Unfav) RM'000	%
Revenue	97,882	81,708	16,174	19.8	282,187	237,199	44,988	19.0
Cost of sales	(60,555)	(51,273)	(9,282)	(18.1)	(174,588)	(149,214)	(25,374)	(17.0)
Gross profit	37,327	30,435	6,892	22.6	107,599	87,985	19,614	22.3
Other income	709	444	265	59.7	2,454	2,077	377	18.2
Operating expenses	(27,940)	(21,117)	(6,823)	(32.3)	(80,307)	(62,188)	(18,119)	(29.1)
Other expenses	(2,287)	(2,050)	(237)	(11.6)	(6,072)	(5,190)	(882)	(17.0)
Finance costs	(99)	(108)	9	8.3	(307)	(334)	27	8.1
Share of profit in jointly controlled entity	611	395	216	54.7	1,534	1,290	244	18.9
Profit before tax	8,321	7,999	322	4.0	24,901	23,640	1,261	5.3
Tax expense	(1,056)	(1,824)	768	42.1	(4,466)	(4,905)	439	9.0
Profit after tax, representing comprehensive income for the period	7,265	6,175	1,090	17.7	20,435	18,735	1,700	9.1
Profit attributable to:								
Owners of the Company	7,265	6,175	1,090	17.7	20,435	18,735	1,700	9.1
Non-controlling interest	-	-	-	-	-	-	-	-
	7,265	6,175	1,090	17.7	20,435	18,735	1,700	9.1
Basic earnings per ordinary share (sen) (Note B12)	1.06	1.99	(0.93)	(46.7)	3.00	6.04	(3.04)	(50.3)

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THIRD QUARTER ENDED 31 JULY 2018 (Cont'd)**

ii) Current quarter compared with immediate preceding quarter

	Current Quarter 31 Jul 2018	Immediate Preceding Quarter 30 Apr 2018	Changes Fav/(Unfav)	
	RM'000	RM'000	RM'000	%
Revenue	97,882	94,181	3,701	3.9
Cost of sales	(60,555)	(57,766)	(2,789)	(4.8)
Gross profit	37,327	36,415	912	2.5
Other income	709	766	(57)	(7.4)
Operating expenses	(27,940)	(27,070)	(870)	(3.2)
Other expenses	(2,287)	(1,934)	(353)	(18.3)
Finance costs	(99)	(104)	5	4.8
Share of profit in jointly controlled entity	611	555	56	10.1
Profit before tax	8,321	8,628	(307)	(3.6)
Tax expense	(1,056)	(1,799)	743	41.3
Profit after tax, representing comprehensive income for the period	7,265	6,829	436	6.4
Profit attributable to:				
Owners of the Company	7,265	6,829	436	6.4
Non-controlling interest	-	-	-	-
	7,265	6,829	436	6.4
Basic earnings per ordinary share (sen)	1.06	1.00	0.06	6.0

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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 JULY 2018**

	Notes	Unaudited 31 July 2018 RM'000	Audited 31 October 2017 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment		147,543	80,595
Investment in jointly controlled entity		6,154	4,620
Other investments	2	5	5
Fixed deposits with licensed banks		800	800
Total non-current assets		154,502	86,020
Current assets			
Inventories	1	38,610	31,726
Trade receivables		7,090	10,652
Other receivables		35,725	31,460
Amount due from jointly controlled entity		456	1,201
Other investments	2	60,778	105,735
Deposits with licensed banks		1,028	1,028
Cash and bank balances		27,802	22,006
Total current assets		171,489	203,808
Total assets		325,991	289,828

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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 JULY 2018 (Cont'd)**

	Notes	Unaudited 31 July 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		97,876	77,441
Equity attributable to owner		<u>262,066</u>	<u>241,631</u>
Non-controlling interest		16,170	-
Total equity		<u>278,236</u>	<u>241,631</u>
LIABILITIES			
Non-current liabilities			
Bank borrowings		3,606	5,500
Finance lease liabilities		875	751
Deferred tax liabilities		2,712	2,749
Total non-current liabilities		<u>7,193</u>	<u>9,000</u>
Current liabilities			
Trade payables		29,432	23,022
Other payables		8,383	13,424
Amount due to related parties		-	61
Bank borrowings		1,414	1,414
Finance lease liabilities		353	290
Tax payable		980	986
Total current liabilities		<u>40,562</u>	<u>39,197</u>
Total liabilities		<u>47,755</u>	<u>48,197</u>
Total equity and liabilities		<u>325,991</u>	<u>289,828</u>
Net assets per share (RM)	3	0.41	0.78

Notes:

- 1 Included in inventories are foreign currencies equivalent to RM185,000 held for the money changing business.
- 2 Other investments comprised placement in money market instrument funds (RM60,778,000) and Real Estate Investment Trust (RM5,000).
- 3 Computed based on weighted average number of shares as reported in Note B12.



