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# **MY E.G. SERVICES BERHAD**

**(505639-K)**

**(Incorporated in Malaysia)**

**INTERIM FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016**



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

**FOURTH QUARTERLY REPORT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016**

**Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income  
 For the Fourth Quarter ended June 30, 2016  
 (The figures have not been audited)**

	Individual Quarter 3 Months Ended		Cumulative Quarter 12 Months Ended	
	30.06.2016 (RM'000)	30.06.2015 (RM'000)	30.06.2016 (RM'000)	30.06.2015 (RM'000)
Revenue	87,259	45,060	281,617	141,518
Operating expenses	(31,172)	(17,844)	(119,222)	(57,436)
Operating Profit	56,087	27,216	162,395	84,082
Depreciation and amortization	(4,650)	(5,525)	(17,705)	(16,779)
Interest Expense	(1,204)	(209)	(3,474)	(1,081)
Interest Income	578	1,014	1,816	1,722
Other Income	205	247	316	269
Profit Before Taxation	51,016	22,743	143,348	68,213
Taxation	(103)	186	(868)	(166)
Profit After Taxation	50,913	22,929	142,480	68,047
Other Comprehensive Income	-	6,700	-	6,700
<b>Total Comprehensive Income for the financial year</b>	<b>50,913</b>	<b>29,629</b>	<b>142,480</b>	<b>74,747</b>
Profit After Taxation attributable to:				
Owners of the Company	51,045	22,948	142,966	68,145
Non-controlling interest	(132)	(19)	(486)	(98)
	<b>50,913</b>	<b>22,929</b>	<b>142,480</b>	<b>68,047</b>
Total Comprehensive Income attributable to:				
Owners of the Company	51,045	29,648	142,966	74,845
Non-controlling interest	(132)	(19)	(486)	(98)
	<b>50,913</b>	<b>29,629</b>	<b>142,480</b>	<b>74,747</b>
Earnings per share ("EPS") attributable to the equity holders of the company (sen)				
- Basic EPS	2.1	1.0*	6.0	2.8*
- 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 current interim financial year ended 30 June 2016.

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 June 30, 2016**

	<b>Unaudited As at 30.06.2016 RM'000</b>	<b>Audited As at 30.6.2015 RM'000</b>
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Other investments	9,593	8,303
Development costs	7,119	8,955
Property and equipment	250,801	110,134
Financing receivables	518	-
Goodwill on consolidation	17,800	12,016
Deferred tax asset	710	710
	<hr/> 286,541	<hr/> 140,118
<b>CURRENT ASSETS</b>		
Inventories	3,025	-
Financing receivables	58	-
Trade receivables	101,432	72,565
Other receivables, deposits and prepayments	45,991	31,539
Tax recoverable	228	306
Amount due from associate company	77,083	71,220
Cash and bank balances	209,715	132,049
	<hr/> 437,532	<hr/> 307,679
	<hr/> 724,073	<hr/> 447,797
<b>TOTAL ASSETS</b>		
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY</b>		
Share capital	240,420	120,210
Treasury shares	(2)	(6,783)
Reserves	-	37,009
Fair value reserves	6,738	6,700
Retained profits	153,120	116,777
	<hr/> 400,276	<hr/> 273,913
Non-controlling interest	(140)	(20)
	<hr/> 400,136	<hr/> 273,893
<b>NON-CURRENT LIABILITIES</b>		
Deferred tax liability	1,081	937
Hire purchase	4,910	4,756
Term loan	87,263	1,821
	<hr/> 93,254	<hr/> 7,514
<b>CURRENT LIABILITIES</b>		
Trade payables	173,910	113,725
Other payables and accruals	21,232	26,862
Deferred revenue	20,405	19,940
Provision for taxation	42	24
Short term borrowings	15,094	5,839
	<hr/> 230,683	<hr/> 166,390
	<hr/> 323,937	<hr/> 173,904
<b>TOTAL LIABILITIES</b>		
<b>TOTAL EQUITY AND LIABILITIES</b>		
	<hr/> 724,073	<hr/> 447,797
Net assets attributable to ordinary equity holders of the parent (RM'000)	400,276	273,913
Net assets per share attributable to ordinary equity holders of the parent (sen)	16.65	11.39*

\* comparative figures for the number of ordinary shares for net assets per share have been restated to reflect the adjustment arising from the Bonus Issue during the current interim financial year ended 30 June 2016.

