

The Board of Directors of Mynews Holdings Berhad is pleased to present the unaudited interim financial report of Mynews Holdings Berhad and its subsidiaries ("Mynews" or the "Group") for the third quarter ended 31 July 2019. This report should be read in conjunction with its audited financial statements for the financial year ended 31 October 2018 and the accompanying notes attached to the interim financial report.

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THIRD QUARTER ENDED 31 JULY 2019**
i) Current quarter and financial year to date

	Current Quarter 3 months ended				Cumulative Quarters 9 months ended			
	31 Jul 2019 RM'000	31 Jul 2018 RM'000	Changes Fav/(Unfav) RM'000	%	31 Jul 2019 RM'000	31 Jul 2018 RM'000	Changes Fav/(Unfav) RM'000	%
Revenue	131,679	97,882	33,797	34.5	388,160	282,187	105,973	37.6
Cost of sales	(84,855)	(60,555)	(24,300)	(40.1)	(249,394)	(174,588)	(74,806)	(42.8)
Gross profit	46,824	37,327	9,497	25.4	138,766	107,599	31,167	29.0
Other income	479	709	(230)	(32.4)	2,000	2,454	(454)	(18.5)
Operating expenses	(35,335)	(27,940)	(7,395)	(26.5)	(102,210)	(80,307)	(21,903)	(27.3)
Other expenses	(3,762)	(2,287)	(1,475)	(64.5)	(9,694)	(6,072)	(3,622)	(59.7)
Finance costs	(797)	(99)	(698)	(705.1)	(2,371)	(307)	(2,064)	(672.3)
Share of profit in jointly controlled entity	1,063	611	452	74.0	2,423	1,534	889	58.0
Profit before tax	8,472	8,321	151	1.8	28,914	24,901	4,031	16.1
Tax expense	(2,604)	(1,056)	(1,548)	(146.6)	(6,839)	(4,466)	(2,373)	(53.1)
Profit after tax, representing comprehensive income for the period	5,868	7,265	(1,397)	(19.2)	22,075	20,435	1,640	8.0
Profit / (loss) attributable to:								
Owners of the Company	7,448	7,265	183	2.5	23,637	20,435	3,202	15.7
Non-controlling interest	(1,580)	-	(1,580)	(100.0)	(1,562)	-	(1,562)	(100.0)
	5,868	7,265	(1,397)	(19.2)	22,075	20,435	1,640	8.0
Basic earnings per ordinary share (sen) (Note B11)	1.09	1.06	0.03	2.8	3.46	3.00	0.46	15.3

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**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THIRD QUARTER ENDED 31 JULY 2019 (Cont'd)**
ii) Current quarter compared with immediate preceding quarter

	Current Quarter 31 Jul 2019	Immediate Preceding Quarter 30 Apr 2019	Changes Fav/(Unfav)	
	RM'000	RM'000	RM'000	%
Revenue	131,679	132,982	(1,303)	(1.0)
Cost of sales	(84,855)	(86,503)	1,648	1.9
Gross profit	46,824	46,479	345	0.7
Other income	479	784	(305)	(38.9)
Operating expenses	(35,335)	(33,771)	(1,564)	(4.6)
Other expenses	(3,762)	(3,188)	(574)	(18.0)
Finance costs	(797)	(803)	6	0.7
Share of profit in jointly controlled entity	1,063	634	429	67.7
Profit before tax	8,472	10,135	(1,663)	(16.4)
Tax expense	(2,604)	(2,101)	(503)	(23.9)
Profit after tax, representing comprehensive income for the period	5,868	8,034	(2,166)	(27.0)
Profit / (loss) attributable to:				
Owners of the Company	7,448	7,951	(503)	(6.3)
Non-controlling interest	(1,580)	83	(1,663)	(2,003.6)
	5,868	8,034	(2,166)	(27.0)
Basic earnings per ordinary share (sen)	1.09	1.17	(0.08)	(6.8)

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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 JULY 2019**

