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MY E.G. SERVICES BERHAD

(505639-K)

(Incorporated in Malaysia)

**INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2015**



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MY E.G. SERVICES BERHAD
 (Company No. 505639-K)
 (Incorporated in Malaysia under the Companies Act, 1965)

FIRST QUARTERLY REPORT FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2015

**Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income
 For the First Quarter ended September 30, 2015
 (The figures have not been audited)**

	Individual Quarter 3 Months Ended		Cumulative Quarter 3 Months Ended	
	30.09.2015 (RM'000)	30.09.2014 (RM'000)	30.09.2015 (RM'000)	30.09.2014 (RM'000)
Revenue	60,741	27,720	60,741	27,720
Operating expenses	(28,705)	(11,755)	(28,705)	(11,755)
Operating Profit	32,036	15,965	32,036	15,965
Depreciation and amortization	(4,196)	(3,675)	(4,196)	(3,675)
Interest Expense	(191)	(301)	(191)	(301)
Interest Income	559	131	559	131
Other Income	69	10	69	10
Profit Before Taxation	28,277	12,130	28,277	12,130
Taxation	(129)	(106)	(129)	(106)
Profit After Taxation	28,148	12,024	28,148	12,024
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income for the financial year	28,148	12,024	28,148	12,024
Profit After Taxation attributable to:				
Owners of the Company	28,498	12,042	28,498	12,042
Non-controlling interest	(350)	(18)	(350)	(18)
	28,148	12,024	28,148	12,024
Total Comprehensive Income attributable to:				
Owners of the Company	28,498	12,042	28,498	12,042
Non-controlling interest	(350)	(18)	(350)	(18)
	28,148	12,024	28,148	12,024
Earnings per share ("EPS") attributable to the equity holders of the company (sen)				
- Basic EPS	2.4	1.0 *	2.4	1.0 *
- Diluted EPS	Not Applicable	Not Applicable	Not Applicable	Not Applicable

* comparative figures for the weighted average number of ordinary shares for basic earnings per share have been restated to reflect the adjustment arising from the Bonus Issue during the financial year ended 30 June 2015.

The Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2015 and the accompanying notes to the Interim Financial Statements.

MY E.G. SERVICES BERHAD
(Company No. 505639-K)
(Incorporated in Malaysia under the Companies Act, 1965)

Condensed Consolidated Statements of Financial Position
As at September 30, 2015

	Unaudited As at end of Current Quarter 30.09.2015 RM'000	Audited As at 30.6.2015 RM'000
ASSETS		
NON-CURRENT ASSETS		
Other investments	8,303	8,303
Development costs	8,495	8,955
Equipment	218,850	110,134
Goodwill on consolidation	17,800	12,016
Deferred tax asset	710	710
	254,158	140,118
CURRENT ASSETS		
Inventories	469	-
Trade receivables	77,077	72,565
Other receivables, deposits and prepayments	18,345	31,539
Tax recoverable	344	306
Amount due from associate company	74,789	71,220
Cash and bank balances	78,774	132,049
	249,798	307,679
TOTAL ASSETS	503,956	447,797
EQUITY AND LIABILITIES		
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY		
Share capital	120,210	120,210
Treasury shares	(10,822)	(6,783)
Reserves	37,009	37,009
Fair value reserves	6,702	6,700
Retained profits	145,275	116,777
	298,374	273,913
Non-controlling interest	(1)	(20)
TOTAL EQUITY	298,373	273,893
NON-CURRENT LIABILITIES		
Deferred tax liability	930	937
Hire purchase	3,468	4,756
Term loan	1,738	1,821
	6,136	7,514
CURRENT LIABILITIES		
Trade payables	69,782	113,725
Other payables and accruals	103,474	26,862
Deferred revenue	20,282	19,940
Provision for taxation	32	24
Short term borrowings	5,877	5,839
	199,447	166,390
TOTAL LIABILITIES	205,583	173,904
TOTAL EQUITY AND LIABILITIES	503,956	447,797
Net assets attributable to ordinary equity holders of the parent (RM'000)	298,374	273,913
Net assets per share attributable to ordinary equity holders of the parent (sen)	24.82	22.84

The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2015 and the accompanying notes to the Interim Financial Statements.

