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MyEG Indonesia to acquire 40% stake in PT CIU

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PETALING JAYA: MyEG Services Bhd's Indonesian arm will acquire a 40% stake in a tax monitoring system provider for US\$10mil (approximately RM41.1mil), as the e-government services company seeks to expand its footprint in the republic.

The Main Market-listed MyEG told Bursa Malaysia yesterday that its sub-subsidiary, MyEG (Indonesia) Sdn Bhd, has entered into a share subscription agreement and a shareholders' agreement with PT Aria Pacific Perkasa, PT Azzahra

Korporindo Investama, PT Cartenz Inti Utama (PT CIU) and an individual named Gito Wahyudi - a director and shareholder of PT Azzahra as well as a director of PT CIU.

Under the agreements, MyEG Indonesia will subscribe a total of 3.3 million newly issued ordinary shares in PT CIU or 40% of the latter's total enlarged shares.

Currently, PT Aria and PT Azzahra own a 50% stake each in PT CIU, which is the holding company of PT Cartenz Technology Indonesia.

Cartenz Technology is principally involved in the provision of information technology systems to gov-



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ernment agencies in Indonesia.

It has deployed its tax monitoring system to 5,000 business outlets and has sold its tax Revenue system to 76 local governments in Indonesia.

Recall that MyEG Indonesia and Cartenz Technology had signed a memorandum of understanding on Nov 26, 2018 to collaborate and extend Cartenz Technology's tax monitoring system and tax revenue system in Indonesia.

In a filing with the stock exchange yesterday, MyEG said that the investment into PT CIU will enable the former to continue to roll-out its tax monitoring system regionally.

It will also allow MyEG to re-deploy some of the assets from the same system in Malaysia to other regional markets.

"With the investment taking place, the company and PT CIU group will jointly implement real-time monitoring of business transactions for tax computation purposes across Indonesia.

"In addition, MyEG and PT CIU group will also collaborate to roll-out in Indonesia other solutions that MyEG has already successfully deployed in Malaysia and the Philippines," said the e-government services player.

Barring any unforeseen circumstances, the investment into PT CIU is expected to be completed by the fourth quarter of 2019.

The investment is not expected to have any material effect on the earnings per share of MyEG for the financial year ending Sept 30.