	Notes	Unaudited 31 July 2019 RM'000	Audited 31 October 2018 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment		232,020	155,681
Right-of-use assets		44,057	-
Investment in jointly controlled entity		8,169	6,262
Other investments		5	5
Fixed deposits with licensed banks		800	800
Total non-current assets		285,051	162,748
Current assets			
Inventories		60,880	44,311
Trade receivables		4,186	16,896
Other receivables		30,693	47,769
Amount due from jointly controlled entity		154	112
Other investments		20,322	45,096
Short-term deposits with licensed banks		499	1,028
Cash and bank balances		20,165	22,590
Total current assets		136,899	177,802
Total assets		421,950	340,550

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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 JULY 2019 (Cont'd)**

Notes	Unaudited 31 July 2019 RM'000	Audited 31 October 2018 RM'000
EQUITY AND LIABILITIES		
Equity		
Share capital	201,581	201,581
Revaluation reserve	5,844	5,844
Merger deficit	(45,952)	(45,952)
Retained earnings	120,601	99,834
Equity attributable to owners	282,074	261,307
Non-controlling interest	20,003	19,394
Total equity	302,077	280,701
LIABILITIES		
Non-current liabilities		
Bank borrowings	15,636	1,914
Lease liabilities	35,798	-
Finance lease liabilities	4,751	795
Deferred tax liabilities	3,098	3,060
Total non-current liabilities	59,283	5,769
Current liabilities		
Trade payables	31,814	30,507
Other payables	8,829	20,817
Bank borrowings	7,000	2,370
Lease liabilities	9,549	-
Finance lease liabilities	1,207	347
Tax payable	2,191	39
Total current liabilities	60,590	54,080
Total liabilities	119,873	59,849
Total equity and liabilities	421,950	340,550
Net assets per share (RM)	0.44	0.41

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE THIRD QUARTER ENDED 31 JULY 2019**

	← Attributable to owners of the parent →							Total Equity RM'000
	Share Capital	Share Premium	Revaluation Reserve	Merger Deficit	Retained Earnings	Total	Non- Controlling Interests	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
As at 1 November 2017	201,581	-	8,561	(45,952)	77,441	241,631	-	241,631
Total comprehensive income/(loss) for the year	-	-	-	-	26,498	26,498	(485)	26,013
Dividend paid	-	-	-	-	(6,822)	(6,822)	-	(6,822)
Capital contribution from non-controlling interests	-	-	-	-	-	-	19,879	19,879
Transfer to retained earnings for properties disposed	-	-	(2,717)	-	2,717	-	-	-
As at 31 October 2018	201,581	-	5,844	(45,952)	99,834	261,307	19,394	280,701
Adjustments from adoption of MFRS 16	-	-	-	-	(1,308)	(1,308)	-	(1,308)
Restated balance as at 1 November 2018	201,581	-	5,844	(45,952)	98,526	259,999	19,394	279,393
Capital contribution from non-controlling interests	-	-	-	-	-	-	2,171	2,171
Total comprehensive income/(loss) for the period	-	-	-	-	22,075	22,075	(1,562)	20,513
As at 31 July 2019	201,581	-	5,844	(45,952)	120,601	282,074	20,003	302,077

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE THIRD QUARTER ENDED 31 JULY 2019**