MY E.G. SERVICES BERHAD
(Company No. 505639-K)
(Incorporated in Malaysia under the Companies Act, 1965)

Condensed Consolidated Statements of Changes in Equity
For the First Quarter ended September 30, 2015
(The figures have not been audited)

	← Non-Distributable →				Distributable Retained Profits (RM'000)	Attributable to Owners of the Company (RM'000)	Non-controlling Interest (RM'000)	Total Equity (RM'000)
	Share Capital (RM'000)	Treasury Shares (RM'000)	Fair Value Reserve (RM'000)	Other Reserve (RM'000)				
As at 1 July 2014	60,105	(10,237)	-	-	126,789	176,657	2	176,659
Profit After Tax For The Financial Year	-	-	-	-	12,042	12,042	(18)	12,024
Acquisition of a subsidiary	-	-	-	-	-	-	334	334
Purchase of treasury shares	-	(3)	-	-	-	(3)	-	(3)
As at 30 September 2014	60,105	(10,240)	-	-	138,831	188,696	318	189,014
As at 1 July 2015	120,210	(6,783)	6,700	37,009	116,777	273,913	(20)	273,893
Profit After Tax For The Financial Year	-	-	-	-	28,498	28,498	(350)	28,148
Fair value changes of available-for-sale asset	-	-	2	-	-	2	-	2
Acquisition of a subsidiary	-	-	-	-	-	-	369	369
Purchase of Treasury Shares	-	(4,039)	-	-	-	(4,039)	-	(4,039)
As at 30 September 2015	120,210	(10,822)	6,702	37,009	145,275	298,374	(1)	298,373

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2015 and the accompanying notes to the Interim Financial Statements.

MY E.G. SERVICES BERHAD
(Company No. 505639-K)
(Incorporated in Malaysia under the Companies Act, 1965)

Condensed Consolidated Statements of Cash Flows
For the First Quarter ended September 30, 2015
(The figures have not been audited)

	Current Year To Date Ended 30.09.2015 (RM'000)	Corresponding Year To Date Ended 30.09.2014 (RM'000)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	28,277	12,130
Adjustments for:-		
Impairment gain on trade receivables	-	(1)
Unrealised loss on available-for-sale asset	2	-
Amortisation of development costs	460	413
Depreciation of equipment	3,736	3,262
Interest Expense	191	301
Equipment written off	-	-
Interest income	(559)	(131)
Operating profit before working capital changes	32,107	15,974
Increase in inventories	(4)	-
Decrease/(Increase) in trade and other receivables	10,310	(16,120)
Increase in trade and other payables	29,468	5,547
Decrease in deferred revenue	5	-
Increase in amount owing by an associate	(3,569)	(3,329)
CASH FLOWS FROM OPERATIONS	68,317	2,072
Income tax paid	(121)	(80)
Interest paid	(191)	(301)
NET CASH FROM OPERATING ACTIVITIES	68,005	1,691
CASH FLOWS FOR INVESTING ACTIVITIES		
Proceeds from disposal of other investments	-	100
Development costs paid	-	(154)
Purchase of equipment	(111,503)	(280)
Net cash (outflow)/inflow from acquisition of a subsidiary	(4,686)	4
Interest received	559	131
NET CASH FOR INVESTING ACTIVITIES	(115,630)	(199)
CASH FOR FINANCING ACTIVITIES		
Repayment of hire purchase and finance lease payables	(1,086)	(1,012)
Repayment of term loans	(525)	(699)
Purchase of treasury shares	(4,039)	(3)
NET CASH FOR FINANCING ACTIVITIES	(5,650)	(1,714)
NET DECREASE IN CASH AND BANK BALANCES	(53,275)	(222)
CASH AND BANK BALANCES AT BEGINNING OF THE FINANCIAL PERIOD	132,049	21,946
CASH AND BANK BALANCES AT END OF THE FINANCIAL PERIOD	78,774	21,724

The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2015 and the accompanying notes to the Interim Financial Statements.

Notes To The Interim Financial Report For The Financial Year Ended September 30, 2015

A Explanatory Notes Pursuant To Malaysian Financial Reporting Standard (“MFRS”) 134

A1. Basis of Preparation

The interim financial statements are unaudited and have been prepared in accordance with the MFRS 134 Interim Financial Reporting and Paragraph 9.22 and Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”).

