



[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 31 MARCH 2017**



www.myeg.com.my

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

**THIRD QUARTERLY REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2017**

**Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income**  
**For the Third Quarter ended March 31, 2017**  
(The figures have not been audited)

	Individual Quarter 3 Months Ended		Cumulative Quarter 9 Months Ended	
	31.03.2017 (RM'000)	31.03.2016 (RM'000)	31.03.2017 (RM'000)	31.03.2016 (RM'000)
Revenue	99,224	70,126	266,484	194,358
Operating expenses	(39,092)	(31,299)	(108,830)	(88,050)
Operating Profit	60,132	38,827	157,654	106,308
Depreciation and amortization	(4,922)	(4,537)	(14,484)	(13,055)
Interest Expense	(1,218)	(1,149)	(3,986)	(2,269)
Interest Income	482	237	2,773	1,238
Other Income	3	30	98	111
Profit Before Taxation	54,477	33,408	142,055	92,333
Taxation	(432)	(250)	(727)	(765)
Profit After Taxation	54,045	33,158	141,328	91,568
Other Comprehensive Income	-	-	-	-
<b>Total Comprehensive Income for the financial period</b>	<b>54,045</b>	<b>33,158</b>	<b>141,328</b>	<b>91,568</b>
Profit After Taxation attributable to:				
Owners of the Company	53,902	33,108	142,035	91,922
Non-controlling interest	143	50	(707)	(354)
	<b>54,045</b>	<b>33,158</b>	<b>141,328</b>	<b>91,568</b>
Total Comprehensive Income attributable to:				
Owners of the Company	53,902	33,108	142,035	91,922
Non-controlling interest	143	50	(707)	(354)
	<b>54,045</b>	<b>33,158</b>	<b>141,328</b>	<b>91,568</b>
Earnings per share ("EPS") attributable to the equity holders of the company (sen)				
- Basic EPS	1.5	0.9*	3.9	2.6*
- Diluted EPS	Not Applicable	Not Applicable	Not Applicable	Not Applicable

\* 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 current interim financial period ended 31 March 2017.

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 2016 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 March 31, 2017**

	<b>Unaudited As at 31.03.2017 RM'000</b>	<b>Audited As at 30.6.2016 RM'000</b>
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property and equipment	307,443	250,801
Other investments	10,113	9,593
Development costs	6,099	7,119
Goodwill on consolidation	17,770	17,800
Deferred tax asset	710	710
Hire purchase receivables	8,808	518
	<hr/> 350,943	<hr/> 286,541
<b>CURRENT ASSETS</b>		
Inventories	2,403	3,025
Hire purchase receivables	1,090	58
Trade receivables	78,972	101,681
Other receivables, deposits and prepayments	150,046	45,929
Amount owing by an associate	88,650	77,083
Current tax assets	831	371
Cash and bank balances	156,574	209,715
	<hr/> 478,566	<hr/> 437,862
<b>TOTAL ASSETS</b>	<hr/> <b>829,509</b>	<hr/> <b>724,403</b>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY</b>		
Share capital	360,630	240,420
Treasury shares	-	(2)
Fair value reserves	6,700	6,700
Retained profits	144,682	153,179
	<hr/> 512,012	<hr/> 400,297
Non-controlling interest	(708)	(161)
<b>TOTAL EQUITY</b>	<hr/> <b>511,304</b>	<hr/> <b>400,136</b>
<b>NON-CURRENT LIABILITIES</b>		
Long term borrowings	82,086	83,600
Deferred tax liabilities	1,299	1,081
	<hr/> 83,385	<hr/> 84,681
<b>CURRENT LIABILITIES</b>		
Trade payables	155,652	173,910
Other payables and accruals	40,155	22,046
Deferred revenue	19,940	19,940
Current tax liabilities	317	24
Short term borrowings	18,756	23,666
	<hr/> 234,820	<hr/> 239,586
<b>TOTAL LIABILITIES</b>	<hr/> <b>318,205</b>	<hr/> <b>324,267</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<hr/> <b>829,509</b>	<hr/> <b>724,403</b>
Net assets attributable to ordinary equity holders of the parent (RM'000)	512,012	400,297
Net assets per share attributable to ordinary equity holders of the parent (sen)	14.20	16.68

The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2016 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 March 31, 2017**  
**(The figures have not been audited)**

