



[www.myeg.com.my](http://www.myeg.com.my)

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

(505639-K)

(Incorporated in Malaysia)

**INTERIM FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 JUNE 2018**



www.myeg.com.my

**MY E.G. SERVICES BERHAD**  
(Company No. 505639-K)

**FOURTH QUARTERLY REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2018**

**Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income  
for the Fourth Quarter ended June 30, 2018  
(The figures have not been audited)**

	Individual Quarter			Cumulative Quarter		
	3 Months Ended			12 Months Ended		
	30.06.2018	30.06.2017	Changes	30.06.2018	30.06.2017	Changes
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue	107,442	-	-	426,237	-	-
Operating Expenses	(43,775)	-	-	(173,020)	-	-
Operating Profit	63,667	-	-	253,217	-	-
Depreciation and Amortisation	(6,449)	-	-	(25,038)	-	-
Interest Income	466	-	-	2,619	-	-
Other Income	3	-	-	1,236	-	-
Other Expenses	(57)	-	-	(172)	-	-
Share of results of a joint venture	(102)	-	-	(535)	-	-
Share of results of an associate	-	-	-	#	-	-
Profit Before Interest and Taxation	57,528	-	-	231,327	-	-
Interest Expense	(1,543)	-	-	(6,192)	-	-
Profit Before Taxation	55,985	-	-	225,135	-	-
Taxation	(476)	-	-	(1,300)	-	-
Profit After Taxation	55,509	-	-	223,835	-	-
Other Comprehensive Income	-	-	-	-	-	-
Total Comprehensive Income for the financial period	55,509	-	-	223,835	-	-
Profit After Taxation attributable to:						
Owners of the Company	56,113	-	-	226,492	-	-
Non-controlling interest	(604)	-	-	(2,657)	-	-
	55,509	-	-	223,835	-	-
Total Comprehensive Income attributable to:						
Owners of the Company	56,113	-	-	226,492	-	-
Non-controlling interest	(604)	-	-	(2,657)	-	-
	55,509	-	-	223,835	-	-
Earnings per share ("EPS") attributable to the equity holders of the Company (sen)						
- Basic EPS *	1.6	-	-	6.3	-	-
- Diluted EPS	Not Applicable	Not Applicable	-	Not Applicable	Not Applicable	-

# represents an amount less than RM1,000

\* 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 2017.

**Notes:**

- i) The financial year end of the Group has been changed from 30 June to 30 September. As such, the next set of audited financial statements shall be for a period of fifteen (15) months from 1 July 2017 to 30 September 2018. There will be no comparative financial information available for the quarter ended 30 June 2018.
- ii) 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 2017 and the accompanying notes to the Interim Financial Statements.

**MY E.G. SERVICES BERHAD**  
(Company No. 505639-K)

**Condensed Consolidated Statements of Financial Position**  
**As at June 30, 2018**

	<b>Unaudited As at 30.06.2018 RM'000</b>	<b>Audited As at 30.06.2017 RM'000</b>
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property and equipment	361,584	349,451
Investment properties	23,863	17,809
Investment in a joint venture	2,191	-
Other investments	18,593	9,818
Development costs	3,448	5,390
Goodwill on consolidation	18,377	18,549
Deferred tax asset	710	710
Financing receivables	122,875	12,889
	<u>551,641</u>	<u>414,616</u>
<b>CURRENT ASSETS</b>		
Inventories	7,208	1,810
Financing receivables	16,104	1,302
Trade receivables	72,462	100,728
Other receivables, deposits and prepayments	109,377	121,300
Amount owing by an associate	104,853	85,529
Current tax assets	663	915
Cash and bank balances	158,125	137,573
	<u>468,792</u>	<u>449,157</u>
<b>TOTAL ASSETS</b>	<u>1,020,433</u>	<u>863,773</u>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY</b>		
Share capital	360,630	360,630
Treasury shares	(52,804)	-
Fair value reserves	6,401	6,700
Retained profits	351,258	186,074
	<u>665,485</u>	<u>553,404</u>
Non-controlling interests	(3,895)	(1,463)
<b>TOTAL EQUITY</b>	<u>661,590</u>	<u>551,941</u>
<b>NON-CURRENT LIABILITIES</b>		
Long term borrowings	98,552	114,160
Deferred tax liabilities	2,244	2,102
	<u>100,796</u>	<u>116,262</u>
<b>CURRENT LIABILITIES</b>		
Trade payables	186,364	130,774
Other payables and accruals	28,161	21,644
Deferred revenue	19,940	19,940
Current tax liabilities	800	57
Short term borrowings	22,782	23,155
	<u>258,047</u>	<u>195,570</u>
<b>TOTAL LIABILITIES</b>	<u>358,843</u>	<u>311,832</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>1,020,433</u>	<u>863,773</u>
Net assets attributable to ordinary equity holders of the parent (RM'000)	665,485	553,404
Net assets per share attributable to ordinary equity holders of the parent (sen)	18.48	15.35

The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2017 and the accompanying notes to the Interim Financial Statements.

