



MYNEWS HOLDINGS BERHAD ANNUAL REPORT 2018



MYNEWS HOLDINGS BERHAD
(1039846-T)

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w www.mynews.com.my

[mynews.com](https://www.facebook.com/mynews.com) [mynewsdotcom](https://www.instagram.com/mynewsdotcom)

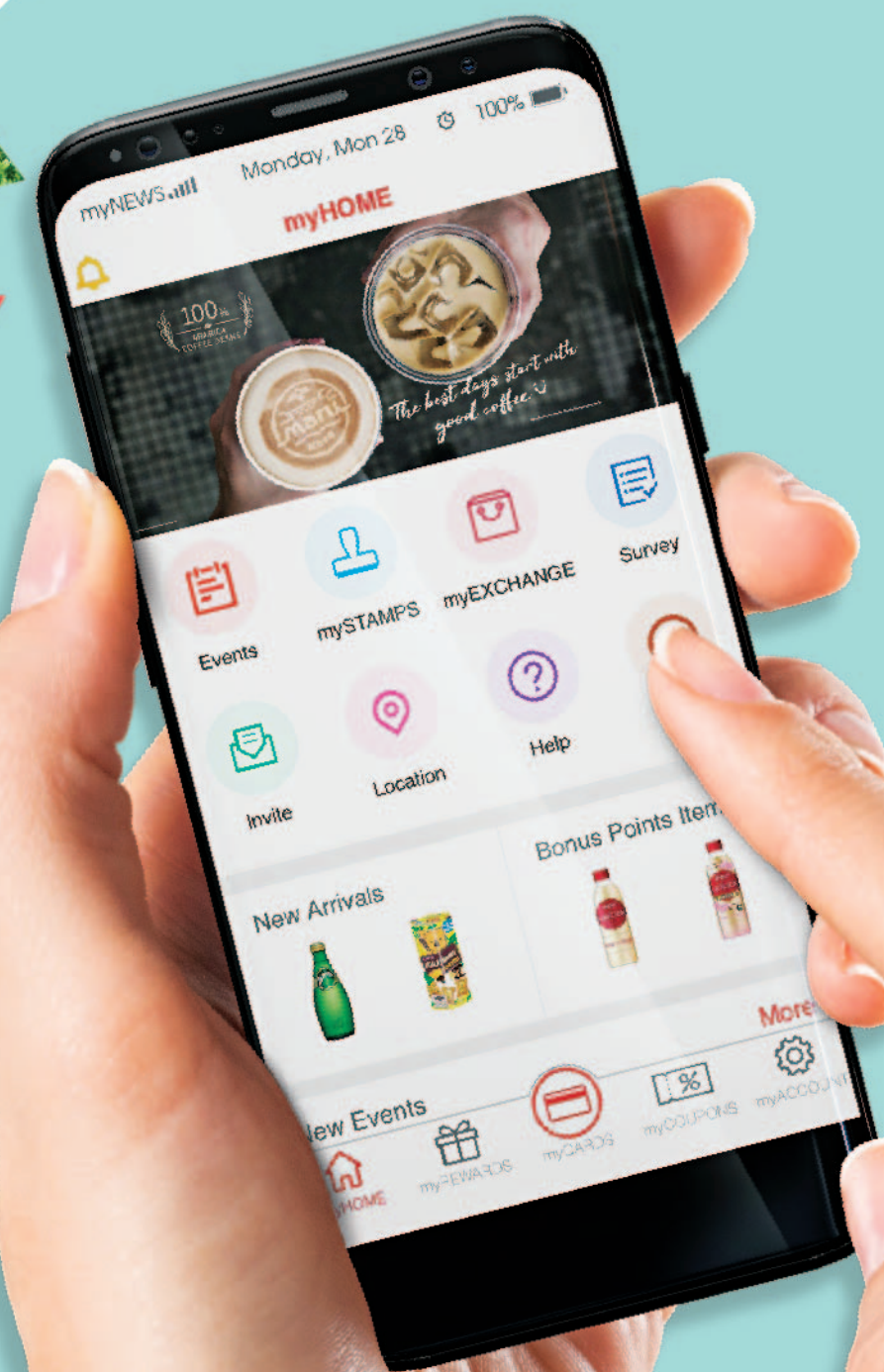


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Mynews Holdings Berhad (“Mynews” or “Company”) is an investment holding company established on 26 March 2013 as a private limited company. It was listed on the Main Market of Bursa Malaysia Securities Berhad (“Bursa Securities”) as Bison Consolidated Berhad on 29 March 2016. Its current name was adopted on 11 December 2017 in line with the Group’s retail business ‘myNEWS’ branding.

Mynews has grown from its first print media outlet, MAGBIT at One Utama in 1996 into a press and retail convenience outlet chain. In 1997, “myNEWS.com” brand name was launched with the first outlet at Mid-Valley Megamall. To date, the wholly-owned subsidiaries of Mynews are involved in the following businesses:

- **Mynews Retail Sdn Bhd, Eemerge Incorporated Sdn Bhd and Mynews Kuku Sdn Bhd**
Press and retail convenience chain outlets
- **Bison Foods Sdn Bhd**
Dine-in Café offering a variety of delightful local favorites
- **DKE Technology Sdn Bhd**
Information Technology (“IT”) support services
- **Mynews Management Sdn Bhd**
Management services
- **Mynews Food Sdn Bhd**
Investment holding in food related businesses, namely, Mynews Kineya Sdn Bhd and Mynews Ryoyupan Sdn Bhd

It gained international recognition since 2012 through its partnership with WH Smith Travel Ltd, a UK based leading retailer. The 50:50 partnership named WH Smith Malaysia Sdn Bhd operates WH Smith outlets at Malaysia’s international airports.

In May 2016, the myNEWS.com brand name was licensed to two (2) outlets at the Yangon International Airport in Myanmar.

On 5 October 2017, Mynews further reaffirmed its standing as a credible and recognized global brand name in joint-investment projects with leading Japanese food industry players to produce premium quality Halal food products to serve Mynews outlets. Mynews Food Sdn Bhd will draw upon more than 50 years of industry experience and expertise from its partners.

These joint-venture manufacturing projects will complete a fully integrated Mynews Halal food supply chain that will conform to the Halal requirements from source to the point of consumer purchase. The joint venture companies are:

- **Mynews Kineya Sdn Bhd**
Mynews Food Sdn Bhd in collaboration with renowned Japanese company Gourmet Kineya Co. Limited, will manufacture Halal-certified Ready-To-Eat meals.
- **Mynews Ryoyupan Sdn Bhd**
Mynews Food Sdn Bhd in partnership with a leading and reputable Japanese bakery, Ryoyu Baking Co. Ltd. will produce fresh and the finest quality Halal bakery products.

Mynews is a truly 100% Malaysian home-grown brand that brings quality products, convenience and excellent shopping experience closer and closer to all Malaysians.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Ding Lien Bing

Independent
Non-Executive Chairman

Soon Dee Hwee

Senior Independent
Non-Executive Director

Dang Tai Luk

Executive Director/
Chief Executive Officer

Dang Tai Hock

Non-Independent
Non-Executive Director

Dang Tai Wen

Executive Director/
Deputy Chief Executive Officer

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

Dang Tai Hock
Soon Dee Hwee

NOMINATING COMMITTEE

Chairman Ding Lien Bing

Members

Soon Dee Hwee
Mohd Suffian Bin Suboh

RISK MANAGEMENT COMMITTEE

Chairman Dang Tai Hock

Members

Ding Lien Bing
Mohd Suffian Bin Suboh

COMPANY SECRETARIES

Chong Siew Hoong (MIA 5062)
Chooi Sook Yee (MIA 35532)

REGISTERED OFFICE & PRINCIPAL PLACE OF BUSINESS

Lot No.3, Jalan Teknologi 3/1
Taman Sains Selangor 1
Seksyen 3, PUJ 5, Kota Damansara
47810 Petaling Jaya
Selangor Darul Ehsan
Malaysia
Tel No. : +603 6158 6000
Fax No. : +603 6158 6111

PRINCIPAL BANKERS

Hong Leong Bank Berhad
CIMB Bank Berhad

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

Boardroom Share Registrars Sdn Bhd
(formerly known as Symphony Share Registrars Sdn Bhd)
Level 6, Symphony House
Pusat Dagangan Dana 1
Jalan PUJ 1A/46
47301 Petaling Jaya
Selangor Darul Ehsan
Malaysia
Tel : +603 7849 0777
Fax : +603 7841 8151/52

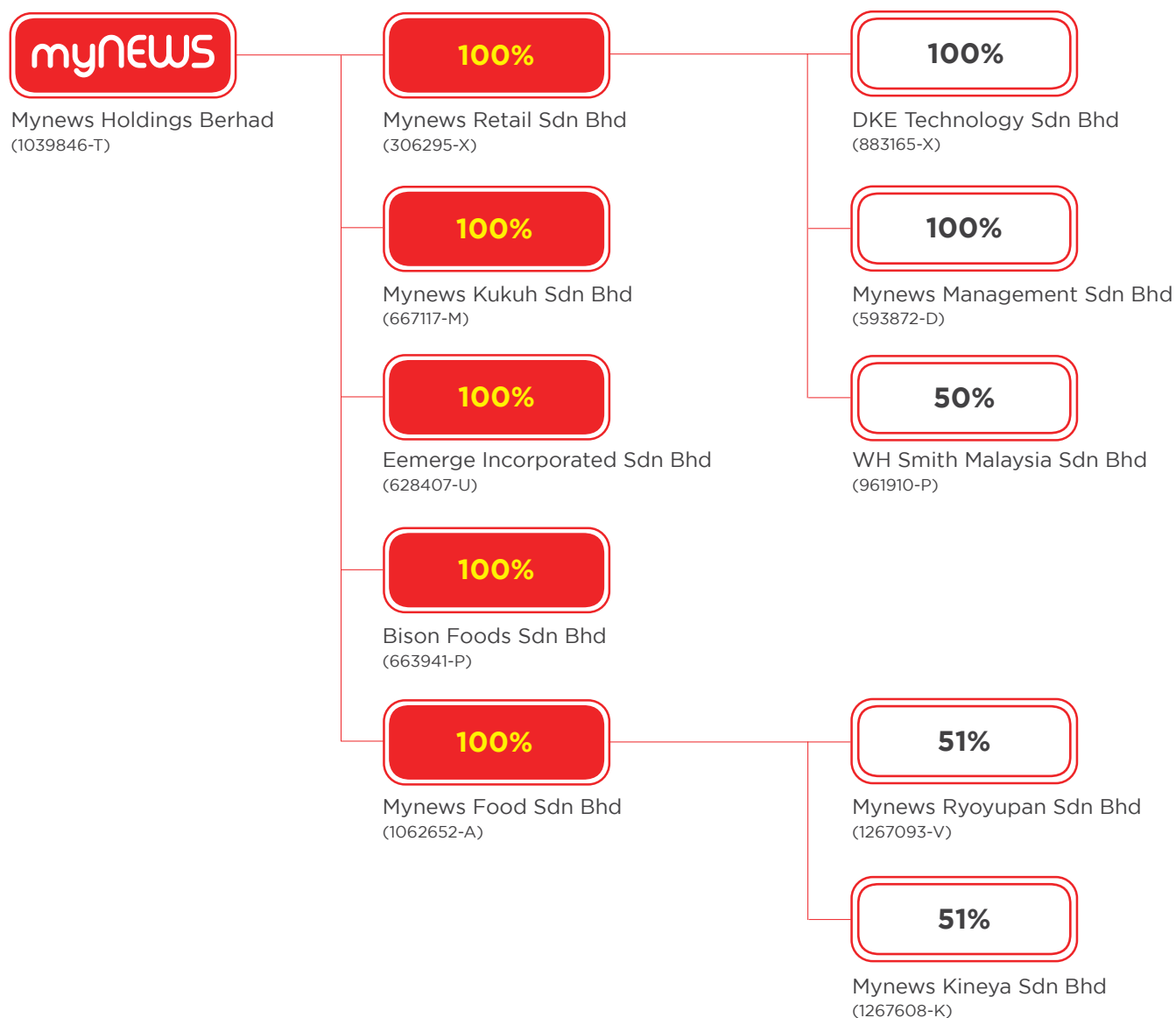
STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia
Securities Berhad
Stock Name : Mynews
Stock Code : 5275
Sector : Consumer products and services
Sub-sector : Retailers

WEBSITE

www.mynews.com.my

CORPORATE STRUCTURE



CORPORATE MILESTONES


1996

- 1st outlet - MAGBIT


1997

- 1st contemporary press and convenience retail outlet - myNEWS.com


1999

- 10th outlet


2007

- 100th outlet


2009

- The Most Promising Brand and Best Brands in Press Retail 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


2012

- Equal joint venture with WH Smith Travel Limited to set up and operate "WH Smith" outlets within Malaysian international airports
- 150th outlet


2013

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


2014

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


2015

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


2016

- 300th outlet
- Listed on the Main Market of Bursa Securities
- Licensed 2 myNEWS.com stores in Myanmar
- Registered as franchisor of myNEWS.com brand


2017

- Collaboration with Gourmet Kineya Co. Ltd and Ryoyu Baking Co. Ltd. to produce Ready-To-Eat food and bakery products
- Acquired new headquarters at Kota Damansara
- Received the Investor Relations Award 2017 for Best IR for an IPO in 2016 by the Malaysian Investor Relations Association


2018

- 400th outlet
- Launched myNEWS Loyalty Programme nationwide, the first in the convenience retail segment
- Mynews headquarters relocated to Kota Damansara

MYNEWS HEADQUARTERS @ KOTA DAMANSARA



BOARD OF DIRECTORS

From left to right:

DANG TAI LUK

Executive Director/
Chief Executive Officer

DANG TAI WEN

Executive Director/
Deputy Chief Executive Officer

SOON DEE HWEE

Senior Independent
Non-Executive Director

MOHD SUFFIAN BIN SUBOH

Independent
Non-Executive Director

DING LIEN BING

Independent
Non-Executive Chairman

DANG TAI HOCK

Non-Independent
Non-Executive Director



BOARD OF DIRECTORS



DIRECTORS' PROFILE

DING LIEN BING

("Mr John Ding")

Independent Non-Executive Chairman
Male • Malaysian • 59 years old

Mr John 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 and Risk Management Committee.

Mr John Ding, is a qualified Chartered Accountant of the Association of Chartered Certified Accountants (UK) and a member of the Malaysian Institute of Accountants. He was previously attached to MBf Holdings Berhad Group ("MBfH") for more than twenty (20) years, from 1988 until 2010. During that period, he 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 John Ding started in MBfH as a Finance Manager with MBF Cards (M'sia) Sdn Bhd ("MBF Cards"), 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 were both listed on Bursa Securities. Upon re-joining MBfH, Mr John Ding assumed a dual role as President of MBF Cards and Chief Financial Officer of MBfH.

In January 2011, Mr John Ding left MBfH to join MBf Corporation Berhad ("MBf Corp"). Currently, he 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 properties investment. Mr John 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.

DANG TAI LUK

("Mr Luk")

Executive Director • Chief Executive Officer
Male • Malaysian • 59 years old

Mr Luk was appointed to the Board on 5 February 2015 and re-designated as 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 systems and computer network support. During those years, Mr Luk was attached to the Hongkong & Shanghai Bank Malaysia and the Development Bank of Singapore and Gendis Inc Canada.

Mr Luk left employment to be an entrepreneur and together with his family opened their first newsstand under the name of "MAGBIT" on 25 December 1996. This newsstand business evolves with time to be now a convenience store chain operating under different tradenames, most predominantly myNEWS.com. This homegrown myNEWS.com convenience store chain which has gained recognition, locally and abroad now comprises of more than 450 outlets.

DANG TAI WEN

("Mr Wen")

Executive Director • Deputy Chief Executive Officer
Male • Malaysian • 45 years old

Mr Wen was appointed to the Board on 25 April 2013 and is currently the Deputy Chief Executive 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 after his stint as an architect. He has accumulated more than twenty (20) years of experience in the press and retail convenience sector.

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

DANG TAI HOCK

("Mr Hock")

Non Independent Non-Executive Director
Male • Malaysian • 61 years old

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. He is also the Chairperson of the Risk Management Committee and a member of the Remuneration Committee.

Mr Hock graduated with a Bachelor of Science Degree from University of Manitoba, Canada in 1982 and a Bachelor of Arts Degree 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 National Sales Manager in 1988. Thereafter, he joined Federal Express Services (M) Sdn Bhd ("FedEx") in 1988 as their 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. He was 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 natural rubber and palm oil.

SOON DEE HWEE

("Ms Soon")

Senior Independent Non-Executive Director
Female • Malaysian • 58 years old

Ms Soon, a 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 was attached to Bumiputra Merchant Bankers Berhad, Alliance Investment Bank Berhad and Hwang DBS Investment Bank Berhad. Prior to that she had been in the auditing field attached to Messrs. Hanafiah Raslan & Mohd and subsequently Messrs KPMG. She is currently the Senior Vice President of HDM Capital Sendirian Berhad.

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

MOHD SUFFIAN BIN SUBOH

("En Suffian")

Independent Non-Executive Director
Male • Malaysian • 42 years old

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, Nominating Committee and Risk Management 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 Petroliaam 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.

Additional Information**1. Directorship in Public Companies and Listed Issuers**

Save as disclosed for Mr John 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 57.43% of the issued and paid-up share capital of the Company. D&D together with DTK & DTG, collectively hold 62.14% of the issued and paid-up share capital of the Company.

Mr Luk, Mr Wen and Mr Hock are also 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, Mynews Management Sdn Bhd, Mynews Ryoyupan Sdn Bhd and Mynews Kineya Sdn Bhd.

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

3. Conflict of Interest

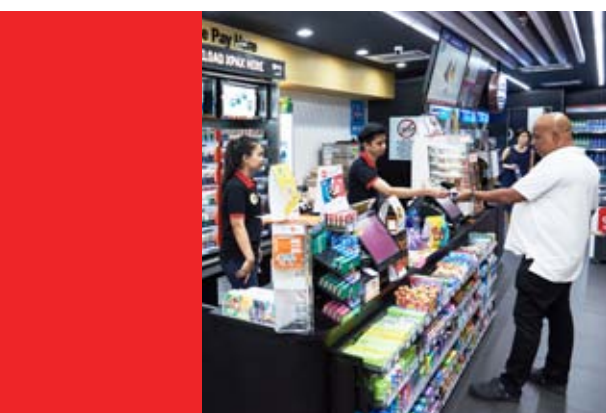
Save as disclosed on pages 60 and 111 in the Annual Report 2018, the other Directors, namely, Mr John Ding, Ms Soon and En Suffian do not have any conflict of interest with Mynews.

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 six (6) meetings convened during the financial year under review.



KEY SENIOR MANAGEMENT

The Key Senior Management comprised of Mr Luk - Chief Executive Officer, Mr Wen - Deputy Chief Executive Officer, whose profiles are included in the Directors' Profile on page 10 as well as the following persons:

AKITO NAKATSUMA

("Mr Akito")

Chief Operating Officer

Male • Japanese • 54 years old

Mr Akito joined Mynews in March 2018 as Chief Operating Officer. He obtained his Bachelor of Art in Modern Economic History from Waseda University in 1989. He has more than 14 years of business consulting experience in the retail and manufacturing sectors.

Prior to joining Mynews, he was the Executive Vice President of a retail store chain in Japan, leading its business transformation for five years.

In the Japan retail store chain, he had built and realised a strategy focusing on 'micro market' model and built in the merchandising and sales processes with big data analysis.

In his role at Mynews, Mr Akito is in charge of the operations of all outlets, merchandising, IT infrastructure, distribution and logistics, market growth and business development.

AZIZAH MOHAMED

("Puan Azizah")

General Manager, Regulatory Compliance

Female • Malaysian • 60 years old

Puan Azizah joined Mynews in February 2018 as General Manager, Regulatory Compliance and Administration.

Puan Azizah graduated with a Diploma in Public Administration from MARA University of Technology in 1980. She has more than 38 years of experience after having served in The Chartered Bank and the Malaysian Investment Development Authority (MIDA) in various aspects of investment promotion, industry support and communication. She also served the Halal Industry Development Corporation (HDC) in the areas of Corporate Affairs, Government Liaison, Stakeholder Management and Communication.

At Mynews, Puan Azizah is in charge of Regulatory Compliance matters for the Group including the authorities related matters.

CHONG SIEW HOONG

("Ms Chong")

Chief Financial Officer

Female • Malaysian • 58 years old

Ms Chong joined Mynews in May 2016 as Joint Company Secretary and assumed her current role in April 2017. She oversees the 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 in 1981 as an articled student with Messrs Hanafiah, Raslan & Mohamad 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 in senior management in two public listed companies with diverse interests, both locally and overseas, ranging from retailing, plantation, motor vehicle distribution to trading, shipping, properties & investment holding, fast food and manufacturing.

LIEW KIAN MENG

("Mr Liew")

General Manager, Operations

Male • Malaysian • 58 years old

Mr Liew joined Mynews in August 2018 as General Manager, Operations. He comes with more than 30 years of experience in human resource, industrial relations, retail management and production management.

Before joining Mynews, he was the General Manager for operations in the largest convenience store retailer in Malaysia.

Mr Liew is qualified with an MBA (Management), University of South Australia and LL.B (Honours), University of London.



from left to right: Puan Azizah, Mr Wen, Mr Liew, Mr Akito, Mr Luk, Ms Chong

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 the Directors and/or major shareholders of the Company.

3. Conflict of Interest

Save for Mr Luk and Mr Wen, the other four (4) key senior management do not have any conflict of interest with the Company.

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.

MYNEWS OUTLET @ BANDAR SUNWAY



MYNEWS OUTLET @ CAP SQUARE



CHAIRMAN'S STATEMENT

Dear Shareholders,

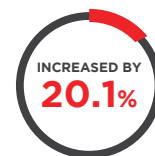
On behalf of the Board of Directors, I am pleased to present the Annual Report and audited Financial Statements of Mynews for the financial year ended 31 October 2018 ("FY 2018").



FY 2018 was an extremely busy and exciting year for Mynews as it embarked on its transformation journey to take the Group to the next level. As a result, the FY 2018 had brought about accomplishments and progresses which included:

- Commissioning of the second distribution centre located in Johor Bahru to serve the outlets in Johor and Melaka;
- Operating a Ready-To-Eat ("RTE") food research and development and small scale production centre by Mynews Kineya Sdn Bhd in a rented Halal food production facility in Serdang, Selangor;
- Acquisition and occupation of the headquarters in Kota Damansara;
- Commencement of the construction of the food processing centre ("FPC") on the premises of the headquarters in Kota Damansara;
- Successful launch of the new "Maru Kafe" concept as a prelude and complement to the RTE food offerings that will be rolled out when the FPC is fully commissioned; and
- Opening of eighty-five (85) new outlets, which was the highest number recorded in its twenty-two (22) years of business operations.

IMPROVEMENT



Revenue
(RM'000)
393,358



Earnings
Per Share
(sen)
3.88

FINANCIAL PERFORMANCE

Mynews is pleased to report another successful performance for FY 2018 despite the uncommon and challenging developments in the economic landscape, such as, the change of government after 62 years, the zero rating of the Goods & Services Tax instead of 6%, reintroduction of the Sales & Services Tax and implementation of minimum wage of RM1,000. Its financial achievement for FY 2018 is as follows:

	FY 2018	FY 2017	Variance	
	RM'000	RM'000	RM'000	%
Revenue	393,358	327,598	65,760	20.1
Profit before tax	32,222	30,696	1,526	5.0
Profit after tax	26,013	24,021	1,992	8.3
Gross profit margin	38.1%	36.8%		130bp
Net profit margin	6.6%	7.3%		-70bp
Return to equity *	10.1%	14.2%	-4.1%	-28.9
Net assets per share (Sen)	40.61	35.42	5.19	14.7
Earnings per share (Sen)	3.88	3.69	0.19	5.1
No. of outlets (includes WH Smith & MRT outlets)				
- Brought forward	374	303		23.4%
- New	85	79		
- Closed	(5)	(8)		
- Total	454	374		21.4%

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



Mynews continued to report higher revenue of 20.1%, contributed mainly by the new outlets which were opened in FY 2017 and FY 2018. Focus has been put into improving the product offerings and other operational income to generate higher gross profit margin. Effort of revamping existing outlets and opening more new outlets is continuing unabated as it gears towards bringing the Group to a higher level.

The bigger outlet network and transformation initiatives resulted in higher operating expenses. Despite this, Mynews' profit before tax was higher by 5.0% in FY 2018 compared to FY 2017. The lower return on equity relative to the previous year was consequent principally to the heavy investment by the Group to acquire the new headquarters and on the FPC which has yet to commence operation to contribute to the Group's results.

DIVIDEND

The Board is always mindful of the need to balance the cash conservation to fund the expansion of Mynews' operations and to reward the shareholders for their investment, support and belief in the vision and mission of Mynews. Having carefully reviewed and assessed the financial strength of Mynews, the Board approved an interim single tier dividend of one (1) sen per ordinary share on 20 June 2018 and total dividend amounting to RM6.82 million was paid on 15 August 2018.

However, the Board does not propose the payment of a final dividend for FY 2018 for reason to conserve the cash for Mynews' business expansion.

CHAIRMAN'S STATEMENT

EMPLOYEES SHARE OPTIONS SCHEME ("ESOS")

At the extraordinary general meeting held on 5 December 2017, the proposal on ESOS to issue up to 10% of the issued and paid up share capital of Mynews was approved by you, the shareholders. The ESOS was effected on 21 December 2017 after the submission to Bursa Securities the By-laws of the ESOS and the resolution thereon, approved by the shareholders on 5 December 2017.

The ESOS committee was established on 24 September 2018, comprising the following members:

	Name	Committee	Designation
1	Mr Luk	Chairman	Chief Executive Officer
2	Mr Wen	Member	Deputy Chief Executive Officer
3	Ms Soon	Member	Senior Independent Non-Executive Director
4	Ms Chong	Member	Chief Financial Officer
5	Ms Liew Heng Heng	Member	Head, Payroll
6	*Ms Lye Poh Peng	Member	Head, Human Resource

* Ms Lye Poh Peng was appointed as a member on 8 October 2018.

The ESOS committee deliberated the granting of share options to the staff during the year. After taking into consideration the number of shares that could be offered against the minimal benefits realisable by the staff, the committee proposed not to grant any share options during the year which proposal was duly approved by the Board.

CORPORATE GOVERNANCE COMPLIANCE

The Board is steadfast in Mynews upholding the highest level of corporate governance and practices in the Group's entire undertakings. No compromise on good corporate governance is allowed as the Board believes that it is fundamental to building a credible and sustainable business. Measures are put in place and the emphasis has always been that the best practices be adopted to ensure that the businesses and operations of the Group are conducted responsibly and accountably.

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





MOVING FORWARD

Mynews' road map for its transformation journey and all planned initiatives have taken off accordingly and are progressing well. However, there were some minor hiccups and delays here and there during the process of implementations and they were mainly caused by new requirements in legal documentations and enhancements to the drawn plans. Despite these setbacks the Board is confident that these hiccups and delays are well managed and they will not have any significant impact to the intended results.

The Board remains committed to ensure the successful construction of the FPC, to be followed by the commercial production of RTE food. Meanwhile, the Maru Kafe concept will be spread to as many outlets as possible as long as the outlet space, infrastructure, and its customers profile allow.

PROSPECTS

Mynews is optimistic of the growth and sustainability of its business which is underpinned by the vast potentials that could be reaped from its upcoming FPC and overall business transformation initiatives. The Maru Kafe brand concept and the introduction of more attractive product offerings as a prelude to the FPC commissioning have garnered positive response from the customers and it should augur well for the Group.

APPRECIATION

The Board wishes to thank our customers, suppliers, business partners and associates for their support and partnership to bring this retail convenience to where it is today. Mynews hopes that you will continue the journey with us and together we will bring it to the next level.

For our shareholders who believe and share the Company's vision and mission, the Board pledges its commitment to endeavour in ensuring that Mynews continues to do its best to deliver better and sustainable profits to enhance the value of your investments in the Company.

Mynews will not be where it is today – a reputable number one homegrown convenience store chain with more than 450 outlets which is still growing, without the tireless efforts and contributions of the management and staff. To our Mynews team of workforce, the Board salutes each and every one of you for being with Mynews through thick and thin in its journey. We look forward to your continuous contributions as the journey becomes more exciting, interesting and challenging.

Lastly, I am grateful and thankful to my fellow directors who had selflessly and professionally discharged their fiduciary duties. They had worked hand-in-hand with me in discharging our fiduciary duties in the most professional manner.

DING LIEN BING

Independent Non-Executive Chairman

18 February 2019

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

FY 2018 was a very eventful year for Mynews as we embarked on a business transformation journey taking on initiatives that included developing RTE food to serve our outlets. Together with our renowned Japanese partners who are the key players in the food industry in Japan, we kicked start the construction of our FPC. Meanwhile, Mynews continued to expand its network of outlets by adding 85 new outlets which were planted at a variety of locations such as the shopping malls, mixed development buildings, transportation hubs and highstreet shoplots. These outlets were carefully selected and beautifully renovated in line with our business strategies and latest concepts. During the year, Mynews closed 5 outlets due to various business reasons.



The acquisition of the Kota Damansara premises, comprising an office block and a warehouse on a piece of 4.4 acres leasehold land for a purchase consideration of RM50.0 million was completed during the year. Thereafter, Mynews moved its headquarters into the premises as it requires more space and a more conducive environment for its enlarged staff force to support its aggressive expansion plans.

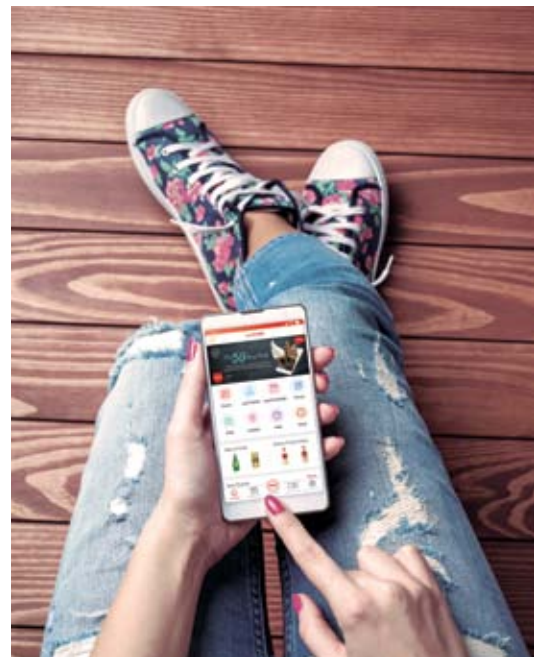


After going through a meticulous and knowledgeable planning stage with its partners, Mynews commenced the construction of the FPC on its Kota Damansara premises in the 4th quarter of FY 2018. The FPC is made up of two production plants, which will be equipped with sophisticated equipment and machineries to produce bakery products (by Mynews Ryoyupan Sdn Bhd) and RTE food (by Mynews Kineya Sdn Bhd). These two companies are subsidiaries of Mynews which are joint ventures with prominent Japanese companies to produce high quality and affordable food products for Mynews' customers.

MANAGEMENT DISCUSSION AND ANALYSIS



Mynews launched its member loyalty card in FY2018. This prepaid and loyalty card is an innovative application and a convenient mode of payment for the customers and at the same time it rewards the customers with points for every purchase. It also serves as a new communication channel with the customers by providing updates on new products, campaigns and promotions and rewards. It is the first in the convenience retail segment in Malaysia.

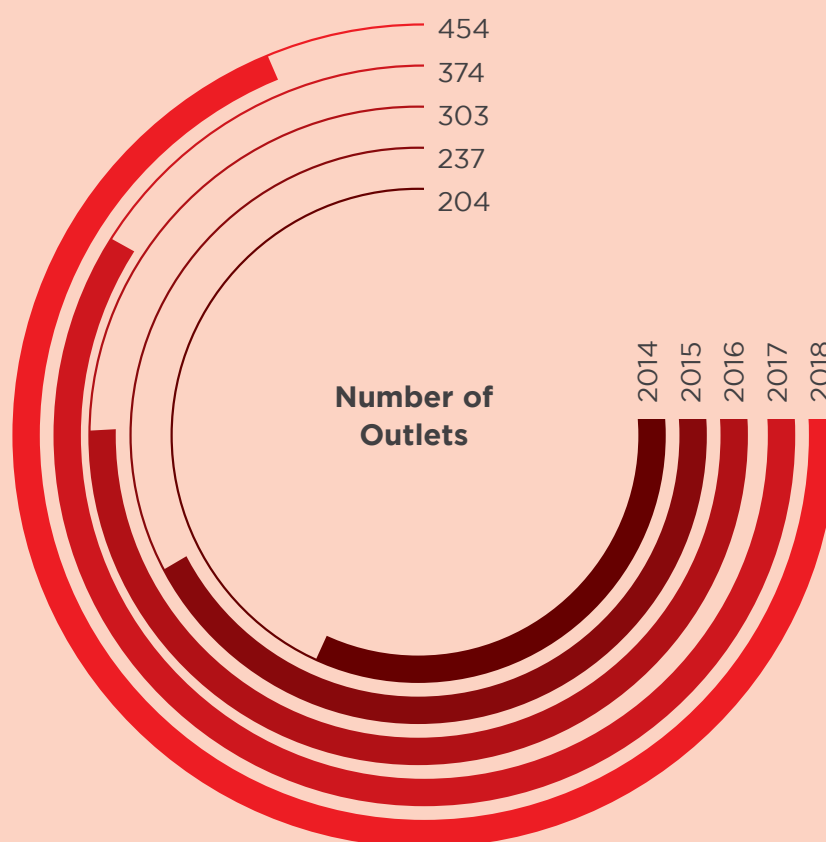


In terms of product offerings, Mynews continues to provide the latest concept and interesting shopping experience to its customers. In addition to local products, Mynews also offers a variety of imported products to meet the taste and growing expectations of its customers. The creation of its proprietary in-store Maru Kafe brand and concept brought about a range of new quality products such as bean-to-cup 100% Arabica coffee, Japanese quality soft serve ice cream and hot snacks. This new range of counter food products is a prelude to complement our full RTE food rollout from the FPC currently under construction.

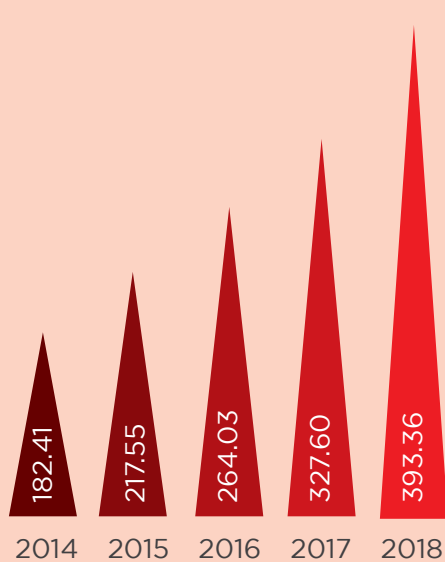
Amidst the work of business transformation and building of infrastructures to take Mynews to the next level of retail convenience, Mynews recorded improved performance for FY 2018 as compared to FY 2017.