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 Fourth Quarter ended June 30, 2016**  
**(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	-	-	-	-	68,145	68,145	(98)	68,047
Bonus issue	60,105	-	-	-	(60,105)	-	-	-
Expenses related to bonus issue	-	-	-	-	(72)	(72)	-	(72)
Fair value changes of available-for-sale asset	-	-	6,700	-	-	6,700	-	6,700
Acquisition of a subsidiary	-	-	-	-	-	-	334	334
Disposal of a subsidiary	-	-	-	-	-	-	(258)	(258)
Purchase of treasury shares	-	(6,786)	-	-	-	(6,786)	-	(6,786)
Resale of treasury shares	-	10,240	-	37,009	-	47,249	-	47,249
Dividends paid	-	-	-	-	(17,980)	(17,980)	-	(17,980)
As at 30 June 2015	<b>120,210</b>	<b>(6,783)</b>	<b>6,700</b>	<b>37,009</b>	<b>116,777</b>	<b>273,913</b>	<b>(20)</b>	<b>273,893</b>
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	-	-	-	-	142,966	142,966	(486)	142,480
Bonus issue	120,210	-	-	(42,553)	(77,657)	-	-	-
Expenses related to bonus issue	-	-	-	-	(116)	(116)	-	(116)
Fair value changes of available-for-sale asset	-	-	38	-	-	38	-	38
Acquisition of a subsidiary	-	-	-	-	-	-	366	366
Purchase of treasury shares	-	(4,041)	-	-	-	(4,041)	-	(4,041)
Resale of treasury shares	-	10,822	-	5,544	-	16,366	-	16,366
Dividends paid	-	-	-	-	(28,850)	(28,850)	-	(28,850)
As at 30 June 2016	<b>240,420</b>	<b>(2)</b>	<b>6,738</b>	<b>-</b>	<b>153,120</b>	<b>400,276</b>	<b>(140)</b>	<b>400,136</b>

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 Fourth Quarter ended June 30, 2016**  
**(The figures have not been audited)**

	<b>Current Year To Date Ended 30.06.2016 (RM'000)</b>	<b>Corresponding Year To Date Ended 30.06.2015 (RM'000)</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	143,348	68,213
Adjustments for:-		
Allowance for impairment losses on other investments	-	857
Allowance for impairment loss on trade receivables	-	313
Unrealised loss on available-for-sale asset	38	-
Amortisation of development costs	1,836	1,641
Depreciation of equipment	15,869	13,619
Interest expense	3,474	1,081
Gain on disposal of equipment	(221)	(245)
Equipment written off	3	3
Interest income	(1,816)	(1,722)
Operating profit before working capital changes	162,531	83,760
Increase in inventories	(2,560)	-
Increase in trade and other receivables	(42,266)	(56,110)
Increase in trade and other payables	51,354	120,355
Decrease in deferred revenue	129	-
Increase in amount owing by an associate company	(2,436)	(2,436)
<b>CASH FLOWS FROM OPERATIONS</b>	<b>166,752</b>	<b>145,569</b>
Income tax paid	(584)	(1,081)
Interest paid	(3,474)	(519)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>162,694</b>	<b>143,969</b>
<b>CASH FLOWS FOR INVESTING ACTIVITIES</b>		
Advances to an associate company	(3,427)	(4,433)
Development costs paid	-	(628)
Interest received	1,816	1,722
Proceeds from disposal of equipment	234	13
Purchase of property and equipment	(155,604)	(44,664)
Proceed from disposal of other investment	-	385
Purchase of other investments	(1,290)	(510)
Net cash (outflow)/inflow from acquisition of a subsidiary	(4,688)	5
Subscription of shares in subsidiary by non-controlling interest	#	#
<b>NET CASH FOR INVESTING ACTIVITIES</b>	<b>(162,959)</b>	<b>(48,110)</b>
<b>CASH FOR FINANCING ACTIVITIES</b>		
Dividends paid	(28,850)	(17,980)
Drawdown of hire purchase and finance lease obligations	5,448	-
Drawdown of term loans	86,308	1,400
Drawdown of revolving credit	10,000	2,000
Purchase of treasury shares	(4,041)	(6,786)
Resale of treasury shares	16,366	47,249
Bonus issue expenses	(116)	(72)
Repayment of hire purchase and finance lease obligations	(5,108)	(4,207)
Repayment of term loans	(2,076)	(2,360)
Repayment of revolving credit	-	(5,000)
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<b>77,931</b>	<b>14,244</b>
<b>NET INCREASE IN CASH AND BANK BALANCES</b>	<b>77,666</b>	<b>110,103</b>
<b>CASH AND BANK BALANCES AT BEGINNING OF THE FINANCIAL YEAR</b>	<b>132,049</b>	<b>21,946</b>
<b>CASH AND BANK BALANCES AT END OF THE FINANCIAL YEAR</b>	<b>209,715</b>	<b>132,049</b>

