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MY E.G. SERVICES BERHAD

(505639-K)
(Incorporated in Malaysia)

INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2020

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

FIRST QUARTERLY REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2020

Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income for the First Quarter ended March 31, 2020
(The figures have not been audited)

	Individual Quarter 3 Months Ended			Cumulative Quarter 3 Months Ended		
	31.03.2020	31.03.2019	Changes	31.03.2020	31.03.2019	Changes
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue	121,741	-	-	121,741	-	-
Operating Expenses	(53,029)	-	-	(53,029)	-	-
Operating Profit	68,712	-	-	68,712	-	-
Depreciation and Amortisation	(7,024)	-	-	(7,024)	-	-
Interest Income	83	-	-	83	-	-
Other Income	1	-	-	1	-	-
Share of results of a joint venture	(195)	-	-	(195)	-	-
Share of results of an associate	(550)	-	-	(550)	-	-
Profit Before Interest and Taxation	61,027	-	-	61,027	-	-
Interest Expense	(2,205)	-	-	(2,205)	-	-
Profit Before Taxation	58,822	-	-	58,822	-	-
Taxation	(380)	-	-	(380)	-	-
Profit After Taxation	58,442	-	-	58,442	-	-
Other Comprehensive Expense	(24)	-	-	(24)	-	-
Total Comprehensive Income for the financial period	58,418	-	-	58,418	-	-
Profit After Taxation attributable to:						
Owners of the Company	58,842	-	-	58,842	-	-
Non-controlling interest	(400)	-	-	(400)	-	-
	58,442	-	-	58,442	-	-
Total Comprehensive Income attributable to:						
Owners of the Company	58,818	-	-	58,818	-	-
Non-controlling interest	(400)	-	-	(400)	-	-
	58,418	-	-	58,418	-	-
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 September to 31 December. As such, there will be no comparative financial information available for the financial period ended 31 March 2020.

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 31 December 2019 and the accompanying notes to the Unaudited Financial Statements.

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

Condensed Consolidated Statements of Financial Position
As at March 31, 2020

	Unaudited As at 31.03.2020 RM'000	Audited As at 31.12.2019 RM'000
ASSETS		
NON-CURRENT ASSETS		
Property and equipment	297,844	302,883
Right-of-use assets	9,042	10,623
Investment properties	30,803	30,966
Investment in an associate	13,197	13,714
Investment in joint ventures	5,312	4,756
Other investments	38,100	34,600
Development costs	528	854
Goodwill on consolidation	18,454	18,454
Financing receivables	200,168	288,357
	613,448	705,207
CURRENT ASSETS		
Inventories	2,651	3,245
Financing receivables	31,035	30,674
Trade receivables	172,927	156,785
Other receivables, deposits and prepayments	134,318	56,258
Amount owing by a joint venture	1	95
Amount owing by associates	6	6
Current tax assets	1,943	1,540
Cash and cash equivalents	164,935	76,220
	507,816	324,823
TOTAL ASSETS	1,121,264	1,030,030
EQUITY AND LIABILITIES		
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY		
Share capital	360,630	360,630
Treasury shares	(151,793)	(144,743)
Reserves	6,415	6,439
Retained profits	549,448	490,606
	764,700	712,932
Non-controlling interests	(5,337)	(4,937)
TOTAL EQUITY	759,363	707,995
NON-CURRENT LIABILITIES		
Long term borrowings	128,136	132,574
Long term lease liabilities	2,953	3,941
Deferred tax liabilities	2,223	2,223
	133,312	138,738
CURRENT LIABILITIES		
Trade payables	153,423	102,237
Other payables and accruals	24,402	30,484
Deferred revenue	1,622	1,159
Current tax liabilities	197	235
Short term borrowings	43,920	43,427
Short term lease liabilities	5,025	5,755
	228,589	183,297
TOTAL LIABILITIES	361,901	322,035
TOTAL EQUITY AND LIABILITIES	1,121,264	1,030,030
Net assets attributable to ordinary equity holders of the parent (RM'000)	764,700	712,932
Net assets per share attributable to ordinary equity holders of the parent (sen)	21.20	19.77

The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Audited Financial Statements for the financial period ended 31 December 2019 and the accompanying notes to the Unaudited Financial Statements.

