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MY E.G. SERVICES BERHAD

(505639-K)
(Incorporated in Malaysia)

**INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2019**



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

THIRD QUARTERLY REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2019

**Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income
for the Third Quarter ended June 30, 2019**
(The figures have not been audited)

	Individual Quarter			Cumulative Quarter		
	3 Months Ended		Changes	9 Months Ended		Changes
	30.06.2019	30.06.2018		30.06.2019	30.06.2018	
		RM'000		RM'000	RM'000	%
Revenue	119,133	-	-	357,104	-	-
Operating Expenses	(53,410)	-	-	(153,364)	-	-
Operating Profit	65,723	-	-	203,740	-	-
Depreciation and Amortisation	(6,816)	-	-	(20,532)	-	-
Interest Income	143	-	-	512	-	-
Other Income	4	-	-	39	-	-
Share of results of a joint venture	(389)	-	-	(807)	-	-
Share of results of an associate	-	-	-	(3)	-	-
Profit Before Interest and Taxation	58,665	-	-	182,949	-	-
Interest Expense	(1,666)	-	-	(4,788)	-	-
Profit Before Taxation	56,999	-	-	178,161	-	-
Taxation	1,253	-	-	(3,585)	-	-
Profit After Taxation	58,252	-	-	174,576	-	-
Other Comprehensive Income	15	-	-	33	-	-
Total Comprehensive Income for the financial period	58,267	-	-	174,609	-	-
Profit After Taxation attributable to:						
Owners of the Company	58,199	-	-	174,883	-	-
Non-controlling interest	53	-	-	(307)	-	-
	58,252	-	-	174,576	-	-
Total Comprehensive Income attributable to:						
Owners of the Company	58,214	-	-	174,916	-	-
Non-controlling interest	53	-	-	(307)	-	-
	58,267	-	-	174,609	-	-
Earnings per share ("EPS") attributable to the equity holders of the Company (sen)						
- Basic EPS	1.7	-	-	5.0	-	-
- 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 30 June 2019.
- 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 June 30, 2019

	Unaudited As at 30.06.2019 RM'000	Audited As at 30.09.2018 RM'000
ASSETS		
NON-CURRENT ASSETS		
Property and equipment	300,989	283,848
Investment properties	31,293	31,783
Investment in a joint venture	5,348	2,006
Other investments	30,527	28,527
Development costs	1,673	2,990
Goodwill on consolidation	18,454	18,454
Deferred tax asset	710	710
Financing receivables	153,773	157,791
	542,767	526,109
CURRENT ASSETS		
Inventories	2,568	3,397
Financing receivables	21,698	13,900
Trade receivables	159,240	150,855
Other receivables, deposits and prepayments	77,804	78,947
Amount owing by a joint venture	4	13
Amount owing by associates	5	-
Current tax assets	163	800
Cash and bank balances	177,140	110,230
	438,622	358,142
TOTAL ASSETS	981,389	884,251
EQUITY AND LIABILITIES		
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY		
Share capital	360,630	360,630
Treasury shares	(123,763)	(52,804)
Reserves	6,434	6,401
Retained profits	362,398	253,718
	605,699	567,945
Non-controlling interests	(4,310)	(4,043)
TOTAL EQUITY	601,389	563,902
NON-CURRENT LIABILITIES		
Long term borrowings	111,659	94,683
Deferred tax liabilities	2,223	2,277
	113,882	96,960
CURRENT LIABILITIES		
Trade payables	197,442	159,510
Other payables and accruals	22,179	29,262
Dividend payables	17,422	-
Deferred revenue	719	525
Current tax liabilities	147	1,679
Short term borrowings	28,209	32,413
	266,118	223,389
TOTAL LIABILITIES	380,000	320,349
TOTAL EQUITY AND LIABILITIES	981,389	884,251
Net assets attributable to ordinary equity holders of the parent (RM'000)	605,699	567,945
Net assets per share attributable to ordinary equity holders of the parent (sen)	16.80	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 Third Quarter ended June 30, 2019
 (The figures have not been audited)

	<----- Non-Distributable ----->							
	Share Capital RM'000	Treasury Shares RM'000	Fair Value Reserve RM'000	Foreign Exchange 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 October 2017	-	-	-	-	-	-	-	-
Profit after tax for the financial period	-	-	-	-	-	-	-	-
Additional subscription of shares by non-controlling interest	-	-	-	-	-	-	-	-
Purchase of treasury shares	-	-	-	-	-	-	-	-
Dividends paid/payable	-	-	-	-	-	-	-	-
As at 30 June 2018	-	-	-	-	-	-	-	-
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	-	-	-	-	174,883	174,883	(307)	174,576
Other comprehensive income for the financial period	-	-	-	33	-	33	-	33
Total comprehensive income for the financial period	-	-	-	33	174,883	174,916	(307)	174,609
Additional subscription of shares by non-controlling interest	-	-	-	-	-	-	40	40
Purchase of treasury shares	-	(70,959)	-	-	-	(70,959)	-	(70,959)
Dividends paid/payable	-	-	-	-	(66,203)	(66,203)	-	(66,203)
As at 30 June 2019	360,630	(123,763)	6,401	33	362,398	605,699	(4,310)	601,389