KEY PERFORMANCE INDICATORS

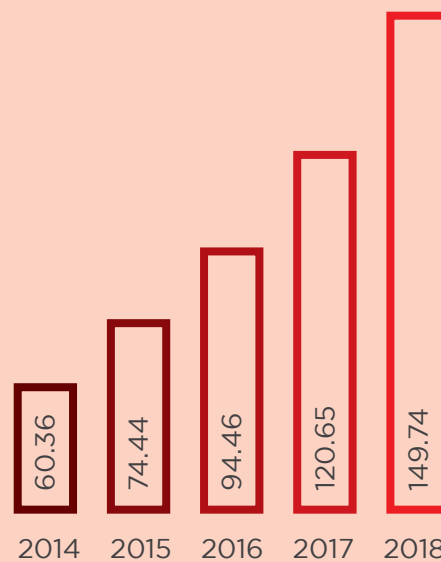
	2014	2015	2016	2017	2018
No. of Outlets	204	237	303	374	454
Revenue (RM' million)	182.41	217.55	264.03	327.60	393.36
Gross Profit (RM' million)	60.36	74.44	94.46	120.65	149.74
Profit Before Tax (RM' million)	16.28	17.70	23.62	30.70	32.22
Profit After Tax (RM' million)	12.43	13.51	18.13	24.02	26.01



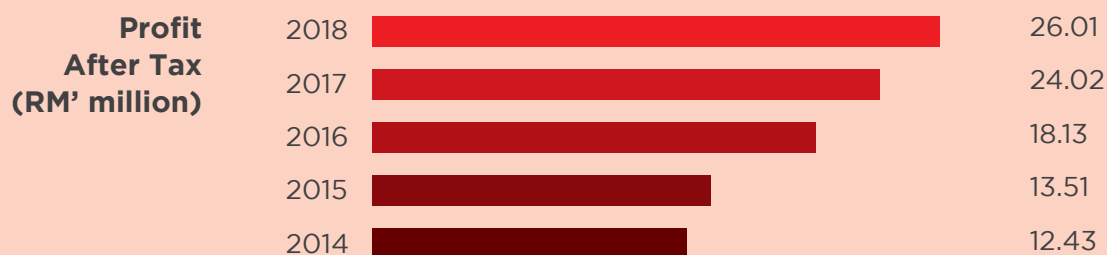
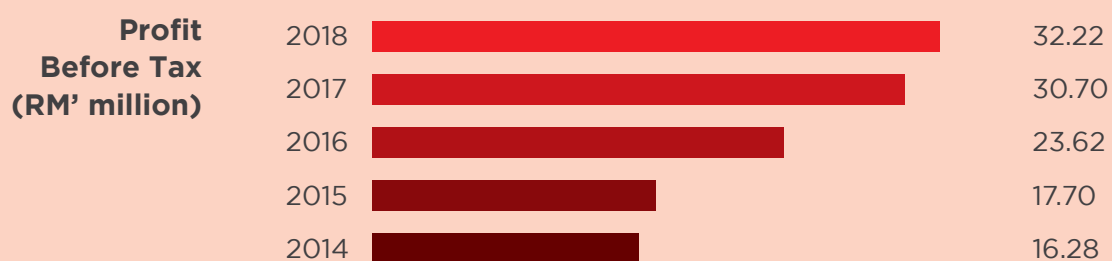
MANAGEMENT DISCUSSION AND ANALYSIS



Revenue (RM' million)



Gross Profit (RM' million)



MANAGEMENT DISCUSSION AND ANALYSIS



REVENUE

For FY 2018, Mynews recorded a revenue of RM393.36 million, an increase of RM65.76 million or 20.1% against FY 2017 of RM327.60 million. Both the retail sales and other operational income were higher with double digit growth of RM52.63 million or 19.1% and RM13.13 million or 25.5% respectively. The increase in retail sales was contributed by a better product mix offered and the new outlets opened in FY 2017 and FY 2018. Continuous promotions carried out jointly with suppliers and income from Mynews support services such as in-house distribution centres and logistics boosted the other operational income.

GROSS PROFIT AND GROSS PROFIT MARGIN

Gross profit for FY 2018 was RM149.74 million, an increase of RM29.09 million or 24.1% over FY 2017 of RM120.65. This resulted in the gross profit margin for FY 2018 to be 38.1% versus FY 2017 of 36.8%. The increase in average gross profit margin was mainly due to better product mix that brought higher margins coupled with the higher other operational income derived from the consistent and aggressive promotion programs carried out jointly with suppliers.

PROFIT BEFORE TAXATION

Profit before taxation for FY 2018 was RM32.22 million, an increase of RM1.53 million or 5.0% despite the gross profit having increased by RM29.09 million or 24.1%. This was mainly due to the increase in operating costs as explained below:

1) Selling and Distribution Expenses

Selling and distribution expenses increased by RM17.65 million or 26.8% to RM83.49 million from RM65.84 in FY 2017, due to the higher number of outlets from 356 to 436 (excluding WH Smith and MRT outlets). The major expenses comprised of outlets rental, staff salaries and benefits, and utilities charges.



MANAGEMENT DISCUSSION AND ANALYSIS

2) Administration and Other Operating Expenses 3) Other Expenses

Administration and other operating expenses consist of staff, establishment and marketing costs which amounted to RM28.11 million, an increase of RM8.11 million or 41.0% over FY 2017 of RM19.93. This was principally due to the increase in headquarters support costs as a result of human resources and talent recruitment to support the business expansion and the expenses incurred in preparation for the RTE food production and sale.

Other expenses comprised of principally depreciation and fixed assets written off, which amounted to RM9.06 million, an increase of RM2.07 million or 29.7% over previous year of RM6.99 million. The increase was due to higher depreciation charge for the new outlets and fixed assets written off for the 5 closed outlets and the old headquarters that was disposed off after the headquarters was relocated to Kota Damansara.



PROFIT AFTER TAXATION

Profit after tax for FY 2018 was RM26.01 million, RM1.99 million or 8.3% higher than last year of RM24.02 million. The increase in the profit after tax was attributed to the reasons as mentioned above.

LIQUIDITY AND FINANCIAL RESOURCES

Mynews' cash flow remained strong in FY 2018 and there were new internally generated funds from its operations. However, Mynews' own funding resources would not be sufficient to fund its aggressive business strategies which are listed later in this report. Therefore, it has secured a line of RM100.0 million credit facilities from a local bank for its Group's expansion plans and working capital. Mynews' expected gearing ratio, upon the full draw down of these RM100.0 million facilities, would be about 0.40 times. Mynews will continue to explore the most efficient mode of financing to fund its future expansion plans.

CHALLENGES AND STRATEGIES

The major challenges faced by Mynews were:

1) Outlet Staff Shortage and Cost

Mynews continued to face a shortage of manpower at the store front due to the high mobility of local staff and the temporary suspension of foreign staff into the country. This resulted in higher overtime expenses and coupled with the increase in minimum wage, these factors had inadvertently increased the operating costs. To address the heavy reliance on foreign staff, actions have been taken to revise the remuneration package of the staff, introduce new incentives for the Operations staff and implement nationwide recruitment drive to attract more local workers to join Mynews.

2) Increasing Competition for Premium Space

Competition promotes creativity and innovation while making the business environment interesting and challenging. Mynews saw an increase in competition for premium retail space. It remained vigilant and careful in selecting suitable locations for its new outlets. Each potential location was carefully chosen and evaluated. Such actions have resulted in keeping the occupancy costs in check and without substantial increase relative to the revenue.

3) Higher Set-up Cost

With the increase in competition and fast changes in the retail convenience sector, customers' expectation is also increasing simultaneously. In order to remain competitive and ahead of others, Mynews is relentless in improving and innovating its store design and concept. New outlets with new range of food and beverages offerings require bigger floor space and more equipment. If feasible, existing outlets are upgraded with additional equipment in order to carry the new products and they are also revamped and refurbished to make them more attractive to customers. Such improvements have increased the setup cost of the outlets. Despite this, Mynews is confident that the expected returns to be reaped would far exceed the higher investment costs to set up the outlets.

For its business transformation, Mynews' strategies are to:

- 1) Continue to expand its stores network to bring retail convenience nearer to consumers;
- 2) Improve and increase its infrastructures to take the Group to the next level;
- 3) Improve its retail concept and carry out consumer engaging programs to increase repeat visits to its outlets; and
- 4) Introduce better products and services to increase the average customer spending.

**PROSPECT**

Mynews is optimistic of its growth and the sustainability of its business underpinned by the vast potentials that could be reaped from its FPC which is expected to be completed by the first half of 2019. Mynews endeavours to offer Malaysians an interesting shopping experience and the real retail convenience. It is passionate to bring convenience closer to Malaysians and at the same time improve the quality of products and services that Malaysian consumers rightly deserve.

SUSTAINABILITY STATEMENT

The Board of Mynews is pleased to present its Sustainability Statement for FY 2018. Mynews recognises that its responsibility to its stakeholders is to deliver profitable results and uphold good corporate governance. Whilst this is its maiden statement on sustainability, Mynews has embedded the values of sustainability in every aspects of its operations since the day it started business some twenty years ago.

REPORTING BOUNDARY

This statement covers the reporting period from 1 November 2017 to 31 October 2018. The scope of this statement includes the Group's operations at its headquarters in Kota Damansara, its 454 outlets located throughout Malaysia including Sarawak and Sabah, its distribution centres located in Rawang and Johor Bahru, and its temporary small scale production centres at Serdang and Cheras.

SUSTAINABILITY FRAMEWORK

VISION

“To be the country's best retail company that understands the customers, provides quality products and ensures a satisfying shopping experience”

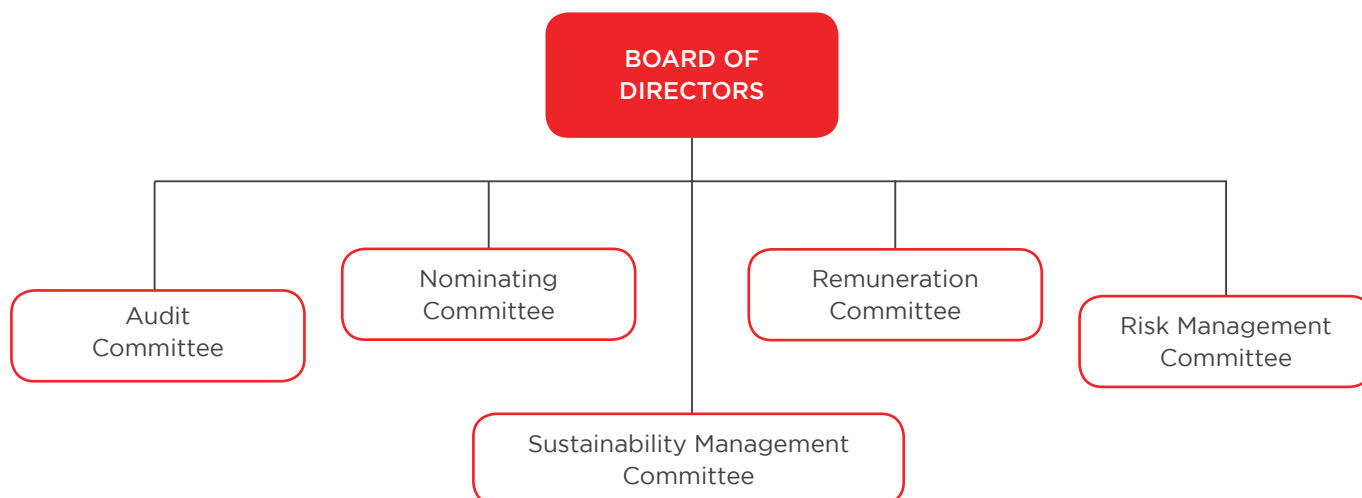
Our vision statement encompasses our endeavors to achieve sustainable business practices by creating and adding value across the main pillars of the economic, social and environmental aspects of our business.

Sustainability Strategies and Goals

Stakeholder Group	Sustainability Strategies and Goals
Shareholders	Creating strong returns for its shareholders with sustainable sales and profitability growth
Customers	Ensuring products safety and quality and providing good services to its customers at affordable and reasonable prices
Environment	Operating all its stores and premises in the greenest way possible
Workplace	Taking care of its employees' well being
Governance	Being ethical, efficient and effective in everything that it does
Local community	Enriching community by committing to bring change and inspire the communities that we serve

SUSTAINABILITY STATEMENT

GOVERNANCE STRUCTURE



The Sustainability Management Committee reports to the Board and is headed by the Chief Executive Officer. Other members of the committee are as below:

Committee members:

Deputy Chief Executive Officer

Chief Financial Officer

Head of Regulatory Compliance

Head of Administration

Head of Operations

Head of Human Resource

Head of Merchandising






RESPONSIBILITIES OF SUSTAINABILITY MANAGEMENT COMMITTEE

- Advising the Board on the sustainability strategies;
- Monitoring the implementation of sustainability strategies as approved by the Board;
- Overseeing stakeholder engagement to ensure that all issues, grievances and suggestions raised are taken into consideration in managing sustainability matters;
- Recommending to the Board for approval the material sustainability matters identified, sustainability related policies and its goals and targets;
- Monitoring the implementation of policies and initiatives of sustainability management;
- Overseeing the management of sustainability matters by focusing on matters material to the Group; and
- Overseeing the preparation of the Sustainability Statement and recommending it for Board's approval.

IDENTIFICATION OF MATERIAL SUSTAINABILITY MATTERS

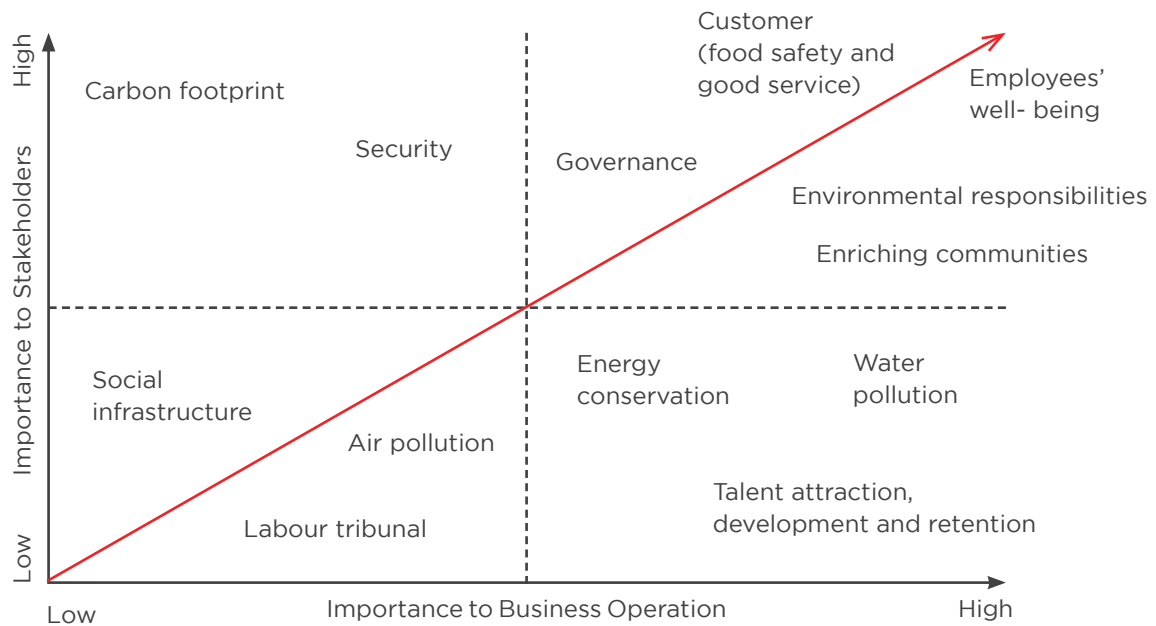
The process of identifying material sustainability matters is conducted via stakeholder engagements as follows:

Stakeholder Group	Areas of Interest	Forms of Engagement
SHAREHOLDERS AND INVESTORS 	<ul style="list-style-type: none"> Group financial performance Business direction Key corporate developments Corporate governance 	<ul style="list-style-type: none"> Annual General Meeting Investor updates and briefings for fund analysts and investors Annual reports Corporate website Announcements on Bursa Securities
CUSTOMERS 	<ul style="list-style-type: none"> Pricing Product quality Service satisfaction Customer appreciation 	<ul style="list-style-type: none"> Store opening Corporate website Social media Customer feedback channel Marketing promotions Customer loyalty programme
GOVERNMENT AND REGULATORY AUTHORITIES 	<ul style="list-style-type: none"> Regulatory compliance Security issues Waste management Quarterly and annual reporting 	<ul style="list-style-type: none"> Inspections and audit by local authority (JAKIM) Consultations Attend dialogues/seminars organised by Bursa Securities Participated in survey conducted by authorities
EMPLOYEES 	<ul style="list-style-type: none"> Competitive remuneration Career development Employee well-being and safety Value diversity and equal opportunity 	<ul style="list-style-type: none"> Employee appreciation awards Open communication Events and functions Whistleblowing policy Skills development and training opportunities Bi-weekly management meetings
SUPPLIERS 	<ul style="list-style-type: none"> Fair procurement Transparency Product quality Service delivery Inventory/supply commitment Speedy payment 	<ul style="list-style-type: none"> Group procurement policy and procurement system Yearly supplier evaluation Financial supply chain management No gift policy
LOCAL COMMUNITIES AND PUBLIC 	<ul style="list-style-type: none"> Transparent and quality products and services Reaching out to communities 	<ul style="list-style-type: none"> Community programmes Donations and financial aids Local sourcing Corporate Social Responsibility programme - myNEWS Cares

SUSTAINABILITY STATEMENT

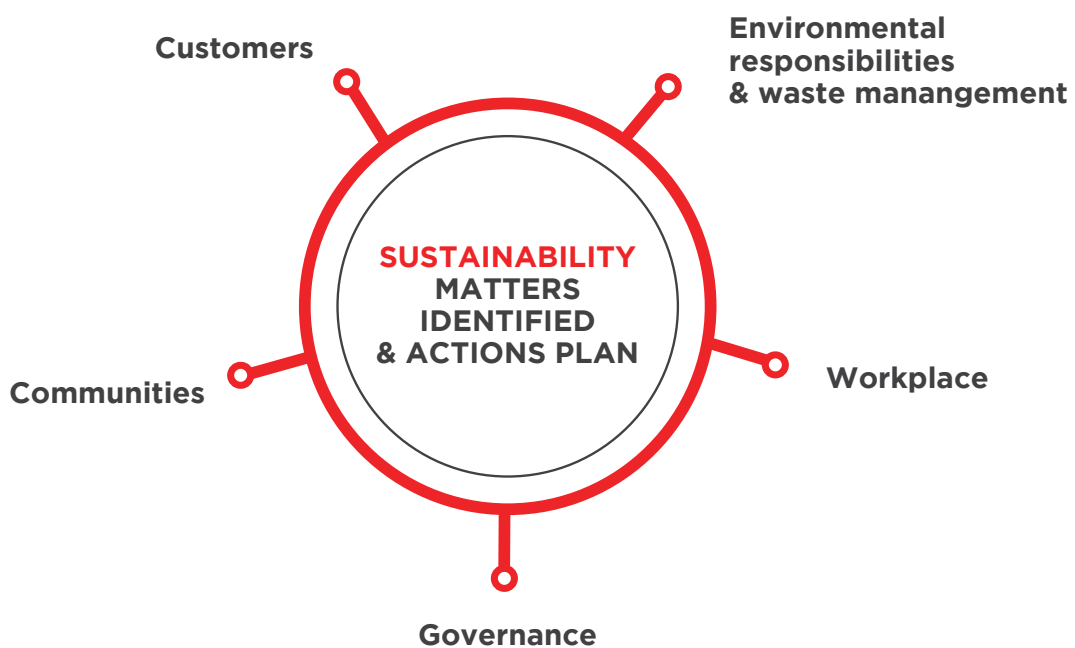
MATERIALITY ASSESSMENT

Mynews continuously identifies and prioritises the material sustainability matters that influence the way it operates. It had identified 13 material issues during the year under review and prioritised them by ranking them according to their importance to its stakeholders and business operations based on the approval matrix below:



SUSTAINABILITY MATTERS IDENTIFIED & ACTIONS PLAN

The material sustainability matters of Mynews and the actions plan put in place are as follows:





CUSTOMERS

The quality and consumption safety of Mynews' products are always its top priority. For its in-house produced bakery products and RTE food, the raw materials and ingredients are sourced only from reliable and Halal certified suppliers. For those products sourced from third parties, food and non-food, the same level of quality and safety is applied.

Mynews has established stringent procurement processes to filter and select the food suppliers based on their profile and certification. Its food products are labelled to carry clear information on the ingredients and components of the products, the expiry dates as well as details of the manufacturers. Such information enables

customers to make their choices according to their needs and desires as well as ensuring the quality of the products. Delivery of the food products from its food production centres to the outlets is always done in the safest possible conditions to ensure that the food for customers are always fresh and safe for consumption. Mynews purchases its stocks only from suppliers who have established their creditability in terms of product quality and handling. It requires its suppliers to adhere to stringent hygiene standards in their production and delivery practices. At the outlets, the staff are required to perform daily checks to ensure that the near expiry stocks are removed from the shelves and that there are no expired stocks on display.



ENVIRONMENTAL RESPONSIBILITIES & WASTE MANAGEMENT

Mynews recognizes that it has a role to play to conserve the environment and its main focus in this aspect is to conserve energy and reduce contamination to the environment. All its new outlets are designed to use energy saving lightings such as light-emitting diodes (LED) which consume less energy and have longer life span. In line with the government effort to reduce the usage of plastic, plastic bag and straw are no longer provided to the customers free of charge and are only provided on request basis.

For its office buildings and distribution centres, its employees are encouraged to turn off their computers and laptops if they are going to be away from their desk for a break or a long period of time. Staff are required to turn off the lights when not needed during break time and outside business

hours. Regular maintenance is conducted on all office equipment to keep them running efficiently. On top of that, paper wastage is avoided by printing only when necessary which also helps to cut energy required to run the printers. One of the waste recycling initiatives is sales of carton boxes and plastic waste to approved recyclers.

Most of the food supplied by third party are on a returnable basis to suppliers. For the expired food, Mynews has been practising the "waste segregation" approach to separate them from dry products. Mynews is still exploring the most environmental-friendly way of disposing the expired food such as disposing them to an approved recycled company to be processed into animal feed or organic fertiliser.



WORKPLACE

Mynews strives to provide a pleasant and conducive environment in its workplace for its employees to work in. It encourages employees to speak their minds for better communication and ideas sharing. Many initiatives have been put in place and Mynews is continuously improving its workplace.

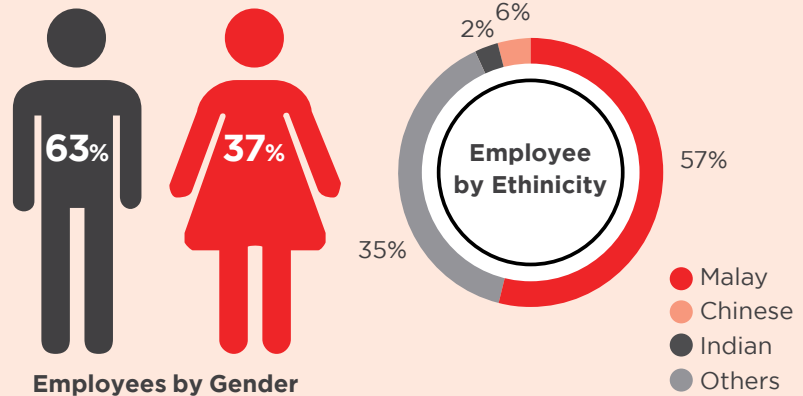
Employees' Well-being

Mynews is committed to provide a well-balanced work life for its employees and has undertaken the following initiatives:

- Provides a conducive workplace where the office set up is an open concept and management and staff are seated together to promote interaction and improve teamwork;
- Adopts smart casual dress code in the office and provides ample open space for discussion where staff can interact seamlessly during working hours and off work hours;
- Has a café in 1 Utama Shopping Complex where the staff and their families can dine at discounted rate;
- Gatherings are organised during major festivals to gather the staff from other locations to the headquarters to promote staff bonding; and
- Free membership upgrade for staff from Silver to Gold standing for its loyalty card programme.

Diversity and Inclusion

Mynews practises non-discrimination and encourages diversity in respect of its staff policies. There is no preference for gender or ethnicity and the prime consideration for employment is solely the staff's ability to add value and contribute to the Group.



The diversity of its workforce as at 31 October 2018 is as follows:

Age Group	Gender				Nationality			
	Male	Female	No.	%	Local	Foreigner	No.	%
<20	96	66	162	9	152	10	162	9
20-29	726	430	1,156	63	771	385	1,156	63
30-39	268	135	403	22	225	178	403	22
40-49	62	28	90	5	51	39	90	5
50-59	6	9	15	1	14	1	15	1
60-69	3	2	5	0	5	0	5	0
Total	1,161	670	1,831	100	1,218	613	1,831	100

The ethnicity of the workforce is as follows:

Ethnicity	No.	%
Bumiputra	1,039	57
Chinese	111	6
Indian	38	2
Others	30	2
Total locals	1,218	67
Total foreigners	613	33
Grand total	1,831	100

Training and Development

Mynews places much emphasis on its staff training and development programmes. As with its Board of Directors, staff are also encouraged to undertake continuing professional education to equip themselves with the latest technical and statutory updates to stay relevant and be prepared for their jobs.

In-house training is provided to all new outlet staff before they are placed to the outlets. Thereafter the trainers provide regular on-the-job training to the outlet staff to ensure that they provide satisfactory shopping experience to Mynews' customers. Staff are also permitted to attend external training and seminars to improve their skill set, where applicable and relevant.

- The in-house training sessions conducted for the year are as follows:

	Local	Foreigner
No. of training sessions	93	31
No. of staff:		
• Existing staff (included those who ceased employment with Mynews thereafter)	1,056	113
• New staff	751	318



Staff Safety

	2018	2017
No. of robbery incidents	12	3

Mynews places strong emphasis on staff safety to ensure untoward incidents could be reduced as the staff are the backbone to the Company. All outlet staff are given training to handle incidents such as fire and robbery as it is the Company's priority to protect the staff. In the headquarters, the Safety and Health Committee carries out safety assessment on the Company to determine the adequacy of control from the aspect of safety. Despite the increase in the number of robbery incidents, there had been no casualty arising from these robbery cases.

SUSTAINABILITY STATEMENT



GOVERNANCE

Mynews strives to comply with the best practices of good governance. To achieve this, the Group has in place standard operating procedures, delegation of authority, code of ethics and conduct, whistleblowing policy, anti-bribery and anti-corruption policy and no gift policy. These policies, procedures and guidelines are subject to regular reviews of at least once annually and have been communicated to all staff. Some of these policies such as the Code of Ethics and Conduct and the Whistleblowing are posted on the Company's website.

An in-house Risk Management Department (RMD) has been tasked to oversee and monitor the effectiveness of the risk management framework and the internal control measures implemented in the work processes. All weaknesses are highlighted to management for improvement and reported to the Audit Committee before the Risk Management Committee was established on 1 March 2018. Both of these committees are the Board's committees. All the recommendations from the RMD take into consideration of the Economic, Environmental and Social aspects to ensure the business sustainability in the long run.



COMMUNITIES

The focus of Mynews' Corporate Social Responsibility ("CSR") program is on aiding the financially deprived and deserving students, by empowering them to pursue their studies and enabling them to realise their fullest potentials.

This program which took effect in June 2018 focuses on two categories:

CATEGORY 1

Public Examination Academic Excellence Award for 3 secondary schools (2 school (SPM) & 1 school (STPM)) on an annual basis. Financial awards will be given to the best 3 achievers for the public examination (from each of the 3 schools). The financial awards will be RM1,000 (best student); RM700 (first runner up) and RM300 (second runner up).

CATEGORY 2

Monthly allowances of RM100 for two underprivileged students (Form 4) from each of the initial 21 secondary schools. These students are receiving the allowances until they complete their SPM examination.

Mynews aims to reach more of these underprivileged students every year. It is committed to support and drive this program and is embarking on a "myNEWS Cares" CSR initiative to encourage customers to donate their "loose change" for this worthy program. The generous donations from its customers will definitely have a significant and far-reaching impact to enable a greater number of underprivileged students to have a brighter future.

SUSTAINABILITY ENDEAVOUR

The Board acknowledges that Mynews must continuously encompass sustainability in the Group's operations and is committed to sustainability. It shall strive to do more and better throughout its journey.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board is pleased to present the Corporate Governance (“CG”) Overview Statement of the Company for FY 2018. This CG Overview Statement is prepared pursuant to paragraph 15.25(1) of the Bursa Securities Main Market Listing Requirements (“MMLR”).

The Board has been guided by the Malaysian Code on Corporate Governance 2017 (“MCCG”) in its implementation of CG practices. Whilst ensuring compliance with the Listing Requirements and the Companies Act 2016, it is always keeping abreast with the developments in industry practices and the requirements by other relevant regulations for Mynews to uphold the highest level of CG throughout the Group.

The CG Overview Statement provides a summary of the Company’s CG Practices during the financial year, covering the implementation of the three (3) principles, their intended outcomes and the adoption of the recommended practices of the MCCG, having duly considered the Group’s structure, processes, business environment and industry practices. The three (3) principles under the MCCG are:

Principle A: Board Leadership and Effectiveness

Principle B: Effective Audit and Risk Management

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

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

1. BOARD RESPONSIBILITIES

Clear Functions of the Board and Management

The Board takes full responsibility for the overall performance of the Group by setting the strategic directions and objectives. It regularly reviews the Group’s business operations and maintains full and effective oversight over the management of Mynews.

The roles and responsibilities of the Board include determining the Group’s overall strategic plans, performing periodic reviews of business and financial performance, as well as adopting risk management to implement a strong framework of internal controls in Mynews.

The Board has also delegated certain responsibilities to other Board Committees, which operate within clearly defined terms of reference. The Board has established four (4) committees to assist in the execution of its roles and responsibilities with the latest being the Risk Management Committee established during the year on 1 March 2018. The committees of the Board are:

- Audit Committee
- Risk Management Committee
- Nominating Committee
- Remuneration Committee

The Board receives reports at its meeting from the Chairman of each committee on current activities and it is the general policy of the Company that all major decisions be considered by the Board collectively.

The day-to-day management of the business of the Group is delegated to Management, headed by Mr Luk, the Chief Executive Officer (“CEO”) who is assisted by Mr Wen, Deputy CEO. Both Mr Luk and Mr Wen are also Executive Directors of Mynews. 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’ operations. The DOA is reviewed periodically and revised as and when deemed necessary.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

1. BOARD RESPONSIBILITIES (cont'd)

Clear Roles and Responsibilities

The Board had reviewed the effectiveness and implementation of the strategic plans for the financial year under review and provided guidance and input to Management. To ensure the effective discharge of its functions and duties, the principal responsibilities of the Board included the following:

- Review and adopt a strategic plan for the Group ensuring that the strategies promote sustainability
- Oversee and monitor the conduct of the Group's business and ensure the integrity of financial and other reporting
- Identify principal risks and ensure the implementation of appropriate internal controls and mitigation measures
- Succession planning for senior management positions is in place to provide for the succession of senior management
- Review the adequacy and integrity of the Group's risk management and internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines

Chairman and CEO

The position of the Chairman and the CEO are held by two (2) different individuals namely, Mr John Ding and Mr Luk respectively whose responsibilities are segregated and clearly defined to ensure there is an appropriate balance of power and authority with neither of them having the unfettered power of decision making.

The Chairman provides leadership and manages the interface between the Board and Management and also ensures active participation from the Board for decision-making whereas the CEO is involved in the day-to-day management of the Group by contributing strategies and insights to enable the Group to achieve its goals and objectives efficiently.

Company Secretaries

The Company has two (2) professionally qualified Company Secretaries who are experienced and qualified pursuant to Section 235 of the Companies Act 2016. The Company Secretaries play an advisory role, advising the Board and its Board Committees on matters pertaining to compliance, legal, regulatory framework, listing requirements, statutory requirements and best practices. They also ensure that meetings are properly convened, minutes of meetings are properly documented, and the records of resolutions passed by the Board and proceedings of Board Meetings, Board Committee Meetings, Annual General Meeting and Extraordinary General Meeting are properly and systematically filed for ease of retrieval and future reference. In addition, they work closely with Management to facilitate the flow of timely and accurate information to the Board.

Access to Information and Advice

The Board is provided with appropriate information and comprehensive Board papers on a timely basis prior to the Board meetings to enable the Directors to discharge their duties and responsibilities competently and in a well-informed manner. The Board papers include, amongst others, Quarterly Financial Results, Internal Audit Report, Risk Management Report, minutes of all Board Committees meetings, list of announcements made, list of Board Circular Resolutions passed (for the periods commencing the last board meeting date to the latest practical date until the date of the current meeting) and any other matters requiring the Board's approval at the meeting. Management team, external auditors and outsourced internal auditors are invited to attend the Board and Board Committee meetings to provide additional insights and professional views, advice and explanation on specific items on the meeting agenda, where necessary.

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

1. BOARD RESPONSIBILITIES (cont'd)

Access to Information and Advice (cont'd)

When it is required to obtain further information, the Directors are entitled to unrestricted access to all Company's information and personnel, either as a full Board or in their individual capacity in order to better discharge their responsibilities.

Demarcation of Responsibilities

a) Board Charter

The Board has a formalised Board Charter, which sets out the roles, functions, composition, and processes of the Board. The Board Charter provides guidance to the Board in relation to the Board's role, duties, responsibilities and authorities which are in line with the principles of good corporate governance. The Board Charter acts as a point of reference for Board members and the same is accessible to the public on the Company's website at www.mynews.com.my.

b) Code of Ethics and Conduct

The Board is committed to establishing a corporate culture that fosters common goal of achieving business profitability, whilst cultivating ethical business conducts. The Board has adopted the Code of Ethics and Conduct which upholds integrity, transparency and ethical practices of the business activity. The Code of Ethics and Conduct is also published on the Company's website at www.mynews.com.my.

c) Whistleblowing Policy

A Whistleblowing Policy has been established to further enhance the Group's commitment in upholding and achieving integrity, transparency and accountability in conducting its business. The Whistleblowing Policy serves the purpose of providing an avenue for employees and members of public to raise concerns, report or disclose any improper behaviour and misconduct or any act and actions that can materially affect the reputation of the Group as well as the interest of the stakeholders.

