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MY E.G. SERVICES BERHAD

(505639-K)

(Incorporated in Malaysia)

**INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2018**



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

FIRST QUARTERLY REPORT FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2018

Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income
for the First Quarter ended December 31, 2018
(The figures have not been audited)

	Individual Quarter			Cumulative Quarter		
	3 Months Ended			3 Months Ended		
	31.12.2018	31.12.2017	Changes	31.12.2018	31.12.2017	Changes
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue	116,233	-	-	116,233	-	-
Operating Expenses	(48,660)	-	-	(48,660)	-	-
Operating Profit	67,573	-	-	67,573	-	-
Depreciation and Amortisation	(6,958)	-	-	(6,958)	-	-
Interest Income	10	-	-	10	-	-
Other Income	273	-	-	273	-	-
Share of results of a joint venture	(203)	-	-	(203)	-	-
Share of results of an associate	(3)	-	-	(3)	-	-
Profit Before Interest and Taxation	60,692	-	-	60,692	-	-
Interest Expense	(1,556)	-	-	(1,556)	-	-
Profit Before Taxation	59,136	-	-	59,136	-	-
Taxation	(1,013)	-	-	(1,013)	-	-
Profit After Taxation	58,123	-	-	58,123	-	-
Other Comprehensive Income	-	-	-	-	-	-
Total Comprehensive Income for the financial period	58,123	-	-	58,123	-	-
Profit After Taxation attributable to:						
Owners of the Company	58,656	-	-	58,656	-	-
Non-controlling interest	(533)	-	-	(533)	-	-
	58,123	-	-	58,123	-	-
Total Comprehensive Income attributable to:						
Owners of the Company	58,656	-	-	58,656	-	-
Non-controlling interest	(533)	-	-	(533)	-	-
	58,123	-	-	58,123	-	-
Earnings per share ("EPS") attributable to the equity holders of the Company (sen)						
- Basic EPS *	1.7	-	-	1.7	-	-
- Diluted EPS	Not Applicable	Not Applicable	-	Not Applicable	Not Applicable	-

Notes:

- i) The financial year end of the Group has been changed from 30 June to 30 September. As such, there will be no comparative financial information available for the financial period ended 31 December 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 period ended 30 September 2018 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 December 31, 2018

	Unaudited As at 31.12.2018 RM'000	Audited As at 30.09.2018 RM'000
ASSETS		
NON-CURRENT ASSETS		
Property and equipment	299,168	283,848
Investment properties	31,166	31,783
Investment in a joint venture	3,872	2,006
Other investments	28,527	28,527
Development costs	2,575	2,990
Goodwill on consolidation	18,454	18,454
Deferred tax asset	710	710
Financing receivables	175,199	157,791
	<u>559,671</u>	<u>526,109</u>
CURRENT ASSETS		
Inventories	2,430	3,397
Financing receivables	21,640	13,900
Trade receivables	131,631	150,855
Other receivables, deposits and prepayments	78,744	78,947
Amount owing by a joint venture	15	13
Current tax assets	872	800
Cash and bank balances	108,793	110,230
	<u>344,125</u>	<u>358,142</u>
TOTAL ASSETS	<u>903,796</u>	<u>884,251</u>
EQUITY AND LIABILITIES		
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY		
Share capital	360,630	360,630
Treasury shares	(104,878)	(52,804)
Fair value reserves	6,401	6,401
Retained profits	312,374	253,718
	<u>574,527</u>	<u>567,945</u>
Non-controlling interests	(4,576)	(4,043)
TOTAL EQUITY	<u>569,951</u>	<u>563,902</u>
NON-CURRENT LIABILITIES		
Long term borrowings	90,287	94,683
Deferred tax liabilities	2,263	2,277
	<u>92,550</u>	<u>96,960</u>
CURRENT LIABILITIES		
Trade payables	179,611	159,510
Other payables and accruals	26,140	29,262
Deferred revenue	575	525
Current tax liabilities	2,412	1,679
Short term borrowings	32,557	32,413
	<u>241,295</u>	<u>223,389</u>
TOTAL LIABILITIES	<u>333,845</u>	<u>320,349</u>
TOTAL EQUITY AND LIABILITIES	<u>903,796</u>	<u>884,251</u>
Net assets attributable to ordinary equity holders of the parent (RM'000)	574,527	567,945
Net assets per share attributable to ordinary equity holders of the parent (sen)	16.26	15.75