**MY E.G. SERVICES BERHAD**  
**(Company No. 505639-K)**

**Condensed Consolidated Statements of Changes in Equity**  
**For the Fourth Quarter ended June 30, 2018**  
**(The figures have not been audited)**

<----- Non-Distributable ----->

	Share Capital RM'000	Treasury Shares RM'000	Fair Value Reserve RM'000	Other Reserve RM'000	Distributable Retained Profits RM'000	Attributable to Owners of the Company RM'000	Non- controlling Interests RM'000	Total Equity RM'000
As at 1 July 2016	-	-	-	-	-	-	-	-
Profit after tax for the financial period	-	-	-	-	-	-	-	-
Bonus issue	-	-	-	-	-	-	-	-
Expenses related to bonus issue	-	-	-	-	-	-	-	-
Acquisition of a subsidiary	-	-	-	-	-	-	-	-
Purchase of treasury shares	-	-	-	-	-	-	-	-
Resale of treasury shares	-	-	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	-	-	-
As at 30 June 2017	-	-	-	-	-	-	-	-
As at 1 July 2017	360,630	-	6,700	-	186,074	553,404	(1,463)	551,941
Profit after tax for the financial period	-	-	-	-	226,492	226,492	(2,657)	223,835
Additional subscription of shares by non- controlling interest	-	-	-	-	-	-	225	225
Purchase of treasury shares	-	(52,804)	-	-	-	(52,804)	-	(52,804)
Dividend paid	-	-	-	-	(61,308)	(61,308)	-	(61,308)
Fair value changes of financial assets	-	-	(299)	-	-	(299)	-	(299)
As at 30 June 2018	360,630	(52,804)	6,401	-	351,258	665,485	(3,895)	661,590

Notes:

- i) The financial year end of the Group has been changed from 30 June to 30 September. As such, the next set of audited financial statements shall be for a period of fifteen (15) months from 1 July 2017 to 30 September 2018. There will be no comparative financial information available for the quarter ended 30 June 2018.
- ii) 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 2017 and the accompanying notes to the Interim Financial Statements.

**MY E.G. SERVICES BERHAD**  
(Company No. 505639-K)

**Condensed Consolidated Statements of Cash Flows for the Fourth Quarter ended June 30, 2018**  
(The figures have not been audited)

	Current Year To Date Ended 30.06.2018 RM'000	Corresponding Year To Date Ended 30.06.2017 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	225,135	-
Adjustments for:-		
Amortisation of development costs	1,835	-
Depreciation of equipment	22,462	-
Depreciation of investment properties	741	-
Equipment written off	14	-
Impairment loss on goodwill	172	-
Impairment loss on trade receivables	(1)	-
Interest expense	6,192	-
Share of results for a joint venture	535	-
(Gain)/Loss on disposal of other investment	(1,197)	-
Interest income	(2,619)	-
	<u>253,269</u>	<u>-</u>
Operating profit before working capital changes		
Increase in inventories	(5,397)	-
Increase in financing receivables	(124,786)	-
Decrease in trade and other receivables	40,122	-
Increase in trade and other payables	62,172	-
Increase in amount owing by an associate	(19,324)	-
	<u>206,056</u>	<u>-</u>
<b>CASH FLOWS FROM OPERATIONS</b>		
Income tax refunded	(164)	-
Interest paid	(6,192)	-
	<u>199,700</u>	<u>-</u>
<b>NET CASH FROM OPERATING ACTIVITIES</b>		
<b>CASH FLOWS FOR INVESTING ACTIVITIES</b>		
Developments costs paid	107	-
Interest received	2,619	-
Purchase of property and equipment	(41,405)	-
Proceeds from disposal of other investment	1,269	-
Investment in a joint venture	(2,726)	-
Purchase of other investments	(9,145)	-
Subscription of shares in a subsidiary by non-controlling interest	225	-
	<u>(49,056)</u>	<u>-</u>
<b>NET CASH FOR INVESTING ACTIVITIES</b>		
<b>CASH FLOWS FOR FINANCING ACTIVITIES</b>		
Dividend paid	(61,308)	-
Drawdown of hire purchase and finance lease obligations	1,015	-
Drawdown of revolving credit	1,960	-
Purchase of treasury shares	(52,804)	-
Repayment of hire purchase and finance lease obligations	(2,149)	-
Repayment of term loans	(15,606)	-
Repayment of revolving credit	(1,200)	-
	<u>(130,092)</u>	<u>-</u>
<b>NET CASH FOR FINANCING ACTIVITIES</b>		
<b>NET INCREASE/(DECREASE) IN CASH AND BANK BALANCES</b>	<b>20,552</b>	<b>-</b>
<b>CASH AND BANK BALANCES AT BEGINNING OF THE FINANCIAL PERIOD</b>	<b>137,573</b>	<b>-</b>
<b>CASH AND BANK BALANCES AT END OF THE FINANCIAL PERIOD</b>	<b>158,125</b>	<b>-</b>