The Whistleblowing Policy is available on the Company's website at www.mynews.com.my. Any enquiries, misconduct or complaints can be forwarded to Mynews's toll free careline at 1800 88 1231 or emailed to mynewscareline@mynews.com.my.

d) Business Sustainability

The Board is committed to delivering 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 instills the need to cultivate and promote good corporate values throughout the organization by upholding the virtue of "Tone from the top".

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

2. BOARD COMPOSITION

Strengthening the Board's Composition

The Board currently comprises of six (6) Directors, four (4) of whom are non-executive. Represented on the Board are three (3) Independent Non-Executive Directors, constituting half of the Board and these independent directors participated actively in providing independent advice, views and judgement in the decision-making process, thus ensuring that a balanced and unbiased deliberation process is in place to safeguard the interest of all stakeholders. As and when a potential conflict of interest arises, it is a mandatory practice for the Directors concerned to declare their interest and abstain from the decision-making process.

Tenure of Independent Directors

Practice 4.2 of the MCCG states that the tenure of an Independent Director should not exceed a cumulative term of nine (9) years. Upon completion of the nine (9) years' term, an Independent Director may continue to serve on the board as a non-independent director. If the board intends to retain an independent director beyond nine years, it should justify and seek annual shareholders' approval. If the board continues to retain the independent director after the twelfth year, the board should seek annual shareholders' approval through a two-tier voting process.

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

Board Diversity

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

The Nominating Committee ("NC") is responsible for identifying, evaluating and nominating suitable candidates to be appointed to the Board and Board Committee. In assessing and recommending to the Board suitable candidates, the NC will take into consideration the following:

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

A brief description of each Director's background is presented in the Directors' Profile on pages 10 and 11 of this Annual Report.

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

As of the date of this statement, one (1) out of the six (6) Board members is a female and both the Board and NC are striving to increase the female participation in the Board.

Foster Commitment

The Board requires its members to devote sufficient time to the workings of the Board, to effectively discharge their duties as Directors of the Company, and to use their best endeavour to attend meetings. None of the members of the Board has directorship in other public listed companies except for Ms Soon who sits on the Board of another company which is listed on the Bursa Securities.

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

2. BOARD COMPOSITION (cont'd)

Board Meetings

During the financial year, six (6) Board meetings were held with the presence of the Company Secretaries. All Directors attended each of the meetings which details are as follows:

Director	Directorate	Attendance of Meetings	
Mr John Ding	Independent Non-Executive Chairman	6/6	100%
Mr Luk	Executive Director / Chief Executive Officer	6/6	100%
Mr Wen	Executive Director / Deputy Chief Executive Officer	6/6	100%
Mr Hock	Non-Independent Non-Executive Director	6/6	100%
Ms Soon	Senior Independent Non-Executive Director	6/6	100%
En Suffian	Independent Non-Executive Director	6/6	100%

All Directors participated fully in the discussions during the Board meetings. There had been no Board dominance by any individual and the Directors were free to express their views and opinions during the Board meetings. In arriving at the Board decisions, the view of the majority prevailed at all times. In the same manner, the Directors were also aware and observed the requirement that they do not participate in the deliberation on matters of which they have a material personal interest and had abstained from voting in such instances.

Director's Training

The Board of Mynews upholds its stance on the need to keep themselves abreast of updates and changes in all aspects relating to Mynews, be they operations, technical know-how, financial related matters or others. This is frequently echoed by the Chairman of the Board in the meetings.

Details of the seminars and workshops attended by the Directors during FY 2018 are as follows:

Director	Seminars/Workshops	Date of Attendance
Mr John Ding	1) Complimentary Talk on Design Thinking - What can accountants learn from it? - by Malaysian Institute of Accountants ("MIA")	20 April 2018
	2) GST & Customs Seminar 2018 - by Lee Hishammuddin, Allen & Gledhill	9 August 2018
	3) Corporate Disclosure Policy under the Listing Requirements - by Tricor Knowledge House Sdn Bhd ("Tricor")	29 October 2018
	4) Sustainability Report - by Tricor	29 October 2018

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CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

2. BOARD COMPOSITION (cont'd)

Director's Training (cont'd)

Details of the seminars and workshops attended by the Directors during FY 2018 are as follows (cont'd):

Director	Seminars/Workshops	Date of Attendance
Mr Luk	1) UOB Privilege Conversations - by UOB Bank	15 May 2018
	2) BFM Network Series - Understanding The Latest Retail Trends & Insight	6 June 2018
	3) In conversation with Stephen Hagger - Malaysia's Politics and Landscape - by Credit Suisse	12 June 2018
	4) University of Malaya, Innovation Forum KL 2018 on Entrepreneurship in Healthcare.	22 September 2018
	5) Corporate Disclosure Policy under the Listing Requirements - by Tricor	29 October 2018
	6) Sustainability Report - by Tricor	29 October 2018
Ms Soon	1) MCGG Reporting & CG Guide - by Bursa Securities	1 March 2018
	2) Artificial Intelligence and The Future of Accountants - by MIA-ICAEW	10 April 2018
	3) Tax Audit & Investigation Workshop Chapter 2 - by Deloitte Tax Services Sdn Bhd	12 April 2018
	4) Global Business Insight Series - Getting More Out Of Digital Marketing - by Securities Commission Malaysia	4 September 2018
	5) Corporate Disclosure Policy under the Listing Requirements - by Tricor	29 October 2018
	6) Sustainability Report - by Tricor	29 October 2018
Mr Wen	1) Corporate Disclosure Policy under the Listing Requirements - by Tricor	29 October 2018
	2) Sustainability Report - by Tricor	29 October 2018
Mr Hock	1) Corporate Disclosure Policy under the Listing Requirements - by Tricor	29 October 2018
	2) Sustainability Report - by Tricor	29 October 2018
En Suffian	1) Corporate Disclosure Policy under the Listing Requirements - by Tricor	29 October 2018
	2) Sustainability Report - by Tricor	29 October 2018

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

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

2. BOARD COMPOSITION (cont'd)

Nominating Committee (“NC”)

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

Chairman	:	Mr John Ding (Independent Non-Executive Chairman)
Member	:	Ms Soon (Senior Independent Non-Executive Director)
Member	:	En Suffian (Independent Non-Executive Director)

During the financial year under review, two (2) meetings were held and attended by all members. The main activities carried out by the NC during the financial year under review were as follows:

- Reviewed and assessed the effectiveness of the Board as a whole
- Reviewed and assessed the contribution and performance of each Director
- Reviewed and assessed the appointment of senior management
- Reviewed and assessed the contribution and performance of the Board Committees (Audit Committee, Risk Management Committee, Remuneration Committee, Nominating Committee)
- Reviewed and assessed the independence of the Independent Non-Executive Directors
- Reviewed and recommended the Directors seeking re-election to the Board which would table individually their re-election as director to the shareholders for approval at the forthcoming Annual General Meeting (“AGM”) on 29 March 2019

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

3. REMUNERATION

Remuneration Committee

The Remuneration Committee is formed to review and recommend the appropriate level of remuneration for the Board members, the Executive and Non-Executive Directors, C-Level personnel and the Group’s bonus payout taking into consideration the Group’s performance. The current members of the Remuneration Committee are as follows:

Chairman	:	En Suffian (Independent Non-Executive Director)
Member	:	Ms Soon (Senior Independent Non-Executive Director)
Member	:	Mr Hock (Non-Independent Non-Executive Director)

During the financial year under review, two (2) meeting were held and attended by all members. The main activities carried out by the Remuneration Committee during the financial year under review were as follows:

- Reviewed and recommended to the Board for approval, the remuneration structure for the Group
- Reviewed and recommended to the Board the remuneration package of the Executive Directors
- Reviewed and recommended to the Board the remuneration package and bonus payout of the Key Management

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

3. REMUNERATION (cont'd)

Remuneration Committee (cont'd)

The Executive Directors' remuneration was designed to link rewards to the Company's and individual's performance whilst the remuneration of the Non-Executive Directors was determined in accordance with their experience and the level of responsibilities assumed. In ensuring that the Directors' remuneration was in line with the market expectation and competition to retain and attract talents, comparisons had been made to the Directors' remuneration given by other public listed companies.

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

Based on the assessment carried out for the financial year, the Board was satisfied that the Remuneration Committee had fulfilled its role and discharged its duties effectively.

Directors' Remuneration

The remuneration paid to individual Directors during the financial year ended 31 October 2018, categorised into appropriate components is as follows:

	Fees RM	Meeting Allowances RM	Salaries & Bonuses RM	Benefits -in-kind RM	Total RM
Executive Directors					
Mr Luk	-	-	812,000	23,950	835,950
Mr Wen	-	-	729,000	11,100	740,100
Non-Executive Directors					
Mr John Ding	90,000	10,500	-	-	100,500
Ms Soon	75,000	10,500	-	-	85,500
En Suffian	70,000	10,500	-	-	80,500
Mr Hock	66,700	10,500	-	-	77,200

Top five (5) Senior Management's remuneration

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

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

4. AUDIT COMMITTEE

Effective and Independent Audit Committee (“AC”)

The composition and details of activities carried out by the AC during FY 2018 are set out in the Audit Committee Report of this Annual Report.

The AC members possess a wide range of skills, and they are financially literate and able to understand matters within the purview of the AC including the financial reporting and performance of the Group. The AC members have been attending continuous professional development to keep abreast of relevant developments in accounting and auditing standards, practices and rules.

Two (2) members from the AC are professionally qualified accountants having vast experience in the finance industry including financial reporting process.

The outsourced Internal Auditors, namely Axcelasia Columbus Sdn Bhd communicate regularly with and report directly to the AC. The internal audit function conducts regular audit to review and provide assurance to the AC on the adequacy and effectiveness of the Group’s internal control and governance process. The outsourced Internal Auditors attended all four (4) meetings of the AC in FY 2018.

An annual assessment was conducted on the external auditors and the AC was satisfied with their performance and independence. In addition, the AC was also satisfied with the quality of audit review procedures and adequacy of the firm’s expertise and its resources to carry out the audit work that it was tasked with.

The Board is aware of Practice 8.2 of the MCCG and the best practice of requiring a cooling off period of at least two (2) years before a former key audit partner is to be appointed as a member of the AC. None of the members of the Board were former key audit partner and the Board has no intention to appoint any such person as a member of the Board at this juncture.

5. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

The Board believes that effective oversight review of risk management and internal control is important to help the Group to achieve its various objectives at many levels and having considered the risks that the Group faces whilst balancing the interest of its many stakeholders and protecting the Group’s assets and investments.

The Group adopts the “Three Lines of Defence” model for the governance and management of its system of internal controls. The AC is assisted by the outsourced Internal Audit Function which reports directly to the AC. The Risk Management Department provides support and facilitates the implementation of an enterprise wide risk management and internal control functions.

A Risk Management Committee was established on 1 March 2018 and is responsible in assisting the Board by taking the responsibility of monitoring the effectiveness of the Group’s approach on risk management which function was previously delegated to the AC. The composition and details of activities carried out by the Risk Management Committee are set out in the Risk Management Committee Report of this Annual Report.

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

6. COMMUNICATION WITH STAKEHOLDERS

Continuous Communication and Investor Relations

The Board acknowledges the importance of timely and equal dissemination of material information to the shareholders, investors and public at large. The Board ensures its adherence to and compliance with the disclosure requirement of the Listing Requirement as well as the Corporate Disclosure Guide issued by Bursa Securities.

The Company's shareholders and members of the public can access to any latest corporate information of the Group on its website at www.mynews.com.my while all material announcements are also published on the website of Bursa Securities.

The management also values dialogues with institutional investors, fund managers and analysts. The Company has been practicing open discussions with investors/fund managers/analysts upon request through meeting, teleconferences and emails. In this regard, information is disseminated with strict adherence to the disclosure requirements and protocol of Bursa Securities.

The Company's website provides easy access to corporate information, Board Charter, Terms of Reference of Board Committees, annual reports and company announcements pertaining to the Group and its activities.

7. CONDUCT OF GENERAL MEETINGS

Shareholders' Participation at General Meetings

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

The annual general meetings are principal forum for dialogue with shareholders. At the Company's 2018 AGM, the CEO presented the overall performance of the Group to the shareholders. Shareholders were provided with an opportunity to participate in the question and answer session at which shareholders who raised questions regarding the proposed resolutions at the said meeting as well as on matters relating to the Group's business and affairs. All Directors attended the said AGM and all resolutions tabled were approved and passed by its shareholders.

The Company held its 2018 AGM at The Club, Bukit Utama Golf Resort, 1 Club Drive, Bukit Utama, Bandar Utama, 47800, Petaling Jaya which was easily accessible to its shareholders. The Notice of AGM together with the Company's Annual Report for the financial year ended 31 October 2017 were dispatched on 28 February 2018 which fulfilled the 28 days' notice requirement for the meeting. Both the Notice of Meeting and Annual Report 2017 were published on the websites of Bursa Securities and the Company on the day of the dispatch facilitating prompt access by the shareholders and the public.

AUDIT COMMITTEE REPORT

The Audit Committee (“AC”) of Mynews is pleased to present its report for FY 2018.

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.

The AC is in charge of overseeing the risk management of Mynews since it was established. For a more effective risk management and internal control framework, the Board had on 1 March 2018 re-delegated the role of risk management from AC to another separate Board Committee, called the “Risk Management Committee”.

Membership and Meeting Attendance

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

- Ms Soon - Chairman, Senior Independent Non-Executive Director
- Mr John Ding - Member, Independent Non-Executive Chairman
- En Suffian - Member, Independent Non-Executive Director

The attendance of the members at the AC meetings held during FY 2018 is as follows:

	Members	Designation	Attendance of Meetings	
1	Ms Soon	Chairperson	5/5	100%
2	Mr John Ding	Member	5/5	100%
3	En Suffian	Member	5/5	100%

Terms of Reference

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

Summary of Work Carried Out During FY 2018

a) Financial Reporting

During FY 2018, 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 for release to Bursa Securities
- Reviewed the annual audited financial statements of the Group and ensuring that the statements comply with the Malaysian Financial Reporting Standards, prior to submission to the Board for approval to table it at the forthcoming 2019 AGM
- 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

AUDIT COMMITTEE REPORT

Summary of Work Carried Out During FY 2018 (cont'd)

b) External Audit

- Reviewed the external auditors audit plan, which outlined the work scope, audit strategy and approach for the financial year ended 31 October 2018
- Discussed with the external auditors on the results of the audit, their findings and the resolution of the findings
- Reviewed the audited financial statements with the external auditors and Management before recommending it to the Board for adoption
- Assessed the effectiveness of the external audit process to ensure high standards of professionalism and effectiveness of the external audit carried out
- Held private meetings with the external auditors without the presence of the Executive Directors and Management
- Reviewed the proposed audit fees for FY 2018 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 to discharge its duties and responsibilities with regard to the internal audit functions of the Group. Its scope encompassed, but not limited to, the examination and evaluation of the adequacy and effectiveness of the Group's governance, risk management and internal controls. The internal auditors had provided independent and objective assurance and advisory services designed to add value and improve the internal controls of the operating departments within the Group.

The functions of the outsourced internal auditors were to:

- Conduct scheduled internal audits in accordance with the approved internal audit plan, devised using primarily the risk-based approach
- Review the effectiveness of internal controls and recommending improvements where necessary
- Conduct follow-up reviews to assess if appropriate actions had been taken to address issues highlighted in previous audit reports
- Present audit report to AC on a quarterly basis incorporating findings, highlighting areas for improvement and recommending correctives measures
- Provide recommendation for the improvement of the internal control policies and procedures

The internal audit activities carried out in accordance with the audit plan for FY 2018 were on the following areas:

1. Development and Management of Retail Outlets
2. Merchandising and Procurement
3. Logistics and Inventory Management
4. Sales and Marketing
5. Human Resource Management
6. Petty Cash Process
7. Financial Statement Close Process

The AC had reviewed the internal audit reports, the recommendations and management action plans. No major weaknesses that have resulted in material losses, contingencies or uncertainties were reported. 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 FY 2018 in relation to the outsourced internal audit functions was RM86,000.

Summary of Work Carried Out During FY 2018 (cont'd)

d) Related Party Transactions

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

For FY 2018, the AC noted:

- 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;
- There were no new recurrent related party transactions relative to the previous year; and
- There were disposals of 2 properties to related parties, conducted at arm's length

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.

RISK MANAGEMENT COMMITTEE REPORT

The Risk Management Committee of Mynews is pleased to present its report for FY 2018.

For an effective risk management framework, the Risk Management Committee (“RMC”) was set up on 1 March 2018 to oversee the risk management of Mynews pursuant to step-up practice 9.3 of the Malaysian Corporate Governance Code 2017.

Membership and Meeting Attendance

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

- Mr Hock - Chairman, Non-Independent Non-Executive Director
- Mr John Ding - Member, Independent Non-Executive Chairman
- En Suffian - Member, Independent Non-Executive Director

The attendance of the members at the RMC meetings held during FY 2018 is as follows:

	Members	Designation	Attendance of Meetings	
1	Mr Hock	Chairperson	3/3	100%
2	Mr John Ding	Member	3/3	100%
3	En Suffian	Member	3/3	100%

Terms of Reference

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

Summary of Work Activities

The RMC is responsible in assisting the Board to monitor the effectiveness of the Group’s approach on risk management. The Group has a formal risk management policy and framework approved by the Board and the RMC is supported by the Risk Management Department to oversee the Group’s risk management.

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

The risk management framework is supported by the Risk Management Working Committee which comprises of heads of department, headed by the CEO in overseeing the risk management efforts within the Group. The risk management process includes identifying principal business risks within the organisation, assessing the likelihood of occurrence and impact of exposures and determining the corresponding risk mitigation and treatment measures.

In FY 2018, the RMC carried out its oversight roles by evaluating key areas of risk exposure focusing on IT, competition, business transformation, operational efficiency, logistics, human resource, trainings, internal controls and business continuity.

RISK MANAGEMENT COMMITTEE REPORT

Summary of Work Activities (cont'd)

Risk management activities are practised throughout the organisation to support the RMC in its corporate governance responsibilities. Risk Management Department and the respective departmental heads would proactively and effectively manage significant risks that might affect the Group's objectives. A set of risk indicators had been developed and used to enhance the monitoring and mitigation of risks events.

Control Environment

• Whistleblowing Policy

The Group has in place a whistleblowing policy that provides a mechanism to report concerns about any suspected misconduct, wrong doings, corruption, fraud in relation to Mynews workplace. The whistleblowing policy is set out in Mynews' website www.mynews.com.my and complainants can also reach out to Mynews' careline at toll free number 1800-88-1231 or email to mynewscareline@mynews.com.my.

• Anti-Bribery and Anti-Corruption

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

• Business Continuity Management

The Management recognises the importance of business continuity and sustainability. In view of the operations having to depend on network and POS system to carry out the daily work activities, Management has developed a disaster recovery plan to ensure that the Group is able to respond and recover quickly from any significant unexpected event which could disrupt its business activities.

Risk and Governance Structure (Three lines of defense)

The Group acknowledges the "Three Lines of Defense" model as a way of defining the relationship between these functions and act as guidelines for accountabilities by each functional departments.

- ◇ **1st Line of Defense - Heads of Department**
- ◇ **2nd Line of Defense - Risk Management Department**
- ◇ **3rd Line of Defense - Internal Audit**

1st Line of Defense - Heads of Department

All Heads of Department are responsible for the ownership and management of their respective risks. They are responsible for implementing controls for preventive, detective and corrective measures to address process deficiencies. There are adequate managerial and supervisory controls to highlight control breakdown, inadequate processes.

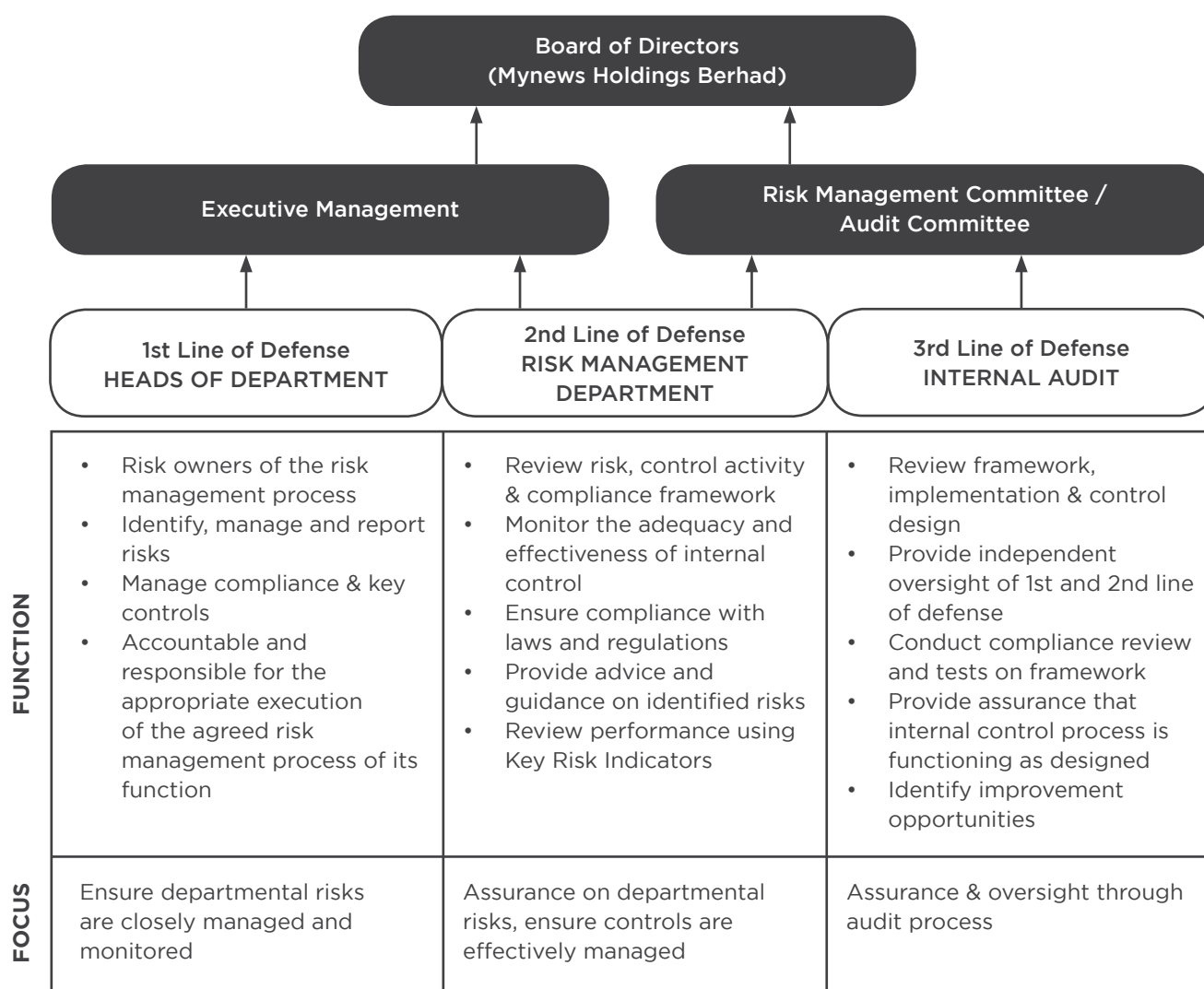
2nd Line of Defense - Risk Management Department

The Risk Management Department's function is to ensure that the framework with control process fully embedded is operational. It monitors the 1st line of controls to ensure that risks are being effectively managed, facilitates and monitors the implementation of effective risk management practices by management and carries out validation works to check the effectiveness of internal controls. Each of these functions has some degree of independence from the 1st line of defense.

3rd Line of Defense - Internal Audit

Internal Audit provides independent and objective assurance on the effectiveness of governance, risk management, and internal controls, including the manner of 1st and 2nd line of defenses to achieve the risk management and control objectives. Internal Audit provides the Board and Management with comprehensive assurance based on the highest level of independence and objectivity.

RISK MANAGEMENT COMMITTEE REPORT



Annual Review and Performance Evaluation

The RMC conducts annual performance evaluation to continuously improve its processes and approach in managing risks.

The RMC had considered the risk management process during the year and deemed it to be effective in relation to identifying, assessing and monitoring the Group's risks. No major weaknesses that have resulted in material losses, contingencies or uncertainties were noted.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Pursuant to Paragraph 15.26(b) of the Bursa Securities Main Market Listing Requirements, the Board of Mynews Holdings Berhad is pleased to provide this Statement on Risk Management and Internal Control of Mynews for FY 2018.

BOARD'S RESPONSIBILITY

The Board acknowledges that it is ultimately responsible for Mynews' risk management and internal control and ensuring that it is adequate and effective in managing risks. The Board is cognisant of its role in providing risk oversight, setting the tone at the top, developing risk culture and reviewing the business objectives to be in line with Group's risk profile. The Board recognises that the internal controls system is designed to manage and minimise rather than eliminate the risks and to provide assurance against material losses or failure associated with risks to achieve Mynews' corporate objectives.

RISK MANAGEMENT

The Risk Management Committee ("RMC") has been established to assist the Board in ensuring the implementation of appropriate systems to manage the overall risk exposure of the Group, which include identifying significant risks, ensuring a risk management framework is in place to manage the overall risk exposure of the Group and to review the effectiveness of the risk management framework.

The Risk Management Policy and Framework include all necessary policies and mechanism to manage the overall risk exposure of Mynews, set out clear risk management guidelines and assess the level of risks in accordance to Mynews' risk appetite. The framework has been designed to ensure proper management of the risks that may impede the achievement of Mynews' goals and objectives.

The RMC, supported by Risk Management Department has an on-going process for identifying, assessing and evaluating the principal risks that affect Mynews' goals and objectives. 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 Risk Management is supported by Risk Management Working Committee ("RMWC"), headed by Mr Luk, the CEO 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.

INTERNAL CONTROL

During FY 2018, Mynews' internal audit function was outsourced to a third-party service provider, Messrs. Axcelasia Columbus Sdn Bhd ("Axcelasia"). Axcelasia is an independent auditing body which conforms to the International Professional Practices Framework ("IPPF") and had devised a risk-based approach 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 reviews on Mynews' internal control system 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 Board.

In addition, Mynews has an in-house Internal Control Department that carries out daily operational audits to assess and ensure the effectiveness of the internal controls in the operational units, principally the retail outlets and distribution centers are conducting their activities in compliance with the respective Standard Operating Procedures. Observations/findings and action plans to rectify and improve the internal controls and effectiveness of the internal controls are reported to the respective Heads of Department and Management.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTERNAL CONTROL (cont'd)

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

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 its operations is entrusted to the Executive Directors and Senior Management. The Heads of Department are empowered with the responsibility of managing their respective operations.
2. **Authority and Responsibility** – The day to day operations of Mynews is guided by the approved authority matrix for reviewing and approval which is documented in the Delegation of Authority (“DOA”). The DOA is reviewed periodically and/or when the need arises to ensure that it stays relevant.
3. **Monitoring and Reporting** – The Chief Financial Officer (“CFO”) 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 quarterly and yearly financial results and that these financial results are prepared based on appropriate accounting policies which are consistent and in compliance with Malaysian Financial Reporting Standards (“MFRS”) to give a true and fair value of the state of affairs of Mynews.

The AC reviews the quarterly financial statements with the CFO and CEO before it recommends to the Board for approval to release the financial results to Bursa Securities. The audited accounts are reviewed with the external auditors before recommending them to the Board to be tabled to the shareholders at the annual general meeting.

4. **Management Meetings** – Management meetings are held fortnightly 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. **Standard Operating Procedures (“SOP”)** – the SOP serve as a step by step instruction and guidance for work process. It sets the rules and expectations, help to enhance staff understanding, provide guidance of job expectations and develop consistency to everyday work. It also helps to protect the Group from knowledge loss and save training cost and time on new staff. The departmental SOP are reviewed periodically to be aligned with the best practices in the industry.
6. **Key Performance Indicator (“KPI”)** – The KPI is an integral part of Mynews to measure, monitor and track performance. This allows Management to identify the areas for improvement and understand the strength/opportunity of/for Mynews.
7. **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.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

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

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

CONCLUSION

For FY 2018, the CEO and the CFO have 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 had 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 2018 Annual Report, and was of the view that the Risk Management and Internal Control system had 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 31 January 2019.

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 31 January 2019.

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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 2018.

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 principal activities of the Company and its subsidiaries during the financial year.

FINANCIAL RESULTS

	Group RM'000	Company RM'000
Net profit for the financial year	26,013	8,146
Attributable to:-		
Owners of the Company	26,498	8,146
Non-controlling interests	(485)	-
	26,013	8,146

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 RM0.01 per ordinary share in respect of the financial year ended 31 October 2018	6,822

The Directors do not recommend any final dividend for the financial year ended 31 October 2018.

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

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

- * Director of the Company and its subsidiaries except for Mynews Ryoyupan Sdn Bhd and Mynews Kineya Sdn Bhd
- ^ Director of the Company and its subsidiaries
- # Director of the Company and its subsidiaries except for Mynews Ryoyupan Sdn Bhd, Mynews Kineya Sdn Bhd, Mynews Management Sdn Bhd and Mynews Kukuh Sdn Bhd

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

Koji Higashiawatoko
 Masahiro Nishida
 Akito Nakatsuma
 Chong Siew Hoong
 Toshiki Shimizu
 Hiroshi Chiyoda
 Takehiko Abe
 Chikanobu Kenma

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 of its related corporations of those who were Directors at the end of the financial year are as follows:-

	Number of ordinary shares			Balance at 31.10.2018
	Balance at 1.11.2017	*Addition	Sold	
The Company				
<u>Direct interests</u>				
Ding Lien Bing	200,000	200,000	-	400,000
Soon Dee Hwee	200,000	200,000	-	400,000
Mohd Suffian Bin Suboh	45,000	45,000	-	90,000

DIRECTORS' REPORT**DIRECTORS' INTERESTS (cont'd)**

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

	Balance at 1.11.2017	Number of ordinary shares		Balance at 31.10.2018
		*Addition	Sold	
The Company (cont'd)				
<u>Indirect interests</u>				
Dang Tai Luk #	203,388,500	203,388,500	(15,000,000)	391,777,000
Dang Tai Wen #	203,388,500	203,388,500	(15,000,000)	391,777,000
Dang Tai Hock #	203,388,500	203,388,500	(15,000,000)	391,777,000
Direct interest in the ordinary shares of the holding company				
D&D Consolidated Sdn Bhd				
Dang Tai Luk	4,341	-	-	4,341
Dang Tai Wen	1,648	-	-	1,648
Dang Tai Hock	3,241	-	-	3,241

* There were no shares bought during the financial year and the additions were consequent to the bonus issue on 21 December 2017 of 1 new ordinary share for every share held on the entitlement date.

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 Company has an interest under Section 8 of the Companies Act 2016.

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 25 and 26 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 had completed bonus issue of 341,077,000 new ordinary shares as detailed in Note 12 to the Financial Statements.

There were no debentures issued during the financial year.

INDEMNITY AND INSURANCE FOR DIRECTORS AND OFFICERS

The amount of indemnity coverage and insurance premium paid for Directors and officers of the Company during the financial year was RM10,000,000 and RM29,160 respectively.

OTHER STATUTORY INFORMATION

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

- (a) to ascertain that 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 all known bad debts had been 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 make any provision for doubtful debts in the financial statements of the Group and of the Company or the amount written off for bad debts inadequate to any substantial extent; or
- (b) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
- (c) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or
- (d) not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

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

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

In the opinion of the Directors:-

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

The significant events during the financial year are disclosed in Note 31 to the Financial Statements.

Details of auditors' remuneration are set out in Note 21 to the Financial Statements.

There was no indemnity given to or insurance effected for the auditors of the Company.

The auditors, Messrs Grant Thornton Malaysia have expressed their willingness to continue in office.

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

[illegible]

DIRECTORS

DANG TAI WEN

Kuala Lumpur
31 January 2019

STATEMENT BY DIRECTORS AND STATUTORY DECLARATION

STATEMENT BY DIRECTORS

In the opinion of the Directors, the financial statements set out on pages 69 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 2018 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
31 January 2019

.....
DANG TAI WEN

STATUTORY DECLARATION

I, Chong Siew Hoong, being the Officer primarily responsible for the financial management of Mynews Holdings Berhad do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 69 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)
31 January 2019)

.....
CHONG SIEW HOONG

(No: 5062)

CHARTERED ACCOUNTANT

Before me:

VALLIAMAH A/P PERIAN (W594)

Commissioner for Oaths

Kuala Lumpur

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF MYNEWS HOLDINGS BERHAD AND ITS SUBSIDIARIES

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Mynews Holdings Berhad, which comprise the statements of financial position as at 31 October 2018 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 and other explanatory information, as set out on pages 69 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 2018, 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.

Group

Risk of valuation and existence of inventories

The risk -

As at 31 October 2018, the inventories balances amounting to RM44.3 million as disclosed in Note 9 to the Financial Statements is significant to the total assets of the Group. The inventories are measured at the lower of cost and net realisable value ("NRV"). At year end, the valuation of inventories is reviewed by management and the costs of inventories are reduced where inventories are forecasted to be sold below cost. Changes in these assumptions could result in a material change in the carrying value of inventories and the financial performance of the Group.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF MYNEWS HOLDINGS BERHAD AND ITS SUBSIDIARIES

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

Key Audit Matters (cont'd)

Group (cont'd)

Risk of valuation and existence of inventories (cont'd)

Our response -

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

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

Revenue involving enormous volume of insignificant transactions

The risk -

The Group relies heavily on the information technology system to account for cash sales generated from outlets. The 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 79% 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 -

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

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

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF MYNEWS HOLDINGS BERHAD AND ITS SUBSIDIARIES

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

Key Audit Matters (cont'd)

Company

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

Information other than the Financial Statements and Auditors' Report Thereon

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

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

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

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

Responsibilities of the Directors for the Financial Statements

The Directors of the Group and 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.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF MYNEWS HOLDINGS BERHAD AND ITS SUBSIDIARIES

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

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

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.