The interim financial statements should be read in conjunction with the audited financial statements of My E.G. Services Bhd and its subsidiaries (“the Group”) for the financial year ended 30 June 2015.

The same accounting policies and methods of computation adopted in these interim financial statements are consistent with the annual financial statements for the year ended 30 June 2015.

A2. Auditors’ Report on Preceding Annual Financial Statements

The auditors’ report on the financial statements for the financial year ended 30 June 2015 was not qualified.

A3. Seasonal and Cyclical Factors

The Group’s business operation result is subject to seasonality factors. The demand for new driving licences generally increases in the first half of the year (i.e the second half of the Group’s financial year) due mainly to the long school holidays after the Government exams, where most 16-20 year olds would obtain their driving licences between the months of January to June. Therefore, revenue related to the “Jabatan Pengangkutan Jalan Malaysia” (“JPJ”) in the first half of the year (January – June) has historically been approximately 50% higher than the JPJ-related revenue recorded for the second half of the year (July – December).

A4. Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flow

There were no unusual items affecting the assets, liabilities, equity, net income or cash flow of the Group during the current financial quarter under review, that are unusual by reason of their nature, size or incidence.

A5. Material Changes in Estimates

There were no changes in estimates of amounts reported in prior financial years, which have a material effect on the current quarter’s results.

A6. Debt and Equity Securities

There were no issuance and repayment of debt and equity securities, share buy-back, share cancellation, shares held as treasury shares and resale of treasury shares for the current quarter under review, saved as disclosed below:

- (i) On 8 July 2015, the Company had purchased a total of 300,000 of MYEG shares from the open market. The total consideration paid for the share buy-back of MYEG shares, including transaction costs was RM771,737 and was financed from internally generated funds. The shares repurchased are being held as treasury shares and treated in accordance with the requirement of Section 67A of the Companies Act 1965;
- (ii) On 9 July 2015, the Company had purchased a total of 200,000 of MYEG shares from the open market. The total consideration paid for the share buy-back of MYEG shares, including transaction costs was RM515,896 and was financed from internally generated funds. The shares repurchased are being held as treasury shares and treated in accordance with the requirement of Section 67A of the Companies Act 1965;
- (iii) On 12 August 2015, the Company had purchased a total of 100,000 of MYEG shares from the open market. The total consideration paid for the share buy-back of MYEG shares, including transaction costs was RM247,012 and was financed from internally generated funds. The shares repurchased are being held as treasury shares and treated in accordance with the requirement of Section 67A of the Companies Act 1965;
- (iv) On 1 September 2015, the Company had purchased a total of 200,000 of MYEG shares from the open market. The total consideration paid for the share buy-back of MYEG shares, including transaction costs was RM519,909 and was financed from internally generated funds. The shares repurchased are being held as treasury shares and treated in accordance with the requirement of Section 67A of the Companies Act 1965;
- (v) On 2 September 2015, the Company had purchased a total of 100,000 of MYEG shares from the open market. The total consideration paid for the share buy-back of MYEG shares, including transaction costs was RM257,045 and was financed from internally generated funds. The shares repurchased are being held as treasury shares and treated in accordance with the requirement of Section 67A of the Companies Act 1965;
- (vi) On 3 September 2015, the Company had purchased a total of 200,000 of MYEG shares from the open market. The total consideration paid for the share buy-back of MYEG shares, including transaction costs was RM510,880 and was financed from internally generated funds. The shares repurchased are being held as treasury shares and treated in accordance with the requirement of Section 67A of the Companies Act 1965;
- (vii) On 4 September 2015, the Company had purchased a total of 200,000 of MYEG shares from the open market. The total consideration paid for the share buy-back of MYEG shares, including transaction costs was RM510,880 and was financed from internally generated funds. The shares repurchased are being held as treasury shares and treated in accordance with the requirement of Section 67A of the Companies Act 1965;
- (viii) On 7 September 2015, the Company had purchased a total of 58,600 of MYEG shares from the open market. The total consideration paid for the share buy-back of MYEG shares, including transaction costs was RM151,839 and was financed from internally generated funds. The shares repurchased are being held as treasury shares and treated in accordance with the requirement of Section 67A of the Companies Act 1965;
- (ix) On 8 September 2015, the Company had purchased a total of 13,200 of MYEG shares from the open market. The total consideration paid for the share buy-back of MYEG shares, including transaction costs was RM34,306 and was financed from internally generated funds. The shares repurchased are being held as treasury shares and treated in accordance with the requirement of Section 67A of the Companies Act 1965;