	← Non-Distributable →				Distributable Retained Profits (RM'000)	Attributable to Owners of the Company (RM'000)	Non-controlling Interest (RM'000)	Total Equity (RM'000)
	Share Capital (RM'000)	Treasury Shares (RM'000)	Fair Value Reserve (RM'000)	Other Reserve (RM'000)				
As at 1 July 2015	120,210	(6,783)	6,700	37,009	116,777	273,913	(20)	273,893
Profit after tax for the financial period	-	-	-	-	91,922	91,922	(354)	91,568
Bonus Issue	120,210	-	-	(42,553)	(77,657)	-	-	-
Expenses related to bonus issue	-	-	-	-	(179)	(179)	-	(179)
Fair value changes of available-for-sale asset	-	-	14	-	-	14	-	14
Acquisition of a subsidiary	-	-	-	-	-	-	369	369
Purchase of treasury shares	-	(4,041)	-	-	-	(4,041)	-	(4,041)
Resale of treasury shares	-	10,822	-	5,544	-	16,366	-	6,366
Dividend paid	-	-	-	-	(16,830)	(16,830)	-	(16,830)
As at 31 March 2016	<b>240,420</b>	<b>(2)</b>	<b>6,714</b>	<b>-</b>	<b>114,033</b>	<b>361,165</b>	<b>(5)</b>	<b>361,160</b>
As at 1 July 2016	240,420	(2)	6,700	-	153,179	400,297	(161)	400,136
Profit after tax for the financial period	-	-	-	-	142,035	142,035	(707)	141,328
Bonus Issue	120,210	-	-	(1,005)	(119,205)	-	-	-
Expenses related to bonus issue	-	-	-	-	(72)	(72)	-	(72)
Acquisition of a subsidiary	-	-	-	-	-	-	160	160
Purchase of treasury shares	-	(7,954)	-	-	-	(7,954)	-	(7,954)
Resale of treasury shares	-	7,956	-	1,005	-	8,961	-	8,961
Dividend paid	-	-	-	-	(31,255)	(31,255)	-	(31,255)
As at 31 March 2017	<b>360,630</b>	<b>-</b>	<b>6,700</b>	<b>-</b>	<b>144,682</b>	<b>512,012</b>	<b>(708)</b>	<b>511,304</b>

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 2016 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 March 31, 2017**  
(The figures have not been audited)

	<b>Current Year To Date Ended 31.03.2017 (RM'000)</b>	<b>Corresponding Year To Date Ended 31.03.2016 (RM'000)</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	142,055	92,333
Adjustments for:-		
Amortisation of development costs	1,377	1,377
Depreciation of equipment	13,107	11,678
Equipment written off	1	3
Impairment loss on inventories	4	-
Impairment loss on trade receivables	7	2
Interest expense	3,986	2,269
Loss on disposal of other investment	350	-
Unrealised loss on available-for-sale asset	-	15
Reversal for allowance for impairment loss on trade receivables	-	(10)
Gain on disposal of equipment	(31)	(21)
Interest income	(2,773)	(1,238)
Operating profit before working capital changes	158,083	106,408
Decrease/(Increase) in inventories	618	(1,946)
Increase in hire purchase receivables	(9,323)	-
Increase in trade and other receivables	(81,414)	(46,114)
Increase/(Decrease) in trade and other payables	41	(36,640)
Increase in deferred revenue	-	110
Increase in amount owing by an associate	(11,566)	(11,153)
<b>CASH FLOWS FROM OPERATIONS</b>	<b>56,439</b>	<b>10,665</b>
Income tax paid	(677)	(616)
Interest paid	(3,986)	(2,269)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>51,776</b>	<b>7,780</b>
<b>CASH FLOWS FOR INVESTING ACTIVITIES</b>		
Development costs paid	(357)	-
Interest received	2,773	1,238
Proceeds from disposal of equipment	250	34
Purchase of property and equipment	(69,968)	(142,943)
Proceeds from disposal of other investment	150	-
Purchase of other investments	(1,020)	(790)
Net cash outflow from acquisition of a subsidiary	-	(4,686)
Subscription of shares in subsidiary by non-controlling interest	#	#
<b>NET CASH FOR INVESTING ACTIVITIES</b>	<b>(68,172)</b>	<b>(147,147)</b>
<b>CASH FOR FINANCING ACTIVITIES</b>		
Drawdown of term loans	9,639	81,522
Drawdown of revolving credit	3,000	10,000
Drawdown of hire purchase and finance lease	5,448	5,448
Purchase of treasury shares	(7,954)	(4,041)
Resale of treasury shares	8,961	16,366
Bonus issue expenses	(72)	(179)
Repayment of hire purchase and finance lease obligations	(8,162)	(4,002)
Repayment of term loans	(6,350)	(1,619)
Repayment of revolving credit	(10,000)	-
Dividend paid	(31,255)	(16,830)
<b>NET CASH FOR FINANCING ACTIVITIES</b>	<b>(36,745)</b>	<b>86,665</b>
<b>NET DECREASE IN CASH AND BANK BALANCES</b>	<b>(53,141)</b>	<b>(52,702)</b>
<b>CASH AND BANK BALANCES AT BEGINNING OF THE FINANCIAL PERIOD</b>	<b>209,715</b>	<b>132,049</b>
<b>CASH AND BANK BALANCES AT END OF THE FINANCIAL PERIOD</b>	<b>156,574</b>	<b>79,347</b>