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 30 June 2019.
- 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 Third Quarter ended June 30, 2019
(The figures have not been audited)

	Current Period Ended 30.06.2019 RM'000	Corresponding Period Ended 30.06.2018 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	178,161	-
Adjustments for:-		
Amortisation of development costs	1,317	-
Depreciation of equipment	18,725	-
Depreciation of investment properties	490	-
Gain on disposal of fixed assets	(34)	-
Interest expense	4,788	-
Share of results in an associate	3	-
Share of results for a joint venture	807	-
Dividend income	(75)	-
Interest income	(512)	-
Impairment loss on financing and trade receivables	1,046	-
Operating profit before working capital changes	204,716	-
Increase in deferred revenue	194	
Decrease in inventories	829	-
Increase in financing receivables	(4,807)	-
Increase in trade and other receivables	(7,262)	-
Increase in trade and other payables	30,850	-
CASH FLOWS FROM OPERATIONS	224,520	-
Income tax paid	(4,536)	-
Interest paid	(4,788)	-
NET CASH FROM OPERATING ACTIVITIES	215,196	-
CASH FLOWS FOR INVESTING ACTIVITIES		
Interest received	512	-
Purchase of property and equipment	(35,941)	-
Proceeds from disposal of fixed assets	109	-
Investment in a joint venture	(4,148)	-
Investment in an associate	(3)	-
Purchase of other investments	(2,000)	-
Subscription of shares in a subsidiary by non-controlling interest	40	-
NET CASH FOR INVESTING ACTIVITIES	(41,431)	-
CASH FLOWS FOR FINANCING ACTIVITIES		
Dividends paid	(48,781)	-
Dividends received	75	-
Decrease in amount owing by an associate	(5)	-
Increase in amount due to a joint venture	9	-
Purchase of treasury shares	(70,959)	-
Repayment of hire purchase and finance lease obligations	(1,305)	-
Drawdown of term loan	30,053	-
Repayment of term loans	(11,315)	-
Repayment of revolving credit	(4,660)	-
NET CASH FOR FINANCING ACTIVITIES	(106,888)	-
NET INCREASE IN CASH AND BANK BALANCES	66,877	-
EFFECT OF EXCHANGE RATE FLUCTUATIONS ON CASH HELD	33	-
CASH AND BANK BALANCES AT BEGINNING OF THE FINANCIAL PERIOD	110,230	-
CASH AND BANK BALANCES AT END OF THE FINANCIAL PERIOD	177,140	-

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 30 June 2019.

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

Notes To The Interim Financial Report For the Financial Period ended June 30, 2019

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 calendar year (i.e the Second and Third Financial Quarters) 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 calendar year (January – June) has historically been approximately 50% higher than the JPJ-related revenue recorded for the second half of the calendar 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.

None of the MYEG shares were bought back for financial quarter ended 30 June 2019 (30 June 2018: N/A).

As at 30 June 2019, a total of 121,967,900 (30 June 2018: 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 30 June 2019.

A7. Dividends Paid

On 29 March 2019, the Directors had declared a final single tier dividend of 1.4 sen per ordinary share (2018 – 1.2 sen) for the financial year ended 30 September 2018 and it was paid on 5 June 2019. The final dividend amounting to RM48,780,733 (2018 – RM43,275,672 based on share capital of 3,606,305,993) was based on the current share capital of 3,484,338,093 ordinary shares (excluding 121,967,900 treasury shares).

On 30 May 2019, the Directors had declared a first interim single tier dividend of 0.5 sen per ordinary share (2018 – 0.5 sen) amounting to RM17,421,690 (2018 – RM18,031,530 based on share capital of 3,606,305,993) which was based on the current share capital of 3,484,338,093 ordinary shares (excluding 121,967,900 treasury shares) for the current financial year ending 30 September 2019 and it was paid on 23 August 2019 to shareholders registered at the close of business on 26 July 2019.

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 for:

Incorporation of a New Sub-Subsidiary Company, MY EG Islamic Finance Sdn. Bhd.

MY E.G. Capital Sdn. Bhd., a wholly-owned subsidiary of the Company had on 26 June 2019, incorporated a wholly-owned subsidiary known as MY EG Islamic Finance Sdn. Bhd. ("MYEGIF") under the Companies Act 2016. The intended principal activity of MYEGIF is provision of Islamic financial lease activities and other Islamic credit granting activities.

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

There were no capital commitments during the current financial quarter under review.

A14. Related Party Transactions

The related party transactions of the Group for the Quarter and Financial Period ended 30 June 2019 are as follows:

	Individual Quarter		Cumulative Quarter	
	3 months ended		9 months ended	
	30.06.2019	30.06.2018	30.06.2019	30.06.2018
		RM	RM	RM
(i) A company which a director has financial interest				
Embunaz Ventures Sdn Bhd				
- Professional Fees	62,400	-	187,200	-

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 RM119.13 million and RM58.25 million respectively for the third financial quarter ("Q3 FY2019"). For the year to date period ended 30 June 2019 ("9M FY2019"), the Group recorded Revenue of RM357.10 million and PAT of RM174.58 million respectively.