- (x) On 9 September 2015, the Company had purchased a total of 200,000 of MYEG shares from the open market. The total consideration paid for the share buy-back of MYEG shares, including transaction costs was RM519,909 and was financed from internally generated funds. The shares repurchased are being held as treasury shares and treated in accordance with the requirement of Section 67A of the Companies Act 1965;

The total shares purchased during the financial period ended 30 September 2015 amounted to 1,571,800 (30.09.2014: 1,000) MYEG shares.

As at 30 September 2015, a total of 4,331,600 (30.09.2014: 11,237,800) MYEG shares were retained as treasury shares in the Company. None of the treasury shares held were resold or cancelled during the financial year ended 30 September 2015.

A7. Dividends Paid

No dividends were paid during the current financial quarter under review.

A8. Segmental Information

The Group operates wholly in Malaysia and is principally engaged in the business of development and implementation of E-Government services project and the provision of other related services for the E-Government Initiative which are substantially within a single business segment. As such, the financial information by geographical and industry segments of the Group's operations are not available for presentation.

A9. Valuation of Property, Plant and Equipment

There has been no valuation on any of the Group's property, plant and equipment during the current financial quarter under review.

A10. Subsequent Events

There were no material events subsequent to the end of the current financial quarter under review, saved as disclosed below:-

On 6 October 2015, the Company received a notice from Malaysia Competition Commission ("MYCC") which proposed to impose a financial penalty of RM307,000 for infringing Section 10 of the Competition Act 2010, and an additional penalty of RM15,000 for each day MYEG fails to comply with the remedial actions. The proposed decision is not final. The management had reviewed the proposed decisions with the external counsel and on 17 November 2015, had submitted a written representation and had requested for an oral representation to MYCC. The date for the oral representation has not been fixed by MYCC. No liability has been recognised in the financial statements.

A11. Changes in the Composition of the Group

There were no changes in the composition of the Group during the current financial quarter under review, saved as disclosed below:-

- (i) Acquisition of a new subsidiary company by My EG Sdn Bhd ("MYEGSB"), a wholly-owned subsidiary of the Company

MYEGSB, a wholly-owned subsidiary of MYEG, had on 21 August 2015 acquired two (2) Ordinary Shares of RM1.00 each in MYEG Trade Sdn Bhd (Company No. 1152174-P) ("MTSB"), representing the entire issued and paid-up share capital of MTSB from Mr Wong Thean Soon and Dato' Raja Haji Munir Shah Bin Raja Mustapha for a total cash consideration of RM2.00 ("the Acquisition") only, thereby resulting MTSB becoming a wholly-owned subsidiary of MESB, which in turn is the sub-subsidiary of the Company.

- (ii) Disposal of interest in subsidiary company by My E.G. Capital Sdn Bhd ("MYEG Capital"), a wholly-owned subsidiary of the Company

MYEG Capital had on 11 August 2015 disposed 250 shares in Car X Services Sdn Bhd pursuant to a Shareholders' Agreement with Bridge Barn Media Sdn Bhd, Dr Ng Kee Aun and Jason Chan Ling Khee. Subsequent to the completion of this disposal, MYEG Capital equity participation will be reduced from 80% to 55%.

- (iii) Acquisition of new subsidiary companies by My E.G. Capital Sdn Bhd ("MYEG Capital"), a wholly-owned subsidiary of the Company

MYEG Capital had on 28 August 2015 acquired and subscribed for 61,609,000 ordinary shares of RM0.10 each in the share capital of Cardbiz Holding Sdn. Bhd ("Cardbiz"), representing 55% of the enlarged issued and paid-up capital of Cardbiz for a total cash consideration of RM6,234,000, thereby resulting in Cardbiz and its group of companies becoming subsidiaries of MYEG Capital, which in turn is the sub-subsidiary of the Company.