Notes:

- i) The financial year end of the Group has been changed from 30 June to 30 September. As such, the next set of audited financial statements shall be for a period of fifteen (15) months from 1 July 2017 to 30 September 2018. There will be no comparative financial information available for the quarter ended 30 June 2018.
- ii) The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2017 and the accompanying notes to the Interim Financial Statements.

**Notes To The Interim Financial Report For The Financial Period Ended June 30, 2018**

**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 2017.

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 2017.

**A2. Auditors’ Report on Preceding Annual Financial Statements**

The auditors’ report on the financial statements for the financial year ended 30 June 2017 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 FY2017 as revenue from other services increasingly contribute to a larger proportion of group revenues since FY2017.

**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 16 May 2018, the Company had purchased a total of 10,000,000 MYEG shares from the open market. The total consideration paid for the share buy-back of MYEG shares, including transaction costs was RM12,739,300 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 127 of the Companies Act 2016;
- (ii) On 17 May 2018, the Company had purchased a total of 20,000,000 MYEG shares from the open market. The total consideration paid for the share buy-back of MYEG shares, including transaction costs was RM21,549,853 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 127 of the Companies Act 2016;
- (iii) On 18 May 2018, the Company had purchased a total of 2,000,000 MYEG shares from the open market. The total consideration paid for the share buy-back of MYEG shares, including transaction costs was RM2,005,255 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 127 of the Companies Act 2016;
- (iv) On 22 May 2018, the Company had purchased a total of 1,000,000 MYEG shares from the open market. The total consideration paid for the share buy-back of MYEG shares, including transaction costs was RM938,286 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 127 of the Companies Act 2016;
- (v) On 24 May 2018, the Company had purchased a total of 3,000,000 MYEG shares from the open market. The total consideration paid for the share buy-back of MYEG shares, including transaction costs was RM2,381,783 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 127 of the Companies Act 2016;
- (vi) On 28 May 2018, the Company had purchased a total of 2,000,000 MYEG shares from the open market. The total consideration paid for the share buy-back of MYEG shares, including transaction costs was RM1,525,216 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 127 of the Companies Act 2016;
- (vii) On 30 May 2018, the Company had purchased a total of 5,000,000 MYEG shares from the open market. The total consideration paid for the share buy-back of MYEG shares, including transaction costs was RM3,728,850 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 127 of the Companies Act 2016;
- (viii) On 4 June 2018, the Company had purchased a total of 3,000,000 MYEG shares from the open market. The total consideration paid for the share buy-back of MYEG shares, including transaction costs was RM2,078,024 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 127 of the Companies Act 2016;
- (ix) On 5 June 2018, the Company had purchased a total of 8,000,000 MYEG shares from the open market. The total consideration paid for the share buy-back of MYEG shares, including transaction costs was RM5,857,757 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 127 of the Companies Act 2016.

The total shares purchased during the financial period ended 30 June 2018 amounted to 54,000,000 (30.06.2017: Nil) MYEG shares.

As at 30 June 2018, a total of 54,000,000 (30.06.2017: Nil) MYEG shares were retained as treasury shares in the Company. None of the treasury shares held were resold or cancelled during the financial period ended 30 June 2018.

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

On 7 December 2017, the Directors have declared a final single tier dividend of 1.2 sen per ordinary share (2016 – 1.3 sen was based on the share capital of 2,404,204,000 ordinary shares) amounting to RM43,276,432 for the financial year ended 30 June 2017 and it was paid on 6 February 2018. The final dividend paid was based on the current share capital of 3,606,305,993 ordinary shares.