# - represents an amount less than RM1,000.

The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2016 and the accompanying notes to the Interim Financial Statements.

**Notes To The Interim Financial Report For The Financial Period Ended March 31, 2017**

**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 2016.

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 2016.

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

The auditors’ report on the financial statements for the financial year ended 30 June 2016 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 FY2015 as revenue from other services increasingly contribute to a larger proportion of group revenues since FY2015.

**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 31 March 2017 (31 March 2016: 1,000).

As at 31 March 2017, none of the MYEG shares (31 March 2016: 1,000) were retained as treasury shares in the Company.

**A7. Dividends Paid**

On 9 December 2016, the Directors have declared a final tax exempt dividend of 1.3 sen per 10 sen ordinary share (2015 – 1.4 sen was based on the share capital of 1,202,102,000 ordinary shares) amounting to RM31,254,652 for the financial year ended 30 June 2016 and it was paid on 25 January 2017. The final dividend paid was based on the previous share capital of 2,404,204,000 ordinary shares.

On 27 February 2017, the Directors have declared a first interim single tier dividend of 0.5 sen per 10 sen ordinary share (2016 – 0.5 sen) amounting to RM18,031,530 (2016 – RM12,021,015) for the current financial year ending 30 June 2017 and it was paid on 24 May 2017 to shareholders registered at the close of business on 26 April 2017. The first interim dividend paid was based on an enlarged share capital of 3,606,305,993 ordinary shares arising from the completion of the bonus issue in January 2017.

**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 the Company

The Company had on 25 January 2017, incorporated a wholly-owned subsidiary known as My E.G. Management Services Sdn Bhd (“MYEG Management”) under the Companies Act, 1965. MYEG Management has an authorized share capital of RM400,000.00 comprising 400,000 ordinary shares of RM1.00 and the issued and paid-up share capital is RM2.00 comprising 2 ordinary shares of RM1.00 each.

(ii) Incorporation of a new subsidiary by Hurr TV Sdn Bhd (“Hurr Tv”), a 60% owned subsidiary of the Company

Hurr Tv, a 60% owned subsidiary of My E.G. Capital Sdn Bhd, which is a wholly-owned subsidiary of the Company had on 25 January 2017, incorporated a wholly-owned subsidiary known as MUCA Wellness Sdn Bhd (“MUCA”) under the Companies Act, 1965. MUCA has an authorized share capital of RM400,000.00 comprising 400,000 ordinary shares of RM1.00 and the issued and paid-up share capital is RM2.00 comprising 2 ordinary shares of RM1.00 each.

(iii) Acquisition of a new subsidiary by My E.G. Capital Sdn Bhd (“MYEG Capital”), a wholly-owned subsidiary of the Company

MYEG Capital had on 19 May 2017 entered into a Shareholders Agreement with Sean Cornelius Yoong Wan Yen (NRIC No. 760122-04-5349) (“Sean”) and Essential Reviews Sdn. Bhd. (Company No. 1225923-X) (“Essential Reviews”) (“the Agreement”) to subscribe for 50,000 shares (“Subscription Shares”) and further purchase 75,000 shares (“Acquisition Shares”) from Sean, collectively representing approximately 67% of the issued and paid-up shares of Essential Reviews, for a total consideration of Ringgit Malaysia One Million Two Hundred and Fifty Thousand (RM1,250,000) only, pursuant to the terms and conditions as set out in the Agreement. Subsequent to the Subscription and Acquisition, Essential Reviews shall become a subsidiary of the Company.