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

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

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.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF MYNEWS HOLDINGS BERHAD AND ITS SUBSIDIARIES

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

Kuala Lumpur
31 January 2019

KHO KIM ENG

(NO: 3137/10/2020 (J))

CHARTERED ACCOUNTANT

MYNEWS HOLDINGS BERHAD

STATEMENTS OF FINANCIAL POSITION

AS AT 31 OCTOBER 2018

		Group		Company	
	Note	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	4	155,681	80,595	-	-
Investment in subsidiaries	5	-	-	177,152	46,090
Investment in jointly controlled entity	6	6,262	4,620	-	-
Other investments	7	5	5	-	-
Fixed deposits with licensed banks	8	800	800	-	-
Total non-current assets		162,748	86,020	177,152	46,090
Current assets					
Inventories	9	44,311	31,726	-	-
Trade receivables	10	16,896	10,652	-	-
Other receivables	11	47,769	31,460	8	120
Amount due from subsidiaries	5	-	-	13,305	53,758
Amount due from jointly controlled entity	6	112	1,201	-	-
Other investments	7	45,096	105,735	18,181	105,735
Fixed deposits with licensed banks	8	1,028	1,028	-	-
Cash and bank balances		22,590	22,006	100	2,066
Total current assets		177,802	203,808	31,594	161,679
Total assets		340,550	289,828	208,746	207,769
EQUITY AND LIABILITIES					
Equity					
Share capital	12	201,581	201,581	201,581	201,581
Revaluation reserve	13	5,844	8,561	-	-
Merger deficit	14	(45,952)	(45,952)	-	-
Retained earnings		99,834	77,441	7,042	5,718
		261,307	241,631	208,623	207,299
Non-controlling interests		19,394	-	-	-
Total equity		280,701	241,631	208,623	207,299
LIABILITIES					
Non-current liabilities					
Bank borrowings	15	1,914	5,500	-	-
Finance lease liabilities	16	795	751	-	-
Deferred tax liabilities	17	3,060	2,749	-	-
Total non-current liabilities		5,769	9,000	-	-

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

STATEMENTS OF FINANCIAL POSITION

AS AT 31 OCTOBER 2018

		Group		Company	
	Note	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Current liabilities					
Trade payables	18	30,507	23,083	-	-
Other payables	19	20,817	13,424	121	428
Bank borrowings	15	2,370	1,414	-	-
Finance lease liabilities	16	347	290	-	-
Tax payable		39	986	2	42
Total current liabilities		54,080	39,197	123	470
Total liabilities		59,849	48,197	123	470
Total equity and liabilities		340,550	289,828	208,746	207,769

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 2018

	Note	Group		Company	
		2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Revenue	20	393,358	327,598	9,028	8,770
Cost of sales		(243,614)	(206,948)	-	-
Gross profit		149,744	120,650	9,028	8,770
Other income		1,251	1,285	-	-
Administration expenses		(111,595)	(85,773)	(914)	(655)
Other expenses		(9,061)	(6,987)	-	-
Finance costs		(359)	(420)	-	-
Share of profit of jointly controlled entity	6	2,242	1,941	-	-
Profit before tax	21	32,222	30,696	8,114	8,115
Tax (expense)/ income	22	(6,209)	(6,675)	32	(43)
Net profit/total comprehensive income for the financial year		26,013	24,021	8,146	8,072
Net profit/total comprehensive income for the financial year attributable to:-					
Owners of the Company		26,498	24,021	8,146	8,072
Non-controlling interests		(485)	-	-	-
		26,013	24,021	8,146	8,072
Earnings per share					
Basic earnings per share attributable to owners of the Company (sen)	23	3.88	3.69		

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2018

Group	Note	<----- Non-distributable ----->					Distributable		Non-controlling interests		Total
		Share capital RM'000	Share premium RM'000	Revaluation reserve RM'000	Merger deficit RM'000	Retained earnings RM'000	Total RM'000	RM'000	RM'000	RM'000	
Balance at 1 November 2016		62,014	67,320	8,561	(45,952)	60,482	152,425	-	-	-	152,425
Transactions with owners											
Dividend	24	-	-	-	-	(6,201)	(6,201)	-	-	-	(6,201)
Issuance of ordinary shares		72,247	-	-	-	(861)	71,386	-	-	-	71,386
Total transactions with owners		72,247	-	-	-	(7,062)	65,185	-	-	-	65,185
Transition to no-par value regime		67,320	(67,320)	-	-	-	-	-	-	-	-
Total comprehensive income for the financial year		-	-	-	-	24,021	24,021	-	-	-	24,021
Balance at 31 October 2017		201,581	-	8,561	(45,952)	77,441	241,631	-	-	-	241,631
Transaction with owners											
Dividend	24	-	-	-	-	(6,822)	(6,822)	-	-	-	(6,822)
Capital contribution from non-controlling interests		-	-	-	-	-	-	19,879	19,879	-	19,879
Transfer to retained earnings for properties disposed		-	-	(2,717)	-	2,717	-	-	-	-	-
Total comprehensive income for the financial year		-	-	-	-	26,498	26,498	(485)	(485)	-	26,013
Balance at 31 October 2018		201,581	-	5,844	(45,952)	99,834	261,307	19,394	19,394	-	280,701

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2018

Company	Note	RM'000	RM'000	RM'000	RM'000	RM'000
Balance at 1 November 2016						
<i>Transactions with owners</i>						
Dividend	24	-	-	-	-	(6,201)
Issuance of ordinary shares		72,247	-	-	(861)	71,386
Total transactions with owners		72,247	-	-	(7,062)	65,185
Transition to no-par value regime		67,320	(67,320)	-	-	-
Total comprehensive income for the financial year		-	-	-	8,072	8,072
Balance at 31 October 2017						
<i>Transaction with owners</i>						
Dividend	24	-	-	-	(6,822)	(6,822)
Total comprehensive income for the financial year		-	-	-	8,146	8,146
Balance at 31 October 2018						
		201,581	-	-	7,042	208,623

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2018

		Group		Company	
	Note	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
OPERATING ACTIVITIES					
Profit before tax		32,222	30,696	8,114	8,115
Adjustments for:					
Bad debts written off	9	-	-	-	-
Depreciation of property, plant and equipment	8,142	6,000	-	-	-
Dividend income from other investments	(2,156)	(838)	(1,952)	(712)	(712)
Dividend income from a subsidiary	-	-	(7,000)	(7,000)	(7,000)
Gain on fair value adjustment of other investments	(55)	(1,071)	(44)	(1,051)	(1,051)
(Gain)/loss on disposal of property, plant and equipment	(203)	57	-	-	-
Interest expenses	359	420	-	-	-
Interest income	(328)	(215)	(32)	(7)	(7)
Inventories written off	704	151	-	-	-
Property, plant and equipment written off	926	925	-	-	-
Share of profit of jointly controlled entity	(2,242)	(1,941)	-	-	-
Operating profit/(loss) before working capital changes		37,378	34,184	(914)	(655)
Changes in working capital:-					
Inventories	(13,289)	(2,095)	-	-	-
Receivables	(22,562)	(16,697)	112	(118)	(118)
Payables	14,817	(3,993)	(307)	118	118
Jointly controlled entity	41	29	-	-	-
Cash generated from/(used in) operations		16,385	11,428	(1,109)	(655)
Tax refunded	48	189	-	-	-
Tax paid	(6,893)	(5,770)	(8)	(43)	(43)
Net cash from/(used in) operating activities		9,540	5,847	(1,117)	(698)
INVESTING ACTIVITIES					
Dividend received from a subsidiary	-	-	7,000	7,000	7,000
Dividend received from jointly controlled entity	600	-	-	-	-
Proceeds from disposal of property, plant and equipment	3,624	155	-	-	-
Purchase of property, plant and equipment	A (87,128)	(21,736)	-	-	-
Repayments from/(advances to) subsidiaries	-	-	40,453	(24,617)	(24,617)
Repayments from/(advances to) jointly controlled entity	1,048	(12)	-	-	-
Placement of fixed deposits	-	(70)	-	-	-
Placement of funds in other investments	(32,450)	(128,355)	(4,450)	(128,355)	(128,355)
Proceeds from redemption of other investments	95,300	87,859	94,000	83,405	83,405
Interest received	328	215	32	7	7
Capital contribution from non-controlling interests	19,879	-	-	-	-
Subscription of shares in subsidiaries	-	-	(131,062)	-	-
Net cash from/(used in) investing activities		1,201	(61,944)	5,973	(62,560)

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2018

		Group		Company	
	Note	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
FINANCING ACTIVITIES	B				
Dividend paid		(6,822)	(6,201)	(6,822)	(6,201)
Interest paid		(359)	(420)	-	-
Repayment of finance lease liabilities		(346)	(282)	-	-
Repayment of term loans		(2,630)	(1,355)	-	-
Proceeds from issuance of ordinary shares, net of share issuance expenses		-	71,386	-	71,386
Net cash (used in)/from financing activities		(10,157)	63,128	(6,822)	65,185
CASH AND CASH EQUIVALENTS					
Net changes		584	7,031	(1,966)	1,927
Brought forward		23,034	16,003	2,066	139
Carried forward	C	23,618	23,034	100	2,066

NOTES TO THE STATEMENTS OF CASH FLOWS

A. PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

	Group		Company	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Acquisition of property, plant and equipment	87,575	22,466	-	-
Less: Acquired under finance lease arrangements	(447)	(730)	-	-
Cash payments	87,128	21,736	-	-

B. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	At 1.11.2017 RM'000	Acquisition of motor vehicles RM'000	Payments RM'000	At 31.10.2018 RM'000
Group				
Finance lease liabilities	1,041	447	(346)	1,142
Term loans	6,914	-	(2,630)	4,284
	7,955	447	(2,976)	5,426

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2018

NOTES TO THE STATEMENTS OF CASH FLOWS (cont'd)

C. CASH AND CASH EQUIVALENTS

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

	Group		Company	
	2018	2017	2018	2017
	RM'000	RM'000	RM'000	RM'000
Fixed deposits with licensed banks	1,828	1,828	-	-
Cash and bank balances	22,590	22,006	100	2,066
	24,418	23,834	100	2,066
Less: Fixed deposits pledged to licensed banks (Note 8)	(800)	(800)	-	-
	23,618	23,034	100	2,066

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

NOTES TO THE FINANCIAL STATEMENTS

31 OCTOBER 2018

1. GENERAL INFORMATION

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

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

The principal activity of the Company is investment holding. The principal activities of its subsidiaries 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 principal activities of the Company and its subsidiaries during the financial year.

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

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors passed on 31 January 2019.

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.

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

NOTES TO THE FINANCIAL STATEMENTS

31 OCTOBER 2018

2. BASIS OF PREPARATION (cont'd)

2.2 Basis of measurement (cont'd)

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

2.3 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

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/improvements to MFRSs which are mandatory for the financial year.

Initial application of the amendments to the standards did not have material impact to the financial statements, except for:

Amendments to MFRS 107 Statement of Cash Flows: Disclosure Initiative

The Group has applied these amendments for the first time in the current financial year. The amendments require the Group to provide disclosure of changes in their liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. The information is provided in statements of cash flows. Consistent with the transition provisions of the amendments, the Group did not disclose comparative information for the prior year.

2. BASIS OF PREPARATION (cont'd)

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:

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
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 119*#	Post-employment Benefits: Defined Benefit Plans
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	

Amendments to MFRSs and Amendments to References to the Conceptual Framework on MFRS Standards effective 1 January 2020:-

Amendments to MFRS 3	Business Combinations
Amendments to MFRS 101	Presentation of Financial Statements
Amendments to MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors
Amendments to References to the Conceptual Framework on MFRS Standards (MFRS 2*#, 3, 6*#, 14*#, 101, 108, 134*#, 137, 138*# and IC Interpretation 12*#, 19, 20*#, 22*#, 132*#)	

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 operation

Not applicable to the Company's operation

NOTES TO THE FINANCIAL STATEMENTS

31 OCTOBER 2018

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 significant financial impacts to the financial statements, except for:

MFRS 9 Financial instruments

The Group and the Company plan to adopt the new standard on the required effective date and will not restate comparative information. During the financial year, the Group and the Company had performed an impact assessment of all aspects of MFRS 9 as mentioned above except hedge accounting as no hedging activities are performed by the Group and the Company. This assessment is based on currently available information and may be subject to changes arising from further reasonable and supportable information being made available to the Group and the Company in the future.

(a) Classification and measurement of financial assets

Receivables are held to collect contractual cash flows and are expected to give rise to cash flows representing solely payments of principal and interest. The Group and the Company analysed the contractual cash flows characteristics of those instruments and concluded that they meet the criteria for amortised cost measurement under MFRS 9. Therefore, reclassification for these instruments is not required.

(b) Impairment of financial assets

MFRS 9 requires the Group and the Company to record expected credit losses on all of its loans and receivables, either on a 12-month or lifetime basis. The Group and the Company will apply the simplified approach and record lifetime expected losses on the receivables. The Group and the Company have determined that the loss allowance is insignificant to the financial statements.

In summary, the Group and the Company expect no significant impact in MFRS 9 adoption.

MFRS 15 Revenue from contracts with customers

MFRS 15 establishes a five-step model to account for 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 for transferring goods or services to a customer.

The new revenue standard will supersede all current revenue recognition requirements under MFRS. Either a retrospective application or a cumulative effect application is required for annual periods beginning on or after 1 January 2018, with early adoption permitted. The Group plans to adopt the new standard on the required effective date using the cumulative effect method.

(i) *Sales of goods*

The Group is engaged in the business as retailer of print media and convenience items. These activities are generally expected to be the only performance obligation, adoption of MFRS 15 is not expected to have any impact on the Group's revenue and profit or loss. The Group expects the revenue recognition to occur at a point of time when control of the asset is transferred to the customers, generally on delivery of goods.

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 significant financial impacts to the financial statements, except for (cont'd):

MFRS 15 Revenue from contracts with customers (cont'd)

(ii) Presentation and disclosure requirements

The presentation and disclosure requirements in MFRS 15 are more detailed than under current MFRS. The presentation requirements represent a significant change from current practice and significantly increases the volume of disclosures required in the Group's financial statements. Many of the disclosure requirements in MFRS 15 are new and the Group has assessed that the impact of some of these disclosures requirements will be significant.

(iii) Other adjustments

In addition to the major adjustment described above, the recognition and measurement requirements in MFRS 15 are also applicable for recognition and measurement of any gains or losses on disposal of non-financial assets (such as items of property, plant and equipment), when that disposal is not in the ordinary course of business. However, on transition, the effect of these changes is not expected to be material for the Group.

In summary, the Group expects no significant impact of MFRS 15 adoption other than additional disclosures.

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 its statement of financial position 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 is currently assessing the financial impact of adopting MFRS 16.

NOTES TO THE FINANCIAL STATEMENTS

31 OCTOBER 2018

2. BASIS OF PREPARATION (cont'd)

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 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 land and buildings at the reporting date 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 89 years and reviews the useful lives of depreciable assets at each reporting date. As at 31 October 2018, management assesses that the useful lives represent the expected utility of the assets to the Group. Actual results, however, may vary due to changes in the expected level of usage and technological developments, resulting in the adjustment to the Group's assets.

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

Impairment of non-financial assets

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

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

2. BASIS OF PREPARATION (cont'd)

2.6 Significant accounting estimates and judgements (cont'd)

2.6.1 Estimation uncertainty (cont'd)

Inventories

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

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

The carrying amount of the Group's inventories at the reporting date is disclosed in Note 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 and the Company's loans and receivables at the reporting date are summarised in Note 29.1 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.

Recognition of incentives and rebates

The Group receives incentives and rebates from suppliers for various programs, primarily volume incentives, display and promotional incentives, prompt payment discounts and warehouse rebates.

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

NOTES TO THE FINANCIAL STATEMENTS**31 OCTOBER 2018****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 Investment in subsidiaries**

Subsidiaries are entities, including structured entities, controlled by the Company. Control exists when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control 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.

Investment in subsidiaries is stated at cost less any impairment losses in the Company's financial position, unless the investment is held for sale or distribution.

Upon the disposal of investment in a subsidiary, the difference between the net disposal proceeds and its carrying amounts is included in profit or loss.

3.1.2 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.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.1 Consolidation (cont'd)

3.1.2 Basis of consolidation (cont'd)

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, Mynews Kukuh 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.

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

Acquisition method

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

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)**3.1 Consolidation (cont'd)****3.1.3 Joint arrangement**

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

The Group's investment in its joint venture is accounted for using the equity method. Under the equity method, investment in a joint venture is carried in the 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.

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 exceed 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 investment accounted for using the equity method" in profit or loss.

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

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.1 Consolidation (cont'd)

3.1.3 Joint arrangement (cont'd)

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.

3.1.4 Non-controlling interests

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

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

3.2 Property, plant and equipment

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

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

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.

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3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.2 Property, plant and equipment (cont'd)

The principal annual depreciation rates used are as follows:-

Leasehold land and building	89 years
Freehold buildings	2 %
Computers and software	20 %
Furniture, fittings, renovation 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 they are completed and ready for their intended use.

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

Property, plant and equipment are derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising 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 in note 3.3.2 to 3.3.4.

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 the 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.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.3 Financial instruments (cont'd)

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

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 carry 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 and jointly controlled entity 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.

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.

Dividends on an available-for-sale equity are recognised in profit or loss when the Group's right to receive payments is established.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.3 Financial instruments (cont'd)

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

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 future 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.

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 carry only other financial liabilities measured at amortised cost using the effective interest method 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 and bank borrowings.

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. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.3 Financial instruments (cont'd)

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.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.4 Impairment of assets (cont'd)

3.4.2 Financial assets (cont'd)

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.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.4 Impairment of assets (cont'd)

3.4.2 Financial assets (cont'd)

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

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.

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

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 specified 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. SIGNIFICANT ACCOUNTING POLICIES (cont'd)**3.6 Leases (cont'd)****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 directly attributable to the acquisition, construction or production of a qualifying assets are capitalised during the period of time that is necessary to complete and prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale.

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

3.8 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.

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 Print media and retail convenience income

Print media and retail convenience income are recognised net of discounts and goods returns in the profit or loss 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 profit or loss 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. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.9 Revenue recognition (cont'd)

3.9.4 Rebates and incentives income

Trade rebates and incentives comprise volume rebates, rebates for central distribution by the Group and discounts on promotional programs. Rebates are recognised to profit or loss when the Group achieved the volume-purchase targets, and the performance obligations for central distribution arrangement and promotional programs have been fulfilled by the Group in accordance with the terms as stipulated in the trade agreements with vendors.

Other rebates and incentives mainly comprise in-store displays and promotions and advertisements for specific products. Incentives are recognised in the profit or loss when the performance obligations have been fulfilled by the Group in accordance with the terms as stipulated in the agreements with vendors. These incentives are recognised as other operational income in the profit or loss.

Revenue invoiced where services have not been rendered at reporting date is recognised as deferred revenue. Accrued revenue represents the values which services have been rendered, but not invoiced as at the reporting date.

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.

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.

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS**31 OCTOBER 2018****3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)****3.12 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.

3.12.1 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).

3.12.2 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.

3.13 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% up until 31 May 2018. Input GST that the Group and the Company pay on purchases of business inputs can be deducted from output GST.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.13 Goods and services tax (cont'd)

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.

3.14 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.

The Group operates principally in Malaysia and in the print media and retail convenience segment. Hence, the Group does not present its results by geographical or industry segment reporting under MFRS 8.

3.15 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; or
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the parent 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; or
 - (ii) one entity is an associate or joint venture of the other entity; or
 - (iii) both entities are joint ventures of the same third party; or
 - (iv) an entity is a joint venture of a third entity and the other entity is an associate of the third entity; or
 - (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; or
 - (vi) the entity is controlled or jointly-controlled by a person identified in (a) above; or
 - (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 company 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 company of the Group.

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4. PROPERTY, PLANT AND EQUIPMENT

Group	At valuation/cost		At cost		At cost		At cost		At cost		At cost		At cost		At cost		At cost		At cost	
	Freehold land	Long term leasehold land	Buildings	Capital work-in-progress	Computers and software	Furniture, fittings, renovation and electrical installation	Motor vehicles	Office equipment and signboards	Plant and machinery	Total	Freehold land	Long term leasehold land	Buildings	Capital work-in-progress	Computers and software	Furniture, fittings, renovation 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	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 November 2016	19,260	-	14,904	-	5,063	29,117	3,064	13,330	28	84,766	19,260	-	14,904	-	5,063	29,117	3,064	13,330	28	84,766
Additions	2,074	-	-	2,040	1,785	10,699	889	4,979	-	22,466	2,074	-	-	2,040	1,785	10,699	889	4,979	-	22,466
Disposals	-	-	-	-	(213)	(98)	(542)	(194)	-	(1,047)	-	-	-	-	(213)	(98)	(542)	(194)	-	(1,047)
Written off	-	-	-	-	(1)	(1,357)	-	(396)	-	(1,754)	-	-	-	-	(1)	(1,357)	-	(396)	-	(1,754)
At 31 October 2017	21,334	-	14,904	2,040	6,634	38,361	3,411	17,719	28	104,431	21,334	-	14,904	2,040	6,634	38,361	3,411	17,719	28	104,431
Additions	-	39,729	13,258	9,190	3,531	11,857	483	9,527	-	87,575	-	39,729	13,258	9,190	3,531	11,857	483	9,527	-	87,575
Disposals	-	-	(3,220)	-	(354)	(67)	(90)	(216)	-	(3,947)	-	-	(3,220)	-	(354)	(67)	(90)	(216)	-	(3,947)
Written off	-	-	-	-	(573)	(2,009)	-	(789)	-	(3,371)	-	-	-	-	(573)	(2,009)	-	(789)	-	(3,371)
Reclassification	-	-	2,040	(2,040)	-	-	-	-	-	-	-	-	2,040	(2,040)	-	-	-	-	-	-
At 31 October 2018	21,334	39,729	26,982	9,190	9,238	48,142	3,804	26,241	28	184,688	21,334	39,729	26,982	9,190	9,238	48,142	3,804	26,241	28	184,688
Accumulated depreciation																				
At 1 November 2016	-	-	510	-	3,253	9,774	2,032	3,912	19	19,500	-	-	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	-	-	290	-	767	3,091	379	1,472	1	6,000
Disposals	-	-	-	-	(201)	(24)	(504)	(106)	-	(835)	-	-	-	-	(201)	(24)	(504)	(106)	-	(835)
Written off	-	-	-	-	-	(611)	-	(218)	-	(829)	-	-	-	-	-	(611)	-	(218)	-	(829)
At 31 October 2017	-	-	800	-	3,819	12,230	1,907	5,060	20	23,836	-	-	800	-	3,819	12,230	1,907	5,060	20	23,836
Charge for the year	-	184	401	-	1,032	3,984	544	1,996	1	8,142	-	184	401	-	1,032	3,984	544	1,996	1	8,142
Disposals	-	-	(25)	-	(283)	(5)	(90)	(123)	-	(526)	-	-	(25)	-	(283)	(5)	(90)	(123)	-	(526)
Written off	-	-	-	-	(539)	(1,318)	-	(588)	-	(2,445)	-	-	-	-	(539)	(1,318)	-	(588)	-	(2,445)
At 31 October 2018	-	184	1,176	-	4,029	14,891	2,361	6,345	21	29,007	-	184	1,176	-	4,029	14,891	2,361	6,345	21	29,007
Net carrying amount																				
At 31 October 2018	21,334	39,545	25,806	9,190	5,209	33,251	1,443	19,896	7	155,681	21,334	39,545	25,806	9,190	5,209	33,251	1,443	19,896	7	155,681
At 31 October 2017	21,334	-	14,104	2,040	2,815	26,131	1,504	12,659	8	80,595	21,334	-	14,104	2,040	2,815	26,131	1,504	12,659	8	80,595

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 RM1,334,000 (2017: RM1,235,000).
- (b) The carrying amount of property, plant and equipment pledged to licensed banks as securities for bank facilities granted to the Group as disclosed in Note 15 to the Financial Statements are as follows:-

	2018 RM'000	2017 RM'000
Freehold land	12,277	12,277
Long term leasehold land	39,545	-
Buildings	21,155	12,748

- (c) The Group applies revaluation model in measuring its land and buildings. The 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 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 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 are as follows:

	Group 2018 RM'000	2017 RM'000
Freehold land	8,173	8,173
Buildings	6,814	7,400

5. SUBSIDIARIES

(i) Investment in subsidiaries

	Company 2018 RM'000	2017 RM'000
Unquoted shares, at cost	177,152	46,090

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5. SUBSIDIARIES (cont'd)

(i) Investment in subsidiaries (cont'd)

During the year, the paid-up share capital of two (2) subsidiaries, namely, Mynews Retail Sdn Bhd and Mynews Food Sdn Bhd was increased by way of capitalisation of the amounts due from them totalling RM130,900,000. In addition, the 20% of equity interest in Mynews Kukuh Sdn Bhd held by Mynews Retail Sdn Bhd was transferred to Mynews Holdings Berhad.

Details of the subsidiaries which incorporated in Malaysia are as follows:-

Name of companies	Effective equity interest		Principal activities
	2018	2017	
	%	%	
Mynews Retail 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	100	100*	Retailer of print media, convenience items and involved in money changing business
Mynews Food Sdn Bhd	100	100	Investment holding, manufacturer and dealer in bread, flour, biscuits and farinaceous compounds
<u>Subsidiaries of Mynews Retail Sdn Bhd</u>			
DKE Technology Sdn Bhd	100	100	Research, development and commercialisation of DKE publications and magazine distribution software, provision of implementation, maintenance and technical services relating to this software
Mynews Management Sdn Bhd	100	100	Provision of management services
<u>Subsidiaries of Mynews Food Sdn Bhd</u>			
Mynews Kineya Sdn Bhd	51	-	Production, manufacturing and sale of prepared and ready-to-eat meals.
Mynews Ryoyupan Sdn Bhd	51	-	Production, manufacturing and sales of bakery products

* 20% of equity interest was held through Mynews Retail Sdn Bhd

(ii) Non-controlling interest in subsidiaries

The Group's subsidiaries that have material non-controlling interests are as follows:-

2018	Mynews Kineya Sdn Bhd	Mynews Ryoyupan Sdn Bhd	Total
Percentage of equity interest and voting interest (%)	49%	49%	
Carrying amount of non-controlling interests (RM'000)	11,741	7,653	19,394
(Loss)/profit allocated to non-controlling interests (RM'000)	(509)	24	(485)

5. SUBSIDIARIES (cont'd)

(ii) Non-controlling interest in subsidiaries (cont'd)

The summary of financial information before intra-group elimination for the Group's subsidiaries that have material non-controlling interests is as below:

	Mynews Kineya Sdn Bhd RM'000	Mynews Ryoyupan Sdn Bhd RM'000
Financial position as at 31 October 2018		
Non-current assets	612	-
Current assets	25,776	15,656
Current liabilities	(2,427)	(38)
Net assets	23,961	15,618
Summary of financial performance for the financial year ended 31 October 2018		
Net (loss)/profit/total comprehensive (loss)/income for the financial year	(1,038)	49
Included in the total comprehensive income is:		
Revenue	410	-
Summary of cash flows for the financial year ended 31 October 2018		
Net cash outflows from operating activities	(6,805)	(5,978)
Net cash outflows from investing activities	(19,252)	(7,942)
Net cash inflows from financing activities	26,142	17,851
Net cash inflows	85	3,931

(iii) 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

	2018 RM'000	Group 2017 RM'000
Unquoted shares, at cost	500	500
Share of results of jointly controlled entity	5,762	4,120
	6,262	4,620

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6. JOINTLY CONTROLLED ENTITY (cont'd)

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

Details of the jointly controlled entity incorporated in Malaysia are as follows:-

Name of company	Effective equity interest		Principal activity
	2018 %	2017 %	
WH Smith Malaysia Sdn Bhd *^	50	50	Retailer in magazines and convenience items.

* not audited by Grant Thornton Malaysia

^ The latest audited financial statements for this jointly controlled entity is for the financial year ended 31 August 2018. 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 2018

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

	2018 RM'000	2017 RM'000
Financial position as at 31 October		
Non-current assets	1,674	1,988
Current assets	16,128	14,102
Non-current liabilities	(5)	(5)
Current liabilities	(5,273)	(6,845)
Cash and cash equivalents	8,150	7,336
Non-current liabilities (excluding trade and other payables and provisions)	(5)	(5)
Current liabilities (excluding trade and other payables and provisions)	(518)	(2,093)
Summary of financial performance for the financial year ended 31 October		
Net profit/total comprehensive income for the financial year	4,484	3,882
<u>Included in net profit/total comprehensive income:</u>		
Revenue	34,806	28,909
Depreciation and amortisation	(848)	(842)
Interest income	134	72
Interest expense	(38)	(83)
Tax expense	(1,921)	(1,257)
Reconciliation of net assets to carrying amount as at 31 October		
Group's share of net assets/carrying amount in the statements of financial position	6,262	4,620
Group's share of results for the financial year ended 31 October		
Group's share of net profit/total comprehensive income	2,242	1,941

6. JOINTLY CONTROLLED ENTITY (cont'd)

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

The following table summarises the information of the Group's jointly controlled entity (cont'd):-

	2018 RM'000	2017 RM'000
Other information		
Dividend received	600	-

Contingent liabilities and capital commitments

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

(ii) Amount due from jointly controlled entity

	Group 2018 RM'000	2017 RM'000
Trade	112	153
Non-trade	-	1,048
	112	1,201

Amount due from jointly controlled entity is interest free, unsecured and repayable on demand. Included in non-trade in 2017 was a sum of RM1,048,000 being the Group's equal share of shareholders' loan to the jointly controlled entity which bore interest at rates at 2.88% to 3.00% per annum.

7. OTHER INVESTMENTS

	Group 2018 RM'000	2017 RM'000	Company 2018 RM'000	2017 RM'000
Available-for-sale financial asset				
<u>Non-current asset</u>				
Quoted shares in Malaysia	5	5	-	-
Financial asset at fair value through profit or loss				
<u>Current asset</u>				
Unit trust funds	45,096	105,735	18,181	105,735

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7. OTHER INVESTMENTS (cont'd)

Movement in unit trust funds:-

	Group		Company	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
At beginning of the financial year	105,735	63,330	105,735	59,022
Additions	32,450	128,355	4,450	128,355
Dividend income	2,156	838	1,952	712
Gain on fair value adjustment	55	1,071	44	1,051
Redemption during the financial year	(95,300)	(87,859)	(94,000)	(83,405)
At end of the financial year	45,096	105,735	18,181	105,735

8. FIXED DEPOSITS WITH LICENSED BANKS

Group

Fixed deposits with licensed banks bear effective interest rates ranging from 2.80% to 4.00% (2017: 2.80% to 4.00%) per annum. These fixed deposits are pledged to licensed banks for bank guarantee facilities granted to the Group and its jointly controlled entity, hence, are not available for general use.

9. INVENTORIES

	Group	
	2018 RM'000	2017 RM'000
Raw materials	225	28
Trading goods	43,817	31,108
Trading currencies	269	590
	44,311	31,726
Recognised in profit or loss:		
-Cost of sales	239,937	205,291
-Inventories written off	704	151

10. TRADE RECEIVABLES

	Group	
	2018 RM'000	2017 RM'000
Trade receivables	10,694	8,069
Accrued revenue	6,202	2,583
	16,896	10,652

Trade receivables are generally on 30 to 90 (2017: 30 to 90) days term and are non-interest bearing.

11. OTHER RECEIVABLES

	Group		Company	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Other receivables	6,327	8,719	-	-
Deposits	36,048	20,362	2	2
Prepayments	1,621	2,379	6	118
GST receivable	3,773	-	-	-
	47,769	31,460	8	120

Included in deposits are sums totalling RM19,334,000 (2017: RM1,311,000) paid as down payment for the purchase of property, plant and equipment, of which RM6,313,000 (2017: Nil) was paid to a company connected to the non-controlling interests which is a vendor of machineries for the Food Processing Centre.

12. SHARE CAPITAL

	Group and Company			
	Number of ordinary shares		Amount	
	2018 Unit ('000)	2017 Unit ('000)	2018 RM'000	2017 RM'000
Issued and fully paid:				
At beginning of the financial year	341,077	310,070	201,581	62,014
Private placement	-	31,007	-	72,247
Bonus issue	341,077	-	-	-
Transition to no-par value regime	-	-	-	67,320
At end of the financial year	682,154	341,077	201,581	201,581

Share premium

	Group and Company	
	2018 RM'000	2017 RM'000
At beginning of the financial year	-	67,320
Transition to no-par value regime	-	(67,320)
At end of the financial year	-	-

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13. REVALUATION RESERVE

	Group	
	2018 RM'000	2017 RM'000
At beginning of the financial year	8,561	8,561
Transfer to retained earnings in respect of properties disposed	(2,717)	-
At end of the financial year	5,844	8,561

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

14. MERGER DEFICIT

The Group's merger deficit represents the excess arising from the nominal value of the shares issued over the nominal value of shares in subsidiaries acquired.

15. BANK BORROWINGS

	Group	
	2018 RM'000	2017 RM'000
Term loans (secured):		
- Non-current	1,914	5,500
- Current	2,370	1,414
	4,284	6,914

The term loans of the Group are secured by:-

- (a) Legal charge over the Group's 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 4.80% to 6.67% (2017: 4.80% to 6.11%) per annum.

During the financial year, the Group secured banking facilities totaling RM100,000,000 which have yet to be drawn down as at the reporting date. These facilities are secured by property, plant and equipment as disclosed in Note 4(b) to the Financial Statements.

16. FINANCE LEASE LIABILITIES

	Group	
	2018 RM'000	2017 RM'000
Finance lease liabilities		
- less than 1 year	403	341
- more than 1 year but less than 5 years	859	819
	1,262	1,160
Less: interest-in-suspense	(120)	(119)
	1,142	1,041

16. FINANCE LEASE LIABILITIES (cont'd)

	Group	
	2018	2017
	RM'000	RM'000
Present value of finance lease liabilities		
- less than 1 year	347	290
- more than 1 year but less than 5 years	795	751
	1,142	1,041

The finance lease liabilities bear interest at rates ranging from 2.35% to 3.65% (2017: 2.35% to 3.65%) per annum.

17. DEFERRED TAX LIABILITIES

	Group	
	2018	2017
	RM'000	RM'000
At beginning of financial year	2,749	2,587
Recognised in profit or loss (Note 22)	311	162
At end of financial year	3,060	2,749

The components of deferred tax liabilities as at the end of the reporting year are made up of the following:-

	Group	
	2018	2017
	RM'000	RM'000
Property, plant and equipment	3,253	2,723
Revaluation reserve	315	451
Deferred revenue	(508)	(425)
	3,060	2,749

18. TRADE PAYABLES

Group

The normal trade credit terms of trade payables ranged from 30 to 90 (2017: 30 to 90) days and are non-interest bearing.