A12. Contingent Liabilities

The Directors are of the opinion that the Group has no contingent liabilities which, upon crystallisation would have a material impact on the financial position and business of the Group.

A13. Capital Commitments

As at 30.09.2015, the Group has commitment for the following:-

	30.09.2015 RM'000	30.09.2014 RM'000
Purchase of communication equipment	7,200	-
Purchase of office building	61,487	-
	68,687	-

A14. Related Party Transactions

The related party transactions of the Group for the Quarter and Year ended 30.09.2015 are as follows:

	Individual Quarter		Cumulative Quarter	
	30.09.2015 RM	30.09.2014 RM	30.09.2015 RM	30.09.2014 RM
(i) Associate company				
MY E.G. Integrated Networks Sdn Bhd - Sales	600,000	600,000	600,000	600,000
(ii) A company which a director has financial interest				
Embunaz Ventures Sdn Bhd - Professional Fees	62,400	62,400	62,400	62,400

The directors are of the opinion that the above transactions have been entered into in the normal course of business and have been established under terms that were mutually agreed between the parties.

Explanatory Notes Pursuant To Appendix 9B Of The Main Market Listing Requirements Of Bursa Malaysia Securities Berhad

B1. Performance of the Group

The Group posted Revenue and Profit after Taxation ("PAT") of RM60.74 million and RM28.15 million respectively for the first financial quarter ("Q1 FY2016") as compared to RM27.72 million and RM12.02 million respectively in the corresponding quarter ("Q1 FY2015"). The increase of approximately RM33.02 million (or 119.1%) in Revenue and increase of RM16.13 million (or 134.2%) in PAT respectively is primarily attributable to

- (i) higher transaction volumes from the online renewal of foreign workers' permits and insurance ("FWP") and foreign worker related services driven by increase demand for these services;
- (ii) contribution from our newly acquired subsidiary, Cardbiz Holding Sdn Bhd and its group of companies; and
- (iii) offset by higher personnel related expenses and operating expenses to support the growth in FWP and related services.

B2. Comparison with Preceding Quarter's Results

	Q1 FY2016 RM'000	Q4 FY2015 RM'000
Revenue	60,741	45,060
Profit Before Tax ("PBT")	28,277	22,742
PAT	28,148	22,928

For the Quarter under review, the Group recorded a Revenue of RM60.74 million, an increase of RM15.68 million (34.8%) as compared to Q4 FY2015 revenue of RM45.06 million. PAT increased by RM5.22 million (22.8%) to RM28.15 million, as compared to Q4 FY2015 PAT of RM22.93 million.

The increase in Revenue and PAT is primarily attributable to:

- (i) an increase in revenue contributions from FWP and foreign worker related services as compared to the preceding quarter;
- (ii) contribution from our newly acquired subsidiary, Cardbiz Holding Sdn Bhd and its group of companies; and
- (iii) offset by higher personnel related expenses and operating expenses to support the growth in FWP and related services.

B3. Prospect of the Group

For the financial year ending 30 June 2016 ("FYE 2016"), the continued growth in volume of our existing services especially online renewal of foreign workers' insurance and foreign worker services are expected to continue contributing to our Group revenue and PAT. While concession services continue to be our core business, non-concession services which are relevant to Malaysians, such as the road safety diagnostic kit, will continue to be one of our main focus of growth.

Barring any unforeseen circumstances, the Directors of MYEG are cautiously optimistic that the results for the financial year ending 30 June 2016 will continue to be satisfactory as more Malaysians adopt online government services as a convenient and cheaper alternative to transact with the Government. MYEG will continue to roll out new services which will enhance the lives of Malaysians while meeting the objectives of the Government to increase online payments as an efficient method to transact.

B4. Variance from Profit Forecast

Not applicable as there was no financial forecast issued for the financial year ending 30 June 2016.

B5. Taxation

The taxation figures are as follows:

	Current Quarter 30.09.2015 (RM'000)	Current Year To Date 30.09.2015 (RM'000)
Current taxation	(129)	(129)
	<hr/>	<hr/>
	(129)	(129)
	<hr/>	<hr/>

The effective tax rate for the current taxation for cumulative year to date is 0.46% as compared to the statutory tax rate of 25%. The lower effective tax rate is primarily because a significant proportion of the Group's revenue and PBT are mainly contributed by MY EG Sdn Bhd ("EGSB"). As EGSB is a MSC status company with tax incentives, its revenue is not subjected to income tax.