The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Audited Financial Statements for the financial period ended 30 September 2018 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 First Quarter ended December 31, 2018
(The figures have not been audited)

←----- Non-Distributable ----->

	Share Capital	Treasury Shares	Fair Value Reserve	Other Reserve	Distributable Retained Profits	Attributable to Owners of the Company	Non-controlling Interests	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
As at 1 October 2017	-	-	-	-	-	-	-	-
Profit after tax for the financial period	-	-	-	-	-	-	-	-
Additional subscription of shares by non-controlling interest	-	-	-	-	-	-	-	-
Purchase of treasury shares	-	-	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	-	-	-
Fair value changes of financial assets	-	-	-	-	-	-	-	-
As at 31 December 2017	-	-	-	-	-	-	-	-
As at 1 October 2018	360,630	(52,804)	6,401	-	253,718	567,945	(4,043)	563,902
Profit after tax for the financial period	-	-	-	-	58,656	58,656	(533)	58,123
Additional subscription of shares by non-controlling interest	-	-	-	-	-	-	-	-
Purchase of treasury shares	-	(52,074)	-	-	-	(52,074)	-	(52,074)
Dividend paid	-	-	-	-	-	-	-	-
Fair value changes of financial assets	-	-	-	-	-	-	-	-
As at 31 December 2018	360,630	(104,878)	6,401	-	312,374	574,527	(4,576)	569,951

Notes:

- i) The financial year end of the Group has been changed from 30 June to 30 September. As such, there will be no comparative financial information available for the financial period ended 31 December 2018.
- ii) The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial period ended 30 September 2018 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 First Quarter ended December 31, 2018
(The figures have not been audited)

	Current Period Ended 31.12.2018 RM'000	Corresponding Period Ended 31.12.2017 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	59,136	-
Adjustments for:-		
Amortisation of development costs	415	-
Depreciation of equipment	6,070	-
Depreciation of investment properties	473	-
Equipment written off	2	-
Interest expense	1,556	-
Share of results in an associate	3	-
Share of results for a joint venture	203	-
Interest income	(10)	-
	<u>67,848</u>	<u>-</u>
Operating profit before working capital changes		
Increase in deferred revenue	50	-
Decrease in inventories	967	-
Increase in financing receivables	(25,147)	-
Decrease in trade and other receivables	19,427	-
Increase in trade and other payables	16,979	-
	<u>80,124</u>	<u>-</u>
CASH FLOWS FROM OPERATIONS	80,124	-
Income tax paid	(367)	-
Interest paid	(1,556)	-
	<u>78,201</u>	<u>-</u>
NET CASH FROM OPERATING ACTIVITIES	78,201	-
CASH FLOWS FOR INVESTING ACTIVITIES		
Interest received	10	-
Purchase of property and equipment	(21,252)	-
Investment in a joint venture	(2,068)	-
Investment in an associate	(3)	-
	<u>(23,313)</u>	<u>-</u>
NET CASH FOR INVESTING ACTIVITIES	(23,313)	-
CASH FLOWS FOR FINANCING ACTIVITIES		
Purchase of treasury shares	(52,074)	-
Repayment of hire purchase and finance lease obligations	(489)	-
Repayment of term loans	(3,762)	-
	<u>(56,325)</u>	<u>-</u>
NET CASH FOR FINANCING ACTIVITIES	(56,325)	-
NET DECREASE IN CASH AND BANK BALANCES	(1,437)	-
CASH AND BANK BALANCES AT BEGINNING OF THE FINANCIAL PERIOD	110,230	-
	<u>108,793</u>	<u>-</u>
CASH AND BANK BALANCES AT END OF THE FINANCIAL PERIOD	108,793	-

Notes:

The financial year end of the Group has been changed from 30 June to 30 September. As such, there will be no comparative financial information available for the financial period ended 31 December 2018.

Notes To The Interim Financial Report For the Financial Period ended December 31, 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 period ended 30 September 2018.

As announced to Bursa Malaysia on 13 June 2018, the Company has changed its financial year end from 30 June to 30 September. Consequently, the comparative figures are not comparable for the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidation statement of changes in equity, condensed consolidated statement of cash flows and the related notes.

The same accounting policies and methods of computation adopted in these interim financial statements are consistent with the annual financial statements for the financial period ended 30 September 2018.