	Cumulative Quarters 9 months ended	
	31 Jul 2019 RM'000	31 Jul 2018 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	28,914	24,901
Adjustments for:		
Depreciation of property, plant and equipment	8,721	5,708
Depreciation of right-of-use assets	26,768	-
Bad debts written off	-	9
Net loss / (gain) on disposal of property, plant and equipment	128	(11)
Dividend income from other investments	(850)	(1,724)
Interest expense	2,371	307
Share of profit in jointly controlled entity	(2,423)	(1,534)
Property, plant and equipment written off	845	367
Interest income	(218)	(178)
Operating profit before working capital changes	64,256	27,845
Changes in working capital		
Increase in inventories	(16,569)	(6,884)
Decrease / (Increase) in receivables	29,786	(703)
Increase in payables	(10,681)	(4,237)
Decrease in amount due from jointly controlled entity	474	745
Decrease in amount due to related parties	-	(61)
Cash generated from operations	67,266	16,705
Tax paid	(4,649)	(4,509)
Net cash generated from operating activities	62,617	12,196
CASH FLOWS FROM INVESTING ACTIVITIES		
Dividend income from other investments	850	1,724
Proceeds from disposal of property, plant and equipment	14	173
Purchase of property, plant and equipment	(79,218)	(67,589)
Upliftment of funds in other investments	24,774	44,957
Interest income	218	178
Net cash used in investing activities	(53,362)	(20,557)

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE THIRD QUARTER ENDED 31 JULY 2019 (Cont'd)**

	Cumulative Quarters 9 months ended	
	31 Jul 2019	31 Jul 2018
	RM'000	RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of shares by subsidiary	2,171	16,170
Drawdown of bank facilities	17,975	-
Interest paid	(2,371)	(307)
Payment of lease liabilities	(26,788)	-
Repayment of term loans	(2,623)	(1,894)
Drawdown / (Repayment) of finance lease liabilities	(573)	187
Net cash (used in)/generated from financing activities	(12,209)	14,156
Net decrease in cash and cash equivalents	(2,954)	5,795
Cash and cash equivalents at 1 November	23,618	23,034
Cash and cash equivalents at 30 April	20,664	28,829
 Reconciliation of cash and cash equivalents		
Cash and bank balances	20,165	27,802
Deposits with licensed banks	1,299	1,828
	21,464	29,630
Less: Deposits pledged to licensed banks	(800)	(801)
	20,664	28,829

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NOTES TO INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 31 JULY 2019
A. COMPLIANCE WITH MALAYSIAN FINANCIAL REPORTING STANDARD NO. 134: INTERIM FINANCIAL REPORTING (“MFRS”)
A1 CORPORATE INFORMATION

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

A2 BASIS OF PREPARATION

The interim financial report is unaudited and has been prepared in accordance with the requirements of MFRS No. 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board and Appendix B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”). It should be read in conjunction with the audited financial statements of Mynews for the financial year ended 31 October 2018.

A3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of these interim financial statements are consistent with those adopted in the audited financial statements for the year ended 31 October 2018, with the exception of MFRS 16. In the previous years, the financial statements of the Group and the Company were prepared in accordance with Malaysian Financial Reporting Standard (“MFRSs”), International Financial Reporting Standards (“IFRS”) and the requirements of the Companies Act 2016 in Malaysia. Mynews has adopted MFRS, amendments and improvements to MFRSs which are mandatory for the financial year. These new standards effective 1 November 2019 do not have material effect on the Group’s financial statements.

Mynews has elected to early adopt MFRS 16 Leases prospectively on 1 November 2018. It has not restated the comparative information which continues to be reported under MFRS 117 Leases. The effect of the transition is as follows:

i) As at 31 Oct 2018	Previously Reported	Effect of MFRS 16	Restated
	RM'000	RM'000	RM'000
Non-current Assets			
Right-of-use assets	-	50,746	50,746
Current Liabilities			
Lease liabilities	-	6,333	6,333
Non-current Liabilities			
Lease liabilities	-	45,721	45,721
Equity			
Retained earnings	99,834	(1,308)	98,526

NOTES TO INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 31 JULY 2019 (Cont'd)
A. COMPLIANCE WITH MALAYSIAN FINANCIAL REPORTING STANDARD NO. 134: INTERIM FINANCIAL REPORTING ("MFRS") (Cont'd)
A3 SIGNIFICANT ACCOUNTING POLICIES (Cont'd)
ii) Third quarter ended 31 July 2019 – Net effect on comprehensive income

	Current Quarter 31 Jul 2019 RM'000	Immediate Preceding Quarter 30 Apr 2019 RM'000	Cumulative Quarter 31 Jul 2019 RM'000
Right-of-use assets	665	697	2,045
Finance cost	(623)	(700)	(2,026)
Profit / (loss) before tax	42	(3)	19
Tax expense	(11)	1	(5)
Profit / (loss) after tax	31	(2)	14

A4 AUDITORS' REPORT

There was no qualification on the audited financial statements of the Group for the financial year ended 31 October 2018.