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

Condensed Consolidated Statements of Changes in Equity
For the First Quarter ended March 31, 2020
(The figures have not been audited)

	<---------- Non-Distributable ---------->							
	Share Capital	**Treasury Shares**	**Fair Value Reserve**	**Foreign Exchange 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 January 2019	-	-	-	-	-	-	-	-
Profit after tax for the financial period	-	-	-	-	-	-	-	-
Purchase of treasury shares	-	-	-	-	-	-	-	-
As at 31 March 2019	-	-	-	-	-	-	-	-
As at 1 January 2020	360,630	(144,743)	6,401	38	490,606	712,932	(4,937)	707,995
Profit after tax for the financial period	-	-	-	-	58,842	58,842	(400)	58,442
Other comprehensive expense for the financial period	-	-	-	(24)	-	(24)	-	(24)
Total comprehensive income for the financial period	-	-	-	(24)	58,842	58,818	(400)	58,418
Purchase of treasury shares	-	(7,050)	-	-	-	(7,050)	-	(7,050)
As at 31 March 2020	360,630	(151,793)	6,401	14	549,448	764,700	(5,337)	759,363

Notes:

i) The financial year end of the Group has been changed from 30 September to 31 December. As such, there will be no comparative financial information available for the financial period ended 31 March 2020.

ii) The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial period ended 31 December 2019 and the accompanying notes to the Unaudited Financial Statements.

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

Condensed Consolidated Statements of Cash Flows for the First Quarter ended March 31, 2020
(The figures have not been audited)

	Current Period Ended 31.03.2020 RM'000	Corresponding Period Ended 31.03.2019 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	58,822	-
Adjustments for:-		
Amortisation of development costs	326	-
Depreciation of equipment	6,118	-
Depreciation of right of use assets	1,581	-
Depreciation of investment properties	163	-
Fixed assets written off	2	-
Interest expense	2,178	-
Interest expense on lease liabilities	97	-
Share of results in an associate	550	-
Share of results for a joint venture	195	-
Interest income	(83)	-
Impairment loss on trade receivables	138	-
Operating profit before working capital changes	70,087	-
Increase in deferred revenue	463	-
Decrease in inventories	594	-
Decrease in financing receivables	87,666	-
Increase in trade and other receivables	(94,178)	-
Increase in trade and other payables	45,104	-
CASH FLOWS FROM OPERATIONS	109,736	-
Income tax paid	(821)	-
Interest paid	(2,178)	-
NET CASH FROM OPERATING ACTIVITIES	106,737	-
CASH FLOWS FOR INVESTING ACTIVITIES		
Interest received	83	-
Purchase of property and equipment	(1,081)	-
Investment in a joint venture	(751)	-
Investment in an associate	(33)	-
Purchase of other investments	(3,500)	-
NET CASH FOR INVESTING ACTIVITIES	(5,282)	-

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

Condensed Consolidated Statements of Cash Flows for the First Quarter ended March 31, 2020
(The figures have not been audited) (Cont'd)

	Current Period Ended 31.03.2020 RM'000	Corresponding Period Ended 31.03.2019 RM'000
CASH FLOWS FOR FINANCING ACTIVITIES		
Decrease in amount due to a joint venture	94	-
Purchase of treasury shares	(7,050)	-
Drawdown of term loan	1,689	-
Repayment of term loans	(5,634)	-
Repayment of lease liabilities	(1,718)	-
Interest expenses on lease liabilities paid	(97)	
NET CASH FOR FINANCING ACTIVITIES	(12,716)	-
NET INCREASE IN CASH AND CASH EQUIVALENTS	**88,739**	**-**
EFFECT OF FOREIGN EXCHANGE TRANSLATION	**(24)**	**-**
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	**76,220**	**-**
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	**164,935**	**-**

Notes:

i) The financial year end of the Group has been changed from 30 September to 31 December. As such, there will be no comparative financial information available for the financial period ended 31 March 2020.

ii) The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial period ended 31 December 2019 and the accompanying notes to the Unaudited Financial Statements.

Notes To The Interim Financial Report For the Financial Period ended March 31, 2020

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 31 December 2019.