During the current financial period, the Group has adopted the following new accounting standards and/or interpretations (including the consequential amendments, if any):-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)

MFRS 9 Financial Instruments (IFRS 9 as issued by IASB in July 2014)

MFRS 15 Revenue from Contracts with Customers

IC Interpretation 22 Foreign Currency Transactions and Advance Consideration

Amendments to MFRS 2: Classification and Measurement of Share-based Payment Transactions

Amendments to MFRS 4: Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts

Amendments to MFRS 15: Effective Date of MFRS 15

Amendments to MFRS 15: Clarifications to MFRS 15 ‘Revenue from Contracts with Customers’

Amendments to MFRS 140 - Transfers of Investment Property

Annual Improvements to MFRS Standards 2014 - 2016 Cycles:

- Amendments to MFRS 1: Deletion of Short-term Exemptions for First-time Adopters
- Amendments to MFRS 128: Measuring an Associate or Joint Venture at Fair Value

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) did not have any material impact on the Group’s financial statements.

A1. Basis of Preparation (Cont'd)

The Group has not applied in advance the following accounting standards and/or interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective for the current financial period:-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)	Effective Date
MFRS 16 Leases	1 January 2019
MFRS 17 Insurance Contracts	1 January 2021
IC Interpretation 23 Uncertainty Over Income Tax Treatments	1 January 2019
Amendments to MFRS 9: Prepayment Features with Negative Compensation	1 January 2019
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 119: Plan Amendment, Curtailment or Settlement	1 January 2019
Amendments to MFRS 128: Long-term Interests in Associates and Joint Ventures	1 January 2019
Amendments to References to the Conceptual Framework in MFRS Standards	1 January 2020
Annual Improvements to MFRS Standards 2015 - 2017 Cycles	1 January 2019

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group upon their initial application.

A2. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the financial period ended 30 September 2018 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 Financial Year ("FY") ended 30 June 2015 as revenue from other services increasingly contribute to a larger proportion of group revenue.

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 the share buy-back disclosed below which the total considerations were financed from internally generated funds and the treasury shares were treated in accordance with the requirement of Section 127 of the Companies Act 2016:

Date of buy back	No of shares purchase (units)	Total (RM)
23.10.18	2,000,000	2,648,912.00
24.10.18	1,000,000	1,324,556.00
25.10.18	1,000,000	1,284,424.00
26.10.18	1,000,000	1,223,774.52
29.10.18	3,000,000	3,441,479.97
30.10.18	1,000,000	1,194,127.00
07.11.18	1,000,000	1,234,259.00
08.11.18	2,000,000	2,628,846.00
09.11.18	1,000,000	1,314,523.00
12.11.18	1,000,000	1,229,242.50
14.11.18	1,000,000	1,194,127.00
15.11.18	1,000,000	1,194,127.00
16.11.18	1,000,000	1,164,028.00
19.11.18	1,000,000	1,153,995.00
21.11.18	1,000,000	1,123,896.00
22.11.18	1,000,000	1,113,863.00
23.11.18	2,000,000	2,127,196.00
26.11.18	2,000,000	2,257,625.00
27.11.18	2,000,000	2,217,493.00
28.11.18	1,000,000	1,103,830.00
29.11.18	2,000,000	2,137,229.00
06.12.18	2,000,000	2,327,856.00
07.12.18	1,000,000	1,123,896.00
12.12.18	2,000,000	1,725,876.00
18.12.18	5,000,000	4,034,814.65
19.12.18	3,000,000	2,536,642.73
20.12.18	2,000,000	1,658,414.11
21.12.18	2,000,000	1,660,661.50
24.12.18	1,000,000	853,005.00
26.12.18	2,000,000	1,841,255.50
27.12.18	1,052,300	1,028,533.06
28.12.18	2,600,000	2,539,052.67

The total shares purchased during the financial period ended 31 December 2018 amounted to 52,652,300 (31.12.2017: N/A) MYEG shares.

A6. Debt and Equity Securities (Cont'd)

As at 31 December 2018, a total of 106,652,300 (31 December 2017: N/A) 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 31 December 2018.

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.

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, except as disclosed below:

- (i) Incorporation of a new subsidiary by MY E.G. Capital Sdn. Bhd. ("MYEGC"), a wholly-owned subsidiary of the Company

MYEGC, a wholly-owned subsidiary of the Company had on 1 October 2018, incorporated a wholly-owned subsidiary known as MY EG E-Settlement Sdn. Bhd. ("MYEGES"). The intended principal activity of MYEGES is provision of payment settlement services and systems.