B6. Status of Corporate Proposals

There were no corporate proposals announced but not completed as at the date of this announcement saved as disclosed below:

(i) Acquisition of twenty-two (22) storeys of stratified parcels designated for office use

We had on 8 May 2015 entered into twenty-two (22) conditional sale and purchase agreements with Cosmopolitan Avenue Sdn. Bhd for the acquisition of twenty-two (22) storeys of stratified parcels designated for office use with a combined parcel area of approximately 238,932 square feet within a forty-five (45) storey corporate office tower identified as Iconic Office (Block N) forming part of a self-contained integrated mixed use development known as Empire City @ Damansara for an aggregate cash consideration of RM155,346,600 ("**Acquisition**"). The Acquisition was approved by our shareholders at an EGM held on 27 July 2015 and is pending completion.

(ii) Bonus Issue

On 25 September 2015, the Company proposes to implement a bonus issue of up to 1,202,102,000 new ordinary shares of RM0.10 each on the basis of 1 bonus share for every 1 share held by the Company's shareholders. The proposal has not been completed as at the date of this announcement as it is subject to the approval of the shareholders at the forthcoming Extraordinary General Meeting to be held on 18 December 2015.

(iii) Renewal of Authority To Purchase Shares

On 18 November 2015, the Company had proposed to renew the authority for the Company to purchase its own ordinary shares of up to 10% of the issued and paid-up share capital ("Proposed Share Buy-Back").

This proposal has not been completed as at the date of this announcement as it is subject to the approval of the shareholders at the forthcoming Annual General Meeting to be held on 18 December 2015.

B7. Group Borrowings

Details of the Group's borrowings as at September 30, 2015 were as follows:-

	Non-Current (RM'000)	Current (RM'000)	Total (RM'000)
Secured			
Hire Purchase	3,468	4,067	7,535
Term Loan	1,738	1,810	3,548
Total Borrowings	5,206	5,877	11,083

The borrowings are denominated in RM.

B8. Off Balance Sheet Financial Instruments

As at the date of this report, there are no off balance sheet financial instruments.

B9. Realised and Unrealised Profits/Losses Disclosure

	As at 30.09.2015 (RM'000)	Audited As at 30.06.2015 (RM'000)
Total retained profits of the Company and its subsidiaries:		
- Realised	155,892	128,190
- Unrealised	(302)	(227)
	155,590	127,963
Total share of accumulated losses of associate:		
- Realised	(400)	(400)
- Unrealised	-	-
	155,190	127,563
(Less)/Add : Consolidation Adjustments	(9,915)	(10,786)
Total Group retained profits as per consolidated accounts	145,275	116,777

B10. Profit Before Taxation

Profit before taxation is arrived at after charging/(crediting):-

	Current Quarter 30.09.2015 (RM'000)	Current Year To Date 30.09.2015 (RM'000)
Interest Income	(559)	(559)
Other Income	(69)	(69)
Interest Expense	191	191
Depreciation and amortization	4,196	4,196

Saved as disclosed above and in the Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income, the other items under Appendix 9B, Part A (16) of the Bursa Listing Requirements are not applicable.

B11. Material Litigations

As at the date of this announcement, there are no material litigations against the Group or taken by the Group, saved as disclosed below:

- 1) On 15 August 2013, the Company was served with a Writ of Summons together with the Statement of Claim issued in the Kuala Lumpur High Court by ten (10) third parties ("Plaintiffs").

The claim is in relation to the alleged unlawful conspiracy between the Company and another four (4) third parties ("Defendants") affecting the importance of the economics of the Plaintiffs. The Plaintiffs seek for an injunction from Court to stop the Company from executing the program Bantuan Lesen 1 Malaysia ("BL1M"), damages for alleged unlawfully conspired (which are not quantified), costs and interest. The Company has sought its solicitors' advice on the necessary course of action to be taken in relation to the aforesaid Writ of Summons. We have filed for Defence and Counter Claim on 19 September 2013. Subsequently on 23 October 2013, we have filed to strike out the application by the Plaintiff.