19. OTHER PAYABLES

	Group		Company	
	2018	2017	2018	2017
	RM'000	RM'000	RM'000	RM'000
Other payables	8,026	3,874	5	81
Accruals	10,669	7,466	116	347
SST/GST payable	7	313	-	-
Deferred revenue	2,115	1,771	-	-
	20,817	13,424	121	428

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20. REVENUE

	Group		Company	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Print media and retail convenience income	330,286	276,714	-	-
Rebates and incentives income	60,941	49,068	-	-
Trading currencies	103	47	-	-
Dividend income	1,952	711	8,952	7,712
Interests income	32	7	32	7
Fair value gain on other investments	44	1,051	44	1,051
	393,358	327,598	9,028	8,770

21. PROFIT BEFORE TAX

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

	Group		Company	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Auditors' remuneration				
- statutory audit	161	148	35	35
- non-statutory audit	5	5	5	5
Rental expenses				
- staff hostels	1,519	1,365	-	-
- outlets	35,499	29,483	-	-
- other premises	509	448	-	-
Realised loss on foreign exchange	9	44	-	-
Warehouse rental income	(456)	(355)	-	-

22. TAX EXPENSE/(INCOME)

	Group		Company	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Current tax				
- current year	6,040	6,201	9	43
- (over)/under provision in prior year	(142)	312	(41)	-
	5,898	6,513	(32)	43
Deferred tax liabilities (Note 17)				
- current year	637	818	-	-
- overprovision in prior year	(326)	(656)	-	-
	311	162	-	-
	6,209	6,675	(32)	43

Malaysian income tax is calculated at the statutory rate of 24% (2017: 24%) of the estimated assessable profits for the financial year.

22. TAX EXPENSE/(INCOME) (cont'd)

A reconciliation of 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:-

	Group		Company	
	2018	2017	2018	2017
	RM'000	RM'000	RM'000	RM'000
Profit before tax	32,222	30,696	8,114	8,115
Income tax at rate of 24% (2017: 24%)	7,733	7,367	1,947	1,948
Non-allowable expenses	588	929	221	198
Income not subject to tax	(709)	(459)	(2,159)	(2,103)
Income exempted under				
Pioneer status	(935)	(818)	-	-
Overprovision in prior years	(468)	(344)	(41)	-
Tax expense for the financial year	6,209	6,675	(32)	43

23. 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.

	Group	
	2018	2017
		Restated
Net profit for the financial year attributable to ordinary equity holders of the Company (RM'000)	26,498	24,021
Weighted average number of ordinary shares in issue (Number in '000) *	682,154	651,742
Basic earnings per share (sen)	3.88	3.69

* The bonus share issue on 21 December 2017 was without consideration and therefore, the number of ordinary shares arising from bonus issue are treated as if they had occurred before 1 November 2017

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.

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24. DIVIDENDS

Group and Company
RM'000

2018

In respect of the financial year ended 31 October 2018:-

An interim single tier dividend of RM0.01 per ordinary share 6,822

2017

In respect of the financial year ended 31 October 2017:-

An interim single tier dividend of RM0.02 per ordinary share 6,201

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

25. EMPLOYEES' BENEFITS EXPENSES

	Group	
	2018	2017
	RM'000	RM'000
Salaries and other emoluments	46,965	34,749
Directors' remuneration	2,059	1,693
Defined contribution plan	2,868	2,024
Social security contributions	402	289
	52,294	38,755

The details of the Directors' remuneration are as below:-

	Group	
	2018	2017
	RM'000	RM'000
Salaries and other emoluments	1,574	1,203
Defined contribution plan	181	212
Social security contributions	2	2
Fee	302	276
	2,059	1,693

Company

Included in Directors' remuneration are meeting allowances and fees amounting to RM42,000 (2017: RM41,000) and RM302,000 (2017: RM276,000) respectively.

26. SIGNIFICANT RELATED PARTY DISCLOSURES

26.1 Significant related party transactions

Related parties refer to persons or entities that are related to the Group or to the Directors.

	Group	
	2018	2017
	RM'000	RM'000
Dividend income received from jointly controlled entity	600	-
Interest charged to jointly controlled entity	19	38
Management fees charged to jointly controlled entity	696	577
Travelling expenses charged to jointly controlled entity	16	60
Warehouse and storage fee charged to jointly controlled entity	451	311
Advertising and promotion fee charged to related party	-	58
Purchases from related parties	602	577
Rental charged by related parties		
- Office	42	72
- Hostels	36	36
Sale of motor vehicle to a Director	-	33
Hostel rental charged by certain Directors	19	34
Sale of property, plant and equipment to persons connected to Directors	3,400	-

	Company	
	2018	2017
	RM'000	RM'000
Dividend income from a subsidiary	7,000	7,000

26.2 Compensation of key management personnel

The remuneration of the Directors and other members of key management personnel during the financial year are as follows:-

	Group		Company	
	2018	2017	2018	2017
	RM'000	RM'000	RM'000	RM'000
Salaries and other emoluments	3,170	1,740	42	41
Fee	302	276	302	276
Defined contribution plan	326	273	-	-
Social security contributions	7	3	-	-
	3,805	2,292	344	317

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 25 to the Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS**31 OCTOBER 2018****26. SIGNIFICANT RELATED PARTY DISCLOSURES (cont'd)****26.3 Outstanding balances arising from related parties**

The outstanding balances arising from related parties as at the reporting date are disclosed in Notes 5, 6, 11 and 18 to the Financial Statements.

27. COMMITMENTS**27.1 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	
	2018	2017
	RM'000	RM'000
Not later than one year	27,809	26,757
Later than one year but not later than five years	18,557	22,860
	46,366	49,617

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

27.2 Capital commitments

	Group	
	2018	2017
	RM'000	RM'000
<u>Authorised and contracted for:</u>		
- Property, plant and equipment	43,942	85,166

28. OPERATING SEGMENTS

The Group operates principally in Malaysia and in the print media and retail convenience segment. Hence, the Group does not present its results by geographical or industry segment.

29. FINANCIAL INSTRUMENTS**29.1 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")

29. FINANCIAL INSTRUMENTS (cont'd)

29.1 Categories of financial instruments (cont'd)

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

Group	Carrying amount RM'000	FVTPL RM'000	L&R RM'000	AFS RM'000	OL RM'000
2018					
Financial assets					
Trade receivables	10,694	-	10,694	-	-
Other receivables	42,375	-	42,375	-	-
Amount due from jointly controlled entity	112	-	112	-	-
Other investments	45,101	45,096	-	5	-
Fixed deposits with licensed banks	1,828	-	1,828	-	-
Cash and bank balances	22,590	-	22,590	-	-
	122,700	45,096	77,599	5	-
Financial liabilities					
Trade payables	30,507	-	-	-	30,507
Other payables	18,695	-	-	-	18,695
Bank borrowings	4,284	-	-	-	4,284
Finance lease liabilities	1,142	-	-	-	1,142
	54,628	-	-	-	54,628
2017					
Financial assets					
Trade receivables	8,069	-	8,069	-	-
Other receivables	29,081	-	29,081	-	-
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	-	-
	167,925	105,735	62,185	5	-
Financial liabilities					
Trade payables	23,083	-	-	-	23,083
Other payables	11,340	-	-	-	11,340
Bank borrowings	6,914	-	-	-	6,914
Finance lease liabilities	1,041	-	-	-	1,041
	42,378	-	-	-	42,378

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29. FINANCIAL INSTRUMENTS (cont'd)

29.1 Categories of financial instruments (cont'd)

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

Company	Carrying amount RM'000	FVTPL RM'000	L&R RM'000	AFS RM'000	OL RM'000
2018					
Financial assets					
Other receivables	2	-	2	-	-
Amount due from subsidiaries	13,305	-	13,305	-	-
Other investments	18,181	18,181	-	-	-
Cash and bank balances	100	-	100	-	-
	31,588	18,181	13,407	-	-
Financial liability					
Other payables	121	-	-	-	121
2017					
Financial assets					
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	-	-
Financial liability					
Other payables	428	-	-	-	428

29.2 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.

29. FINANCIAL INSTRUMENTS (cont'd)

29.2 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:-

(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

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.

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 69% (2017: 74%) of the trade receivables are due from two (2017: two) customers, while 72% (2017: 40%) of the other receivables are due from two (2017: two) debtors.

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

Group	Gross/Net	
	2018 RM'000	2017 RM'000
Not past due	5,835	7,338
Past due 1-30 days	778	337
Past due 31-60 days	3,623	62
Past due 61-90 days	44	248
Past due more than 90 days	414	84
	10,694	8,069

NOTES TO THE FINANCIAL STATEMENTS

31 OCTOBER 2018

29. FINANCIAL INSTRUMENTS (cont'd)

29.2 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)

(i) Receivables (cont'd)

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 2018, trade receivables of RM4,859,000 (2017: RM731,000) were past due but not impaired. These relate to a number of independent customers from whom there is no recent history of default.

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.

(ii) Intercompanies balances

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

The Group and the Company have trade transactions with and also provide advances to the jointly controlled entity and 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 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 Company provides unsecured financial guarantee to financial institutions and third parties in respect of finance lease facilities and guarantee for rental of premises by certain subsidiaries. The Company monitors on an on-going basis the results of the subsidiaries and repayments made by the subsidiaries. As at the end of the reporting year, there was no indication that any subsidiaries would default on repayment on finance lease liabilities or rental payments.

The maximum exposure to credit risk is RM1,549,000 (2017: RM1,577,000), represented by the outstanding finance lease liabilities and tenancy contracts of the subsidiaries as at the reporting date.

29. FINANCIAL INSTRUMENTS (cont'd)

29.2 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

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

The Group and the Company aim at maintaining a balance of sufficient cash and deposits and flexibility in funding by keeping diverse sources of committed and uncommitted credit facilities from various banks.

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
2018						
Unsecured:						
Trade payables	30,507	30,507	30,507	-	-	-
Other payables	18,695	18,695	18,695	-	-	-
Secured:						
Bank borrowings	4,284	4,816	2,524	369	1,498	425
Finance lease liabilities	1,142	1,262	403	328	531	-
	54,628	55,280	52,129	697	2,029	425
2017						
Unsecured:						
Trade payables	23,083	23,083	23,083	-	-	-
Other payables	11,340	11,340	11,340	-	-	-
Secured:						
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

NOTES TO THE FINANCIAL STATEMENTS**31 OCTOBER 2018****29. FINANCIAL INSTRUMENTS (cont'd)****29.2 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)

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
2018						
Unsecured:						
Other payables	121	121	121	-	-	-
Financial guarantee for subsidiaries	-	1,549	1,549	-	-	-
2017						
Unsecured:						
Other payables	428	428	428	-	-	-
Financial guarantee for subsidiaries	-	1,577	1,577	-	-	-

(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.

29. FINANCIAL INSTRUMENTS (cont'd)

29.2 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	2018 RM'000	2017 RM'000
Fixed rate instruments		
<u>Financial asset</u>		
Fixed deposits with licensed banks	1,828	1,828
<u>Financial liability</u>		
Finance lease liabilities	1,142	1,041
Floating rate instruments		
<u>Financial asset</u>		
Loan to jointly controlled entity	-	1,048
<u>Financial liability</u>		
Bank borrowings	4,284	6,914

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss, and the Group does not designate derivatives as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

A change in 0.5% in interest rate at the end of the reporting year would have (decreased)/increased the net profit for the financial year by the amount shown below. This analysis assumes that other variables, remain constant.

	(Decrease)/Increase Net profit for the financial year RM'000	RM'000
	+0.5%	-0.5%
2018	(21)	21
2017	(29)	29

NOTES TO THE FINANCIAL STATEMENTS

31 OCTOBER 2018

29. FINANCIAL INSTRUMENTS (cont'd)**29.2 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 quoted equity securities 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	
	2018	2017	2018	2017
	RM'000	RM'000	RM'000	RM'000
Quoted shares	5	5	-	-
Unit trust funds	45,096	105,735	18,181	105,735
	45,101	105,740	18,181	105,735

Market price risk sensitivity analysis:

A change in 0.5% in the market price at the end of the reporting year would have increased/ (decreased) the net profit for the financial year by the amount shown below. This analysis assumes that other variables, remain constant.

	Increase/(Decrease)	
	Net profit for the financial year	
	RM'000	RM'000
	+0.5%	-0.5%
Group		
2018	226	(226)
2017	529	(529)
Company		
2018	91	(91)
2017	529	(529)

29. FINANCIAL INSTRUMENTS (cont'd)

29.3 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.

	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
Group			
2018			
Financial assets			
Quoted shares	5	-	5
Unit trust funds	45,096	-	45,096
Financial liabilities			
Finance lease liabilities	-	776	1,142
Bank borrowings	-	4,116	4,284
2017			
Financial assets			
Quoted shares	9	-	5
Unit trust funds	105,735	-	105,735
Financial liabilities			
Finance lease liabilities	-	803	1,041
Bank borrowings	-	6,422	6,914
Company			
2018			
Financial asset			
Unit trust funds	18,181	-	18,181
2017			
Financial asset			
Unit trust funds	105,735	-	105,735

There were no transfers between Level 1 and Level 2 during the financial year (2017: no transfer in either direction).

NOTES TO THE FINANCIAL STATEMENTS**31 OCTOBER 2018****29. FINANCIAL INSTRUMENTS (cont'd)****29.3 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.

30. 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.

31. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

- (i) The Group entered into a sale and purchase agreement on 30 August 2017 with a third party to acquire a parcel of leasehold industrial land and building for a total cash consideration of RM50,000,000. The transaction was completed on 5 December 2017.
- (ii) The Company completed the bonus issue of 341,077,000 new ordinary shares on the basis of 1 bonus share for every one existing share of the Company held by entitled shareholders on 21 December 2017.
- (iii) The Employees' Share Option Scheme ("ESOS") of up to 10% of the total number of shares of the Company at any point in time to be granted to the eligible person was approved by the shareholders on 5 December 2017 and was effective on 21 December 2017. No options were granted as at the reporting date.
- (iv) The Group entered into two sale and purchase agreements with persons connected to Directors to dispose 2 units of buildings for a total sale consideration of RM3,400,000. The transaction was completed on 13 August 2018.

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 / Date of revaluation / Date of acquisition	NBV as at 31 October 2018 (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 - 14 years	Land area: 108,715 (equivalent to 10,100 sq. m.) Built-up area: 125,270 (equivalent to 11,638 sq. m.)	Freehold / Perpetuity Revaluation date: 24 October 2014	17,486
2.	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 - 4 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 Revaluation date: 18 November 2014	3,583
3.	HS(D) 296565, PT 36936 (previously held under HS(D) 264383), PT 26534, Mukim Bukit Raja, District of Petaling, State of Selangor identified as Parcel No. B-30-15, 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 - 3 years	Built-up area: 486 (equivalent to 45 sq. m.)	Freehold / Perpetuity Purchase date: 18 October 2011	268
4.	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 - 3 years	Built-up area: 486 (equivalent to 45 sq. m.)	Freehold / Perpetuity Purchase date: 18 October 2011	268

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 / Date of revaluation / Date of acquisition	NBV as at 31 October 2018 (RM'000)
5.	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 Purchase date: 22 July 2016	6,983
6.	A-11-1 Block A Jaya One No. 72A, Jalan Universiti, Petaling Jaya, Selangor held under Strata Pajakan Negeri 96662/M1-a/2/162, No Bangunan: M1-A, Tingkat 2, No. Petak 162 Lot No 82, Seksyen 13, Bandar Petaling Jaya, Dearah Petaling, Selangor	Office Suite / Training Centre Age of building - 5 years	Built-up area: 2,175 (equivalent to 202 sq. m.)	99 years, expires on 28 May 2105 Purchase date: 25 July 2016	1,292
7.	HS(D) 560918, PTD 186476, Mukim Tebrau, Dearah Johor Bahru, Negeri Johor also known as No 2, Jalan Ekoperniagaan 1/11, Taman Ekoperniagaan, 81100 Johor Bahru, Johor	2 storey semi-detached factory / Warehouse Age of building - 2 years	Land area: 0.25 hectare (equivalent to 2,500 sq. m.) Built-up area: 17,000 (equivalent to 1,579 sq. m.)	Freehold / Perpetuity Purchase date: 8 December 2016	5,442
8.	HS(D) 242970, PT 10567, Pekan Baru Sungai Buloh, District of Petaling, State of Selangor bearing postal address of Lot No. 3, Jalan Teknologi 3/1, Taman Sains Selangor 1, Kota Damansara, 47810 Petaling Jaya, Selangor.	Single storey warehouse with an annexed 3-storey office building / Headquarters Age of building - 14 years	Land area: 17,869 square metres Built-up area : 11,206.52 sq metres (approximately 120,626 sq ft)	99 years, expires on 19 January 2107 Purchase date: 30 August 2017	51,363

Note: Items 1 to 2 were revalued in FY 2014 and items 3 to 8 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 Securities as set out in Appendix 9C thereto.

1. Utilisation of Proceeds

a) Initial Public Offer

During FY 2016, the Company raised a sum of RM 88.68 million through an initial public offering of 80,620,000 ordinary shares of RM 0.20 each in conjunction with the listing of and quotation for the entire 310,070,000 ordinary shares of RM 0.20 each in the Company. The proceeds which have a timeframe for utilisation within 36 months from the listing date were fully utilised as follows:

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	-	Immediate
Total	88,680	88,680	-	-	

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 had been fully utilised as below:

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	-	-	Within 12 months (from 31 October 2017)
b) Investment in food preparation and packaging facilities	19,116	19,085	(31)	-	
c) Private placement and other proposal expenses	3,130	3,161	31	-	Immediate
Total	72,246	72,246	-	-	

ADDITIONAL COMPLIANCE INFORMATION

2. Audit and Non-audit Fees

Fees Description	Fees paid or made payable to Grant Thornton		
	Company RM'000	Subsidiaries RM'000	Total RM'000
Audit	35	126	161
Non-audit	5	-	5
Total	40	126	166

3. 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 2018.

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

Save as below and the significant related party transactions disclosed in Note 26 to the Accounts, there were no material contracts entered by the Group involving the interest of directors, major shareholders and/or persons connected with them or subsisting at the end of FY 2018:

Nature of Transaction	: Disposal of two (2) units of 1 1/2 storey terrace factory lot bearing postal address at Lot 258 & 259, Jalan KIP 4, KIP Industrial Park, 52200 Kuala Lumpur
Date of Sale & Purchase Agreement	: 13 August 2018
Vendor	: Mynews Retail Sdn Bhd, 100% owned subsidiary of the Company
Purchaser	: Mr Samuel Dang Kuok Wee and Mr Dang Kuok Ian
Consideration	: RM1,700,000 each, in cash
Relationship	: The purchasers are sons of Mr Hock who is a Non-Independent Non-Executive Director of the Company
Completion Date	: 29 August 2018

ANALYSIS OF SHAREHOLDINGS

as at 31 January 2019

Total number of issued shares	:	682,154,000
Issued and Paid-Up Share Capital	:	RM201,580,756
Class of Shares	:	Ordinary Shares
Voting Right	:	One (1) vote per Ordinary Share

ANALYSIS BY SIZE OF SHAREHOLDINGS AS AT 31 JANUARY 2019

Size of shareholding	No. of shareholders		No. of shares	
	No.	%	No.	%
Less than 100	28	3.06	254	*0.00
100 to 1,000	205	22.38	115,946	0.02
1,001 to 10,000	362	39.52	1,694,300	0.25
10,001 to 100,000	172	18.78	6,132,700	0.90
100,001 to less than 5% of issued shares	148	16.16	300,433,800	44.04
5% and above of issued shares	1	0.10	373,777,000	54.79
Total	916	100.00	682,154,000	100.00

Note:

* Negligible by virtue of being less than 0.01%.

LIST OF THIRTY (30) LARGEST SHAREHOLDERS AS AT 31 JANUARY 2019

No.	Shareholder	Shareholding	
		No.	%
1	D&D Consolidated Sdn Bhd	373,777,000	54.79
2	Kumpulan Wang Persaraan (Diperbadankan)	31,141,400	4.57
3	Dang Tai Kien	22,945,000	3.36
4	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
5	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (Aberdeen)	12,936,100	1.90
6	HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd for Affin Hwang Select Opportunity Fund (3969)	12,470,200	1.83
7	CIMB Group Nominees (Tempatan) Sdn Bhd CIMB Commerce Trustee Berhad – Kenanga Growth Fund	12,436,600	1.82
8	Citigroup Nominees (Asing) Sdn Bhd Exempt An for Citibank New York (Nogres Bank 9)	11,927,300	1.75
9	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board	9,690,000	1.42
10	HSBC Nominees (Asing) Sdn Bhd Exempt An for Morgan Stanley & Co. International PLC (IPB Client Acct)	9,666,200	1.42
11	Dang Tai Gean	9,178,000	1.35

ANALYSIS OF SHAREHOLDINGS

as at 31 January 2019

LIST OF THIRTY (30) LARGEST SHAREHOLDERS AS AT 31 JANUARY 2019 (cont'd)

No.	Shareholder	Shareholding	
		No.	%
12	CIMSEC Nominees (Tempatan) Sdn Bhd CIMB Bank for D&D Consolidated Sdn Bhd (M2681A)	9,000,000	1.32
13	CIMSEC Nominees (Tempatan) Sdn Bhd CIMB Bank for D&D Consolidated Sdn Bhd (M2682A)	9,000,000	1.32
14	Citigroup Nominees (Tempatan) Sdn Bhd Kumpulan Wang Persaraan (Diperbadankan) (Aberdeen)	8,545,300	1.25
15	Maybank Nominees (Tempatan) Sdn Bhd Affin Hwang Asset Management Berhad for Hong Leong Assurance Berhad (PAR-220082)	7,250,000	1.06
16	Maybank Nominee (Tempatan) Sdn Bhd National Trust Fund (IFM Kenanga)	5,265,900	0.77
17	HSBC Nominees (Asing) Sdn Bhd HSBC-FS I for JPMorgan Eastern Smaller Companies Fund	4,542,600	0.67
18	HSBC Nominees (Asing) Sdn Bhd PCTET and CIE (Europe) for Quaero Capital Funds (LUX)-Bamboo	4,280,000	0.63
19	HSBC Nominees (Asing) Sdn Bhd HSBC-FS I for JPMorgan Malaysia Fund	3,902,000	0.57
20	HSBC Nominees (Asing) Sdn Bhd TNTC For Strathclyde Pension Fund	3,773,000	0.55
21	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (CIMB Prin)	3,754,600	0.55
22	Citigroup Nominees (Tempatan) Sdn Bhd Kumpulan Wang Persaraan (Diperbadankan)(Affin Hwang SM CF)	3,734,100	0.55
23	Liew Heng Heng	3,477,300	0.51
24	Citigroup Nominees (Tempatan) Sdn Bhd Kumpulan Wang Persaraan (Diperbadankan) (Kenanga)	3,408,200	0.50
25	Maybank Nominees (Tempatan) Sdn Bhd MTrustee Berhad for Tenaga Nasional Berhad Retirement Benefit Trust Fund (FM-Aberdeen) (419500)	3,260,000	0.48
26	CIMB Group Nominees (Tempatan) Sdn Bhd Exempt An for Petroliaam Nasional Berhad (Affin)	2,812,200	0.41
27	DB (Malaysia) Nominee (Asing) Sdn Bhd The Bank of New York Mellon for GreatLink Asean Growth Fund	2,610,400	0.38
28	DB (Malaysia) Nominee (Tempatan) Sendirian Berhad Affin Hwang Asset Management Berhad for Malaysian Timber Council (Operating Fund)	2,404,600	0.35
29	Maybank Nominees (Tempatan) Sdn Bhd Medical Fund (IFM AffinHwang)	2,354,200	0.35
30	HSBC Nominees (Asing) Sdn Bhd BBH and CO Boston for Grandeur Peak Emerging Markets Opportunities Fund	2,292,100	0.34

SUBSTANTIAL SHAREHOLDERS AS AT 31 JANUARY 2019

(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)	31,141,400	4.57	**19,091,200	2.80

Notes:

- * Deemed interested by virtue of Section 8(4) of the Companies Act, 2016 through his shareholding in D & D Consolidated Sdn Bhd.
- ** Held by Kumpulan Wang Persaraan's Fund Managers.

DIRECTORS' SHAREHOLDINGS AS AT 31 JANUARY 2019

(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 his shareholding in D & D Consolidated Sdn Bhd.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Sixth 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 2019, Friday at 10.00 am.

AGENDA

AS ORDINARY BUSINESS:

- | | | |
|-----|--|--|
| 1. | To receive the Audited Financial Statements for the year ended 31 October 2018 together with the Reports of Directors and Auditors thereon. | Please refer to Explanatory Note A to this Agenda |
| 2. | To approve the payment of Directors' meeting allowance of up to RM68,000 for the period from 1 November 2018 until the next Annual General Meeting of the Company. | Ordinary Resolution 1
(Please refer to Explanatory Note B to this Agenda) |
| 3 | To re-elect the following Directors who are retiring in accordance with Article 88 of the Company's Memorandum and Articles of Association: | |
| 3.1 | Ding Lien Bing | Ordinary Resolution 2 |
| 3.2 | Soon Dee Hwee | Ordinary Resolution 3 |
| 4. | To re-appoint Messrs. Grant Thornton Malaysia as the Company's Auditors for the ensuing year and to authorise the Directors to fix their remuneration. | Ordinary Resolution 4 |

AS SPECIAL BUSINESS:

5. 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

"**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."

**Ordinary Resolution 5
(Please refer to Explanatory Note C to this Agenda)**

NOTICE OF ANNUAL GENERAL MEETING

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

Proposed Adoption of New Constitution of the Company (“Proposed Adoption”)

“**THAT** approval be and is hereby given for the Company to alter or amend the whole of the existing Memorandum and Articles of Association of the Company by the replacement thereof with a new Constitution of the Company as set out in Appendix A with immediate effect.

AND THAT the Board be and is hereby empowered and authorised to do all acts, deeds and things and to execute, sign, deliver and cause to be delivered on behalf of the Company all such documents (including, without limitation, the affixing of the Company’s common seal, where necessary) as the Board may consider necessary, expedient or relevant to give effect to and complete the Proposed Adoption with full power to assent to any conditions, modifications, variations and/or amendments in any manner as may be required by the relevant authorities or as the Board may deem necessary or expedient in order to implement, finalise and give full effect to the Proposed Adoption.”

7. To transact any other business of the Company of which due notice shall be given in accordance with the Company’s Memorandum and Articles of Association and the Companies Act, 2016.

**Special Resolution 1
(Please refer to
Explanatory Note D
to this Agenda)**

BY ORDER OF THE BOARD

CHONG SIEW HOONG (MIA 5062)

CHOOI SOOK YEE (MIA 35532)

Company Secretaries

Selangor Darul Ehsan

28 February 2019

NOTES:

1. In respect of deposited securities, only members/shareholders whose names appear in the Record of Depositors as at 22 March 2019 (“General Meeting Record of Depositors”) shall be eligible to attend, speak and vote at the meeting.
2. 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.
3. 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.

NOTICE OF ANNUAL GENERAL MEETING

4. 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.
5. 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.
6. The instrument appointing a proxy must be deposited at the **Share Registrar’s Office at Boardroom Share Registrars Sdn Bhd (formerly known as Symphony Share Registrars Sdn Bhd), Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan, Malaysia** not less than **twenty-four (24)** hours before the time set for the meeting or any adjournment thereof.

EXPLANATORY NOTES TO THE AGENDA

A. Item 1 of the Agenda

To receive the Audited Financial Statements for the year ended 31 October 2018 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. Item 2 of the Agenda – Ordinary Resolution 1 Payment of Directors’ meeting 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 1 is to facilitate payment of Directors’ meeting allowance for the financial year ending 31 October 2019 until the next Annual General Meeting (“AGM”) of the Company, calculated based on the number of scheduled Board and Committee meetings for the said period and assuming, that all Directors will hold office until the date of the next AGM. In the event the proposed amount is insufficient (e.g. due to more meetings or enlarged Board size), approval will be sought at the next AGM for additional meeting allowance to meet the shortfall.

NOTICE OF ANNUAL GENERAL MEETING

C. Item 5 of the Agenda – Ordinary Resolution 5

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

The Ordinary Resolution 5 is a proposed new 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 5, 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.

D. Item 6 of the Agenda - Special Resolution 1

Proposed Adoption of New Constitution of the Company ("Proposed Adoption")

The Proposed Adoption will bring the Company's Constitution to be in line with the Companies Act, 2016 and the amendments to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

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 M&A and Section 34(1) of the Securities Industry (Central Depositories) Act 1991, to issue a General Meeting Record of Depositors as at 22 March 2019. Only a depositor whose name appears on the Record of Depositors as at 22 March 2019 shall be entitled to attend this meeting or appoint proxy/proxies to attend and/or vote in his/her stead.

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**MYNEWS HOLDINGS BERHAD**

(Company No.: 1039846-T) (Incorporated in Malaysia)

PROXY FORM

CDS Account	
Number of shares held	
*NRIC/ Company No.	

I/We _____
of _____ being a member/members of
MYNEWS HOLDINGS 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 Sixth 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 2019, Friday at 10.00 am and at any adjournment thereof.

*My/*our Proxy(ies) is/are to vote as indicated below:

Ordinary Resolution		For	Against
1.	To approve the payment of Directors' meeting allowance of RM68,000 for the financial period of from 1 November 2018 until the next Annual General Meeting of the Company.		
2.	To re-elect Ding Lien Bing as a Director.		
3.	To re-elect Soon Dee Hwee as a Director.		
4.	To re-appoint Messrs. Grant Thornton Malaysia as the Company's Auditors for the ensuing year and to authorise the Directors to fix their remuneration.		
5.	Authority for Directors to issue and allot shares in the Company pursuant to Section 75 and 76 of the Companies Act, 2016.		
Special Resolution			
6.	Proposed adoption of new constitution of the Company.		

[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:		
	No. of shares	% of shareholding
Proxy 1		
Proxy 2		
Total		

Dated thisday of.....2019

[* Delete if not applicable]

Notes:

[Signature/Common Seal of Shareholder]

- In respect of deposited securities, only members/shareholders whose names appear in the Record of Depositors as at 22 March 2019 ("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 Boardroom Share Registrars Sdn Bhd (formerly known as Symphony Share Registrars Sdn Bhd), Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan, Malaysia not less than twenty-four (24) hours before the time set for the meeting or any adjournment thereof.

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AFFIX
STAMP

The Share Registrar
Boardroom Share Registrars Sdn Bhd
(formerly known as Symphony Share Registrars Sdn Bhd)
Level 6, Symphony House
Pusat Dagangan Dana 1
Jalan PJU 1A/46
47301 Petaling Jaya
Selangor Darul Ehsan
Malaysia

Then fold here

Fold this flap for sealing

APPENDIX A

PROPOSED NEW CONSTITUTION

OF

MYNEWS HOLDINGS BERHAD

(Company No. 1039846-T)



Incorporated on 26th day of March, 2013
and deemed registered under the Companies Act 2016 in Malaysia.

PUBLIC COMPANY LIMITED BY SHARES

This is the Appendix A referred to in Agenda No. 6 of the Notice of 6th Annual General Meeting ("AGM") of Mynews Holdings Berhad dated 28 February 2019.

Date and time of the 6 th AGM	:	29 March 2019, Friday at 10.00 a.m.
Venue of the 6 th AGM	:	The Club, Bukit Utama Golf Resort, 1 Club Drive, Bukit Utama, Bandar Utama, 47800 Petaling Jaya, Selangor Darul Ehsan.

**THE COMPANIES ACT 2016
MALAYSIA
PUBLIC COMPANY LIMITED BY SHARES
CONSTITUTION
OF
MYNEWS HOLDINGS BERHAD
(Company No. 1039846-T)**

NAME

1. The name of the Company is **MYNEWS HOLDINGS BERHAD (Company No. 1039846-T)**.

OFFICE

2. The registered office of the Company is situated in Malaysia.

DEFINITIONS AND INTERPRETATION

3. (1) In this Constitution unless the subject matter or context dictates otherwise, the following words and phrases shall have the meaning assigned to them herein: **Definitions**

“Act” means the Companies Act 2016 and any statutory modification, amendment or re-enactment thereof, and any and every other legislation for the time being in force made thereunder and any written law for the time being in force concerning companies and affecting the Company.

“Authorised Nominee” means an authorized nominee defined under the Central Depositories Act.

“Board” means the Board of Directors for the time being of the Company.

“Central Depositories Act” means the Securities Industry (Central Depositories) Act 1991, as it may be amended, modified or re-enacted from time to time.

“Clause” means these Clauses as originally framed or as altered from time to time by special resolution.

“Company” means Mynews Holdings Berhad.

“Deposited Security” means a Security standing to the credit of a Securities Account and includes a Security in a Securities Account that is in suspense.

“Depositor” means a holder of Securities Account.

“Depository” means the Bursa Malaysia Depository Sdn. Bhd.

“Directors” means the Directors of the Company for the time being, include their duly appointed alternates.

“Dividend” means Dividend and or bonus.

“Documents” means any document required to be sent under the Listing Requirements to securities holder.

“Employee Share Scheme” means collectively a Share Issuance Scheme and a Share Grant Scheme.

“Exchange” means the Bursa Malaysia Securities Berhad.

“Exempt Authorised Nominee” means an authorised nominee defined under the Central Depositories Act, which is exempted from compliance with the provisions of subsection 25A(1) of the Central Depositories Act.

“Listed” means admitted to the Official List and "listing" shall be construed accordingly.

“Listing Requirements” means the Listing Requirements of the Exchange, as it may be modified or amended from time to time

“Market Day” means any day between Monday and Friday, which is not a market holiday of the Exchange or a public holiday.

“member(s)” means any person(s) whose name(s) is or are entered in the Company's register of members including Depositors whose names appear on the Record of Depositors except the Bursa Malaysia Depository Nominees Sdn. Bhd.

“month” means calendar month.

“Office” means the registered office of the Company.

“Omnibus Account” means Securities Account in which ordinary shares are held in the Company for multiple beneficial owners in one securities account.

“option” includes options under an Employee Share Scheme, convertible securities, warrants and any other types of options in respect of the issued or unissued securities of the Company.

“paid” means paid or credited as paid.

“Record of Depositors” means the record provided by the Central Depository to the Company under Chapter 24.0 of the Rules.

“Registrar” means the Registrar of the Company.

“Rules” means the Rules of the Depository and any appendices thereto as they may be amended or modified from time to time.

“Seal” means the Common Seal of the Company.

“Secretary” means any person or persons appointed to perform the duties of the secretary of the Company and shall include a joint, temporary, assistant or deputy secretary.

“Securities Account” means an account established by the Depository for a Depositor for the recording of deposit of Securities and for dealing in such Securities by the Depositor, as defined in the Central Depositories Act and or the Rules.

“Securities” means securities as defined in Section 2 of the Securities Commission Act 1993 or any modification, amendment or re-enactment thereof for the time being in force.

“share seal” means the share seal of the Company.

“shares” means shares in the Company.

“Statutes” means the Act, the Central Depositories Act, and every other Ordinance or Act for the time being in force concerning companies and affecting the Company.

The expressions “debenture” and “debenture-holder” shall include “debenture-stock” and “debenture-stockholder”, and the expression

- (2) In this Constitution, unless there is something in the subject or context inconsistent with such construction or unless it is otherwise expressly provided: **Interpretation**
- (a) reference to “writing” shall, unless the contrary intention appears, be construed as including references to printing, lithography, photography and other modes of representing or reproducing words in a visible form;
 - (b) words denoting the singular number only shall include the plural number, and vice versa, and words importing the masculine gender only shall include the feminine and neuter genders and the word “person” shall include a corporation;

- (c) any reference to a statutory provision includes any modification, consolidation or re-enactment thereof for the time being in force, and all statutory instruments or orders made pursuant thereto; and
 - (d) save as aforesaid, words or expressions contained in this Constitution shall be interpreted in accordance with the provisions of the Interpretation Act 1967, as amended from time to time and any re-enactment thereof.
- (3) The side notes are inserted for convenience only and shall not affect the construction of this Constitution.