- (ii) Incorporation of a new subsidiary by MYEGC, a wholly-owned subsidiary of the Company

MYEGC had on 8 October 2018, incorporated a wholly-owned subsidiary known as Payme Sdn. Bhd. ("PayMe"). The intended principal activity of PayMe is the provision of human resource management and payroll solutions.

- (iii) 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 11 October 2018, incorporated a wholly-owned subsidiary known as MY EG (Bangladesh) Sdn. Bhd. ("MYEGB"). The intended principal activity of MYEGB is investment holdings specifically for investment in Bangladesh.

A11. Changes in the Composition of the Group (Cont'd)

(iv) Internal Reorganisation of Group Structure

MY EG Lodging Sdn Bhd had on 19 October 2018 transferred its shareholding in Mydigitalcoin Sdn Bhd ("MYDC") to MYEGC. Upon completion of the Reorganisation Exercise, MYDC will become a direct subsidiary of MYEGC.

(v) Incorporation of a new joint venture company by MYEGB, a wholly owned sub-subsidiary of the Company

MYEGB, a wholly owned sub-subsidiary had on 20 December 2018, incorporated a joint venture company known as MYEG (BD) Ltd of which MYEGB has 40% interest. The intended principal activity of MYEG (BD) Ltd is to engage in the business of technology services and e-government services in accordance to MYEGB's Joint Venture Agreement in the People's Republic of Bangladesh.

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 31.12.2018, the Group has commitment for the following:-

	As at 31.12.2018 RM'000	As at 31.12.2017 RM'000
Purchase of office building	31,820	-

A14. Related Party Transactions

The related party transactions of the Group for the Quarter and Financial Period ended 31.12.2018 are as follows:

	Individual Quarter 3 months ended		Cumulative Quarter 3 months ended	
	31.12.2018 RM	31.12.2017 RM	31.12.2018 RM	31.12.2017 RM
(i) A company which a director has financial interest				
Embunaz Ventures Sdn Bhd				
- Professional Fees	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 of RM116.23 million and Profit After Taxation (“PAT”) of RM58.12 million for the first financial quarter (“Q1 FY2019”) mainly arising from:

- (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, sale of tax monitoring system as well as contribution from Cardbiz Group which principally is involved in the deployment of credit card terminals and merchant acquiring services.

The Group’s main expenses for the Q1 FY2019 comprise primarily of the following:

- (i) personnel related expenses and operating expenses;
- (ii) advertising and promotion expenses;
- (iii) maintenance and operating expenses for MYEG Tower; and
- (iv) depreciation and amortisation charges.

B2. Comparison with Preceding Quarter’s Results

	Q1 2019	Q5 2018	Changes
	RM’000	RM’000	%
Revenue	116,233	138,334	(15.98)
Operating Profit/(Loss)	67,573	(88,192)	176.62
Profit/(Loss) Before Interest and Taxation	60,692	(94,921)	163.94
Profit/(Loss) Before Taxation	59,136	(96,650)	161.19
Profit/(Loss) After Taxation	58,123	(97,757)	159.46
Profit/(Loss) attributable to Ordinary Equity Holders of the Parent	58,656	(97,474)	160.18

For the Quarter under review, the Group recorded a Revenue of RM116.23 million, a decrease of RM22.10 million (15.98%) as compared to Q5 FY2018 revenue of RM138.33 million. The decrease is primarily due to:

- (i) a one-off recognition of deferred revenue of RM19.94m arising from the sale of solution in previous financial years, to an associate company;
- (ii) completion of the foreign worker rehiring programme; and
- (iii) increase in commercial services such as motor vehicle trading related services, financing services, sale of tax monitoring system as well as contribution from Cardbiz Group which principally is involved in the deployment of credit card terminals and merchant acquiring services to offset the above.

However, a profit after taxation of RM58.12 million was achieved in Q1 FY2019 as compared to a loss of RM97.47 million incurred in Q5 FY2018 PAT. The increase of RM155.88 million (159.46%) is primarily due to:

- (i) loss after taxation in Q5 FY2018 was a result of a one-off impairment of amount due from an associate company amounting to RM95.45 million and impairment of equipment amounting to RM76.29 million which was offset by the recognition of deferred revenue of RM19.94m arising from the sale of solution in previous financial years, to an associate company; and
- (ii) increase in commercial services in Q1 FY2019 as compared to Q5 FY2018.