On 27 February 2018, the Directors have declared a first interim single tier dividend of 0.5 sen per ordinary share (2017 – 0.5 sen) amounting to RM18,031,530 (2017 – RM18,031,530) for the current financial year ending 30 September 2018 and it was paid on 25 May 2018 to shareholders registered at the close of business on 26 April 2018.

#### **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) Incorporation of a new subsidiary by MY EG International Sdn Bhd. ("MYEGI"), a wholly-owned subsidiary of the Company

MYEGI, a wholly-owned subsidiary of the Company had on 22 June 2018, incorporated a wholly-owned subsidiary known as MY EG (Indonesia) Sdn. Bhd. ("MYEGIND") under the Companies Act 2016. The intended principal activity of MYEGIND is investment holding specifically for investments in the Republic of Indonesia.

#### **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 30.06.2018, the Group has commitment for the following:-

	<b>As at 30.06.2018 RM'000</b>	<b>As at 30.06.2017 RM'000</b>
Purchase of communication equipment	7,519	13,921
Purchase of office building	5,015	5,015
	<u>12,534</u>	<u>18,936</u>

### A14. Related Party Transactions

The related party transactions of the Group for the Quarter and Financial Period ended 30.06.2018 are as follows:

	<b>Individual Quarter 3 months ended</b>		<b>Cumulative Quarter 12 months ended</b>	
	<b>30.06.2018 RM</b>	<b>30.06.2017 RM</b>	<b>30.06.2018 RM</b>	<b>30.06.2017 RM</b>
<b>(i) Associate company</b>				
MY E.G. Integrated Networks Sdn Bhd				
- Sales	200,000	600,000	2,000,000	2,400,000
	<hr/>			
<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
	<hr/>			

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 RM107.44 million and RM55.51 million respectively for the fourth financial quarter (“Q4 FY2018”). For the year to date period ended 30 June 2018 (“12M FY2018”), the Group recorded Revenue of RM426.24 million and PAT of RM223.83 million.

The contribution of Revenue and PAT achieved for the quarter and year to date period is primarily attributable to:

- (i) concession related services such as Immigration and JPJ related and ancillary services; and
- (ii) commercial services such as motor vehicle trading related services & financing services division.

Our Group’s main expenses for the quarter and year to date period comprise primarily of the following:

- (i) personnel related expenses and operating expenses;
- (ii) interest expense arising from the term loan to finance MYEG’s newly acquired building (“MYEG Tower”);
- (iii) maintenance and operating expenses for MYEG Tower; and
- (iv) depreciation and amortisation charges.

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

	Q4 2018	Q3 2018	Changes
	RM’000	RM’000	%
Revenue	107,442	111,530	(3.67)
Operating Profit	63,667	64,812	(1.77)
Profit Before Interest and Taxation	57,528	60,036	(4.18)
Profit Before Taxation	55,985	58,481	(4.27)
Profit After Taxation	55,509	58,112	(4.48)
Profit attributable to Ordinary Equity Holders of the Parent	56,113	58,550	(4.16)

For the Quarter under review, the Group recorded a Revenue of RM107.44 million, a marginal decrease of RM4.09 million (3.7%) as compared to Q3 FY2018 revenue of RM111.53 million. PAT decreased marginally by RM2.60 million (4.5%) to RM55.51 million, as compared to Q3 FY2018 PAT of RM58.11 million.

The marginal decrease in both Revenue and PAT is primarily attributable to the decrease in transaction volumes during the election period in Q4 FY2018.

### B3. Prospect of the Group

For the financial year ending (“FYE”) 30 September 2018, the continued growth in volume of our existing services, primarily the FWP as well as the online renewal of foreign workers’ insurance, are expected to contribute to our Group revenue and PAT.

In FYE 2018, subsequent to the end of the FWR Services on 31 December 2017, we have embarked on a job matching and placement programme under our commercial services, where we will match foreign workers registered under the FWR Services with employers who require foreign worker labour. This is a new business division which will also complement our hostel accommodation division.

Moving forward, MYEG will continue to introduce innovative commercial services which is expected to contribute to our growth for FYE 2019 onwards.

The recent Malaysian General Election on 9th May 2018 saw the formation of a new coalition Government. MYEG’s Board of Directors (“The Board”) is cautiously optimistic that we will be able to work with the Government of the day to continue rolling out new e-government services whilst maintaining the service level of the current services which will continue to benefit the Malaysian public, consistent with the new coalition Government’s manifesto.

In view of the recent pronouncements of the new Government to abolish the current Goods and Services Tax (“GST”) regime, the Board wishes to clarify that the Company will wait for the official details by the Government in regard to the implementation of the new Sales and Services Tax (“SST”) regime before making the necessary announcements to Bursa Securities.