# - represents an amount less than RM1,000.

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 June 30, 2016**

**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 was previously subjected to seasonality factors as 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). However, the seasonal impact of JPJ test taking revenue is diminishing since FY2015 as revenue from other services increasingly contribute to a larger proportion of group revenues since FY2015.

**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.

As at 30 June 2016, a total of 1,000 (30.06.2015: 2,759,800) MYEG shares were still being retained as treasury shares in the Company.

#### **A7. Dividends Paid**

On 25 November 2015, the Directors have declared a final tax exempt dividend of 1.4 sen per 10 sen ordinary share (2014 - 2.0 sen) amounting to RM16,829,428 for the financial year ended 30 June 2015 and it was paid on 4 February 2016. The final dividend paid was based on an enlarged share capital of 1,202,102,000 ordinary shares arising from the completion of the bonus issue in January 2015.

On 29 February 2016, the Directors have declared a first interim single tier dividend of 0.5 sen per 10 sen ordinary share (2015 – 0.5 sen) amounting to RM12,021,015 (2015 – RM6,011,112) for the current financial year ended 30 June 2016 and it was paid on 24 May 2016 to shareholders registered at the close of business on 26 April 2016. The first interim dividend paid was based on an enlarged share capital of 2,404,204,000 ordinary shares arising from the completion of the bonus issue in January 2016.

#### **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.

## 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 remaining 3,000 ordinary shares in a subsidiary by My EG Ad Networks Sdn Bhd ("MYEG Ad"), a wholly-owned subsidiary of My EG Capital Sdn Bhd ("MYEG Capital"), which is a wholly owned subsidiary of the Company

MYEG Ad, a wholly-owned subsidiary of MY E.G. Capital Sdn Bhd, which is a wholly-owned subsidiary of the Company had on 19 April 2016, acquired the remaining 3,000 ordinary shares of RM1.00 each, representing a total of 30% of the equity interest in Ipidato Dot Com Sdn. Bhd. ("IpidatoDC") at a total consideration of RM3,000.00 only from Yayasan Orator (Company No. 971244-T) ("Yayasan"), thereby resulting IpidatoDC becoming a wholly-owned sub-subsidiary of the company.

- (ii) Internal Reorganisation of Group Structure

MYEG Capital, a wholly-owned subsidiary of the Company had on 20 May 2016, acquired 10,000 ordinary shares of RM1.00 each in IpidatoDC, representing the entire issued and paid-up share of IpidatoDC from MYEG Ad, a wholly-owned subsidiary of MYEG Capital for a total consideration of RM10,000. The restructuring is not expected to have any material effect on net assets per share, gearing and share capital of the Company for the financial year ended 30 June 2016.