B3. Prospect of the Group

For the financial year ending (“FYE”) 30 September 2019, MYEG will continue to introduce innovative services leveraging on new technology to drive our growth for FYE2019.

We are also expanding our regional presence in Asia with the recent introduction of new joint ventures and services in the Republic of the Philippines, the People’s Republic of Bangladesh and the Republic of Indonesia. We are bringing our technology and expertise to these countries and hope to introduce innovative services which will enhance the efficiency in these new markets and allow us to tap on the continuous growth of transactions where the population in these countries are becoming more tech savvy. MYEG’s Board of Directors (“The Board”) is cautiously optimistic that these are the new markets which potentially may contribute to our organic growth for FYE2019 onwards.

At the same time, the Board will continue to work closely with the Government 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 abolishment of the Goods and Services Tax (“GST”) regime in September 2018, the Board wishes to clarify that necessary impairments were made, in FY2018, on the investments as well as capital expenditure incurred on the tax monitoring system which were supposed to be rolled out under the GST regime. However, the Board is confident that there will be opportunities available to the Company to roll out similar systems in other countries which we are present and to re-deploy the system built and assets purchased (which the value had been impaired) in these countries.

Barring any unforeseen circumstances, the Board are cautiously optimistic that the long term outlook for MYEG continues to remain positive as we continuously introduce innovative services as well as embarking on a regional expansion.

B4. Variance from Profit Forecast

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

B5. Taxation

The taxation figures are as follows:

	Individual Quarter 3 months ended			Cumulative Quarter 3 months ended		
	31.12.2018	31.12.2017	Changes	31.12.2018	31.12.2017	Changes
	RM’000	RM’000	%	RM’000	RM’000	%
Current taxation	1,022	-	-	1,022	-	-
Deferred taxation	(9)	-	-	(9)	-	-
	<u>1,013</u>	<u>-</u>	<u>-</u>	<u>1,013</u>	<u>-</u>	<u>-</u>

The effective tax rate for the current taxation for cumulative year to date is 1.71% 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 December 31, 2018 were as follow:-

	As at 31.12.2018		
	Non-Current RM'000	Current RM'000	Total RM'000
<u>Secured^</u>			
Hire Purchase	1,705	1,618	3,323
Term Loan	88,582	15,179	103,761
<u>Unsecured^</u>			
Revolving Credit	-	15,760	15,760
Total Borrowings	90,287	32,557	122,844

	As at 31.12.2017		
	Non-Current RM'000	Current RM'000	Total RM'000
<u>Secured^</u>			
Hire Purchase	-	-	-
Term Loan	-	-	-
<u>Unsecured^</u>			
Revolving Credit	-	-	-
Total Borrowings	-	-	-

^ The borrowings are denominated in RM.

The weighted average interest rate of borrowings as at Q1 FY2019 was 4.65%.

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):-

	31.12.2018 RM'000	31.12.2017 RM'000	Changes %	31.12.2018 RM'000	31.12.2017 RM'000	Changes %
Interest Income	10	-	-	10	-	-
Other Income	273	-	-	273	-	-
Interest Expense	(1,556)	-	-	(1,556)	-	-
Depreciation and Amortisation	(6,958)	-	-	(6,958)	-	-

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.

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 period.

	Individual Quarter 3 months ended		Cumulative Quarter 3 months ended	
	31.12.2018 RM'000	31.12.2017 RM'000	31.12.2018 RM'000	31.12.2017 RM'000
Net profit attributable to ordinary shareholders	58,656	-	58,656	-
Weighted average number of ordinary shares in issue ('000s)	3,533,288	-	3,533,288	-
Basic EPS (sen)	<u>1.7</u>	<u>-</u>	<u>1.7</u>	<u>-</u>

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-subsiary 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.

The Company had on 22 October 2018 entered into a MOU with University of Malaya to jointly promote and foster the development of academic and research projects in blockchain, as well as for the implementation of an on-campus e-wallet.

MY EG (Indonesia) Sdn Bhd, a sub subsidiary of the Company had, on 26 November 2018, entered into a MOU with PT Cartenz Technology Indonesia to define and regulate the intended collaboration and cooperation to expand and extend the scope of Cartenz’s product and services in relation to its tax monitoring system and tax revenue system in the Republic of Indonesia.

There has been no material update, and no subsequent agreements have been entered arising from both the MOU as at the date of this announcement.

By Order of the Board
Tan Ai Ning
Secretary
26 February 2019