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MY E.G. SERVICES BERHAD

(505639-K)
(Incorporated in Malaysia)

**INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2022**



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

FIRST QUARTERLY REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2022

**Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income
for the First Quarter ended March 31, 2022
(The figures have not been audited)**

	Individual Quarter			Cumulative Quarter		
	3 Months Ended			3 Months Ended		
	31.03.2022	31.03.2021	Changes	31.03.2022	31.03.2021	Changes
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue	161,768	171,464	(5.7)	161,768	171,464	(5.7)
Operating Expenses	(64,785)	(81,958)	(21.0)	(64,785)	(81,958)	(21.0)
Operating Profit	96,983	89,506	8.4	96,983	89,506	8.4
Depreciation and Amortisation	(12,958)	(11,771)	10.1	(12,958)	(11,771)	10.1
Interest Income	203	1,336	(84.8)	203	1,336	(84.8)
Other Income	2,847	1	100.0	2,847	1	100.0
Share of results of a joint venture	87	49	77.6	87	49	77.6
Share of results of an associate	-	(391)	(100.0)	-	(391)	(100.0)
Profit Before Interest and Taxation	87,162	78,730	10.7	87,162	78,730	10.7
Interest Expense	(1,439)	(1,643)	(12.4)	(1,439)	(1,643)	(12.4)
Profit Before Taxation	85,723	77,087	11.2	85,723	77,087	11.2
Taxation	(530)	(615)	(13.8)	(530)	(615)	(13.8)
Profit After Taxation	85,193	76,472	11.4	85,193	76,472	11.4
Other Comprehensive Income/(Expenses)	(2)	-	(100.0)	(2)	-	(100.0)
Total Comprehensive Income for the financial period	85,191	76,472	11.4	85,191	76,472	11.4
Profit After Taxation attributable to:						
Owners of the Company	84,627	76,285	10.9	84,627	76,285	10.9
Non-controlling interest	566	187	202.7	566	187	202.7
	85,193	76,472	11.4	85,193	76,472	11.4
Total Comprehensive Income attributable to:						
Owners of the Company	84,625	76,285	10.9	84,625	76,285	10.9
Non-controlling interest	566	187	202.7	566	187	202.7
	85,191	76,472	11.4	85,191	76,472	11.4
Earnings per share ("EPS") attributable to the equity holders of the Company (sen)						
- Basic EPS	1.1	1.0 *		1.1	1.0 *	
- 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 financial year ended 31 December 2021.

Notes:

- i) 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 31 December 2021 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, 2022

	Unaudited As at 31.03.2022 RM'000	Audited As at 31.12.2021 RM'000
ASSETS		
NON-CURRENT ASSETS		
Property and equipment	377,736	300,722
Right-of-use assets	10,023	10,141
Investment properties	29,497	29,660
Investment in associates	33	16,133
Investment in joint ventures	9,342	9,255
Other investments	246,493	246,493
Development costs	250,307	322,515
Goodwill on consolidation	20,002	20,002
Financing receivables	268,957	279,316
	<u>1,212,390</u>	<u>1,234,237</u>
CURRENT ASSETS		
Inventories	24,324	18,324
Financing receivables	43,739	39,961
Trade receivables	277,102	290,775
Other receivables, deposits and prepayments	279,300	205,898
Amount owing by joint ventures	2,510	2,510
Amount owing by associates	8	28
Current tax assets	1,264	2,592
Cash and cash equivalents	221,947	89,279
	<u>850,194</u>	<u>649,367</u>
TOTAL ASSETS	<u>2,062,584</u>	<u>1,883,604</u>
EQUITY AND LIABILITIES		
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY		
Share capital	854,850	854,895
Treasury shares	(22,979)	(12,364)
Reserves	6,418	6,420
Retained profits	782,739	698,112
	<u>1,621,028</u>	<u>1,547,063</u>
Non-controlling interests	(5,048)	(5,614)
TOTAL EQUITY	<u>1,615,980</u>	<u>1,541,449</u>
NON-CURRENT LIABILITIES		
Long term borrowings	147,405	95,567
Long term lease liabilities	2,891	2,909
Deferred tax liabilities	2,934	2,921
	<u>153,230</u>	<u>101,397</u>
CURRENT LIABILITIES		
Trade payables	123,832	101,609
Other payables and accruals	61,399	67,900
Deferred revenue	2,025	1,544
Amount owing to an associate	24	24
Current tax liabilities	2,083	2,074
Short term borrowings	101,476	64,980
Short term lease liabilities	2,535	2,627
	<u>293,374</u>	<u>240,758</u>
TOTAL LIABILITIES	<u>446,604</u>	<u>342,155</u>
TOTAL EQUITY AND LIABILITIES	<u>2,062,584</u>	<u>1,883,604</u>
Net assets attributable to ordinary equity holders of the parent (RM'000)	1,621,028	1,547,063
Net assets per share attributable to ordinary equity holders of the parent (sen)	21.95	20.92