In addition, the Board wishes to reiterate that we are constantly monitoring the policy of the new ruling Government which may affect any of our current services and will review and make the necessary impairments or provisions for all investments and expenditure incurred to date where deemed necessary and prudent in FYE2018.

### B4. Variance from Profit Forecast

Not applicable as there was no financial forecast issued for the current financial year.

### B5. Taxation

The taxation figures are as follows:

	Individual Quarter 3 months ended			Cumulative Quarter 12 months ended		
	30.06.2018 RM’000	30.06.2017 RM’000	Changes %	30.06.2018 RM’000	30.06.2017 RM’000	Changes %
Current taxation	554	-	-	1,158	-	-
Deferred taxation	(78)	-	-	142	-	-
	<u>476</u>	<u>-</u>	<u>-</u>	<u>1,300</u>	<u>-</u>	<u>-</u>

The effective tax rate for the current taxation for cumulative year to date is 0.58% as compared to the statutory tax rate of 24%. 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.

## B7. Group Borrowings

Details of the Group's borrowings as at June 30, 2018 were as follow:-

	As at 30.06.2018		
	Non-Current RM'000	Current RM'000	Total RM'000
<b><u>Secured^</u></b>			
Hire Purchase	2,396	1,902	4,298
Term Loan	96,156	15,120	111,276
<b><u>Unsecured^</u></b>			
Revolving Credit	-	5,760	5,760
Total Borrowings	98,552	22,782	121,334

  

	As at 30.06.2017		
	Non-Current RM'000	Current RM'000	Total RM'000
<b><u>Secured^</u></b>			
Hire Purchase	3,187	2,246	5,433
Term Loan	110,973	15,909	126,882
<b><u>Unsecured^</u></b>			
Revolving Credit	-	5,000	5,000
Total Borrowings	114,160	23,155	137,315

^ The borrowings are denominated in RM.

The Group borrowings decreased by RM15.98m in Q4 FY2018 as compared to the corresponding quarter of Q4 FY2017. The decrease is mainly due to the drawdown of term loan in Q4 FY2017 to finance the acquisition of additional seven (7) storeys of stratified parcels designated for office use. This was offset by repayments during FY2018. The weighted average interest rate of borrowings as at Q4 FY2018 was 3.32%.

## B8. Off Balance Sheet Financial Instruments

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

## B9. Profit Before Taxation

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

	Individual Quarter 3 months ended			Cumulative Quarter 12 months ended		
	30.06.2018 RM'000	30.06.2017 RM'000	Changes %	30.06.2018 RM'000	30.06.2017 RM'000	Changes %
Interest Income	(466)	-	-	(2,619)	-	-
Other Income	(3)	-	-	(1,236)	-	-
Interest Expense	1,543	-	-	6,192	-	-
Depreciation and Amortisation	6,449	-	-	25,038	-	-

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.

## **B10. 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 High Court had on 13 June 2017 made the following decisions:

- a) The Plaintiff’s claim was dismissed;
- b) The Defendants’ counterclaim was allowed. The Plaintiff’s patent was held to be invalid and therefore, revoked;
- c) The Plaintiff shall pay a cost amounting to RM100,000.00; and
- d) The Plaintiff has 30 days from 13 June 2017 to lodge an appeal against the decision to the Court of Appeal.

On 13 July 2017, the Company received a copy of the unsealed notice of appeal dated 6 July 2017 from the Plaintiff’s solicitors in respect of the appeal filed by the Plaintiff against the decision made by the High Court.

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

## **B11. Dividends**

The Directors have proposed the declaration of a final dividend of 1.4 sen per ordinary share (2017 – 1.2 sen) for the shareholders’ approval at the forthcoming Annual General Meeting, the date of which will be announced later.

**B12. EPS**

## i. Basic

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

	Individual Quarter 3 months ended		Cumulative Quarter 12 months ended	
	30.06.2018 RM'000	30.06.2017 RM'000	30.06.2018 RM'000	30.06.2017 RM'000
Net profit attributable to ordinary shareholders	56,113	-	226,492	-
Weighted average number of ordinary shares in issue ('000s)	3,588,937	-	3,600,501	-
Basic EPS (sen)	1.6	-	6.3	-

## ii. Diluted

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

**B13. 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

MY EG Lodging Sdn. Bhd., a sub-subsidiary of the Company has entered into a MoU with Johor Corporation on 3 April 2018 to explore the possibility to purchase or lease a land situated within Muar Furniture Park. 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  
30 August 2018