## 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 31.03.2017, the Group has commitment for the following:-

	<b>31.03.2017</b> <b>RM'000</b>	<b>31.03.2016</b> <b>RM'000</b>
Purchase of communication equipment	14,421	8,761
Purchase of office building	15,323	24,962
	<hr/> 29,744	<hr/> 33,723

#### A14. Related Party Transactions

The related party transactions of the Group for the Quarter and Period ended 31.03.2017 are as follows:

	Individual Quarter		Cumulative Quarter	
	31.03.2017	31.03.2016	31.03.2017	31.03.2016
	RM	RM	RM	RM
<b>(i) Associate company</b>				
MY E.G. Integrated Networks Sdn Bhd - Sales	600,000	600,000	1,800,000	1,800,000
	<hr/>			
<b>(ii) A company which a director has financial interest</b>				
Embunaz Ventures Sdn Bhd - Professional Fees	62,400	62,400	187,200	187,200
	<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 RM99.22 million and RM54.05 million respectively for the third financial quarter ("Q3 FY2017") as compared to RM70.13 million and RM33.16 million respectively in the corresponding quarter ("Q3 FY2016"). The increase of approximately RM29.09 million (or 41.5%) in Revenue and increase of RM20.89 million (or 63.0%) in PAT respectively is primarily attributable to:

- (i) higher transaction volumes from the online renewal of foreign workers' permits ("FWP"), foreign workers rehiring programme services ("FWR Services") and foreign workers' insurance from both FWP as well as FWR Services; and
- (ii) increase in revenue contribution from our motor vehicle trading related services.

However, the increase in the quarter's Revenue was offset by:

- (i) higher personnel related expenses and operating expenses to support the growth in FWP and FWR Services;
- (ii) higher marketing expenses; and
- (iii) higher interest cost from the term loan to finance MYEG's newly acquired building.

For the year to date period ended 31 March 2017 ("9M FY2017"), the Group recorded Revenue of RM266.48 million as compared to RM194.36 million in the corresponding period ("9M FY2016"). This represents an increase of RM72.12 million (37.1%) in Revenue. PAT for 9M FY2017 increase by RM49.76 million (54.3%) to RM141.33 million as compared to RM91.57 million achieved in 9M FY2016. The increase in Revenue and PAT is primarily attributable to:

- (i) higher transaction volumes from FWP, FWR Services and foreign workers' insurance from both FWP as well as FWR Services;
- (ii) increase in revenue contribution from our JPJ related services; and
- (iii) increase in revenue contribution from our motor vehicle trading related services.

However, higher personnel related expenses and operating expenses to support the growth in FWP and related services, higher marketing expenses and higher interest cost from the term loan to finance MYEG's newly acquired building offset some of the increases in the Revenue and PAT achieved during the year to date period.

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

	Q3 FY2017 RM'000	Q2 FY2017 RM'000
Revenue	99,224	88,664
Profit Before Tax ("PBT")	54,477	47,164
PAT	54,045	47,002

For the Quarter under review, the Group recorded a Revenue of RM99.22 million, an increase of RM10.56 million (11.9%) as compared to Q2 FY2017 revenue of RM88.66 million. PAT increased by RM7.05 million (15.0%) to RM54.05 million, as compared to Q2 FY2017 PAT of RM47.00 million. The increase in Revenue and PAT is primarily attributable to an increase in revenue contribution from FWP and FWR related Services as well as from our JPJ related services.

### **B3. Prospect of the Group**

For the financial year ending 30 June 2017 ("FYE 2017"), the continued growth in volume of our existing services, especially the online renewal of foreign workers' insurance and foreign worker services, are expected to contribute to our Group revenue and PAT. While concession services continue to be our core business, non-concession related services, such as the road safety diagnostic services, sale of prepaid top ups for Celcom mobile lines and provision of hostel accommodation to foreign workers, are expected to contribute to our growth for FYE2017.

Barring any unforeseen circumstances, the Directors of MYEG are cautiously optimistic that the results for the FYE 2017 will continue to be satisfactory as more Malaysians adopt online government services as a convenient and cheaper alternative to transact with the Government. MYEG will continue to roll out new services which will enhance the lives of Malaysians while meeting the objectives of the Government to increase online payments as an efficient method to transact.