**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE THIRD QUARTER ENDED 31 JULY 2018**

	← Attributable to owner of the parent →							
	Share Capital	Share Premium	Revaluation Reserve	Merger Deficit	Retained Earnings	Total	Non- Controlling Interest	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
As at 1 November 2016	62,014	67,320	8,561	(45,952)	60,482	152,425	-	152,425
Transfer pursuant to S618(2) of CA 2016 ⁽¹⁾	67,320	(67,320)	-	-	-	-	-	-
Issuance of new shares ⁽²⁾	72,247	-	-	-	-	72,247	-	72,247
Share issuance expenses ⁽³⁾	-	-	-	-	(861)	(861)	-	(861)
Dividends	-	-	-	-	(6,201)	(6,201)	-	(6,201)
Total comprehensive income for the year	-	-	-	-	24,021	24,021	-	24,021
As at 31 October 2017	201,581	-	8,561	(45,952)	77,441	241,631	-	241,631
Total comprehensive income for the period	-	-	-	-	20,435	20,435	-	20,435
Issuance of subsidiary companies shares ⁽⁴⁾	-	-	-	-	-	-	16,170	16,170
As at 31 July 2018	201,581	-	8,561	(45,952)	97,876	262,066	16,170	278,236

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 utilised the credit of RM67,320,000 that was 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 the entitlement date 20 December 2017, 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 then 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.
- (4) This represents the 49% non-controlling interest in Mynews Kineya Sdn Bhd and Mynews Ryoyupan Sdn Bhd which paid-up share capital was increased from RM100 each to RM25.00 million and RM8.00 million respectively in June 2018.



**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE THIRD QUARTER ENDED 31 JULY 2018**

	Cumulative Quarters 9 months ended	
	31 Jul 2018	31 Jul 2017
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	24,901	23,640
Adjustments for:		
Depreciation of property, plant and equipment	5,708	4,306
Bad debts written off	9	-
Net (loss)/gain on disposal of property, plant and equipment	(11)	34
Dividend income from other investments	(1,724)	(1,514)
Interest expense	307	334
Share of profit in jointly controlled entity	(1,534)	(1,290)
Property, plant and equipment written off	367	848
Interest income	(178)	(127)
Operating profit before working capital changes	<u>27,845</u>	<u>26,231</u>
Changes in working capital		
Increase in inventories	(6,884)	(4,668)
Increase in receivables	(703)	(3,812)
Increase in payables	(4,237)	(5,340)
Decrease in amount due to a director	-	(36)
Decrease/(Increase) in amount due from jointly controlled entity	745	(7)
Decrease in amount due to related parties	(61)	(46)
Cash generated from operations	<u>16,705</u>	<u>12,322</u>
Tax paid	(4,509)	(4,121)
Net cash generated from operating activities	<u>12,196</u>	<u>8,201</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Dividend income from other investments	1,724	1,051
Proceeds from disposal of property, plant and equipment	173	113
Purchase of property, plant and equipment	(67,589)	(17,317)
Upliftment of funds in other investments	44,957	11,994
Placement of fixed deposits	-	(70)
Interest income	178	53
Net cash used in investing activities	<u>(20,557)</u>	<u>(4,176)</u>



**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE THIRD QUARTER ENDED 31 JULY 2018 (Cont'd)**

	Cumulative Quarters 9 months ended	
	31 Jul 2018	31 Jul 2017
	RM'000	RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(307)	(334)
Repayment of term loans	(1,894)	(991)
Proceeds from issue of subsidiary companies shares to non-controlling interest	16,170	-
Drawdown/(Repayment) of finance lease liabilities	187	(340)
Net cash generated/(used in) financing activities	<u>14,156</u>	<u>(1,665)</u>
Net increase in cash and cash equivalents	5,795	2,358
Cash and cash equivalents at 1 November	<u>23,034</u>	<u>16,074</u>
Cash and cash equivalents at 31 July	<u>28,829</u>	<u>18,432</u>
Reconciliation of cash and cash equivalents		
Cash and bank balances	27,802	17,409
Deposits with licensed banks	<u>1,828</u>	<u>1,828</u>
	29,630	19,237
Less: Deposits pledged to licensed banks	<u>(801)</u>	<u>(805)</u>
	<u>28,829</u>	<u>18,432</u>

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NOTES TO INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 31 JULY 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 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”). It should be read in conjunction with the audited financial statements of Mynews for the financial year ended 31 October 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 had been issued but yet to be 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 THIRD QUARTER ENDED 31 JULY 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
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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.