OBJECTS

- 4. Section 21 of the Companies Act 2016 shall apply to the Company and the Company shall be capable of exercising all the functions of a body corporate and have the full capacity to carry on or undertake any business or activity the Directors considered advantageous to the Company and that are not prohibited under any law for the time being in force in Malaysia.
- 5. The objects for which the Company are established shall include but not limited to the following:
 - (a) To carry on the business of an investment company and for that purpose to acquire and hold either in the name of the Company or in that of any nominee shares, stocks, debentures, debenture stock, bonds, notes, obligations and securities issued or guaranteed by any government, sovereign ruler, commissioner, public body or authority, supreme, dependent, municipal, local or otherwise in any part of the world.
 - (b) To acquire any such shares, stock, debentures, debenture stock, bonds, notes, obligations or securities by original subscription, contract, tender, purchase, exchange, underwriting, participation, in syndicates or otherwise, and whether or not full paid up, and to subscribe for the same subject to such terms and conditions (if any) as may be thought fit.
 - (c) To acquire by purchase, lease or exchange or otherwise, land and buildings of any tenure of description, and to turn the same to account as may seem expedient, and in particular by preparing building sites and by constructing, reconstructing, altering, improving, decorating, furnishing and maintaining offices, flats, houses, factories, warehouses, shops, wharves, buildings, works and conveniences of all kinds, and by consolidating or connecting or sub-dividing properties and by leasing and disposing of the same and to manage lands, buildings and the property whether belonging to the Company or not, and to collect rent and income.

6. The objects set forth in any sub-clause of the above clause shall not be restrictively construed but the widest interpretation shall be given thereto and they shall not, be in any way limited to or restricted by reference to or inference from any object or objects set forth in such sub-clause or from the terms of any other sub-clause or by the name of the Company. None of such sub-clauses or the object or objects therein specified or the powers thereby conferred shall be deemed subsidiary or ancillary to the objects or powers mentioned in any other subclause, but the Company shall have full power to exercise all or any of the powers and to achieve or to endeavour to achieve all or any of the objects conferred by and provided in any one or more of the said sub-clauses.

POWERS

7. The powers of the Company in addition to those conferred under Section 21 of the Act shall include but not limited to the following:
- (a) To lend and advance money or give credit to any person or company; to guarantee and give guarantees or indemnities for the payment of money or the performance of contracts or obligations by any person or company; to secure or undertake in any way the repayment of moneys lent or advanced to or the liabilities incurred by any person or company; and otherwise to assist any person or company; and
 - (b) To borrow or raise or secure the payment of money in such manner as the Company may think fit and to secure the same or the repayment or performance of any debt, liability, contract, guarantee or other engagement incurred or to be entered into by the Company in any way and in particular by the issue of debentures perpetual or otherwise, charged upon all or any of the Company's property (both present and future), and to purchase, redeem, or pay off any such securities.

LIABILITY OF MEMBERS

8. The liability of the members of the Company is limited.

SHARE CAPITAL

9. The share capital of the Company is its issued share capital which shall be in Ringgit Malaysia. The shares in the original or any increased capital may be divided into several classes and there may be attached thereto, respectively, any preferential, deferred, qualified or other special rights, privileges, conditions or restrictions as to dividend, capital, voting or otherwise. *Share Capital*

- | | | |
|-----|--|---|
| 10. | Without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares, and subject to the provisions of the Act and to the conditions, restrictions and limitations expressed in this Constitution, the Directors shall have the power to issue and allot shares, grant options over shares, grant rights to subscribe for shares. | <i>Authority of Directors to Allot Shares</i> |
| 11. | Except so far as otherwise provided by the conditions of issue, or by this Constitution, any capital raised by the creation of new shares, shall form part of the capital of the Company, and such shares shall be subject to the provisions contained in this Constitution with reference to, the payment of calls and instalments, transfer and transmission, forfeiture, lien, cancellation, surrender, voting and otherwise. | <i>New Shares Shall Form Part of the Capital</i> |
| 12. | The Company shall have power to issue preference capital ranking equally with or in priority to preference shares already issued and the Directors may, subject to the provisions of the Act, redeem such shares on such terms and in such manner as they may think fit. | <i>Power to Issue Preference</i> |
| 13. | <p>(1) Save as otherwise specifically provided for under this Constitution in respect of any particular class of preference share, preference shareholders shall have the same right as ordinary shareholders as regards to receiving notices, reports and audited financial statements and attending general meetings of the Company.</p> <p>(2) Save as otherwise specifically provided for under this Constitution in respect of any particular class of preference share, preference shareholders shall also have the right to vote at any meeting convened for the purpose of reducing the share capital of the Company or sanctioning a disposal of the whole of the Company's property, business and undertaking or where the proposition to be submitted to the meeting directly affects their rights and privileges, or when the dividend or part of the dividend on the preference shares is in arrears for more than six (6) months or on a proposal to wind up the Company or during the winding up of the Company, but shall have no other rights whatsoever.</p> <p>(3) The holder of a preference share must be entitled to a return of capital in preference to holders of ordinary shares when the Company is wound up.</p> | <i>Rights of Preference Shareholders</i> |
| 14. | The Company shall not give, whether directly or indirectly, and whether by means of a loan, guarantee, the provision of security or otherwise, any financial assistance for the purpose of or in connection with a purchase or subscription made or to be made by any person of or for any shares in the Company or in its holding company, nor shall the Company make a loan for any purpose whatsoever on the security of its shares or those of its holding company, but nothing in this Clause shall prohibit transactions mentioned in the Act or the circumstances set out in the Act. | <i>No Financial Assistance</i> |

- | | | |
|-----|--|---|
| 15. | Subject to the provisions of the Act and the rules, regulations, orders, guidelines or requirements issued by the Exchange and/or any other relevant authority from time to time, the Company may by ordinary resolution purchase its own shares. Any shares in the Company, so purchased by the Company, shall be dealt with in accordance with the Act and the guidelines or requirements issued by the Exchange and or any other relevant authority from time to time. | <i>Purchase of Own Shares</i> |
| 16. | In addition to all other powers of paying commissions, the Company (or the Board on behalf of the Company) may exercise the powers conferred by the Act of applying its shares or capital moneys in paying commissions to persons subscribing or procuring subscriptions for shares of the Company, or agreeing so to do whether absolutely or conditionally, provided that the percentage or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by the Act, and shall not exceed ten per cent (10%) of the price at which the shares, in respect whereof the commission is paid, are issued or an amount equivalent thereto. The Company (or the Board on behalf of the Company) may also, on any issue of the shares, pay such brokerage as may be lawful. | <i>Power of Paying Commission</i> |
| 17. | Subject to the provisions of the Act and any other conditions and restrictions prescribed by the Act, if any shares of the Company are issued for the purpose of raising money to defray the expenses of the construction of any works or buildings or the provision of any plant or equipment which cannot be made profitable for a lengthened period, the Company may pay interest on so much of that share capital as is for the time being paid up for the period, and may charge the sum so paid by way of interest to capital as part of the costs of construction of the work or building or the provision of plant or equipment. | <i>Shares Issued for Purposes of Raising Money for the Construction of Works or Building</i> |
| 18. | <p>(1) Every issue of shares or options in relation to Employee Share Scheme shall require the approval of shareholders in general meeting.</p> <p>(2) No Director shall participate in a Share Issuance Scheme unless shareholders in general meeting have approved of the specific allotment to be made to such Director.</p> | <i>Employee Share Scheme</i> |
| 19. | The Company shall duly observe and comply with the provisions of the Act and the Listing Requirements from time to time prescribed by the Exchange applicable to any allotment of its shares. | <i>Compliance with Requirements</i> |
| 20. | Except as required by law and as provided under the Rules, no person shall be recognised by the Company as holding any share upon any trust and the Company shall not, even when having notice thereof, be bound or compelled to recognise any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by this Constitution otherwise expressly provided or as required by law) any other right in respect of any share except an absolute right to the entirety thereof in the registered holder. | <i>Trusts Not to Be Recognised</i> |

- | | | |
|-----|---|---|
| 21. | Subject to the Listing Requirement, the Central Depositories Act and or the Rules, and notwithstanding the existence of a resolution pursuant to the Act, the Company must ensure that it shall not issue any shares or convertible Securities if those shares or convertible Securities, when aggregated with any such shares or convertible Securities issued during the preceding twelve (12) months, exceeds ten per cent (10%) of the value of the issued and paid-up capital of the Company, except where the shares or convertible Securities are issued with the prior approval of the shareholders in general meeting of the precise terms and conditions of the issue. In working out the number of shares or convertible Securities that may be issued by the Company, if the Security is a convertible Security, each such Security is counted as the maximum number of shares into which it can be converted or exercised. | <i>Issue of Securities</i> |
| 22. | No person shall exercise any rights of a member until his name shall have been entered in the Record of Depositors and he shall have paid all calls and other moneys for the time being due and payable on any share held by him. | <i>Exercise of Rights of Members</i> |
| 23. | If, by the condition of allotment of any share, the whole or part of the amount or issue price thereof shall be payable on fixed dates every such amount shall, when due, be paid to the Company by the person who for the time being and from time to time shall be the registered holder of the share, or his legal personal representatives. | <i>Instalments</i> |

SHARE CERTIFICATES

- | | | |
|-----|--|---|
| 24. | Every certificate shall be issued under the Seal and bear the signatures or the autographic signatures of one Director and the Secretary or a second Director or such other person as may be authorised by the Board, and shall specify the shares to which it relates, and the amount paid up thereon provided that the Board may by resolution determine that such signatures, or either of them, shall be dispensed with or shall be affixed by such other person as may be authorised by the Board or some method or system of mechanical signature. | <i>Issue of Share Certificates</i> |
| 25. | The Registrar of the Company shall only issue jumbo certificates in respect of shares or Securities in favour of Bursa Malaysia Depository Nominees Sdn. Bhd. as he may be directed by the Exchange. | <i>Issue of Jumbo Certificates</i> |

MODIFICATION OF RIGHTS

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| 26. | If at any time the share capital of the Company, by reason of the issuance of preference shares or otherwise is divided into different classes, the repayment of such preferred capital or all or any of the rights and privileges attached to each class of shares may subject to the provisions of the Act, this Constitution and the provisions of any written law, be varied, modified, commuted, affected, abrogated or dealt with by resolution passed by the holders of at least three-fourth (3/4) of the | <i>Modification of Rights</i> |
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issued shares of that class at a separate meeting of the holders of that class and all the provisions hereinafter contained as to general meetings shall mutatis mutandis apply to every such meeting except that the quorum hereof shall be two (2) persons at least holding or representing by proxy one third of the issued shares of the class.

Provided however that in the event of the necessary majority for such a resolution not having been obtained in the manner aforesaid consent in writing may be secured by members holding at least three-fourths (3/4) of the issued shares of the class and such consent if obtained within two (2) months from the date of the separate meeting shall have the force and validity of a resolution duly carried. To every such resolution the provisions of the Act, shall with such adaptations as are necessary apply.

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| 27. | The special rights attached to any class of shares having preferential rights shall not unless otherwise expressly provided by the terms of issue thereof be deemed to be varied by the creation or issue of further shares ranking as regards participation in profits or assets of the Company in some or all respects pari passu therewith but in no respect in priority thereto. | <i>Special Right to Any Class of Share</i> |
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CALLS ON SHARES

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| 28. | The Directors may from time to time make such calls upon the members as the Directors may think fit in respect of the amounts unpaid on their shares and not by the conditions of allotment made payable at fixed times provided that no call shall be payable at less than one (1) month from the date fixed for the payment of the last preceding call. Except in the case of calls payable at fixed times pursuant to the conditions of allotment, each member shall be entitled to receive at least fourteen (14) days' notice specifying the time or times and place of payment. | <i>Calls on Shares</i> |
| 29. | Any call may be made payable either in one sum or by instalments, and each member, upon whom a call is made is liable, to pay the amount of the call to the Company at the time or times and place appointed by the Directors. A call may be revoked or the time for its payment may be postponed by the Directors. | <i>Payment of Calls</i> |
| 30. | A call shall be deemed to have been made at the time when the resolution of the Directors authorising such call was passed. | <i>When Call Made</i> |
| 31. | The Directors may on the issue of shares, differentiate between the holders of such shares as to the amount of calls to be paid and the time of payment of such calls. | <i>Directors May Differentiate Between Holders</i> |
| 32. | Any sum which, by the terms of issue of a share, is made payable upon allotment or at any fixed date, shall, for all purposes of this Constitution, be deemed to be a call duly made and payable on such | <i>Term of Issue May Be Treated as Call</i> |

fixed date, and in case of non-payment all the relevant provisions of this Constitution as to payment of interest and expenses, forfeiture or otherwise, shall apply as if such sum had become payable by virtue of a call duly made and notified.

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| 33. | If any sum in respect of a call is not paid before or on the day appointed for payment thereof, the person from whom the sum is due, shall pay interest on the sum from the day appointed for payment thereof to the time of actual payment, at such rate, not exceeding ten per cent (10%) per annum, as the Directors may determine (or failing such determination, then at the rate of ten per cent (10%) per annum) provided, however, the Directors may waive payment of such interest in whole or in part. | <i>Interest on Calls in Arrears</i> |
| 34. | No shareholder shall be entitled to receive any dividend or to exercise any privileges as a member until he shall have paid all calls for the time being due and payable on every share held by him together with interest and expenses (if any). | <i>Calls to Be Fully Paid Before Receiving Dividend</i> |
| 35. | The Directors may, if they think fit, receive from any member, willing to advance the same, all or any part of the moneys payable in respect of any share held by him beyond the amount of the calls actually made thereon, and upon the moneys so advanced, or so much thereof as shall from time to time exceed the amount of the calls due upon such shares, the Company may pay interest at such rate not exceeding eight per cent (8%) per annum, as may be agreed between the member paying the sum in advance and the Directors. Any capital paid on shares in advance of calls shall not, whilst carrying interest, confer a right to participate in profits. Except in liquidation, sums paid in advance of calls shall not, until the same would but for such advance have become payable, be treated as paid up in the shares in respect of which they have been paid. | <i>Payment of Calls in Advance</i> |
| 36. | At the trial or hearing of any action or other proceeding for the recovery of any money due for any call, it shall be sufficient to prove that the name of the member sued is entered in the Record of Depositors as the holder of the shares in respect of which such call was made, that the resolution making such call is duly recorded in the minute book of the Directors and that notice of such call was duly given to the member sued according to the provisions of these presents, and it shall not be necessary to prove the appointment of the Directors who made such call nor any other matter whatsoever, but the proof of the matters aforesaid, shall be conclusive evidence of a debt due from the members sued to the Company. | <i>Evidence in Action for Call</i> |

INFORMATION ON SHAREHOLDING

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| 37. | (1) The Company may by notice in writing, required any Member of the Company, within such reasonable time as is specified in the notice: | <i>Company May Required Information</i> |
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- (a) to inform the Company whether he holds any voting shares in the Company as beneficial owner or as trustee; and
 - (b) if he holds them as trustee, to indicate so far as he can, the persons for whom he holds them by name and by other particulars sufficient to enable those persons to be identified and the nature of their interest.
 - (2) Where the Company is informed pursuant to a notice given to any person under sub-section (1) hereof or under this sub-section, that any other person has an interest in any of the voting shares in the Company, the Company may by notice in writing require that other person within such reasonable time as is specified in the notice:
 - (a) to inform the Company whether he holds that interest as beneficial owner or as trustee; and
 - (b) if he holds it as trustee, to indicate so far as he can, the person for whom he holds it by name and by other particulars sufficient to enable them to be identified and the nature of their interest.
 - 38. The Company may by notice in writing require a Member of the Company to inform it, within such reasonable time as is specified in the notice, whether any of the voting rights carried by any voting shares in the Company held by him, are the subject of any agreement or arrangement under which another person is entitled to control his exercise of those rights and, if so, to give particulars of the agreement and the parties to it. **Member to Inform Company**
- FORFEITURE AND SURRENDER OF SHARES**
- 39. If any member fails to pay the whole or any part of any call or instalment of a call on the day appointed for the payment thereof, the Directors may at any time thereafter during such time as any part of the call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest, not exceeding ten per cent (10%) per annum as the Directors shall determine and any expenses that may have accrued by reason of such non-payment. **Notice to Pay Calls**
 - 40. The notice shall name a further day (not earlier than the expiration of seven (7) days from the date of service if the notice) on or before which, and the place where, the payment required by the notice is to be made, and shall state that, in the event of non-payment at or before the time and place appointed, the shares in respect of which such call was made will be liable to be forfeited. **Period of Notice**
 - 41. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which such notice has been given may at any time, thereafter, before payment of all calls and interest due in respect thereof has been made, be forfeited by a resolution of the **Forfeiture for Non-Payment**

Directors to that effect. Such forfeiture shall include all dividends which shall have been declared on the forfeited shares and not actually paid before the forfeiture. The Directors may accept the surrender of any share liable to be forfeited hereunder.

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| 42. | Notwithstanding any such forfeiture as aforesaid, the Directors may at any time before the forfeited share has been otherwise disposed of, annul the forfeiture upon the terms of payment of all calls and interest due upon and expenses incurred in respect of the share and upon such further terms (if any) as they shall see fit. | <i>Annulment of Forfeiture</i> |
| 43. | A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Directors think fit, and at any time before a sale or disposition, the forfeiture may be cancelled on such terms as the Directors think fit. Notice of sale or disposal shall be sent to the holder of the shares sold or disposed of within fourteen (14) days of the date of sale or disposal. | <i>Directors May Sell Shares or Cancel Forfeiture</i> |
| 44. | A person whose shares have been forfeited or surrendered shall cease to be a member in respect of the forfeited or surrendered shares, but shall, notwithstanding, remain liable to pay to the Company all moneys which, at the date of forfeiture or surrender were payable by him to the Company in respect of the shares together with interest at the rate of ten per cent (10%) per annum from the date of forfeiture or surrender on the money for the time being unpaid, if the Directors think fit to enforce payment of such interest) but his liability shall cease if and when the Company receives payment in full of all such moneys in respect of the shares. | <i>Liability on Forfeiture</i> |
| 45. | A statutory declaration in writing that the declarant is a Director or the Secretary and that a share in the Company has been duly forfeited on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share, and such declaration, together with the receipt of the Company for the consideration (if any), given for the share on the sale or disposition thereof, shall constitute a good title to the share, and such person shall be registered as the holder of the share and shall be discharged from all calls made prior to such sale or disposition, and shall not be bound to see the application of the purchase money (if any), nor shall his title to the share be affected by any act, omission or irregularity relating to or connected with the proceedings in reference to the forfeiture, sale, re-allotment or disposal of the share. | <i>Statutory Declaration as Conclusive as Evidence</i> |
| 46. | The Company may receive the consideration, if any, given for the share on any sale or disposition thereof and the Directors may authorise some person to execute a transfer of the share in favour of the person to whom the share is sold or otherwise disposed of and he shall thereupon be registered as the holder of the share, and shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or other disposal of the share. Subject to any lien for sums not presently payable, if any, any | <i>Proceeds of Sale</i> |

residue of the proceeds of the sale of shares which are forfeited and sold, after the satisfaction of the unpaid calls or instalments payable at fixed times and accrued interest and expenses, shall be paid to the person whose shares have been forfeited or his executors, administrators or assignees or as he directs.

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| 47. | Subject to the provisions of this Constitution as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, as if the same had been payable by virtue of a call duly made and notified. | <i>Application of Forfeiture</i> |
| 48. | When any share has been forfeited in accordance with this Constitution, notice of the forfeiture shall, within fourteen (14) days from the date of forfeiture thereof, be given to the holder of the share or to the person entitled to the share by reason of the death or bankruptcy as the case may be, and an entry of such notice having been given, and of the forfeiture with the date thereof shall forthwith be made in the Record of Depositors opposite to the share. | <i>Notice of Forfeiture Provision</i> |
| 49. | The forfeiture of a share shall involve the extinction at the time of forfeiture of all interest in and claims and demands against the Company in respect of the share and all other rights and liabilities incidental to the share as between the shareholder whose share is forfeited and the Company, except only such of those rights and liabilities as are by this Constitution expressly saved or as are by the Act given or imposed in the case of past members. | <i>Results of Forfeiture</i> |
- LIEN**
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| 50. | The Company's lien on shares and dividends from time to time declared in respect of such shares, shall be restricted to unpaid calls and instalments upon the specific shares in respect of which such moneys are due and unpaid, and to such amounts as the Company may be called upon by law to pay and has paid in respect of the shares of the member or deceased member. | <i>Company's Lien on Shares and Dividends</i> |
| 51. | The Company may sell, in such manner as the Directors think fit, any shares on which the Company has a lien, but no sale shall be made unless a sum in respect of which the lien exists is presently payable, nor until the expiration of fourteen (14) days after notice in writing, stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share, or the person entitled thereto by reason of his death or bankruptcy. | <i>Power to Enforce Lien by Sale</i> |
| 52. | To give effect to any such sale, the Directors may authorise its registrar to cause Bursa Depository to credit the Securities Account of the purchaser of the shares sold or otherwise in accordance with the directions of the purchaser. The purchaser shall be registered as the holder of the shares comprised in any such transfer and he shall not be bound to see to the application of the purchase money nor shall his title | <i>Directors May Effect Transfer</i> |

to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale and the remedy of the holder of such shares or of any person claiming under or through him in respect of any alleged irregularity or invalidity, shall be against the Company.

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| 53. | The proceeds of any such sale after payment of the amount of interests and costs relating to the sale shall be received by the Company and applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable, and the residue, if any, shall (subject to a like lien for sums not presently payable as existed upon the shares before the sale) be paid to the person entitled to the shares at the date of the sale or his executors, administrators or assignees or as he directs. | <i>Application of
Proceeds of
Sale</i> |
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TRANSFER OF SHARES

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| 54. | The transfer of any listed security or class of listed security in the Company shall be by way of book entry by the Depository in accordance with the Rules, subject to the provisions of the Act and any exemption that may be made from compliance with provisions of the Act, the Company shall be precluded from registering and effecting any transfer of listed security. | <i>Transfer of
Securities</i> |
| 55. | Every instrument of transfer (for any share not being a deposited security) must be left for registration at the office of the Company's Registrar accompanied by the certificate of the shares comprised therein, if any, and such evidence as the Directors may reasonably require to prove the right of the transferor to make the transfer and the due execution by him of the transfer, and subject to the power vested in the Directors by this Constitution or the provisions of any other written law and if required, to reasonable evidence of nationality, the Company shall register the transferee as shareholder. | <i>Instrument of
Transfer</i> |
| 56. | Subject to the Rules and Listing Requirements, the transfer of any Securities may be suspended at such times and for such periods as the Directors may from time to time determine. Ten (10) Market Days' notice, or such other period as may from time to time be specified by the Exchange governing the Register concerned, of intention to close the Register shall be given to the Exchange. At least three (3) Market Days' prior notice shall be given to the Bursa Depository to prepare the appropriate Record of Depositors. | <i>Suspension
Registration</i> |
| 57. | The Bursa Depository may refuse to register any transfer of Deposited Security that does not comply with the Central Depositories Act and the Rules. | <i>Refusal to
Register
Transfer</i> |
| 58. | Subject to the provisions of the Constitution, the Directors may recognise a renunciation of any share by the allottee thereof in favour of some other person. | <i>Renunciation</i> |

59. Neither the Company nor its Directors nor any of its officers shall incur any liability for registering or acting upon a transfer of shares apparently made by sufficient parties, although the same may, by reason of any fraud or other cause not known to the Company or its Directors or other officers be legally inoperative or insufficient to pass the property in the shares proposed or professed to be transferred, and although the transfer may, as between the transferor and transferee, be liable to be set aside, and notwithstanding that the Company may have notice that such instrument of transfer was signed or executed and delivered by the transferor in blank as to the name of the transferee or the particulars of the shares transferred or otherwise in defective manner. And in every such case, the person registered as transferee, his executors, administrators and assigns alone shall be entitled to be recognised as the holder of such shares and the previous holder shall, so far as the Company is concerned, be deemed to have transferred his whole title thereto.
- Non-Liability of the Company, its Directors and Officers in Respect of Transfer***

DISPOSAL OF SHARES OF MEMBERS WHOSE WHEREABOUTS UNKNOWN

60. Where by the exercise of reasonable diligence, the Company is unable to discover the whereabouts of a Member for a period of not less than ten (10) years, the Company may cause an advertisement circulating in the place shown in the register or the Record of Depositors as the address of the Member stating that the Company, after expiration of one (1) month from the date of the advertisement, intends to transfer the shares to the Minister charged with the responsibility for finance.
- Reasonable Diligence***
61. If after the expiration of one (1) month from the date of the advertisement the whereabouts of the Member remains unknown, the Company may transfer the shares held by the Member to the Minister charged with the responsibility for finance and for that purpose may execute for and on behalf of such Member, a transfer of those shares to the Minister charged with the responsibility for finance.
- Transfer of Shares to Minister Charged with Responsibility for Finance***

TRANSMISSION OF SHARES

62. Where:
- (a) the securities of the Company are listed on another stock exchange; and
- (b) the Company is exempted from compliance with the Central Depository Act or the Securities Industry (Central Depositories) (Amendment) Act 1998, as the case may be, under the Rules of the Depository in respect of such securities, the Company shall, upon request of a securities holder, permit a transmission of securities held by such securities holder from the register of holders maintained by the Registrar of the Company in the jurisdiction of the other stock exchange, to the register of holder
- Transmission of Securities from Foreign Register***

maintained by the Registrar of the Company in Malaysia, and vice versa, provided that there shall be no change in the ownership of such securities.

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| 63. | Any person becoming entitled to a share which is a Deposited Security in consequence of the death or bankruptcy of a member may apply to the Depository to transfer the shares into his Securities Account supported by the relevant documents and in accordance with the Central Depositories Act and or the Rules. The said person shall deliver or send to the Company and the Depository a written notice signed by him expressing his aforesaid intention provided that notice in writing thereof has been given to the Company. Subject to the Act, the Central Depositories Act and the Rules, a person becoming entitled to a Security by reason of the death or bankruptcy of the holder thereof shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the Security, except that he shall not, before being registered as a Member in respect of the share, be entitled in respect of it, to exercise any right conferred by membership in relation to meetings of the Company. Provided further always that the Directors may at any time give notice requiring any such person to elect, either to be registered himself or to transfer the Security, and if the notice is not complied with within ninety (90) days, the Directors may, thereafter, withhold payment of all dividends, bonuses or other moneys payable in respect of the Security until the requirements of the notice have been complied with. | <i>Death of Holder of Shares</i> |
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CONVERSION OF SHARES INTO STOCKS

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| 64. | The Company may, by ordinary resolution passed at general meeting, convert any paid-up shares into stock or reconvert any stock into paid up shares of any denomination. | <i>Conversion of Shares into Stocks</i> |
| 65. | The holders of stock may transfer the same or any part thereof in the same manner and subject to the same clauses as and subject to which the shares from which the stock arose might previously to conversion have been transferred or as near thereto as circumstances admit; provided, however, that the Directors may from time to time, if they think fit, fix the minimum amount of stock transferable and may restrict or forbid the transfer of fractions of that minimum. | <i>Holder of Stocks May Transfer Their Interest</i> |
| 66. | The stock shall confer on the holders thereof respectively the same rights, privileges and advantages as regards dividends, participation in assets on a winding up, voting at meetings of the Company and other matters as would have been conferred by the shares from which the stock arose, but so that none of such rights, privileges or advantages, (except participation in dividends and profits of the Company and in assets on a winding up) shall be conferred by an amount of the stock which would not, if existing in shares, have conferred such right, privilege or advantage. | <i>Participation in Dividends and Profits</i> |

67. All such provisions of this Constitution as are applicable to paid-up shares shall apply to stock, and in all such provisions, the word “share” shall include “stock” and the word “shareholder” and “member” shall include “stockholder”. ***Application of this Constitution***

INCREASE OF CAPITAL

68. The Company may, from time to time, whether all the shares for the time being issued shall have been fully paid up or not, by ordinary resolution increase its share capital by the creation and issue of new shares, such new capital to be of such amount to be divided into shares of such respective amounts and to carry such rights or to be subject to such conditions or restrictions in regard to dividend, return of capital or otherwise as the Company may direct in the resolution authorising such increase. ***Increase of Share Capital***
69. Subject to any direction to the contrary that may be given by the Company in general meeting, all new shares or other convertible Securities shall, before they are issued, be offered to such persons as at the date of the offer are entitled to receive notices from the Company of general meetings in proportion, as nearly as the circumstances admit, to the amount of the existing shares or Securities to which they are entitled. The offer shall be made by notice specifying the number of shares or Securities offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares or Securities offered, the Directors may dispose of those shares or Securities in such manner as they think most beneficial to the Company. The Directors may, likewise, also dispose of any new shares or Securities which (by reason of the ratio which the new shares or Securities bear to shares or Securities held by persons entitled to an offer of new shares or Securities) cannot, in the opinion of the Directors, be conveniently offered under this Clause. ***Issue of New Shares to Existing Members***

ALTERATION OF CAPITAL

70. The Company may alter its share capital by passing an ordinary resolution to: ***Alteration of Share Capital***
- (a) increase the share capital by such sum to be divided into shares of such amount as the resolution shall prescribe;
 - (b) consolidate and divide all or any of its share capital, the proportion between the amount paid and the amount, if any, unpaid on each subdivided share, shall be the same as it was in the case of the share from which the subdivided share is derived; or
 - (c) subdivide its shares or any of the shares, whatever is in the subdivision, the proportions between the amount paid and the amount, if any, unpaid on each subdivided share shall be the same as it was in the case of the share from which the subdivided share is derived.

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| 71. | The Company may, subject to the Act, by special resolution, reduce its share capital in any manner authorised by law. | Capital Reduction |
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GENERAL MEETINGS

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| 72. | An Annual General Meeting of the Company shall be held in accordance with the Act. | Annual General Meeting |
| 73. | All general meetings, other than annual general meetings, shall be called extraordinary general meetings. | Extraordinary General Meeting |
| 74. | All general meetings shall be held at such time, day and place as the Directors shall determine. Every notice of an annual general meeting shall specify the meeting as such and every meeting convened for passing a special resolution shall state the intention to propose such resolution as a special resolution. A general meeting may be held at more than one venue using any technology or method that enables the members of the Company to participate and to exercise the members' rights to speak and vote at the meeting. | Convening of General Meetings |
| 75. | The Directors may, whenever they think fit, convene an extraordinary general meeting, and extraordinary general meetings shall also be convened on such requisition as is referred to the Act, or if the Company makes default in convening a meeting in compliance with a requisition received pursuant to the provisions of the Act, a meeting may be convened by such requisitionists themselves in the manner provided in the Act. Any meeting convened by requisitionists shall be convened in the same manner, as nearly as possible, as that in which meetings are to be convened by the Directors. | Convening of Extraordinary General Meetings |
| 76. | The notices convening meetings shall be given to all members (other than those who are not entitled to receive notices of general meetings of the Company under the provisions of this Constitution or the terms of issue of the shares held by them) and to the Directors and auditors for the time being of the Company at least fourteen (14) clear days before the meeting or at least twenty-one (21) clear days before the meeting where any special resolution is to be proposed or where it is an annual general meeting. The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given and shall specify the place, the day and the hour of the meeting and, in the case of special business, shall also specify the general nature of that business and shall be accompanied by a statement regarding the effect of any proposed resolution in respect of such special business. At least fourteen (14) clear days' notice or twenty-one (21) clear days' notice in the case where any special resolution is proposed or where it is the annual general meeting, of every such meeting shall also be given by advertisement in at least one (1) nationally circulated Bahasa Malaysia or English daily press and in writing to each stock exchange upon which the Company is listed. | Notice of Meetings |

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| 77. | The Company shall request the Depository in accordance with the Rules, to issue a Record of Depositors to whom notices of general meetings shall be given by the Company. The Company shall request the Depository in accordance with the Rules, to issue a Record of Depositors as at the latest date which is reasonably practicable which shall in any event be not less than three (3) Market Days before the general meeting (hereinafter referred to as "the General Meeting Record of Depositors"). Subject to the Securities Industry (Central Depositories) (Foreign Ownership) Regulations 1996 (where applicable) and notwithstanding any provision in the Act, a depositor shall not be regarded as a member entitled to attend any general meeting and to speak and vote thereat unless his name appears in the General Meeting Record of Depositors. | <i>General Meeting Record of Depositors</i> |
| 78. | Subject always to the provisions of the Act, no business shall be transacted at an extraordinary general meeting except business of which notice has been given in the notice convening the meeting. | <i>Business at Extraordinary General Meeting</i> |
| 79. | In every notice calling a meeting of the Company, there shall appear with reasonable prominence a statement that a member entitled to attend and vote is entitled to appoint not more than two (2) proxies to attend and vote instead of him. A proxy may, but need not, be a member of the Company. A proxy appointed to attend and vote at a meeting of the Company shall have the same rights as the member to speak at the meeting. | <i>Right to Appoint Proxy</i> |
| 80. | The accidental omission to give notice of any meeting to or the non-receipt of the notice of a meeting by, any person entitled to receive notice shall not invalidate any resolution passed or proceedings held at any such meeting. | <i>Omission to Give Notice</i> |
| 81. | A meeting shall, notwithstanding that it is called by notice shorter than is required by this Constitution, be deemed to be duly called if it is so agreed, in the case of a meeting called as the annual general meeting, by all the members entitled to attend and vote thereat or in the case of an extraordinary general meeting, by a majority in number of the members having a right to attend and vote thereat, being a majority which together holds not less than ninety-five per cent (95%) of the shares giving a right to attend and vote. | <i>Call of Meetings by Shorter Notice</i> |
| 82. | Where, by the Act, special notice is required of a resolution, the resolution shall not be effective unless notice of the intention to move it has been given to the Company not less than twenty-eight (28) clear days before the meeting at which it is moved, and the Company shall give its members notice of any such resolution at the same time and in the same manner as it gives notice of the meeting or, if that is not practicable, shall give them notice thereof, in any manner allowed by this Constitution not less than fourteen (14) clear days before the meeting, but if after notice of the meeting to move such a resolution has been given to the Company, a meeting is called for a date twenty-eight (28) clear days or less after the notice has been given, the notice, | <i>Resolution Requiring Special Notice</i> |

although not given to the Company within the time required by this Constitution shall be deemed to be properly given.