A5 SEASONAL OR CYCLICAL FACTORS

The Group does not experience any material seasonality in sales.

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

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

A7 CHANGES IN ESTIMATES

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

A8 DEBT AND EQUITY SECURITIES

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

A9 DIVIDEND PAID

There was no dividend paid during the quarter under review.

NOTES TO INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 31 JULY 2019 (Cont'd)
A. COMPLIANCE WITH MALAYSIAN FINANCIAL REPORTING STANDARD NO. 134: INTERIM FINANCIAL REPORTING ("MFRS") (Cont'd)
A10 SEGMENTAL INFORMATION

The Group operates in the press and retail convenience segment in Malaysia and has a licensing arrangement in Myanmar. The contribution from Myanmar is insignificant and thus is not reported separately while the manufacturing segment which commenced operation in the quarter under review, is reported separately from the press and retail convenience segment as follows:

Revenue	Press and Retail Convenience	Manufacturing	Total
	RM'000	RM'000	RM'000
For the nine months ended 31 July 2019			
External	388,160	-	388,160
Inter-segment	-	6,592	6,592
Inter-segment elimination	-	(6,592)	(6,592)
Revenue	388,160	-	388,160

Results	Press and Retail Convenience	Manufacturing	Total
	RM'000	RM'000	RM'000
For the nine months ended 31 July 2019			
Profit / (loss) from operations	34,086	(3,869)	30,217
Interest income	152	66	218
Dividend income from other investments	183	667	850
Finance costs	(2,329)	(42)	(2,371)
Profit / (loss) before tax	32,092	(3,178)	28,914
Tax expense	(6,831)	(8)	(6,839)
Profit / (loss) after tax	25,261	(3,186)	22,075

A11 SUBSEQUENT MATERIAL EVENTS

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

NOTES TO INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 31 JULY 2019 (Cont'd)
A. COMPLIANCE WITH MALAYSIAN FINANCIAL REPORTING STANDARD NO. 134: INTERIM FINANCIAL REPORTING ("MFRS") (Cont'd)
A12 CHANGES IN COMPOSITION OF THE GROUP

There was no change in composition of the Group during the financial quarter under review.

A13 CONTINGENT LIABILITIES OR CONTINGENT ASSETS

There were no contingent assets as at 31 July 2019.

Contingent liabilities of the Group as at 31 July 2019 comprised bank guarantees totalling RM595,000 issued as security deposits in respect of tenancy of outlets of the jointly controlled entity and subsidiaries, including security deposit for the money remittance business.

A14 CAPITAL COMMITMENTS

The capital commitments of the Group as at 31 July 2019 were as follows:

	RM'000
Authorised and contracted for:	
- Purchase of equipment	5,581

A15 PROPERTY, PLANT AND EQUIPMENT

For the nine (9) months ended 31 July 2019, the Group acquired assets at the cost of RM79.22 million, which comprised RM30.94 million for the progress payments of the food processing centre, RM26.53 million for the machineries and equipment at the food processing centre ("FPC"), with the balance of RM21.75 million for the setting up of new outlets and equipment for existing outlets to cater for the increase in food offerings.