As announced to Bursa Malaysia on 27 September 2019, the Company has changed its financial year end from 30 September to 31 December. 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 31 December 2019.

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"):-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)	**Effective Date**
Amendments to MFRS 3: Definition of a Business	1 January 2020
Amendments to MFRS 9, MFRS 139 and MFRS 7: Interest Rate Benchmark Reform	1 January 2020
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 101 and MFRS 108: Definition of Material	1 January 2020
Amendments to References to the Conceptual Framework in MFRS Standards	1 January 2020
MFRS 17 Insurance Contracts	1 January 2021
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2022

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 31 December 2019 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, saved for the share buy-backs 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)
03.01.20	1,000,000	1,124,098
08.01.20	1,000,000	1,114,063
19.03.20	4,000,000	3,201,221
20.03.20	2,000,000	1,610,785

The total shares purchased during the financial quarter ended 31 March 2020 amounted to 8,000,000 (31 March 2019: N/A) MY E.G. Services Berhad ("MYEG") shares.

As at 31 March 2020, a total of 148,165,100 (31 March 2019: 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 March 2020.

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.

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 31 March 2020 are as follows:

	Individual Quarter 3 months ended		Cumulative Quarter 3 months ended	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019
	RM	RM	RM	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.

B 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 RM121.74 million and RM58.44 million respectively for the first financial quarter ("Q1 FY2020").

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

(i) concession related services such as Immigration and JPJ related and ancillary services;
(ii) commercial services such as motor vehicle trading related services, financing services, sale of tax monitoring system, foreign worker recruitment and placement related services; and
(iii) 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 financial 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's building ("MYEG Tower");
(iv) interest expense arising from the term loan to finance MYEG Tower; and
(v) depreciation and amortisation charges.

B2. Comparison with Preceding Quarter's Results

	Q1 2020 RM'000	Q5 2019 RM'000	Changes %
Revenue	121,741	119,692	1.71
Operating Profit	68,712	69,894	(1.69)
Profit Before Interest and Taxation	61,027	71,543	(14.70)
Profit Before Taxation	58,822	69,494	(15.36)
Profit After Taxation	58,442	68,623	(14.84)
Profit attributable to Ordinary Equity Holders of the Parent	58,842	69,283	(15.07)

For the Quarter under review, the Group recorded a Revenue of RM121.74 million, a marginal net increase of RM2.05 million (1.71%) as compared to Q5 FY2019 revenue of RM119.69 million reflecting the consistent transaction volumes in Q1 FY2020.

Nonetheless, Operating Profit decrease marginally by RM1.18 million (1.69%) from RM69.89m to RM68.71m due to the sudden imposition of the Movement Control Order ("MCO") by the Government which resulted in a slight increase of operating expenses to comply with the conditions and guidelines to operate as an essential service provider during the MCO.

The Group's PAT of RM58.44 million achieved in Q1 FY2020 as compared to Q5 FY2019 PAT of RM68.62 million represented a decrease of 14.84% amounting to RM10.18 million. This was primarily due to the one-off recognition of liquidated ascertained damages claimed in Q5 FY2019.

B3. Prospect of the Group

For the financial year ending ("FYE") 31 December 2020, MYEG will continue to introduce innovative services leveraging on new technology in the country as well as within our regional presence in Asia, to drive our organic growth for FYE2020.

The unprecedented COVID-19 pandemic has certainly created severe impact to humanity with lives being lost to the pandemic, borders closed in most countries around the world and economy of those countries grinding to a temporary halt due to the lockdown imposed by the Governments around the world. Malaysia is no exception to these impacts. While there are economic uncertainties arising from the impact of this pandemic, we continue to believe that our business is resilient as during the lockdown, online services will be in greater demand. The pandemic also presents new opportunities for MYEG to introduce innovative online services. This is evident by the introduction of the COVID-19 health screening as a result of the pandemic.

Despite these challenges and 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 in the country and as well as within our regional presence.