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| 83. | Subject to the provisions of the Act, members may require the Company to circulate statements to members of the Company entitled to receive notice of Company meeting of members. | <i>Circulation of Statements</i> |
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PROCEEDINGS AT GENERAL MEETINGS

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| 84. | All business that is transacted at any extraordinary general meeting and also all business that is transacted at an annual general meeting shall be deemed special, with the exception of the receipts and consideration of the audited financial statements and audited group financial statements (if any) of the Company and the reports of the Directors and auditors and other documents required to be annexed to the financial statements, the election of Directors in the place of those retiring, the fixing of the fees and benefits of Directors, and the appointment of, and the fixing of the remuneration of the auditors. | <i>Special Business</i> |
| 85. | No business shall be transacted at any general meeting unless a quorum is present at the time when the meeting proceeds, to business. For all purposes, two (2) members, present in person or by proxy, or, in the case of corporations which are members, present by their representatives appointed pursuant to the provision of this Constitution and entitled to vote, shall be a quorum. | <i>Quorum</i> |
| 86. | If within half an hour after the time appointed for the meeting a quorum is not present, the meeting, if convened by or upon the requisition of members, shall be dissolved. If otherwise convened, it shall stand adjourned to the same day in the next week (or if that day be a public holiday, then to the next business day following such public holiday), at the same time and place or to such other day and at such other time and place as the Directors may determine, but if a quorum is not present within fifteen (15) minutes from the time appointed for holding the adjourned meeting, the members present shall be a quorum and may transact the business for which the meeting was called, but no notice of any such adjournment as aforesaid shall be required to be given to the members. | <i>Proceedings of Quorum Not Present</i> |
| 87. | The Chairman of the Board (if any), shall preside as Chairman at every general meeting, but if the Company has no Chairman or if at any general meeting, the Chairman is not present within fifteen (15) minutes after the time appointed for holding the meeting, or shall decline to take or shall retire from the chair, the Directors present shall choose one of their number to act as Chairman of such meeting, and if there be no Director chosen who shall be willing to act, the members present in person or by proxy and entitled to vote shall choose one (1) of their own number to act as Chairman at such meeting. The election of the Chairman shall be by a show of hands. | <i>Chairman of General Meeting</i> |

88. The Chairman may, with the consent of any meeting at which a quorum is present and if so directed by the meeting, shall adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for ten (10) days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting. ***Chairman May Adjourn Meetings and Notice of Adjournment to be Given***
89. A resolution in writing signed by majority of members or their agents authorised in writing in the case of where any ordinary resolution is proposed or not less than seventy-five per cent (75%) in the case of where any special resolution is proposed, shall (except where a meeting is prescribed by the Act) be as valid and effectual as if it had been passed at a meeting of the members duly convened and held, and such resolution may consist of several documents in like form each signed by or on behalf of one or more members. In the case of a corporate body, which is a member of the Company, such resolution may be signed on its behalf by its authorised representative, duly authorised by such corporate body by resolution of its directors or other governing body or by Power of Attorney to sign resolution on its behalf. ***Resolution in Writing***
90. Subject to any express requirement of the Listing Requirements, at any general meeting, a resolution put to the vote of the meeting shall be determined by a show of hands of the members present in person or by proxy, unless a poll is demanded (before or upon the declaration of the result of a show of hands): ***Voting on Resolution***
- (a) by the Chairman of the meeting;
 - (b) by at least three (3) members present in person or by proxy;
 - (c) by any member or members present in person or by proxy representing not less than one-tenth (1/10) of the total voting rights of all the members having the right to vote at the meeting; or
 - (d) by a member or members present in person or by proxy and holding shares in the Company conferring a right to vote at the meeting, being shares on which an aggregate sum has been paid up equal to not less than one-tenth (1/10) of the total sum paid up on all the shares conferring that right;

Provided that no poll shall be demanded on the election of Chairman of a meeting or on any question of adjournment.

Unless a poll is duly demanded in accordance with the foregoing provisions, a declaration by the Chairman that a resolution has been carried or carried unanimously or by a particular majority or lost, and an entry to that effect in the minutes of the proceedings of the

Company, shall be conclusive evidence of the fact, without proof of the number, proportion or validity of the votes, recorded in favour of or against such resolution.

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| 91. | The instrument appointing a proxy to vote at a meeting shall be deemed to confer authority to demand, or join in demanding a poll, and, for the purposes of the last preceding Clause, a demand by a person as proxy for a member shall be the same as a demand by the member. | <i>Proxies' Right to Demand a Poll</i> |
| 92. | If any votes shall have been counted, which ought not to have been counted, or might have been rejected, the error shall not vitiate the result of the voting unless it be pointed out at the same meeting or at any adjournment thereof and unless in the opinion of the Chairman at the meeting or any adjournment thereof as the case may be, it shall be of sufficient importance to vitiate the result of the voting. | <i>Counting of Votes</i> |
| 93. | If a poll is duly demanded it shall be taken in such manner as the Chairman may direct (including the use of a ballot or voting papers or tickets or electronically using various forms of electronic voting devices) and the result of the poll shall be the resolution of the meeting at which the poll was demanded. Unless the result of the poll is computed or determined electronically, the Chairman shall appoint scrutineers to verify the votes which shall be counted by the poll administrators for the purposes of a poll, and may adjourn the meeting to some place and time fixed by him for the purpose of determining the results of the poll. | <i>Taking of Poll</i> |
| 94. | Subject to provisions provided in this Constitution, a poll demanded on any question shall be taken either at once or at such time and place as the Chairman directs not being more than thirty (30) days from the date of the meeting or adjourned meeting at which the poll was demanded. No notice needs to be given of a poll not taken immediately. | <i>Time of the Taking of Poll</i> |
| 95. | The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which a poll has been demanded. | <i>Continuance of Meeting of Other Business</i> |
| 96. | The demand for a poll may be withdrawn. | <i>Withdrawal of Poll</i> |

VOTE OF MEMBERS

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| 97. | In the case of an equality of votes on a show of hands, the Chairman of the meeting at which the show of hands takes place, shall not be entitled to a second or casting vote but not when a poll is demanded. | <i>Chairman's Casting Votes</i> |
| 98. | (1) No Member shall be entitled to be present or to vote on any question either personally or otherwise as a proxy, or attorney at any general meeting or upon a poll or be reckoned in the quorum unless all calls or other sums presently payable by him in respect of shares in the Company have been paid. | <i>No Member Entitled to Vote While Call Due to Company</i> |

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| (2) | Subject to any special rights or restrictions as to voting attached to any class or classes of shares by or in accordance with this Constitution, on a show of hands, a holder of ordinary shares or preference shares who presents as a member or a member's representative or proxy or attorney and entitled to vote, shall be entitled to one (1) vote on any question at any general meeting, and in the case of a poll, every member present in person or by proxy or by attorney or other duly authorised representative, shall have one (1) vote for every share held by him. A person entitled to more than one (1) vote need not use all his votes or cast all the votes he uses on a poll in the same way. | <i>Vote of
Members</i> |
| (3) | Where the capital of the Company consists of shares of different monetary denominations, voting rights shall be prescribed in such manner that a unit of capital in each class, when reduced to a common denominator, shall carry the same voting power when such right's exercisable. | <i>Shares of
Different
Denominations</i> |
| 99. | Any corporation which is a member of the Company may by resolution of its Directors or other governing body authorise such person as it thinks fit to act as its representative either at a particular meeting of the Company, or at all meetings of the Company or of any class of members and the person so authorised shall, in accordance with his authority and until his authority is revoked by the corporation, be entitled to exercise the same powers subject to the provisions of the Act on behalf of the corporation which he represents as that corporation could exercise if it were an individual member of the Company. | <i>Vote of
Corporation</i> |
| 100. | Any member being of unsound mind or whose person or estate is liable to be dealt with in any way under the law relating to mental disorder, may vote, whether on a show of hands or on a poll, by his committee, receiver, curator bonis, or other legal guardian or such other person who has been properly appointed to manage his estate. Any one (1) of such committee or other person may vote either by proxy or by attorney, provided such evidence, as the Directors may require of the authority of the person claiming to vote, shall have been deposited at the Office not less than forty-eight (48) hours before the time appointed for holding the meeting. | <i>Vote of
Members of
Unsound Mind</i> |
| 101. | The legal personal representative of a deceased member or the person entitled under this Constitution to any share in consequence of the death or bankruptcy of any member may vote at any general meeting in members respect thereof in the same manner as if he was the registered holder of such shares, provided that forty-eight (48) hours at least before the time of holding the meeting, or adjourned meeting as the case may be at which he proposes to vote he shall satisfy the Directors of his right to any share in consequence of the death or bankruptcy of any member unless the Directors shall have previously admitted his right to vote in respect thereof. | <i>Vote of Legal
Personal
Representatives
of Members</i> |

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| 102. | Every power, right or privilege of any Member to convene, attend, vote and in anyway take part in any meeting of the Company, may be exercised in the event of such Member being out of Malaysia by any attorney, whether a Member or not, duly appointed by such Member for the purpose, by a power of attorney produced at the Office during business hours not less than two (2) Market Days before the same is acted on. Any vote given or things done by such attorney shall be valid notwithstanding the previous death of the Member giving such power of attorney or revocation of such power of attorney by other means provided no intimation in writing of such death or revocation shall have been received at the Office before such vote is given or thing done. | <i>Power of Attorney</i> |
| 103. | No member shall be entitled to be present or to vote at any general meeting or to exercise any privilege as a member nor be counted as one of the quorum unless all calls or other sums immediately payable by him in respect of shares in the Company have been paid. | <i>Members in Default</i> |
| 104. | No objection shall be raised in respect of the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the Chairman of the meeting, whose decision shall be final and conclusive. | <i>Time for Objection of Any Voter's Qualification</i> |
| 105. | The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under the corporation's seal or under the hand of an officer or attorney duly authorised. The Directors may, but shall not be bound to require evidence of the authority of any such attorney or officer. An instrument appointing a proxy to vote at a meeting shall be deemed to include the power to demand a poll on behalf of the appointor. | <i>Instrument of Proxy</i> |
| 106. | <p>(1) A member of the Company entitled to attend and vote at a meeting of the Company or at a meeting of any class of member of the Company, shall be entitled to appoint not more than two (2) proxies to attend and vote in his stead at the meeting. Where a member appoints two (2) proxies, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies. The appointment of two (2) proxies shall not be valid unless he specifies the proportions of his holdings to be represented by each proxy.</p> <p>(2) Where a Member of the company is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) 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 PROVIDED THAT each beneficial owner of ordinary shares, or where the ordinary shares are held on behalf of joint beneficial owners, such joint beneficial owners, shall only be entitled to instruct the Exempt Authorised Nominee to appoint not more than two (2) proxies to attend and vote at a meeting of members instead of the beneficial owner or joint beneficial owners.</p> | <i>Appointment of Multiple Proxies</i> |

107. (1) Where a member appoints more than one (1) proxy, the Company shall be entitled and bound:
- Appointment and Deposit of Proxy**
- (a) to reject any instrument of proxy lodged if the member is not shown to have any shares entered against his name in the register of members and or the latest Record of Depositors made available to the Company; and
- (b) to accept as the maximum number of votes which in aggregate the proxy appointed by the member is able to cast on a poll the aggregate number of shares which is entered against the name of that member in the register of members and or the latest Record of Depositors made available to the Company whether that number is greater or smaller than the number specified in any instrument of proxy executed by or on behalf of that member.
- (2) The Company shall be entitled and bound, in determining rights to vote and other matters in respect of a completed instrument of proxy submitted to it, to have regard to the instructions (if any) given by and the notes (if any) set out in the instrument of proxy.
108. Any instrument appointing a proxy may be in the following form or as near thereto as circumstances will admit: **Form of Proxy**

FORM OF PROXY

MYNEWS HOLDINGS BERHAD

*I/We, of being a member/members of the **MYNEWS HOLDINGS BERHAD**, hereby appoint of or failing him, of, as my/our proxy to vote for me/ us on my/our behalf at the [annual or extraordinary, as the case may be] general meeting of the company, to be held on the day of 20, and at any adjournment thereof.*

Signed this day of 20

As witness my hand this day of

** Strike out whichever is not desired. [Unless otherwise instructed, the proxy may vote as he thinks fit.]*

109. The instrument appointing a proxy and the power of attorney, or other authority (if any) under which it is signed, or a certified copy of such power or authority by a notary public, shall be deposited at the Office or at such other place within Malaysia, as is specified for that purpose in the notice convening the meeting, not less than forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument, proposes to vote or, in the case of a poll, not less than twenty-four (24) hours
- Deposit of Proxy**

before the time appointed for the taking of the poll, and in default, the instrument of proxy shall not be treated as valid, PROVIDED ALWAYS that the Company may by written notice waive the prior lodgement of the above instrument appointing a proxy and the power of attorney or other authority.

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| 110. | <p>A vote given in accordance with the terms of an instrument of proxy or attorney shall be valid, notwithstanding the previous death or unsoundness of mind of the principal or revocation of the instrument of proxy, or of the authority under which the instrument of proxy was executed, or the transfer of the share in respect of which the instrument of proxy is given, provided that no intimation in writing of such death, unsoundness of mind, revocation or transfer shall have been received by the Company at the Office before the commencement of the meeting or adjourned meeting (or in the case of a poll, before the time appointed for the taking of the poll) at which the instrument is used.</p> | <p><i>Proxy
Irrevocable
Unless Notice
Received by the
Company</i></p> |
| 111. | <p>A member of the Company is permitted to give the Company notice of termination of a person's authority to act as proxy not less than twenty-four (24) hours before the time appointed for holding the meeting. The notice of termination must be in writing and be deposited at the Office or at such other place within Malaysia.</p> | <p><i>Notice of
Termination of
Appointment of
Proxy</i></p> |

DIRECTORS

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| 112. | Until otherwise determined by the Company in general meeting the number of Directors shall not be less than two (2) and not more than twelve (12). All the Directors of the Company shall be natural persons. | Number of Director |
| 113. | The shareholding qualification for Directors may be fixed by the Company in general meeting, and until so fixed, no shareholding qualification for Directors shall be required. | Share Qualification of the Directors |
| 114. (1) | An election of Directors shall take place each year at the annual general meeting of the Company, where one-third (1/3) of the Directors for the time being, or, if their number is not three (3) or a multiple of three (3), then the number nearest to one-third shall retire from office and be eligible for re-election, PROVIDED ALWAYS that Directors shall retire from office once at least in each three (3) years but shall be eligible for re-election. A retiring Director shall retain office until the close of the meeting at which he retires. | Rotation and Retirement of Directors |
| (2) | The Directors to retire in every year shall be those who have been longest in office since their last election, but as between persons who became Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by lot. | Senior Director to Retire |
| 115. | No person, not being a retiring Director, shall be eligible for election to the office of Director at any general meeting, unless a member intending to propose him for election has, at least eleven (11) clear | Notice of Nomination of Director |

days before the meeting, left at the Office of the Company, a notice in writing duly signed by the nominee, giving his consent to the nomination and signifying his candidature for the office, or the intention of such member to propose him for election, provided that in the case of a person recommended by the Directors for election, nine (9) clear days' notice only shall be necessary, and notice of each and every candidature for election to the Board of Directors shall be served on the registered holders of shares at least seven (7) days prior to the meeting at which the election is to take place.

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| 116. | The Company, at the meeting at which a Director retires, may fill the vacated office by electing a person thereto. Unless at that meeting it is expressly resolved not to fill the vacated office or a resolution for re-election of the Director retiring at that meeting is put to the meeting and lost, or some other person is elected as Director in place of the retiring Director, the retiring Director shall, if offering himself for re-election and not being disqualified under the Act from holding office as a Director, be deemed to have been re-elected. A retiring Director shall be deemed to have offered himself for re-election unless he has given notice in writing to the Company that he is unwilling to be re-elected. | <i>When the Retiring Director Deemed Re-Elected</i> |
| 117. | At a general meeting at which more than one (1) Director is to be elected, each candidate shall be the subject of a separate motion and vote, unless a motion for the appointment of two (2) or more persons as Directors by a single resolution shall have first been agreed to by the meeting without any vote being given against it. | <i>No Appointment of Director by Single Resolution</i> |
| 118. | All Directors shall be entitled to receive notice of and to attend and speak at all general meetings of the Company. | <i>Attendance at General Meeting</i> |
| 119. | The Company may, from time to time by ordinary resolution passed at a general meeting, increase or reduce the number of Directors, and may also determine in what rotation the increased or reduced number is to go out of office. | <i>Number May be Increased or Decreased</i> |
| 120. | <p>(1) A Director may appoint a person to act as his alternate provided that:</p> <ul style="list-style-type: none"> (a) such person is not a Director; (b) such person does not act as an alternate for more than one Director; (c) the appointment is approved by a majority of his co-Directors; and (d) any fee paid by the Company to the alternate shall be deducted from that Director's fees and benefits. <p>(2) The alternate Director shall be entitled to notices of all meetings and to attend, speak and vote at any such meeting at which his appointor is not present. Any appointment so made may be revoked at any time by the appointor, and any appointment or revocation under this Clause shall be effected by notice in writing to be delivered to the Secretary of</p> | <i>Alternate Directors</i> |

the Company. An alternate Director shall ipso facto cease to be an alternate Director if his appointor for any reason ceases to be a Director.

- (3) If any Director retires by rotation and is re-elected by the meeting or is, pursuant to this Constitution, deemed to be re-elected at the meeting at which such retirement took effect, any appointment made by him of an alternate Director which was in force immediately prior to the appointor's retirement shall continue to operate after such re-election as if the appointor had not so retired.
 - (4) Any appointment or removal of an alternate Director may be made by facsimile, electronic means, or in any other manner approved by the Directors, which shall be confirmed, as soon as possible, by letter, but may be acted upon by the Company, meanwhile.
 - (5) Every person acting as an alternate Director shall be deemed to be an officer of the Company, and shall alone be responsible to the Company for his own acts and defaults, and he shall not be deemed to be an agent of or for the Director appointing him.
 - (6) An alternate Director shall not be taken into account in reckoning the minimum or maximum number of Directors allowed for the time being, but he shall be counted for the purpose of reckoning whether a quorum is present at any meeting of the Directors attended by him at which he is entitled to vote.
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| 121. | The Board may, from time to time, appoint any person to be an associate director and may from time to time revoke any such appointment. | <i>Associate Director</i> |
| 122. | The Board may fix, determine and vary the powers, duties and remuneration of any person so appointed, but a person so appointed shall not have any right to attend or vote at any meeting of the Board except by the invitation and with the consent of the Board. | <i>Powers of Associate Directors</i> |
| 123. | The Company may by ordinary resolution of which special notice has been given, remove any Director before the expiration of his period of office, notwithstanding any provisions of this Constitution or of any agreement between the Company and such Director but without prejudice to any claim he may have for damages for breach of any such agreement. The Company may by ordinary resolution appoint another person in place of a Director so removed from office, and any person so appointed shall be subject to retirement by rotation at the same time as if he had become a Director on the day on which the Director in whose place he is appointed was last elected a Director. In default of such appointment, the vacancy so arising may be filled by the Directors as a casual vacancy. | <i>Removal of Directors</i> |
| 124. | The Directors shall have power at any time, and from time to time, to appoint any person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors, but the total number of Directors shall not at any time exceed the maximum number fixed in accordance | <i>Appointment by the Board of Directors</i> |

with this Constitution. Any Director so appointed shall hold office only until the next following annual general meeting, and shall then be eligible for re-election but shall not be taken into account in determining the Directors who are to retire by rotation at that meeting.

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| 125. | <p>The fees and any benefits payable to the Directors from time to time, be determined by an ordinary resolution of the Company and shall (unless such resolution otherwise provides) be divisible among the Directors as they may agree, except that any Director, who shall hold office for part only of the period in respect of which such fees are payable, shall be entitled only to rank in such division for a proportion of the fees related to the period during which he has held office, Provided Always that:</p> <ul style="list-style-type: none"> (a) fees payable to non-executive Directors shall be by a fixed sum, and not by a commission on or percentage of profits or turnover; (b) salaries and other emoluments payable to executive Directors pursuant to a contract of service need not be determined by the Company in general meeting but such salaries and emoluments may not include a commission on or percentage of turnover. (c) fees payable to Directors shall not be increased except pursuant to a resolution passed at a general meeting, where notice of the proposed increase has been given in the notice convening the meeting; and (d) any fee paid to an Alternate Director shall be agreed upon between himself and the Director nominating him and shall be paid out of the remuneration of that Director. | Remuneration |
| 126. | <p>(1) The Directors shall be entitled to be reimbursed for all travelling or such other reasonable expenses as may be incurred in attending and returning from meetings of the Directors or of any committee of the Directors or general meetings or otherwise, howsoever, in or about the business of the Company in the course of the performance of their duties as Directors.</p> <p>(2) If by arrangement with the Directors, any Director shall perform or render any special duties or service's outside his ordinary duties as a Director in particular, without limiting to the generality of the foregoing, if any Director being willing shall be called upon to perform extra services or to make any special exertions in going or residing away from his usual place of business or residence for any of the purposes of the Company or in giving special attention to the business of the Company as a member of a committee of Directors, the Directors may pay him special remuneration, in addition to his Director's fees, and such special remuneration may be by way of a fixed sum, or otherwise (other than by a sum to include a commission on or percentage of turnover) as may be determined by the Board provided that in the case of non-executive Directors, the said remuneration shall not include a commission on or percentage of profits or turnover. In the case of an</p> | Reimbursement
and Special
Remuneration |

executive Director, such fee may be either in addition to or in substitution for his share in the fee from time to time provided by the Directors.

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| 127. | <p>The office of Director shall, ipso facto, be vacated:</p> <ul style="list-style-type: none"> (a) if he ceases to be a Director by virtue of the Act; (b) if (not being the Managing or Deputy or Assistant Managing Director holding office as such for a fixed term) he resigns his office by notice in writing under his hand sent to or left at the Office; (c) if he is absent from more than fifty per cent (50%) of the total Board of Directors' meetings held during a financial year, unless approval is sought and obtained from the Exchange; (d) if he has retired in accordance with the Act or this Constitution but is not re-elected; (e) if he is removed from his office of Director by resolution of the Company in general meeting of which special notice has been given; (f) if he becomes of unsound mind during his term of office; (g) if he becomes bankrupt during his term of office; (h) dies; and (i) if he becomes prohibited or disqualified from being a Director by reason of any order made under the provisions of the Act or the Listing Requirements or contravenes with the Act. | <p><i>Vacation of
Office of
Directors</i></p> |
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POWERS AND DUTIES OF DIRECTOR

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| 128. | <p>The business of the Company shall be managed by the Directors, who may exercise all such powers of the Company, and do, on behalf of the Company, all such acts as are within the scope of this Constitution and by the Act or by this Constitution required to be exercised or done by the Company in general meeting, subject nevertheless to this Constitution, to the provisions of the Act, and to such regulations, being not inconsistent with this Constitution, as may be prescribed by the Company in general meeting, but no regulation made by the Company in general meeting shall invalidate any prior act of the Directors which would have been valid if such regulation had not been made.</p> | <p><i>Powers and
Duties of
Directors</i></p> |
| 129. | <p>The Directors shall not without the prior approval of the Company in general meeting:</p> | <p><i>Approval of
Company
Required</i></p> |

- (a) carry into effect any proposal or execute any transaction for the acquisition of an undertaking or property of a substantial value, or the disposal of a substantial portion of or a controlling interest in the Company's undertaking or property;
- (b) exercise any power of the Company to issue shares, unless otherwise permitted under the Act; or
- (c) subject to the provisions of the Act, enter into any arrangement or transaction with a Director or a director of the holding company or a subsidiary of the Company, or with a person connected with such a Director, to acquire from or dispose to such a Director or person any non-cash assets of the requisite value.
- (d) Issue any securities on such terms and subject to such conditions which confer a right to subscribe for new shares of the Company.

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| 130. | (1) | The Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertakings, property and uncalled capital, or any part thereof, and to issue debentures and other securities whether outright or as security for any debt, liability or obligation of the Company or of any related third party, Provided Always that nothing contained in this Constitution shall authorise the Directors to borrow any money or mortgage or charge any of the Company's undertaking, property or any uncalled capital or to issue debentures and other securities whether outright or as security for any debt, liability or obligation of an unrelated third party. | Directors' Borrowing Powers |
| | (2) | The Directors shall cause a proper register to be kept in accordance with the Act of all mortgages and charges specifically affecting the property of the Company and shall duly comply with the requirements of the Act in regard to the registration of mortgages and charges therein specified or otherwise. | |
| | (3) | If the Directors or any of them, or any other person, shall become personally liable for the payment of any sum primarily due from the Company, the Directors may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors, or persons so becoming liable as aforesaid, from any loss in respect of such liability. | |
| 131. | | The Directors may establish or arrange any contributory pension or non-contributory pension or superannuation scheme, share maintain option/incentive scheme and trusts or other funds for the benefit of, or pay a gratuity, pension or emolument, and to issue and allot and/or transfer shares or Securities to any person who is or has been employed by or in the service of the Company or any subsidiary of the Company, or to any person who is or has been a Director or other officer of and holds or has held salaried employment in the Company or any such subsidiary, and the widow, family or dependants of any such person. The Directors may also subscribe to any association or fund which they | Power to maintain funds |

consider to be for the benefit of the Company or any such subsidiary or any such person as aforesaid and make payments for or towards any hospital or scholastic expenses and any Director holding such salaried employment shall be entitled to retain any benefit received by him under this Clause subject only, where the Act requires, to proper disclosure to the Members and the approval of the Company in general meeting.

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| 132. | The Directors may from time to time, and at any time, by power of attorney under the Seal, appoint any corporation, firm or person or body of persons, whether nominated directly or indirectly by the Directors to be the attorney or attorneys of the Company for such purposes and with such powers, authorities and discretion (including the power to sub-delegate but not exceeding those vested in or exercisable by the Directors under this Constitution) and for such period and subject to such conditions as the Directors may from time to time think fit, and any such power of attorney may contain such provisions for the protection or convenience of persons dealing with any such attorney as the Directors think fit. | <i>Director's
Power Appoint
Attorney of the
Company</i> |
| 133. | All cheques, promissory notes, drafts, bills of exchange and other negotiable instruments and all receipt for money paid to the Company shall be signed, drawn, accepted, endorsed or otherwise executed, as the case may be, in such manner as the Directors may from time to time determine by resolution. | <i>Cheques, Bills,
Etc.</i> |
| 134. | A Director may hold any other office or place of profit under the Company (other than the office of auditor) in conjunction with his office of Director for such period and on such terms (as to remuneration and otherwise) as the Directors may determine. No Director or intending Director shall be disqualified by his office from contracting with the Company with regard to his tenure of any such office or place of profit in any other respect nor shall any such contract, or any contract or arrangement entered into by or on behalf of any company in which any Director is in any way interested, be liable to be voided, nor shall any Director so contracting or being so interested, be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relation thereby established, provided always that all other relevant provisions of the Act and this Constitution are complied with. | <i>Right to Hold
Other Office
Under the
Company</i> |
| 135. | Unless prohibited by the rules and / or requirements of the Exchange, any Director may act by himself or his firm in a professional capacity for the Company, and he or his firm shall be entitled to remuneration for professional services as if he were not a Director, provided that nothing herein contained shall authorise a Director or his firm to act as auditor of the Company and provided further that such professional services shall be provided at normal commercial terms. | <i>Right to
Payment for
Professional
Services</i> |

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| 136. | A Director shall at all times act honestly and use reasonable diligence in the discharge of the duties of his office, and shall not make use of any information acquired by virtue of his position to gain, directly or indirectly, an improper advantage for himself or for any other person or cause detriment to the Company. | <i>As to the Duty and Liability of the Director</i> |
| 137. | Every Director shall give notice to the Company of such events and matters relating to himself, as may be necessary or expedient, to enable the Company and its officers to comply with the requirements of the Act. | <i>General Duty to Make Disclosure</i> |

PROCEEDINGS OF DIRECTORS

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| 138. | The Directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings and proceedings as they think fit. A Director may at any time and the Secretary shall, on the requisition of a Director, summon a meeting of the Directors by giving them not less than seven (7) days notice thereof unless such requirement is waived by them. | <i>Directors' Meeting</i> |
| 139. | Unless otherwise determined by the Directors from time to time, notice of all Directors' meetings shall be given and circulated to all Directors and their alternates by facsimile, electronic mail or other meeting forms of electronic medium. Except in the case of an emergency, reasonable notice of every Directors' meeting shall be given in writing. The majority of the Board may waive notice of any meeting and any such waiver may be retroactive. A notice of all Directors' meeting shall include the date, time and place of meeting and the matters to be discussed. | <i>Notice Sent to Directors</i> |
| 140. | An irregularity in the notice of a meeting is waived if all Directors entitled to receive notice of the meeting attend the meeting without objection to the irregularity. | <i>Irregularity in Notice</i> |
| 141. | The quorum necessary for the transaction of the business of the Directors shall be two (2) of the Directors. | <i>Quorum</i> |
| 142. | A meeting of the Directors, for the time being at which a quorum is present, shall be competent to exercise all or any of the powers, authorities and discretion by or under this Constitution, vested in or exercisable by the Directors generally. Subject to this Constitution, questions arising at any meeting of the Directors shall be decided by a majority of votes. | <i>Proceedings of Meeting</i> |
| 143. | In case of equality of votes, the Chairman shall have a second or casting vote, except where only two (2) Directors are competent to vote on the question at issue, or at the meeting where only two (2) Directors form the quorum and only such a quorum is present at the meeting or only two (2) Directors are competent to vote on the question at issue. | <i>Chairman Has Casting Vote</i> |
| 144. | The continuing Directors or sole continuing Director may continue to act notwithstanding any vacancy in their body but if and so long as their number is reduced below the number fixed by or pursuant to this Constitution, the continuing Director or Directors may, except in an | <i>Number Reduced Below Quorum</i> |

emergency, act only for the purpose of increasing the number of Directors to such minimum number, or to summon a general meeting of the Company.

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| 145. | Any Director may participate at a meeting of Directors by way of telephone and video conferencing or by means of other communication equipment, whereby all persons participating in the meeting are able to hear each other and be heard for the entire duration of the meeting, in which event such Director shall be deemed to be physically present at the meeting. A Director participating in a meeting in the manner aforesaid may also be taken into account in ascertaining the presence of a quorum at the meeting. | <i>Participation at Directors' Meetings by Way of Telephone and Video Conferencing</i> |
| 146. | A meeting at which one or more of the Directors attends by electronic means is deemed to be held at such place as the Directors shall at the said meeting resolve. In the absence of a resolution as aforesaid, the meeting shall be deemed to be held at the place, if any, where a majority of the Directors attending the meeting are physically present, or in default of such a majority, the place at which the Chairman of the meeting is physically present. | <i>Venue of Directors' Meeting</i> |
| 147. | Subject to the Act, all business transacted in the manner provided above by electronic means shall for the purpose of this Constitution be deemed to be validly and effectively transacted at a meeting of the Board PROVIDED that at least one (1) of the Directors present at the meeting was at such place as resolved or deemed (as the case may be) for the duration of the meeting. All information and documents must be made equally available to all participants prior to or at / during the meeting. | <i>Business Transacted by Electronic Means</i> |
| 148. | The Directors may from time to time elect and remove a Chairman of the Board of Directors and determine the period for which they are respectively to hold office. The Chairman so elected shall preside at all meetings of the Directors, but if no such Chairman be elected, or if at any meeting the Chairman is not present within fifteen (15) minutes after the time appointed for holding the same, the Directors present shall choose one (1) of their number to act as Chairman of such meeting. | <i>Chairman of the Board</i> |
| 149. | The Directors shall not have any power to appoint any person from time to time as their proxies to represent them at Directors' meetings, save and except for their duly appointed alternate Directors. | <i>Appointment of Proxy</i> |
| 150. | Every Director shall comply with the provisions of the Act in connection with the disclosure of his shareholding interest and interests in the Company and his interest in any contract or proposed contract with the Company and in connection with the disclosure, every Director shall state the fact and the nature, character and extent of any office or possession of any property whereby whether directly or indirectly, duties or interests might be created in conflict with his duty or interest as a Director. | <i>Disclosure of Interest in Contracts, Property, Offices, Etc</i> |

151. A Director shall not vote in regard to any contract or proposed contract or arrangement in which he has, directly or indirectly, an interest. Without prejudice to the generality of the foregoing, a Director shall also not vote in regard to any contract or proposed contract or arrangement with any other company in which he is interested, either as an officer of that other company or as a holder of shares or other securities in that other company. ***Directors Retained from Voting in Interested Transactions***
152. A Director, notwithstanding his interest, may, provided that none of the other directors present disagree, be counted in the quorum present at any meeting whereat he or any other Director is appointed to hold any office or place of profit under the Company, or whereat the Directors resolve to exercise any of the rights of the Company (whether by the exercise of voting rights or otherwise), to appoint or concur in the appointment of a Director to hold any office or place of profit under any other company, or whereat the terms of any such appointment as hereinafter mentioned, are considered, or whereat any decision is taken upon any contract or arrangement in which he is in any way interested, provided always that he has complied with all other relevant provisions of the Act, the Listing Requirements and of this Constitution. ***Director Appointed at a Meeting to Hold Other Office to be Counted in the Quorum***
153. A Director may contract with and be interested in any contract or proposed contract with the Company and shall not be liable to account for any profit made by him by reason of any such contract; PROVIDED ALWAYS THAT the nature of the interest of the Director in any such contract be declared at a meeting of the Directors as required by the Act. ***Directors May Contract with the Company***
154. Subject to relevant provisions of this Constitution, a Director may vote in respect of:
- (a) any arrangement for giving the Director himself or any other Director any security or indemnity in respect of money lent by him to or obligations undertaken by him for the benefit of the Company; or
 - (b) any arrangement for the giving by the Company of any security to a third party in respect of a debt or obligation of the Company for which the Director himself or any other Director has assumed responsibility in whole or in part under a guarantee or indemnity or by the deposit of a security.
- Director May Vote on the Giving of Security or Indemnity Where He is Interested***

By an ordinary resolution of the Company, the provisions of this Clause may at any time be suspended or relaxed to any extent and, either generally or in respect of any particular contract, arrangement or transaction, and any particular contract, arrangement or transaction carried out in contravention of this Clause, may be ratified.