The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2021 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, 2022
(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 2021	634,262	(61,652)	6,401	20	570,191	1,149,222	(6,399)	1,142,823
Profit after tax for the financial period	-	-	-	-	76,285	76,285	187	76,472
Other comprehensive income for the financial period	-	-	-	-	-	-	-	-
Total comprehensive income for the financial period	-	-	-	-	76,285	76,285	187	76,472
Purchase of treasury shares	(209)	(9,752)	-	-	-	(9,961)	-	(9,961)
As at 31 March 2021	634,053	(71,404)	6,401	20	646,476	1,215,546	(6,212)	1,209,334
As at 1 January 2022	854,895	(12,364)	6,401	19	698,112	1,547,063	(5,614)	1,541,449
Profit after tax for the financial period	-	-	-	-	84,627	84,627	566	85,193
Other comprehensive income for the financial period	-	-	-	(2)	-	(2)	-	(2)
Total comprehensive income for the financial period	-	-	-	(2)	84,627	84,625	566	85,191
Expenses related to issuance of ordinary shares	(45)	-	-	-	-	(45)	-	(45)
Purchase of treasury shares	-	(10,615)	-	-	-	(10,615)	-	(10,615)
As at 31 March 2022	854,850	(22,979)	6,401	17	782,739	1,621,028	(5,048)	1,615,980

Notes:

- i) The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2021 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, 2022
(The figures have not been audited)

	Current Period Ended 31.03.2022 RM'000	Corresponding Period Ended 31.03.2021 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	85,723	77,087
Adjustments for:-		
Amortisation of development costs	5,500	5,539
Depreciation of equipment	6,882	5,643
Depreciation of right of use assets	842	1,139
Depreciation of investment properties	163	163
Fixed assets written off	8	-
Stock written off	12	-
Gain on disposal of an associate	(2,846)	-
Interest expense	1,397	1,607
Interest expense on lease liabilities	58	55
Share of results in an associate	-	391
Share of results for joint ventures	(87)	(49)
Interest income	(203)	(1,336)
Impairment loss on trade and financing receivables	(132)	226
	<hr/>	<hr/>
Operating profit before working capital changes	97,317	90,465
Increase in deferred revenue	481	315
(Increase) / Decrease in inventories	(6,012)	763
Decrease in financing receivables	6,723	6,136
Increase in trade and other receivables	(59,739)	(13,546)
Increase in trade and other payables	15,722	96,762
	<hr/>	<hr/>
CASH FLOWS FROM OPERATIONS	54,492	180,895
Income tax refunded / (paid)	820	(439)
Interest paid	(1,397)	(1,607)
	<hr/>	<hr/>
NET CASH FROM OPERATING ACTIVITIES	53,915	178,849
CASH FLOWS FOR INVESTING ACTIVITIES		
Development costs paid	(106)	(30,078)
Interest received	203	1,336
Purchase of property and equipment	(17,090)	(1,362)
Additions of right-of-use assets	-	(69)
Proceeds from disposal of property and equipment	-	1
Investment in an associate	-	(4,088)
Proceeds from disposal of an associate	18,946	-
	<hr/>	<hr/>
NET CASH FROM / (FOR) INVESTING ACTIVITIES	1,953	(34,260)

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

Condensed Consolidated Statements of Cash Flows for the First Quarter ended March 31, 2022
(The figures have not been audited) (Cont'd)

	Current Period Ended 31.03.2022 RM'000	Corresponding Period Ended 31.03.2021 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Decrease / (Increase) in amount owing by associates	20	(4)
Decrease in amount due to a joint venture	-	(1,996)
Purchase of treasury shares	(10,615)	(9,752)
Expenses related to issuance of ordinary shares	(45)	(209)
Drawdown of term loan	90,000	-
Repayment of term loans	(31,666)	(6,805)
Drawdown of revolving credit	30,000	-
Repayment of lease liabilities	(834)	(1,145)
Interest expenses on lease liabilities paid	(58)	(55)
NET CASH FROM / (FOR) FINANCING ACTIVITIES	76,802	(19,966)
NET INCREASE IN CASH AND BANK BALANCES	132,670	124,623
EFFECT OF EXCHANGE RATE FLUCTUATIONS ON CASH HELD	(2)	-
CASH AND BANK BALANCES AT BEGINNING OF THE FINANCIAL PERIOD	89,279	234,613
CASH AND BANK BALANCES AT END OF THE FINANCIAL PERIOD	221,947	359,236

Notes:

- i) The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2021 and the accompanying notes to the Unaudited Financial Statements.