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		
	31.03.2020	31.03.2019	Changes	31.03.2020	31.03.2019	Changes
	RM'000	RM'000	%	RM'000	RM'000	%
Current taxation	380	-	-	380	-	-
Deferred taxation	-	-	-	-	-	-
	380	-	-	380	-	-

The effective tax rate for the current taxation for cumulative year to date is 0.65% 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, saved for the following proposals:

i) Share Sale Agreement and Put and Call Option Agreement

MY E.G. Capital Sdn. Bhd. ("MYEGC"), a wholly owned subsidiary of the Company had on 10 June 2020 entered into a Share Sales Agreement ("SSA") and Put and Call Option Agreement with Merrington Assets Limited ("MAL") for the purchase of 118,000,000 ordinary shares of S5 Holdings Inc. ("S5"), representing 10% of the issued and paid-up share capital of S5 by MYEGC from MAL for a total consideration of RM90 million, to be satisfied partly by cash consideration of RM75 million and the balance sum of RM15 million to be satisfied by the allotment and issuance of 12,500,000 new ordinary shares of MYEG ("Consideration Shares") to MAL.

Completion of the SSA is conditional on:-

(a) MYEG obtaining approval of Bursa Malaysia Securities Berhad ("Bursa Securities") for the listing of and quotation for the Consideration Shares, representing 0.36% of the existing total issued and paid-up capital of the Company (excluding treasury shares); and

(b) MYEGC and/or the Company conducting or cause to be conducted due diligence on S5 Group to the satisfaction of MYEGC and/or MYEG.

The conditions precedent shall be satisfied on or before 30 September 2020 ("Cut-Off Date"). Thereafter, the parties may have an extension of time as may be agreed between the parties.

On 11 June 2020, the application for the listing of and quotation for the Consideration Shares, which is to be issued pursuant to the Proposed Acquisition, has been submitted to Bursa Securities.

ii) Multiple Proposals

On 1 June 2020, the Company proposed to undertake the following: -

(a) establishment of a dividend reinvestment plan that provides shareholders of the Company with an option to elect to reinvest their cash dividend declared by the Company into new ordinary shares in MYEG; and

(b) establishment of an Employees' Share Option Scheme ("ESOS") of up to 10% of the total number of issued shares of the Company (excluding treasury shares) at any point in time over the duration of the ESOS for eligible persons; and

(c) diversification of the existing business of the Group to include the provision of financial services.

On 12 June 2020, the Board announced that the application for the above proposals have been submitted to Bursa Securities.

B7. Group Borrowings

Details of the Group's borrowings as at March 31, 2020 were as follow:-

	As at 31.03.2020		
	Non-Current RM'000	**Current RM'000**	**Total RM'000**
Secured^			
Hire Purchase	-	-	-
Term Loan	128,136	22,820	150,956
Unsecured^			
Revolving Credit	-	21,100	21,100
Total Borrowings	128,136	43,920	172,056

	As at 31.03.2019		
	Non-Current RM'000	**Current RM'000**	**Total RM'000**
Secured^			
Hire Purchase	-	-	-
Term Loan	-	-	-
Unsecured^			
Revolving Credit	-	-	-
Total Borrowings	-	-	-

^ The borrowings are denominated in RM.

The weighted average interest rate of borrowings as at Q1 FY2020 was 4.64%.

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 3 months ended		
	31.03.2020 RM'000	31.03.2019 RM'000	Changes %	31.03.2020 RM'000	31.03.2019 RM'000	Changes %
Interest Income	(83)	-	-	(83)	-	-
Other Income	(1)	-	-	(1)	-	-
Interest Expense	2,178	-	-	2,178	-	-
Interest Expense on Lease Liabilities	97	-	-	97	-	-
Depreciation and Amortisation	8,188	-	-	8,188	-	-
Impairment Loss on Trade Receivables	138	-	-	138	-	-
Fixed Assets Written Off	2	-	-	2	-	-
(Gain)/Loss on Foreign Exchange						
- Realised	(2)	-	-	(2)	-	-
- Unrealised	113	-	-	113	-	-

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 2.0 sen per ordinary share (2018 – 1.4 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	
	31.03.2020 RM'000	31.03.2019 RM'000	31.03.2020 RM'000	31.03.2019 RM'000
Net profit attributable to ordinary shareholders	58,842	-	58,842	-
Weighted average number of ordinary shares in issue ('000s)	3,463,405	-	3,463,405	-
Basic EPS (sen)	1.7	-	1.7	-

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.

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 June 2020