### **B4. Variance from Profit Forecast**

Not applicable as there was no financial forecast issued for the financial year ended 30 June 2017.

### **B5. Taxation**

The taxation figures are as follows:

	<b>Current Quarter 31.03.2017 (RM'000)</b>	<b>Current Year To Date 31.03.2017 (RM'000)</b>
Current taxation	201	510
Deferred taxation	231	217
	<hr/>	<hr/>
	432	727

The effective tax rate for the current taxation for cumulative year to date is 0.51% 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 as disclosed below:

(i) Acquisition of Additional Seven (7) Storeys of Stratified Parcels Designated for Office Use

We had on 15 September 2016 entered into seven (7) sale and purchase agreements with Cheerful Effect Sdn Bhd and Lee Hong Poh & Lim Wan Lee for the acquisition of seven (7) storeys of stratified parcels designated for office use within a forty-five (45) storey corporate office tower identified as Iconic Office (Block N) at Empire City @ Damansara for an aggregate cash consideration of RM44,293,852 ("Acquisition"). The Acquisition is currently pending completion.

(ii) Establishment of a Joint Venture Corporation ("JVC")

On 15 March 2017, the Company had entered into a Joint Venture Agreement ("the Agreement") with I-Pay Commerce Ventures, Inc to establish a JVC for the purpose of engaging in the business of development and implementation of Electronic Government Services projects in the Philippines and the provision of other Electronic Government related services thereto, including, electronic payment services in the Philippines in accordance with the terms and conditions of the Agreement. The JVC is currently pending completion of incorporation in the Philippines.

## B7. Group Borrowings

Details of the Group's borrowings as at March 31, 2017 were as follows:-

	<b>Non-Current (RM'000)</b>	<b>Current (RM'000)</b>	<b>Total (RM'000)</b>
<b>Secured</b>			
Hire Purchase	3,668	2,580	6,248
Term Loan	78,418	13,176	91,594
Revolving Credit	-	3,000	3,000
Total Borrowings	<u>82,086</u>	<u>18,756</u>	<u>100,842</u>

The borrowings are denominated in RM.

## B8. Off Balance Sheet Financial Instruments

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

**B9. Realised and Unrealised Profits/(Losses) Disclosure**

	<b>As at 31.03.2017 (RM'000)</b>	<b>Audited As at 30.06.2016 (RM'000)</b>
Total retained profits of the Company and its subsidiaries:		
- Realised	155,037	163,835
- Unrealised	(358)	(196)
	<hr/> 154,679	<hr/> 163,639
Total share of accumulated losses of associate:		
- Realised	(400)	(400)
- Unrealised	-	-
	<hr/> 154,279	<hr/> 163,239
(Less)/Add : Consolidation Adjustments	(9,597)	(10,060)
Total Group retained profits as per consolidated accounts	<hr/> <b>144,682</b>	<hr/> <b>153,179</b>

**B10. Profit Before Taxation**

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

	<b>Current Quarter 31.03.2017 (RM'000)</b>	<b>Current Year To Date 31.03.2017 (RM'000)</b>
Interest Income	(482)	(2,773)
Other Income	(3)	(98)
Interest Expense	1,218	3,986
Depreciation and amortization	4,922	14,484

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.

## **B11. 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 suit is currently on trial.

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

- 2) On 30 November 2016, the Company was publicly reprimanded by Bursa Malaysia Securities Berhad (“Bursa”) for breaching of Bursa’s Main Market Listing Requirements. The Company had on 16 February 2017 received confirmation from its solicitor that the Application for Judicial Review (“Application”) to the Kuala Lumpur High Court against Bursa on the Public Reprimand had been filed on 10 February 2017. The Application has been allowed as no objections from Attorney General’s Office and the case is now fixed for case management on 30 May 2017.

## **B12. Dividends**

No dividends were declared during the current financial quarter review.

**B13. 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.

	<b>Current Quarter 31.03.2017 (RM'000)</b>	<b>Current Year To Date 31.03.2017 (RM'000)</b>
Net profit attributable to ordinary shareholders	53,902	142,035
Weighted average number of ordinary shares of RM0.10 each in issue ('000s)	3,606,306	3,604,532
Basic EPS (sen)	1.5	3.9

## ii. Diluted

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

By Order of the Board  
Tan Ai Ning  
Secretary  
30 May 2017