- (iii) Incorporation of two (2) new subsidiaries by MYEG Capital, a wholly-owned subsidiary of the Company

MYEG Capital, a wholly-owned subsidiary of the Company had on 24 May 2016, incorporated a wholly-owned subsidiary known as MY E.G. Alternative Payment Services Sdn. Bhd. ("MYEG Alt") under the Companies Act, 1965. MYEG Alt has an authorised share capital of RM400,000.00 comprising 400,000 ordinary shares of RM1.00 each and the issued and paid-up share capital is RM2.00 comprising 2 ordinary shares of RM1.00 each.

On 1 June 2016, MYEG Capital incorporated a new subsidiary known as Picasso Media Sdn. Bhd. ("Picasso Media") of which MYEG Capital has 60% interest. Its intended principal activities would be provision of diversified media solutions and related professional services. Picasso Media has an authorised share capital of RM1,000,000.00 comprising 1,000,000 ordinary shares of RM1.00 each and the issued and paid-up share capital is RM100.00 comprising 100 ordinary shares of RM1.00 each.

## 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 30.06.2016, the Group has commitment for the following:-

	<b>30.06.2016</b>	<b>30.06.2015</b>
	<b>RM'000</b>	<b>RM'000</b>
Purchase of communication equipment	7,921	7,200
Purchase of office building	24,962	139,812
	<hr/>	<hr/>
	32,883	147,012
	<hr/>	<hr/>



#### A14. Related Party Transactions

The related party transactions of the Group for the Quarter and Year ended 30.06.2016 are as follows:

	Individual Quarter		Cumulative Quarter	
	30.06.2016	30.06.2015	30.06.2016	30.06.2015
	RM	RM	RM	RM
<b>(i) Associate company</b>				
MY E.G. Integrated Networks Sdn Bhd - Sales	600,000	600,000	2,400,000	2,400,000
<b>(ii) A company which a director has financial interest</b>				
Embunaz Ventures Sdn Bhd - Professional Fees	62,400	62,400	249,600	249,600

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 RM87.26 million and RM50.91 million respectively for the fourth financial quarter ("Q4 FY2016") as compared to RM45.06 million and RM22.93 million respectively in the corresponding quarter ("Q4 FY2015"). The increase of approximately RM42.20 million (or 93.7%) in Revenue and increase of RM27.98 million (or 122.0%) 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 rehiring programme services; and
- (ii) contribution from our newly acquired subsidiary, Cardbiz Holding Sdn Bhd and its group of companies.

However, the increase in the quarter's Revenue and PAT due to the above factors was offset by:

- (i) higher personnel related expenses and operating expenses to support the growth in FWP and foreign worker rehiring programme services; and
- (ii) higher interest cost from the term loan to finance MYEG's newly acquired building.

For the financial year ended 30 June 2016 ("12M FY2016"), the Group recorded Revenue of RM281.62 million as compared to RM141.52 million in the corresponding period ("12M FY2015"). This represents an increase of RM140.10 million (99.0%) in Revenue. PAT for 12M FY2016 increase by RM74.43 million (109.4%) to RM142.48 million as compared to RM68.05 million achieved in 12M FY2015. The increase in Revenue and PAT is primarily attributable to:

- (i) higher transaction volumes from the online renewal of FWP and foreign worker rehiring programme services;
- (ii) increase in revenue contribution from our JPJ related services; and
- (iii) contribution from our newly acquired subsidiary, Cardbiz Holding Sdn Bhd and its group of companies.

However, higher personnel related expenses and operating expenses to support the growth in FWP and foreign worker rehiring programme services and higher interest cost from the term loan to finance MYEG's newly acquired building partially offset the increases in the Revenue and PAT achieved during the financial year.

### B2. Comparison with Preceding Quarter's Results

	Q4 FY2016 RM'000	Q3 FY2016 RM'000
Revenue	87,259	70,126
Profit Before Tax ("PBT")	51,016	33,408
PAT	50,913	33,158

For the Quarter under review, the Group recorded a Revenue of RM87.26 million, an increase of RM17.13 million (24.4%) as compared to Q3 FY2016 revenue of RM70.13 million. PAT increased by RM17.75 million (53.5%) to RM50.91 million, as compared to Q3 FY2016 PAT of RM33.16 million. The increase in Revenue and PAT is primarily attributable to:

- (i) increase in revenue contribution from FWP and foreign worker rehiring programme services; and
- (ii) contribution from our newly acquired subsidiary, Cardbiz Holding Sdn Bhd and its group of companies.