The Group has not earlier adopted any of the new or revised standards and amendments to standards that had been issued but yet to be 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 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.

NOTES TO INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 31 JULY 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 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

- a) The Company announced on 13 August 2018 that Mynews Retail Sdn Bhd, its 100% owned subsidiary company had on even date entered into two (2) separate Sale & Purchase Agreements with Mr. Samuel Dang Kuok Wee and Mr. Dang Kuok Ian individually to dispose 2 units of 1 ½ storeys factory lot in Kepong Industrial Park for a cash consideration of RM1.70 million each. These properties were previously used as its head office and the purchasers are sons of Mr. Dang Tai Hock who is a non-independent non-executive director of the Company. The disposal of the said properties was completed on 29 August 2018.
- b) The construction of the food processing centre in Kota Damansara has commenced and is expected to be completed by the end of first quarter 2019.

NOTES TO INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 31 JULY 2018 (Cont'd)

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

A12 CHANGES IN COMPOSITION OF THE GROUP

There was no changes in composition of the Group during the financial quarter under review except for the increase in paid-up share capital in the following 51% owned subsidiary companies:

- a) Mynews Ryoyupan Sdn Bhd to RM8.00 million from RM100 and
- b) Mynews Kineya Sdn Bhd to RM25.00 million from RM100.

A13 CONTINGENT LIABILITIES OR CONTINGENT ASSETS

There were no contingent assets as at 31 July 2018.

The contingent liabilities of the Group as at 31 July 2018 comprised bank guarantees totalling RM754,000 issued as security deposits in respect of tenancy of outlets of the jointly controlled entity and subsidiary companies and security deposit for the money remittance business.

A14 CAPITAL COMMITMENTS

The capital commitments of the Group as at 31 July 2018 were as follows:

	RM'000
Authorised and contracted for:	
- Purchase of property, plant and equipment	3,917
- Investment in joint venture company	6,120
	10,037
	10,037

A15 PROPERTY, PLANT AND EQUIPMENT

For the nine (9) months ended 31 July 2018, the Group acquired assets at the cost of RM73.35 million, which comprised RM50.00 million for the new premises at Kota Damansara; with the balance of RM23.35 million for renovations, furniture and fittings, equipment and computers that were used for the setting up of new outlets and the Johor Bahru Distribution Centre.

NOTES TO INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 31 JULY 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 9 months ended	
	31 Jul 2018	31 Jul 2017	31 Jul 2018	31 Jul 2017
	RM'000	RM'000	RM'000	RM'000
Transactions with jointly controlled entity				
Management fees income	(178)	(143)	(506)	(421)
Transactions with related parties				
Purchases of stocks	149	119	480	411
Office rental expense	6	18	42	54
Hostel rental expense	19	17	53	52
Advertising and promotion income	-	(58)	(115)	(58)

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 31 July 2018, Mynews recorded a revenue of RM97.88 million, an increase of RM16.17 million or 19.8% compared with RM81.71 million in the preceding year's corresponding quarter. Gross profit for the current quarter was RM37.33 million with a margin of 38.1%, an increase of RM6.89 million or 22.6% compared with RM30.44 million or 37.2% respectively in the same quarter of the preceding year. The improved performance was attributed to the growth in stores number, better products mix and a higher other operational income.

The operating expenses which comprised principally of establishment, staff and marketing costs amounted to RM27.94 million, an increase of RM6.82 million or 32.3% compared with RM21.12 million in the preceding year's corresponding quarter. Included in the operating expenses were RM0.65 million being the relocation expenses to the new Head Office, the higher establishment costs, and the cost of commencing the operations of the Johor Bharu Distribution Centre. Apart from this, the operating expenses were in tandem with the increase in the number of outlets to 404 stores from 338 as at 31 July 2017.

Mynews ended its third quarter 2018 with profit before taxation of RM8.32 million, RM0.32 million or 4.0% better than the RM8.00 million reported for the preceding year's corresponding quarter.