NOTES TO INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 31 JULY 2019 (Cont'd)
A. COMPLIANCE WITH MALAYSIAN FINANCIAL REPORTING STANDARD NO. 134: INTERIM FINANCIAL REPORTING ("MFRS") (Cont'd)
A16 SIGNIFICANT RELATED PARTY TRANSACTIONS

	Current Quarter 3 months ended		Cumulative Quarter 9 months ended	
	31 Jul 2019 RM'000	31 Jul 2018 RM'000	31 Jul 2019 RM'000	31 Jul 2018 RM'000
Transactions with jointly controlled entity				
Management fees income	198	178	588	506
Transactions with parties connected to the Executive Directors				
Purchases of stocks	168	149	572	480
Medical services expense	12	-	12	-
Office rental expense	-	6	-	42
Hostel rental expense	5	19	21	53
Advertising & promotion income	-	-	143	115
Transactions by subsidiaries with their major shareholders				
Purchase of equipment	12,423	-	12,423	-
Purchases of stocks	1,472	-	1,472	-
Licence fee expense	1	-	1	-
Technical consultancy fee expense	148	-	148	-
Royalty fee expense	8	-	8	-
Management fees expense	160	-	160	-

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NOTES TO INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 31 JULY 2019 (Cont'd)

B. COMPLIANCE WITH APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**B1 REVIEW OF PERFORMANCE****Review of current quarter performance**

For the quarter ended 31 July 2019, Mynews recorded a revenue of RM131.68 million, an increase of RM33.80 million or 34.5% compared with RM97.88 million in the preceding year's corresponding quarter. Gross profit (GP) for the current quarter was RM46.82 million which translates to a GP margin of 35.6%, an increase of RM9.50 million or 25.4% compared with the corresponding quarter of the preceding year which was RM37.33 million or 38.1%. The higher GP was contributed by a higher revenue from the growth in the number of outlets from 385 to 472 and an increase in sales of the existing stores, contributed mainly by the food and beverages, and tobacco categories.

The operating expenses which comprised principally of establishment, staff and the initial start-up cost of the food processing centre amounted to RM35.34 million, an increase of RM7.40 million or 26.5% compared with RM27.94 million in the preceding year's corresponding quarter. This was in correspondence with the increase in the number of outlets and marketing initiatives to introduce Mynews in-house wide array of food and beverages such as Maru bakery, ice cream, coffee and ready-to-eat (RTE) meals.

In summary, Mynews ended its third quarter 2019 with a profit of RM8.47 million before taxation, which is RM0.15 million or 1.8% higher than the RM8.32 million reported for the preceding year's corresponding quarter.

Review of nine-months period performance

Revenue for the period ended 31 July 2019 was RM388.16 million, increased by RM105.97 million or 37.6%, in comparison with the corresponding period in the preceding year of RM282.19 million. However average GP margin decreased by 240 basis points, from 38.1% to 35.7% due to price discounts offered to promote and drive the sales of in-house RTE food and beverages; but profit before tax increased by RM4.01 million or 16.1%, from RM24.90 million to RM28.91 million contributed by the higher revenue. Meanwhile, the operating expenses increased by RM21.90 million or 27.3%, from RM80.31 million to RM102.21 million, principally due to the increase in business volume consequent to the expanded network of outlets and start-up costs of the new food processing centre.

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

Revenue of RM131.68 million for the current quarter was lower by RM1.30 million or 1.0% compared with RM132.98 million in the immediately preceding quarter due to slower sales in the fasting month of May/June. Historically, the current quarter has always been the lowest revenue quarter of the year. GP however increased by RM0.35 million or 0.7%, due to increase in average gross margin from 35.0% to 35.6%.

Profit before taxation for the current quarter was RM8.47 million compared with RM10.14 million in the immediately preceding quarter, which is lower by RM1.66 million or 16.4% after deducting the operating costs of the FPC which has yet to reach optimal production capacity.

NOTES TO INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 31 JULY 2019 (Cont'd)
B. COMPLIANCE WITH APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (Cont'd)
B3 PROSPECTS

Mynews continues to take positive steps to remain competitive in its business which is supported by its increasing store network size, new line of in-house RTE food offerings and continuous overall innovations. The successful commencement of its FPC production to feed its stores with a wide array of bakery and RTE products has established its capability to serve the demand of the fast consumption trend.