### B3. Prospect of the Group

For the financial year ending 30 June 2017 ("FYE 2017"), the continued growth in volume of our existing services, especially the online renewal of foreign workers' insurance and foreign worker services, are expected to contribute to our Group revenue and PAT. While concession services continue to be our core business, non-concession related services, such as the road safety diagnostic services, sale of prepaid top ups for Celcom mobile lines and provision of hostel accommodation to foreign workers, will be one of our main focus of growth for FYE2017.

Barring any unforeseen circumstances, the Directors of MYEG are cautiously optimistic that the results for the FYE 2017 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 ended 30 June 2016.

### B5. Taxation

The taxation figures are as follows:

	<b>Current Quarter 30.06.2016 (RM'000)</b>	<b>Current Year To Date 30.06.2016 (RM'000)</b>
Current taxation	35	724
Deferred taxation	68	144
	<hr/> <hr/>	<hr/> <hr/>
	103	868

The effective tax rate for the current taxation for financial quarter and cumulative year to date is 0.20% and 0.61% respectively 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) Proposed Bonus Issue

On 29 August 2016, the Company proposed 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 2 shares 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, the date of which will be announced later.

**B7. Group Borrowings**

Details of the Group's borrowings as at June 30, 2016 were as follows:-

	<b>Non-Current (RM'000)</b>	<b>Current (RM'000)</b>	<b>Total (RM'000)</b>
<b>Secured</b>			
Hire Purchase	4,910	4,051	8,961
Term Loan	87,263	11,043	98,306
Total Borrowings	<u>92,173</u>	<u>15,094</u>	<u>107,267</u>

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**

	<b>As at 30.06.2016 (RM'000)</b>	<b>Audited As at 30.06.2015 (RM'000)</b>
Total retained profits of the Company and its subsidiaries:		
- Realised	163,971	128,190
- Unrealised	(371)	(227)
	<u>163,600</u>	<u>127,963</u>
Total share of accumulated losses of associate:		
- Realised	(400)	(400)
- Unrealised	-	-
	<u>163,200</u>	<u>127,563</u>
(Less)/Add : Consolidation Adjustments	<u>(10,080)</u>	<u>(10,786)</u>
Total Group retained profits as per consolidated accounts	<u>153,120</u>	<u>116,777</u>

## B10. Profit Before Taxation

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

	<b>Current Quarter 30.06.2016 (RM'000)</b>	<b>Current Year To Date 30.06.2016 (RM'000)</b>
Interest Income	(578)	(1,816)
Other Income	(205)	(316)
Interest Expense	1,204	3,474
Depreciation and amortization	4,650	17,705

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 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 Defendants have filed a counterclaim for the invalidation of the ATRS patent on the ground that the same did not comply with the Patents Act 1983 and the Patents Regulations 1986. GST Smart Solution filed an application to, in effect, strike out the Defendants' counterclaim to invalidate their ATRS Patent. The suit was fixed for hearing on 17 June 2015 where GST Smart Solution's application was dismissed. The suit is currently on trial and is now fixed for continued trial on 30 August 2016.

Our Board is of the view that the claims by GST Smart Solution are without merit and will vigorously defend the claim.

## B12. Dividends

The Directors have proposed the declaration of a final dividend of 1.3 sen per RM0.10 ordinary share (2015 – 1.4 sen based on the share capital of 1,202,102,000 ordinary shares) 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 2,404,204,000 ordinary shares arising from the completion of the bonus issue in January 2016.

## 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.

	<b>Current Quarter 30.06.2016 (RM'000)</b>	<b>Current Year To Date 30.06.2016 (RM'000)</b>
Net profit attributable to ordinary shareholders	51,045	142,966
Weighted average number of ordinary shares of RM0.10 each in issue ('000s)	2,404,203	2,402,398
Basic EPS (sen)	2.1	6.0

### 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 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  
29 August 2016