NOTES TO INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 31 JULY 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 (Cont'd)

Review of nine-months period performance

For the period ended 31 July 2018, Mynews' revenue was RM282.19 million, an increase of RM44.99 million or 19.0% over its 2017's corresponding period of RM237.20 million. Its gross profit margin was 38.1% and profit before tax was RM24.90 million compared to the corresponding period of 2017 of 37.1% and RM23.64 million respectively. Operating expenses were at RM80.31 million, an increase of RM18.12 million or 29.1% compared to the same period of the preceding year of RM62.19 million, in line with the increased business volume and outlets network and for expenditure to prepare for the ready-to-eat food project.

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

Revenue for the current quarter of RM97.88 million was higher by RM3.70 million or 3.9% compared with RM94.18 million in the immediate preceding quarter. Gross profit increased by RM0.91 million or 2.5%, with average gross margin of 38.1% compared to 38.7%.

Profit before taxation for the current quarter was RM8.32 million, a decrease of RM0.31 million or 3.6% compared with RM8.63 million in the immediate preceding quarter. This was mainly due to higher operating costs attributed by the higher staff costs, rental expense of having larger outlets to support the expanding business, and the expenses incurred for the bigger Head Office premises and the new Johor Bharu Distribution Centre plus relocation expenses, despite higher revenue from more outlets (404 vs 385).

B3 PROSPECTS

Mynews' transformation initiatives to take it to the next level and to become more competitive are proceeding on schedule. The food processing centre is expected to be ready by the end of first quarter 2019. The target of new outlets opening for the current financial year remains at 90.

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

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NOTES TO INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 31 JULY 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		Cumulative Quarter	
	3 months ended		9 months ended	
	31 Jul	31 Jul	31 Jul	31 Jul
	2018	2017	2018	2017
	RM'000	RM'000	RM'000	RM'000
Profit before tax is arrived at after charging:				
Depreciation of property, plant and equipment	2,156	1,524	5,708	4,306
Property, plant and equipment written off	135	500	367	848
Interest expense	99	108	307	334
Bad debts written off	-	-	9	-
Unrealised foreign exchange loss	-	5	-	-
And after crediting:				
Interest Income	(47)	(91)	(178)	(127)
Dividend income from other investments	(473)	(254)	(1,724)	(1,514)
(Gain)/Loss on disposal of property, plant and equipment	(3)	-	(11)	34

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 THIRD QUARTER ENDED 31 JULY 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 9 months ended	
	31 Jul 2018	31 Jul 2017	31 Jul 2018	31 Jul 2017
	RM'000	RM'000	RM'000	RM'000
Income tax expense:				
Provision for current period	1,647	1,643	5,094	4,734
Overprovision in prior year	(591)	(179)	(591)	(179)
Deferred tax:				
Provision/(overprovision) for current period	-	360	(37)	350
Total tax expense	1,056	1,824	4,466	4,905

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 corporate proposal during the period under review.

B8 UTILISATION OF PROCEEDS

The status of utilisation of the proceeds from the corporate exercises as at 31 July 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 THIRD QUARTER ENDED 31 JULY 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	16,830	(31)	2,255	Within 12 months (until 31 October 2018)
c)	Private placement and other proposal expenses	3,130	3,161	31	-	
	Total	72,246	69,991	-	2,255	

* The proceeds are for the capital injection into the 51% owned subsidiary companies, namely, Mynews Kineya Sdn Bhd and Mynews Ryoyupan Sdn Bhd. The share capital of the companies was increased to RM25.00 million and RM8.00 million respectively in the month of June 2018. Mynews' contribution of RM16.83 million comprised 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 THIRD QUARTER ENDED 31 JULY 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 31 July 2018 are as follows:

	Unaudited As at 31 Jul 2018 RM'000	Audited As at 31 Oct 2017 RM'000
Short term borrowings – Secured		
Term loans	1,414	1,414
Finance lease liabilities	353	290
	1,767	1,704
Long term borrowings – Secured		
Term loans	3,606	5,500
Finance lease liabilities	875	751
	4,481	6,251
Total borrowings – Secured		
Term loans	5,020	6,914
Finance lease liabilities	1,228	1,041
	6,248	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 had on 20 June 2018 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 which was paid on 15 August 2018.



NOTES TO INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 31 JULY 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 Quarters 9 months ended	
	31 Jul 2018	31 Jul 2017	31 Jul 2018	31 Jul 2017
Profit attributable to owners of the Company (RM'000)	7,265	6,175	20,435	18,735
Weighted average number of ordinary shares in issue ('000)	<u>682,154</u>	<u>310,070</u>	<u>682,154</u>	<u>310,070</u>
Basic earnings per share (sen)	<u>1.06</u>	<u>1.99</u>	<u>3.00</u>	<u>6.04</u>

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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