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, sale of tax monitoring system as well as contribution from Cardbiz Group which principally is involved in the deployment of payment solutions and hardware and merchant acquiring services.

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) advertising and promotion expenses;
- (iii) maintenance and operating expenses for MYEG Tower;
- (iv) interest expense arising from the term loan to finance MYEG's newly acquired building ("MYEG Tower"); and
- (v) depreciation and amortisation charges.

B2. Comparison with Preceding Quarter's Results

	Q3 2019 RM'000	Q2 2019 RM'000	Changes %
Revenue	119,133	121,738	(2.14)
Operating Profit	65,723	70,444	(6.70)
Profit Before Interest and Taxation	58,665	63,592	(7.75)
Profit Before Taxation	56,999	62,026	(8.10)
Profit After Taxation	58,252	58,201	0.09
Profit attributable to Ordinary Equity Holders of the Parent	58,199	58,028	0.29

For the Quarter under review, the Group recorded a Revenue of RM119.13 million, a marginal decrease of RM2.61 million (2.14%) as compared to Q2 FY2019 revenue of RM121.74 million. This is attributed to the marginal decrease in the transaction volume of commercial services as a result of the extended festive season holidays during the Quarter under review.

The Group achieved PAT of RM58.25 million in Q3 FY2019, as compared to Q2 FY2019 PAT of RM58.20 million. The marginal increase in PAT of 0.09% amounting to RM0.05 million was primarily due to reversal of over provision for tax in Q3 FY2019 which was offset by the marginal decrease in commercial service revenue compared to the previous Quarter.

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 Government's objectives.

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 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			Cumulative Quarter		
	3 months ended		Changes	9 months ended		% Changes
	30.06.2019	30.06.2018		30.06.2019	30.06.2018	
	RM'000	RM'000	%	RM'000	RM'000	%
Current taxation	(1,253)	-	-	3,599	-	-
Deferred taxation	0	-	-	(14)	-	-
	<u>(1,253)</u>	<u>-</u>	<u>-</u>	<u>3,585</u>	<u>-</u>	<u>-</u>

The effective tax rate for the current taxation for cumulative year to date is 2.01% 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, 2019 were as follow:-

	As at 30.06.2019		
	Non-Current RM'000	Current RM'000	Total RM'000
<u>Secured^</u>			
Hire Purchase	806	1,701	2,507
Term Loan	110,853	15,408	126,261
<u>Unsecured^</u>			
Revolving Credit	-	11,100	11,100
Total Borrowings	111,659	28,209	139,868

	As at 30.06.2018		
	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 Q3 FY2019 was 4.67%.

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 (crediting)/charging:-

	Individual Quarter 3 months ended			Cumulative Quarter 9 months ended		
	30.06.2019	30.06.2018	Changes	30.06.2019	30.06.2018	Changes
	RM'000	RM'000	%	RM'000	RM'000	%
Interest Income	(143)	-	-	(512)	-	-
Other Income	(4)	-	-	(39)	-	-
Interest Expense	1,666	-	-	4,788	-	-
Depreciation and Amortisation	6,816	-	-	20,532	-	-

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

No dividends were declared during the current financial quarter review.

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 9 months ended	
	30.06.2019	30.06.2018	30.06.2019	30.06.2018
	RM'000	RM'000	RM'000	RM'000
Net profit attributable to ordinary shareholders	58,199	-	174,883	-
Weighted average number of ordinary shares in issue ('000s)	3,510,099	-	3,510,099	-
Basic EPS (sen)	1.7	-	5.0	-

ii. Diluted

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

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.

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 (“MYEG Indonesia”), a sub subsidiary of the Company had, on 26 November 2018, entered into a MOU with PT Cartenz Technology Indonesia (“PT CTI”) 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. Subsequently, MYEG Indonesia had on 22 July 2019 entered into share subscription agreement and shareholders’ agreement (collectively referred to as “the Agreements”) with PT Aria Pacific Perkasa, PT Azzahra Korporindo Investama, PT Cartenz Inti Utama (“PT CIU”) which is the holding company of PT CTI (collectively referred to as “the Parties”) and Mr. Gito Wahyudi in relation to the subscription of 3,333,333 newly issued ordinary shares with nominal value of IDR1,000 per share, which represent 40% of the enlarged total issued and paid-up share capital in PT CIU, for a total purchase consideration of USD10,000,000 (equivalent to approximately RM41,095,000) and to govern the rights and obligations of the Parties in PT CIU, pursuant to the terms and conditions as set out in the Agreements. With the formalisation of the Agreements, the MOU is deemed to be terminated.

By Order of the Board

Tan Ai Ning

Secretary

29 August 2019