The ongoing pioneering initiatives by Mynews are bringing its business to the coveted level and standard of the convenience stores seen in the more advance countries. However, in the immediate term, the financial performance of Mynews is dependent on the market acceptance which requires aggressive marketing and time to shape the local consumers' habit, even though they have been proven to be successful in countries where convenience industry is more advance.

B4 VARIANCE OF ACTUAL PROFIT FROM PROFIT FORECAST AND PROFIT GUARANTEE

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

B5 NOTES TO THE CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Current Quarter 3 months ended		Cumulative Quarter 9 months ended	
	31 Jul 2019 RM'000	31 Jul 2018 RM'000	31 Jul 2019 RM'000	31 Jul 2018 RM'000
Profit before tax is arrived at after charging:				
Depreciation of property, plant and equipment	3,220	2,156	8,721	5,708
Depreciation of right-of-use assets	8,613	-	26,768	-
Property, plant and equipment written off	500	135	845	367
Interest expense	797	99	2,371	307
Bad debts written off	-	-	-	9
Net loss on disposal of property, plant and equipment	42	-	128	-
And after crediting:				
Interest Income	(73)	(47)	(218)	(178)
Dividend income from other investments	(207)	(473)	(850)	(1,724)

NOTES TO INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 31 JULY 2019 (Cont'd)
B. COMPLIANCE WITH APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (Cont'd)
B6 TAX EXPENSE

	Current Quarter 3 months ended		Cumulative Quarter 9 months ended	
	31 Jul 2019 RM'000	31 Jul 2018 RM'000	31 Jul 2019 RM'000	31 Jul 2018 RM'000
Income tax expense:				
Provision for current period	1,826	1,647	6,061	5,094
Under / (Overprovision) in prior year	740	(591)	740	(591)
Deferred tax:				
Under / (Overprovision) for current period	38	-	38	(37)
Total tax expense	<u>2,604</u>	<u>1,056</u>	<u>6,839</u>	<u>4,466</u>

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

B7 STATUS OF CORPORATE PROPOSAL

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

NOTES TO INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 31 JULY 2019 (Cont'd)
B. COMPLIANCE WITH APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (Cont'd)
B8 BORROWINGS AND DEBT SECURITIES

The Group's borrowings as at 31 July 2019 are as follows:

	Unaudited As at 31 Jul 2019 RM'000	Audited As at 31 Oct 2018 RM'000
Short term borrowings – Secured		
Term loans	2,280	2,370
Revolving Credit	7,000	-
Lease liabilities	9,549	-
Finance lease liabilities	1,207	347
	20,036	2,717
Long term borrowings – Secured		
Term loans	13,356	1,914
Lease liabilities	35,798	-
Finance lease liabilities	4,751	795
	53,905	2,709
Total borrowings – Secured		
Term loans	15,636	4,284
Revolving credit	7,000	-
Lease liabilities	45,347	-
Finance lease liabilities	5,958	1,142
	73,941	5,426

Note: All the bank borrowings by the Group are denominated in Ringgit Malaysia.

NOTES TO INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 31 JULY 2019 (Cont'd)
B. COMPLIANCE WITH APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (Cont'd)
B9 MATERIAL LITIGATION

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

B10 DIVIDEND

The Board of Directors approved an interim single tier dividend of 1.00 sen per ordinary share amounting to RM6.82 million for the financial year ending 31 October 2019 on 25 June 2019 which was paid on 15 August 2019.

B11 EARNINGS PER SHARE

	Current Quarter		Cumulative Quarter	
	3 months ended		9 months ended	
	31 Jul	31 Jul	31 Jul	31 Jul
	2019	2018	2019	2018
	RM'000	RM'000	RM'000	RM'000
Profit attributable to owners of the Company (RM'000)	7,448	7,265	23,637	20,435
Number of ordinary shares in issue ('000)	682,154	682,154	682,154	682,154
Basic earnings per share (sen)	1.09	1.06	3.46	3.00

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