155. A Director may be or become Director or other officer of or otherwise interested in any corporation promoted by the Company or in which the Company may be interested as shareholder or otherwise, or any corporation, which is directly or indirectly interested in the Company as shareholder or otherwise, and no such Director shall be accountable to the Company for any remuneration or other benefits received by him as a Director or officer of, or from his interest in such corporation, unless the Company otherwise directs at the time of his appointment. The Directors may exercise the voting power conferred by the shares or other interest in any such other corporation held or owned by the Company, or exercisable by them as Directors of such other corporation, in such manner and in all respects as they think fit (including the exercise thereof in favour of any resolution appointing themselves or any of the Directors or other officers of such corporation), and any Director may vote in favour of the exercise of such voting rights in manner aforesaid, notwithstanding that he may be, or is about to be appointed, a Director or other officer of such corporation and as such is or may become interested in the exercise of such voting rights in manner aforesaid, provided always that he has complied with all other relevant provisions of the Act, the Listing Requirement and of this Constitution.
- Director May Become Directors or Other Officers of Any Corporation Promoted by the Company***

COMMITTEES OF DIRECTORS

156. The Directors may establish any committees, local boards or agencies, comprising of two (2) or more such member, as members of its body, for managing any of the affairs of the Company, either in Malaysia or elsewhere, and may lay down, vary or annul such rules and regulations as they may think fit for the conduct of the business thereof, and may appoint any other person or persons to be the member or members of any such committee or local board or agency and may fix their remuneration, and may delegate to any such committee or local board or agency any of these powers, authorities and discretion vested in the Directors, with power to sub-delegate, and may authorise the member or members of any such committee or local board, or any of them, to fill any vacancies therein, and to act notwithstanding vacancies, and any such appointment or delegation may be made upon such terms and subject to such conditions as the Directors may think fit, and the Directors may remove any person so appointed, and may annul or vary any such delegation, but no persons dealing in good faith without notice of any such annulment or variation shall be affected thereby.
- Directors May Establish Committees, Etc***
157. Notwithstanding any provisions to the contrary contained in this Constitution, any member of a committee may participate at a committee meeting by way of telephone and video conferencing or by means of other communication equipment, whereby all persons participating in the meeting are able to hear each other, in which event such member shall be deemed to be physically present at the meeting whether for the purposes of these Clauses or otherwise. A member participating in a meeting in the manner aforesaid may also be taken into account in ascertaining the presence of a quorum at the meeting.
- Participation at Committee Meetings by Way of Telephone and Video Conferencing***

Any meeting held in such manner shall be deemed to be held at such place as shall be agreed upon by the members attending the meeting, PROVIDED that at least one (1) of the members present at the meeting was at such place for the duration of that meeting.

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| 158. | Unless otherwise determined by the committees from time to time, notice of all committees' meetings shall be given and circulated to all committees by facsimile, electronic mail or other forms of electronic medium. Except in the case of an emergency, reasonable notice of every committees' meeting shall be given in writing. The majority of the committees may waive notice of any meeting and any such waiver may be retroactive. | <i>Notice of Committees' Meeting</i> |
| 159. | Subject to any rules and regulations made hereunder, a committee may meet and adjourn as it thinks proper, and questions arising at any meeting shall be determined by a majority of votes of the members present (if more than one), and in the case of an equality of votes, the Chairman shall have a casting vote. | <i>Proceedings of the Committee</i> |
| 160. | A committee, local board or agency may elect a Chairman of its meetings, if no such Chairman is elected, or if at any meeting, the Chairman is not present within fifteen (15) minutes after the time appointed for holding of the meeting, the members present may choose one (1) of their number to be the Chairman at the meeting. | <i>Chairman of the Committee</i> |

VALIDATION OF ACTS OF DIRECTORS

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| 161. | All acts done by any meeting of the Directors or a Committee of Directors or by any person acting as a Director, local board or agency shall, notwithstanding that it is afterwards discovered that there was some defect in the appointment of any such Director or person acting as aforesaid, or that they, or any of them were disqualified, or had vacated office or were not entitled to vote, be as valid as if every such person had been duly appointed and was qualified and had continued to be a Director or member of such committee, local board or agency as aforesaid and had been entitled to vote. | <i>Validation of the Acts of the Directors or Committee</i> |
| 162. | Any sale or disposal by the Directors of a substantial portion of the Company's main undertaking or property shall be subject to approval by shareholders in general meeting. | <i>Substantial Disposal</i> |

CIRCULAR RESOLUTIONS

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| 163. | A resolution in writing signed or approved by letter, facsimile or electronic means by majority of the Directors, for the time being entitled to receive notice of a meeting of Directors, shall be as valid and effectual as if it had been passed at a meeting of the Directors duly called and constituted; provided that where a Director is not so present but has an alternate who is so present, then such resolution shall also be signed by such alternate. All such resolutions shall be described as "Directors' Circular Resolution" and shall be forwarded or otherwise | <i>Circular Resolution</i> |
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delivered to the Secretary without delay, and shall be recorded by him in the Company's Minute Book. Any such resolution in writing may consist of several documents, including facsimile or other similar means of communication, in similar form, and each document shall be signed or assented to by one or more Directors or their alternates. A copy of any such resolution shall be entered in the minutes book of Board proceedings.

MANAGING DIRECTOR AND/OR EXECUTIVE DIRECTOR

164. The Directors may from time to time appoint one (1) or more of their body to any executive office including the offices of Chief Executive, Managing Director, Deputy Managing Director or Executive Director upon such terms as they think fit. The appointment may entrust to and confer upon the Directors holding such executive office, any powers exercisable by them as Directors generally as they may think fit, but such Chief Executive, Managing Director, Deputy Managing Director or Executive Director shall be subject to the control of the Board. The Board may from time to time (subject to any provisions of any contract between him and the Company) remove or dismiss him or them from office and appoint another or others in his or their place or appoint a substitute during his or their absence from illness or any other cause and in case of any breach of any agreement his or their remedy against the Company shall be in damages only and he or they shall have no right or claim to continue in such office contrary to the will of the Directors or of the Company in general meeting. *Managing / Executive Directors*
165. The remuneration of a Director holding an executive officer pursuant to this Constitution shall subject to the terms of any agreement entered into in any particular case may be by way of salary or commission or participation in profits or otherwise or by any or all of these modes but such remuneration shall not include a commission on or percentage of turnover but it may be a term of their appointment that they shall receive pension, gratuity or other benefits upon their retirement. *Remuneration of Director Holding Executive Office*
166. A Managing Director or a Deputy Managing Directors shall, while they continue to hold such offices, be subject to retirement by rotation in accordance with the relevant provisions of this Constitution, and they shall, subject to provisions of any contract between them and the Company, be subject to the same provisions as to resignation and removal as the other Directors of the Company and, if they cease to hold the office of Director from any cause, they shall ipso facto and immediately cease to be Managing Director or Deputy Managing Directors. *Managing Director Reckoned as Director for Purposes of Rotation and Retirement*

MINUTES AND REGISTERS

167. The Directors shall cause minutes to be duly entered in books provided for the purpose: *Minutes*
- (a) of all appointments of officers;

- (b) of the names of all the Directors present at each meeting of the Directors and of any committee of Directors, local board or agency and of the Company in general meeting;
- (c) of all resolutions and proceedings of general meetings and of meetings of the Directors and committees of Directors, local board or agency; and
- (d) of all orders made by the Directors and any committee of Directors, local board or agency.

Such minutes shall be signed by the Chairman of the meeting at which the proceedings were held or by the Chairman of the next succeeding meeting and if so signed, shall be conclusive evidence without any further proof of the facts thereon stated.

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| 168. | Where a resolution is passed at an adjourned meeting of the Board, the resolution shall, for all purposes, be treated as having been passed on the date on which it was in fact passed and shall not to be deemed to have been passed on any earlier date. | <i>Resolution Passed at Adjourned Meeting</i> |
| 169. | The Company shall in accordance with the provisions of the Act, keep at the Office, or such other place, provided notice has been given to the Registrar of Company, a register containing such particulars with respect to the Directors, managers and secretaries of the Company as are required by the Act, and shall from time to time notify the Registrar of Companies of any change in such register and of the date of such change in manner prescribed by the Act. | <i>Register of Directors, Managers and Secretaries</i> |
| 170. | The books containing the minutes of proceedings of any general meeting shall be kept by the Company at the Office, or such other place, provided notice has been given to the Registrar of Company, and shall be open to the inspection of any member without charge. | <i>Minute Books in Registered Office</i> |
| 171. | The Company shall also keep at the Office, or such other place, provided notice has been given to the Registrar of Company, a register which shall be open to the inspection of any member without charge and to any other person on payment of such prescribed fee as may be determined by the Company, all such matters required to be so registered under the Act, and in particular: | |
| | (a) a register of substantial shareholders and of information received in pursuance of the requirements under the Act; | <i>Registers of Substantial Shareholders</i> |
| | (b) a register of the particulars of each of the Directors' shareholdings and interests as required under the Act; and | <i>Register of Directors' Shareholdings</i> |
| | (c) a register of mortgages and charges as required under the Act. | <i>Register of Mortgages and Charges</i> |

THE SECRETARY

172. The Secretary or Secretaries shall, in accordance with the Act, be appointed by the Directors for such term, at such remuneration, and upon such conditions as the Directors think fit, and any Secretary or Secretaries so appointed may be removed by them but without prejudice to any claim he or they may have for damages for breach of any contract of service with the Company. The Directors may, from time to time, by resolution appoint a temporary substitute for the Secretary, who shall be deemed to be the Secretary during the term of his appointment. ***Appointment of Secretary***
173. The Secretary may resign from his office in accordance with the Act and any resignation shall be effective within thirty (30) days of the notice of resignation. The Board shall appoint another person as Secretary within thirty (30) days of receipt of the outgoing Secretary's notice of resignation in compliance with the Act. ***Resignation of Secretary***

SEAL

174. The Directors shall provide for the safe custody of the Seal which shall only be used pursuant to a resolution of the Directors or a committee of the Directors authorising the use of the Seal. The Directors may from time to time make such regulations as they think fit determining the persons and the number of such persons in whose presence the Seal shall be affixed and, until otherwise so determined, the Seal shall be affixed in the presence of at least one (1) Director and counter-signed by the Secretary or by a second Director or by some other person appointed by the Directors for the purpose who shall sign every instrument to which the Seal is affixed. The Directors may by resolution determine either generally or in any particular case that the signature of any Director, the Secretary or such other persons appointed as aforesaid may be affixed or reproduced by facsimile, autographic or other mechanical means provided that the use of such is restricted to a certificate or other documents of title in respect of any share, stock, debenture or marketable security created or issued by the Company to be given under the Seal of the Company. The Company may exercise the powers as provided under the Act, and such powers are accordingly hereby vested in the Directors. ***The Custody and the Affixing of the Seal***
175. The Company may also have a share seal pursuant to the provisions of the Act. The share seal is a duplicate or facsimile of the Seal with the addition on its face of the words "Share Seal" which is specifically affixed onto certificates that may be issued by the Company for any share, stock, loan stock, debentures as defined in the Act, or other marketable security created or issued by the Company. ***The Share Seal***

SEAL FOR USE ABROAD

176. The Company or the Directors, on behalf of the Company, may exercise the powers, conferred by the provisions of the Act, with regard to having an official Seal for use abroad, and the powers conferred by the provisions of the Act with regard to the keeping of a branch Register. *Seal for Use Abroad*

RESERVES

177. The Directors may, before recommending any dividend, whether preferential or otherwise, set aside out of the profits of the Company such sums as they think proper as a reserve fund to meet depreciation or contingencies, or for equalising dividends or for the payment of special dividends, or for the general liquidation of any debt or liability of the Company or for repairing, improving or maintaining any of the property of the Company, or for such other purposes (being purposes for which the profits of the Company may lawfully be applied) as the Directors shall in their absolute discretion think conducive to the interest of the Company, and may invest the several sums so set aside upon such investments as they think fit (including purchasing shares in the Company to the extent and in the manner allowed by the Act and subject to the provisions of this Constitution) and, from time to time, vary or realise such investments and dispose of all or any part thereof for the benefit of the Company, and may divide any reserve fund into such special funds as they think fit, with all power to employ the assets constituting the reserve fund in the business of the Company, and without being bound to keep the same separate from the other assets. The Directors may also, without placing the same to reserve, carry forward any profits which they may think prudent not to divide. *Creation of Reserve Fund*
178. The Directors may establish a reserve to be called either "capital reserve" or "realisation account" and shall carry to the credit of such reserve from time to time, all monies realised on the sale of any investments held by the Company in excess of the then book price of the same in providing for depreciation or contingencies. Such capital reserve or realisation account and all other monies in the nature or otherwise, shall be treated for all purposes as capital monies and not as profits available for dividend. Any losses realised on the sale of any investments may be carried to the debit of capital reserve or realisation account except in so far as the Directors shall decide to make good the same out of other monies of the Company. *Capital Reserve or Realisation Account*

DIVIDEND

179. The profits of the Company available for dividend and determined to be distributed shall be applied in the payment of dividends to the members in accordance with their respective rights and priorities. The Company in general meeting may declare dividends accordingly. *Payment of Dividends*

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| 180. | Without prejudice to the powers of the Company to pay interest on share capital as hereinbefore provided, no dividend shall be paid otherwise than out of profits nor shall any dividend or other monies payable on or in respect of any share bear interest against the Company and no dividend shall be paid in excess of the amount recommended by the Directors. | <i>Dividends Payable from Profits Only</i> |
| 181. | Subject to the rights of persons (if any) entitled to shares with special rights as to dividend, all dividends shall be declared and paid according to the amounts paid up on the shares in respect whereof the dividend is paid, but no amount paid up on a share in advance of call shall be treated for the purposes of this Clause as paid up on the share. All dividends shall be apportioned and paid pro-rata according to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid, except that if any share is issued on terms providing that it shall rank for dividend as if paid up (in whole or in part) as from a particular date, such share shall rank for dividend accordingly. | <i>Dividends in Proportion to Amounts Paid Up</i> |
| 182. | The Directors may if they think fit from time to time pay to the members such dividends as appear to the Directors to be justified by the profits of the Company. If at any time the share capital of the Company is divided into different classes, the Directors may pay such dividends in respect of those shares in the capital of the Company which confer on the holders thereof deferred or non-preferential rights as well as in respect of those shares which confer on the holders thereof preferential rights with regard to dividend and, provided that the Directors act bona fide, they shall not incur any responsibility to the holder of shares conferring any preferential rights for any damage that they may suffer by reason of the payment of a dividend on any shares having deferred or non-preferential rights. The Directors may also pay half-yearly, or at other suitable intervals to be determined by them, any dividend which may be payable at a fixed rate, if they are of the opinion that the profits justify the payment. | <i>Dividend</i> |
| 183. | The Directors may deduct from any dividend payable to any member all sums of money (if any) immediately payable by him to the Company on account of calls or otherwise in relation to the shares of the Company held by him. | <i>Debts May be Deducted from Dividends</i> |
| 184. | The Directors may retain any dividend or other moneys payable on or in respect of a share other than fully paid shares on which the Company has a lien, and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists. | <i>Power to Retain Dividends on which the Company Has a Lien</i> |
| 185. | Subject to the provisions of the Act where any asset, business or property is bought by the Company as from a past date upon the terms that the Company shall as from that date take the profits and bear the losses thereof, such profits or losses, as the case may be, shall, at the discretion of the Directors, be credited or debited wholly or in part to revenue account, and in that case the amount so credited or debited | <i>Asset, Business or Property Bought by the Company Has a Lien</i> |

shall, for the purpose of ascertaining the fund available for dividend, be treated as a profit or loss arising from the business of the Company and available for dividend accordingly. Subject as aforesaid, if any shares or securities are purchased cum dividend or interest, such dividend or interest when paid may at the discretion of the Directors be treated as revenue and it shall not be obligatory to capitalise the same or any part thereof.

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| 186. | The Directors may retain the dividends payable upon shares in respect of which any person is under the provisions as to the transmission of shares hereinbefore contained entitled to become a member, or which any person is under those provisions entitled to transfer, until such person shall become a member in respect of such shares or shall transfer the same. | <i>Power to Retain Dividends in Respect of Transmission of Shares</i> |
| 187. | All dividends unclaimed for more than one (1) year after having been declared may be dealt with in accordance with the provisions of the Unclaimed Monies Act, 1965 after having been declared may be invested or otherwise used by the Directors for the benefit of the Company until be claimed or paid pursuant to the Unclaimed Monies Act, 1965. No unpaid dividend, bonus, or interest shall bear interest as against the Company. | <i>Unclaimed Dividends</i> |
| 188. | Any dividend declared on Deposited Securities shall accrue to the Depositors whose names appear on the Record of Depositors issued to the Company or the Company's Registrar pursuant to the Rules. | <i>Transfer Not to Affect Right to Dividend Declared Before Registration</i> |
| 189. | Any dividend, interest or other money payable in cash in respect of shares may be paid by way of direct transfer by means of the electronic payment systems, upon terms and subject to conditions as the Directors may stipulate, or by cheque or warrant and sent through the post directed to the registered address of the holder, or to such person and to such address as the holder may in writing direct or, if several persons are entitled thereto in consequence of the death or bankruptcy of the holder, to any one of such persons or to such person and to such address as such persons may by writing direct, subject to the Rules. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent, or to such person as the holder or person or persons entitled to the share in consequence of the death or bankruptcy of the holder may direct, and the payment of any such cheque or warrant shall operate as a good discharge to the Company in respect of the dividend represented thereby. Every such cheque or warrant shall be sent at the risk of the person entitled to the money thereby represented. No unpaid dividend or interest shall bear interest against the Company. | <i>Mode of Payment of Dividend</i> |
| 190. | Any general meeting declaring a dividend or bonus may upon the recommendation of the Directors, make direct payment of such dividend or bonus wholly or in part by the distribution of specific assets, and in particular of paid-up shares or debenture or debenture stock of | <i>Power to Distribute Dividend in Specie</i> |

any other company, or in any one or more of such ways, and the Directors shall give effect to such resolution, and where any difficulty arises in regard to the distribution, the Directors may settle the same as they think expedient, and in particular, may issue fractional shares and may fix the value for distribution of such specific assets or any part thereof, and may determine that cash payment shall be made to any members upon the footing of the value so fixed in order to adjust the rights of all parties, and may vest any such specific assets in trustee upon such trusts for the persons entitled to the dividend as may seem expedient to the Directors.

CAPITALISATION OF PROFITS

191. The Company in general meeting may, upon the recommendation of the Directors, by ordinary resolution resolve, either unconditionally or subject to such conditions as it may deem fit, that it is desirable to capitalise any sum standing or which will stand to the credit of the profit and loss account, or otherwise available, or which will become available for distribution, provided that such sum be not required for paying the dividends on any shares carrying a fixed cumulative preferential dividend, and accordingly that the Directors be authorised to appropriate the sum resolved to be capitalised to the members holding ordinary shares in the proportions in which such sum would have been divisible amongst them had the same been applied or been applicable in paying dividends and to apply such sum; their behalf, either in or towards paying the amounts (if any) for the time being unpaid on any shares held by such members respectively, or paying up in full unissued shares or debentures of the Company, such shares or debentures to be allotted and distributed credited as fully paid up to and amongst such members in the proportion aforesaid or partly in one way and partly in the other. **Capitalisation of Profits**
192. Whenever such a resolution as aforesaid shall have been passed, the Directors shall make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares or debentures, if any, and generally shall do all acts and things required to give effect thereto, with full power to the Directors to make such provision by the issue of fractional shares or by payment in cash or otherwise as they think fit for the case of shares or debentures becoming distributable in fractions, and also to authorise any person to enter on behalf of all the members entitled thereto into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any further shares or debentures to which they may be entitled upon such capitalisation, or (as the case may require) for the payment up by the Company on their behalf, by the application thereto of their respective proportions of the profits resolved to be capitalised of the amounts or any part of the amounts remaining unpaid on their existing shares, and any agreement made under such authority shall be effective and binding on all such members. **Appropriation and Allotment**

FINANCIAL STATEMENTS

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| 193. | The Directors shall cause proper accounting and other records to be kept and shall distribute copies of financial statements and other documents as required by the Act, and shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounting and other records of the Company or any of them shall be open to the inspection of members not being Directors, and no member (not being a Director) shall have any right of inspecting any account or book or paper of the Company except as conferred by statute or authorised by the Directors or by the Company in general meeting. Subject always to the provisions of the Act, the books of account or records of operations shall be kept at the Office or at such other place as the Directors think fit and shall always be open to inspection by the Directors. | <i>Directors to Keep Proper Financial Statements</i> |
| 194. | The Directors shall from time to time in accordance with of the provisions of the Act, cause to be prepared and laid before the Company in general meeting such financial statements and report as are referred to in the Act. A copy of each such documents shall not less than twenty-one (21) clear days (or such other shorter period as may be agreed by all members entitled to attend and vote at the meeting) before the date of the meeting, be sent to every member of, and to every holder of debentures of the Company under the provisions of the Act or of this Constitution. The requisite number of copies of each such document as may be required by the Exchange and Securities Commission shall at the same time be likewise sent to the Exchange and Securities Commission provided that this Clause shall not require a copy of these documents to be sent to any person of whose address the Company is not aware, but any member to whom a copy of these documents has not been sent shall be entitled to receive a copy free of charge on application at the Office. | <i>Financial Statements to be Made-Up and Laid Before the Company</i> |
| 195. | Save as may be necessary for complying with the provisions of the Act, the Directors shall not be bound to publish any list or particulars of the securities or investments held by the Company or to give any information with reference to the same to any member. | <i>Lists or Particulars of Securities of Investments</i> |

AUDIT

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| 196. | Auditors shall be appointed in accordance with the Act and their duties regulated in accordance with provisions of the Act. | <i>Appointment of Auditors</i> |
| 197. | Subject to the provisions of the Act, all acts done by any person acting as an Auditors shall, as regards all persons dealing in good faith with the Company, be valid, notwithstanding that there was some defect in his appointment or that he was at the time of his appointment not qualified for appointment. | <i>Validity of Acts of Auditors</i> |

198. The Auditors shall be entitled to attend any general meeting and to receive all notices of and other communications relating to any general meeting which any member is entitled to receive, and to be heard at any general meeting on any part of the business of the meeting which concerns the Auditors. ***Auditors Entitled to Attend General Meeting***

LANGUAGE

199. Where any accounts, minute books or other records required to be kept by the Act, are not kept in Bahasa Malaysia or the English language, the Directors shall cause a true translation of such accounts, minute books and other records to be made from time to time at intervals of not more than seven (7) days, and shall cause such translation to be kept with the original accounts, minute books and other records for so long as the original accounts, minute books and other records are required by the Act to be kept. ***Language***

DESTRUCTION OF RECORDS

200. All instruments of transfer, which shall have been registered at any time, after a reasonable time from the date of registration thereof, and all share certificates and dividend mandates, which have been cancelled or have ceased to have effect at any time after the expiration of one (1) year from the date of cancellation or cessation thereof, and all notifications of change of name or address after the expiration of one (1) year from the date they were recorded, and in favour of the Company, it shall conclusively be presumed that every entry in the register which purports to have been made on the basis of an instrument of transfer or other document so destroyed, was duly and properly made, and every share certificate so destroyed was a valid certificate duly and properly cancelled, and every other document hereinbefore mentioned so destroyed, was a valid and effective document in accordance with the recorded particulars thereof in the books or records of the Company provided that:
- Company May Destroy Documents***
- (a) the foregoing provisions of this Clause shall apply only to the destruction of a document in good faith and without express notice that the preservation of such document was relevant to a claim;
 - (b) nothing contained in this Clause shall be construed as imposing upon the Company any liability in respect of the destruction of any such document earlier than as aforesaid or in any other circumstances which would not attach to the Company but for the provisions of this Constitution; and
 - (c) reference in this Clause to the destruction of any document include references to its disposal in any manner.

AUTHENTICATION OF DOCUMENTS

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| 201. | Any Director or the Secretary or any person appointed by the Directors for the purpose shall have power to authenticate any documents affecting the Constitution of the Company, and any resolution passed by the Company or the Directors, and any books, records, documents and accounts relating to the business of the Company, and to certify copies thereof, or extracts therefrom, as true copies or extracts; and where any books, records, documents or accounts are kept elsewhere other than in the Office, the local manager, or other officer of the Company having the custody thereof, shall be deemed to be a person appointed by the Directors as aforesaid. | <i>Appointed Persons</i> |
| 202. | A document purporting to be a copy of a resolution of the Directors or an extract from the minutes of a meeting of the Directors which is certified as such in accordance with the provisions of the last preceding Clause shall be conclusive evidence in favour of all persons dealing with the Company upon the faith thereof that such resolution has been duly passed or, as the case may be, that such extract is a true and accurate record of a duly constituted meeting of the Directors. | <i>Certified Copies of Resolution of the Directors</i> |

NOTICES

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| 203. | Unless expressly provided otherwise in this Constitution, any notice to be given to or by any person pursuant to this Constitution, the Act and/or the Listing Requirements, statements, reports or documents (including proxy forms) required to be sent to or completed by members, shall be in writing either in hardcopy, in electronic form or partly in hardcopy and partly in electronic form except that a notice calling a meeting of the Directors need not be in writing. | <i>Notice to be in writing</i> |
| 204. | <p>The Company may give any notice or other Document to a member either:</p> <ul style="list-style-type: none"> (a) personally or by sending it by post in a prepaid envelope addressed to the member at his registered or service address as appearing in the Register, Record of Depositors or (if he has no registered address within Malaysia) to the service address (if any) within Malaysia supplied by him to the Company for the giving of the notice to him or by leaving it at that address. For avoidance of doubt, the contact details (including electronic address) of the member as set out in the Record of Depositors shall be deemed the last known address provided by the member to the Company for purposes of communication with the member; or (b) by sending it by courier addressed to the member at his registered or service address as appearing in the Register or Record of Depositors or (if he has no registered address within Malaysia) to the service address (if any) within Malaysia supplied by him to the Company for the giving of the notice to him. | <i>Method of giving notice</i> |

205. The Company may also give any notice or other Documents to a member by: **Additional methods**
- (a) facsimile, electronic mail or any other methods of (apart from those referred to above) communicating writing in visible form to his registered or service address or the number supplied by such member to the Company;
 - (b) publishing on the Company's website; or
 - (c) advertisement in newspaper.
- Where notices or other Documents are published on the Company's website, the Company shall separately and immediately on the day such notice or document is published notify its members in writing or by electronic means (other than through the Company's website) or any other form of communication permitted including but not limited to advertisement in at least one (1) nationally circulated Bahasa Malaysia or English daily newspaper and in writing to each stock exchange upon which the Company is listed about the publication and the designated weblink or address where a copy of the notice or document may be downloaded.
206. Every person who, by operation of law, transfer, transmission or other means whatsoever, shall become entitled to any share, shall be bound by every notice in respect of such share, which, previously to his name and address being entered in the Record of Depositors as the registered holder of such share, shall have been duly given to the person from whom he derives the title to such share, provided always that a person entitled to a share in consequence of the death or bankruptcy of a member, upon supplying to the Company such evidence as the Directors may reasonably require to show his title to the share, and upon supplying also an address within Malaysia for the service of notices, shall be entitled to have served upon him at such address any notice or document to which the member but for his death or bankruptcy would be entitled, and such service shall for all purposes be deemed a sufficient service of such notice or document on all persons interested (as claiming through or under him) in the share. **Person Entitled to Shares by Transfer, Transmission, Etc Bound by Notices**
207. Subject always to the provisions of this Constitution, any notice or Documents in hard copy or electronic form or partly in hard copy and partly in electronic form delivered or sent by post to, or left at, the registered address or electronic address provided by any member shall, if such member be then deceased, and whether or not the Company has notice of his death, be deemed to have been duly served on his legal personal representatives. **Notices by Post to Persons Entitled in Consequence of Death**
208. (1) Notice of every general meeting shall be given in any manner hereinbefore to: **Persons Entitled to Notice of General Meeting**
- (a) every Director with a registered address in Malaysia or an address for service of notices in Malaysia;

- (b) every member at his registered address as appearing in the Record of Depositors, as the case may be, in Malaysia, or (if he has no address within Malaysia) to the address, if any, within Malaysia supplied by him to the Company for the giving of notices to him;
 - (c) to the electronic address provided by the member to the Company for such purpose as appearing in the Record of Depositors or by publishing on the Company's website or via short messaging service or any other electronic platform(s);
 - (d) every person entitled to a share in consequence of the death or bankruptcy of a member who, but for his death or bankruptcy, would be entitled to receive notice of the meeting;
 - (e) the auditors for the time being of the Company; and
 - (f) the Exchange on which the Company is listed and any other relevant authorities.
- (2) Save as otherwise provided in this Constitution or in the Act, no other person shall be entitled to receive notice of general meetings.
- (3) Any notice on behalf of the Company or of the Board shall be deemed effectual if it purports to bear the signature of the Secretary or other duly authorised officer of the Company.
209. (1) A notice or document shall be deemed given: ***Deemed given
of Notice***
- (a) (in the case of post or courier) on being posted or despatched; or
 - (b) (in the case of delivery by hand) on delivery.
- (2) A notice shall also be deemed given:
- (a) (in the case of facsimile, electronic mail or any other methods of (apart from those referred to above) communicating writing in visible form) on despatch or transmission; or
 - (b) (in the case of an advertisement in newspaper) on the day on which the advertisement appears in the relevant national daily newspaper
- (3) A notice or document shall be deemed:
- (a) posted on a certain date if it is proven that an envelope containing a notice was properly addressed, prepaid and put in the post on that date;
 - (b) despatched by courier on a certain date if on that date, it is left at an office of the person, body or company carrying out the courier service or it is collected by an employee or representative of such person, body or company; or

- (c) delivered on the day of transmission in the case of electronic means where there is a record of the sending and where no failure of delivery is received. In the event the electronic transmission is unsuccessful, the notice of document shall be sent via post addressed to the member's registered or service address as appearing in the Register or Record of Depositors. For documents pertaining to subscription or acceptance these are to be sent within two (2) market days and for other documents or notices within four (4) market days.

210. Where a notice or Document is sent via electronic means or where copies are made available for download from the Company's website, a member is entitled to request for hard copies of the same. Upon receipt of the request the Company shall within two (2) market days after the receipt of the request send to the member hardcopies of subscription or acceptance documents. For any other notices or documents the Company shall send the notices or documents within four (4) market days.
- Member
Request for
Hard Copies***

WINDING UP

211. If the Company is wound up (whether the liquidation is voluntary, under supervision, or by the Court), the liquidator may, with the sanction of a special resolution of the Company, divide amongst the members in specie or in kind the whole or any part of the assets of the Company (whether they consist of property of the same kind or not) and may for that purpose set such value as he deems fair upon any property to be divided as aforesaid and may determine how the division shall be carried out as between the members or different classes of members. The liquidator may, with the like sanction, vest the whole or any part of any such assets, in trustees upon such trusts for the benefit of the contributories as the liquidator, with the like sanction, thinks fit, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.
- Power of
Liquidator***
212. Save that this Constitution shall be without prejudice to the rights of holders of shares issued upon special terms and conditions, the following provisions shall apply:
- Distribution of
Assets***
- (a) If the Company shall be wound up and the assets available for distribution among the members as such shall be insufficient to repay the whole of the paid-up capital, such assets shall be distributed so that as nearly as may be the losses shall be borne by the members in proportion to the capital paid up, or which ought to have been paid up at the commencement of the winding-up, on the shares held by them respectively; and
 - (b) If in a winding-up the assets available for distribution among the members shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding-up, the excess shall be distributed among the members in proportion to

the capital paid up, or which ought to have been paid up at the commencement of the winding up, on the shares held by them respectively.

213. On a voluntary winding up of the Company, no commission or fee shall be paid to a liquidator without the prior approval of the members in general meeting. The amount of such commission or fee shall be notified to all members not less than seven (7) days before the meeting at which it is to be considered. ***Commission or Fee to Liquidators***

SECRECY CLAUSE

214. Save as may be provided by the Act, no member shall be entitled to enter into or upon or inspect any premises or property of the Company nor to require discovery of any information respecting any detail of the Company's trading, manufacturing or any matter which is or may be in the nature of a trade secret or secret process which may relate to the conduct of the business of the Company and which in the opinion of the Directors, it would be inexpedient in the interest of the members of the Company to communicate to the public. ***Secrecy***

INDEMNITY

215. Subject to the provisions of the Act, every Director, Managing Director, Deputy Managing Director, Assistant Managing Director, agent, auditors, Secretary and other officer for the time being of the Company shall be indemnified out of the assets of the Company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgement is given in his favour or in which he is acquitted or in connection with any application under the Act in which relief is granted to him by the Court in respect of any negligence, default, breach of duty or breach of trust. ***Indemnity to the Directors, Managing Director, Secretary, Etc***

RECONSTRUCTION

216. On the sale of the undertaking of the Company, the Directors or the liquidators on a winding up may, if authorised by a special resolution, accept fully paid or partly paid-up shares, debentures or securities of any other company, either then existing or to be formed for the purchase in whole or in part of the property of the Company, and the Directors (if the profits of the Company permit), or the liquidators (on a winding up), may distribute such shares or securities, or any property of the Company amongst the members without realisation, or vest the same in trust for them, and any special resolution may provide for the distribution or appropriation of the cash, shares or other securities, benefits or property, otherwise than in accordance with the strict legal rights of the members or contributories of the Company, and for valuation of any such securities or property at such price and in such manner as the meeting may approve, and all holders of shares shall be ***Reconstruction***

bound to accept and shall be bound by any valuation or distribution so authorised, and waive all rights in relation thereto, save only in the case of the Company which is proposed to be or is in the course of being wound up, such statutory rights (if any) under the Act as are incapable of being varied or excluded by these Clauses.

EFFECT OF LISTING REQUIREMENTS

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| 217. | (1) | Notwithstanding anything contained in this Constitution, if the Listing Requirements prohibit an act being done, the act shall not be done. | <i>Effect of Listing Requirements</i> |
| | (2) | Nothing contained in this Constitution prevents an act being done that the Listing Requirements require to be done. | |
| | (3) | If the Listing Requirements require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be). | |
| | (4) | If the Listing Requirements require this Constitution to contain a provision and they do not contain such a provision, this Constitution are deemed to contain that provision. | |
| | (5) | If the Listing Requirements require this Constitution not to contain a provision and they contain such a provision, this Constitution are deemed not to contain that provision. | |
| | (6) | If any provision of this Constitution is or becomes inconsistent with the Listing Requirements, these Clauses are deemed not to contain that provision to the extent of the inconsistency. | |
| | (7) | Notwithstanding anything contained in these Clauses, nothing herein contained shall prevent the Directors from applying to the Exchange for a waiver from compliance or observance of any of the Listing Requirements. In the event the compliance or observance of such Listing Requirements are waived by the Exchange, the Company shall not be required to comply with any of the Clauses relating to those Listing Requirements in respect of which compliance or observance has been waived by the Exchange. | |
| | (8) | The provision of this Clause shall only apply so long as any of the securities of the Company are listed on the Exchange. | |

THE ACT, CENTRAL DEPOSITORIES ACT AND THE RULES

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| 218. | Notwithstanding this Constitution, the Company shall comply with the Act, Central Depositories Act, the Listing Requirements and the Rules in respect of all matters relating to Securities or otherwise, where applicable. | <i>Compliance with the Act, Central Depositors Act and Rules</i> |
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