The directors of the Company are of the view that the claims by the Plaintiffs are without merit and will vigorously defend the claim. There has been no material update as at the date of this announcement.

- 2) On 24 February 2015, a Writ of Summons together with the Statement of Claim issued in the Shah Alam High Court was served against the Company, Jason Chan Ling Khee and Wong Thean Soon (collectively referred to as "the Defendants") by the solicitors of GST Smart Solution Sdn Bhd ("the Plaintiff").

The Plaintiff claims are made up of the following:

- i) A declaration that there is an infringement of the Plaintiff's Point of Sale – GST Automatic Tax Reporting System ("ATRS") Patent by MYEG's Method of Automated Reporting of Point of Sale Tax Collection under Secured Environment ("MARTC");
- ii) an order that the Defendants are required to withdraw the application for the patent MYPI2010005962;
- iii) an injunction that the Defendants and/or its Directors, its Officers, Employees, service providers and/or agent or otherwise howsoever are required to stop and/or prohibited from filing any patent application identical or similar with the ATRS;
- iv) an injunction that the Defendants and/or its Directors, its Officers, Employees, service providers and/or agent or otherwise howsoever be restrained and/or prohibited from using the MARTC and/or any identical or similar device infringing the ATRS patent;
- v) an order that the Defendants and/or its Directors, its Officers, Employees, service providers and/or agent or otherwise howsoever be required to surrender and deliver up to the Plaintiffs all materials and/or documents and/or records and/or product relating to the infringement of the ATRS patent;
- vi) an inquiry as to the losses resulting from the infringement or alternatively, at the option of the Plaintiff an account of profits earned by the Defendants from the said infringement;
- vii) interest on any amount in item (vi) above at the rate of 5% per annum from 14.12.2010 until full payment;
- viii) cost; and
- ix) other reliefs deemed fit and may deemed just and expedient as the Court deems fit.

The Board of MYEG has instructed its solicitors to review the Writ of Summons and Statement of Claim in detail and advise of the next course of action to be taken in due course. The Company intends to enter an appearance and to lodge a defence against the claim and will announce further development on the above matter as and when necessary.

B12. Dividends

The Directors have proposed the declaration of a final dividend of 1.4 sen per RM0.10 ordinary share (2014 – 2.0 sen) for the shareholders' approval at the forthcoming Annual General Meeting, the date of which will be announced later. The proposed final dividend is based on an enlarged share capital of 1,202,102,000 ordinary shares arising from the completion of the bonus issue in January 2015.

B13. EPS

i. Basic

The basic EPS is computed by dividing the net profit for the financial quarter and financial year by the number of ordinary shares in issue during the year.

	Current Quarter 30.09.2015 (RM'000)	Current Year To Date 30.09.2015 (RM'000)
Net profit attributable to ordinary shareholders	28,498	28,498
Weighted average number of ordinary shares of RM0.10 each in issue ('000s)	1,200,339	1,200,339
Basic EPS (sen)	2.4	2.4

ii. Diluted

The company does not have any convertible shares or convertible financial instruments for the current financial quarter and financial year to date.

B14. Additional Disclosure Requirement

Update on Memorandum of Understanding ("MoU") pursuant to Paragraph 9.29, Chapter 9 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad

The Company had on 8 June 2011 entered into a MoU on introducing of e-Government services in Kazakhstan with National Information Technologies JSC of the Republic of Kazakhstan. There has been no material update, and no subsequent agreement has been entered arising from the MoU as at the date of this announcement.

The Company had on 2 September 2013 entered into a MoU to jointly explore possible business opportunities and collaboration in the areas of e-Government services delivery and joint go-to-market for specific target market segments with Celcom Axiata Berhad. On 2 September 2015, the MoU was extended for a further period of one (1) year to 1 September 2016. Both parties are currently in the exploratory stage on areas of collaboration. There has been no material update, and no subsequent agreement has been entered arising from the MoU as at the date of this announcement.

The Company had on 23 October 2013 entered into a MoU to establish a proposed fund of RM60 million for the purpose of providing funding services into the early stage technology companies and other entities with Cradle Fund Sdn Bhd. There has been no material update, and no subsequent agreement has been entered arising from the MoU as at the date of this announcement.

By Order of the Board
Tan Ai Ning
Secretary
27 November 2015