Notes To The Interim Financial Report For the Financial Period ended March 31, 2022

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 31 December 2021.

The same accounting policies and methods of computation adopted in these interim financial statements are consistent with the annual financial statements for the financial year ended 31 December 2021.

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)

Amendments to MFRS 3: Definition of a Business

Amendments to MFRS 4: Extension of the Temporary Exemption from Applying MFRS 9

Amendments to MFRS 9, MFRS 139 and MFRS 7: Interest Rate Benchmark Reform

Amendments to MFRS 101 and MFRS 108: Definition of Material

Amendments to References to the Conceptual Framework in MFRS Standards

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”):-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)	Effective Date
MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 3: Reference to the Conceptual Framework	1 January 2022
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 17 Insurance Contracts	1 January 2023
Amendment to MFRS 17: Initial Application of MFRS 17 and MFRS 9 – Comparative Information	1 January 2023
Amendment to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to MFRS 101: Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108: Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 116: Property, Plant and Equipment - Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137: Onerous Contracts - Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to MFRS Standards 2018 - 2020	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 year ended 31 December 2021 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 First and Second 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 had since diminished commencing from 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)
27.01.2022	2,000,000	1,857,105
28.01.2022	2,067,200	1,981,006
03.02.2022	2,000,000	1,947,402
04.02.2022	1,000,000	969,184
07.02.2022	2,000,000	1,947,402
08.03.2022	28,200	25,152
15.03.2022	2,000,000	1,887,666
Total	11,095,400	10,614,917

The total shares purchased during the financial quarter ended 31 March 2022 amounted to 11,095,400 (31 March 2021: 5,500,000) MYEG shares.

As at 31 March 2022, a total of 23,095,400 (31 March 2021: 59,164,700) 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 2022.

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 upstream and downstream 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 2022 are as follows:

	Individual Quarter		Cumulative Quarter	
	3 months ended		3 months ended	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021
	RM	RM	RM	RM
(i) A company which a director has financial interest				
Embunaz Ventures Sdn Bhd				
- Professional Fees	62,400	62,400	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 RM161.77 million and RM85.19 million respectively for the first financial quarter ("Q1 FY2022") as compared to RM171.46 million and RM76.47 million respectively in the corresponding quarter ("Q1 FY2021"). The decrease of approximately RM9.69 million (or 5.7%) in Revenue was mainly because previously, the Group purchased rooms upfront from the quarantine hotels for the private quarantine arrangement which resulted in a higher Revenue and Cost of Sales but from Q1 FY2022, the Group changed to a reservation arrangement and recognised a referral fee for every private quarantine arrangement which also resulted in a decrease in operating expenses.

PAT increased by RM8.72 million (or 11.4%) which was primarily attributable to:

- (i) higher contribution from COVID-19 quarantine collection services under MySafeTravel ("MST") and MySafeQuarantine ("MySafeQ") as the Government closed down its quarantine centers and allowed private quarantine arrangements to be made; and
- (ii) higher transaction volumes for our existing concession services which resulted in higher contribution from ancillary services such as fulfilment of security documents and online renewal of insurance; and

B2. Comparison with Preceding Quarter's Results

	Q1 2022	Q4 2021	Changes
	RM'000	RM'000	%
Revenue	161,768	234,421	(30.99)
Operating Profit	96,983	98,398	(1.44)
Profit Before Interest and Taxation	87,162	86,024	1.32
Profit Before Taxation	85,723	84,261	1.74
Profit After Taxation	85,193	82,045	3.84
Profit attributable to Ordinary Equity Holders of the Parent	84,627	80,576	5.03

For the Quarter under review, the Group recorded a Revenue of RM161.77 million, a net decrease of RM72.65 million (30.99%) as compared to Q4 FY2021 Revenue of RM234.42 million. The lower Revenue in Q1 FY2022 was mainly because previously, the Group purchased rooms upfront from the quarantine hotels for the private quarantine arrangement which resulted in a higher Revenue and Cost of Sales but from Q1 FY2022, the Group changed to a reservation arrangement and recognised a referral fee for every private quarantine arrangement which also resulted in a decrease in operating expenses.

The Group achieved a PAT of RM85.19 million in Q1 FY2022, as compared to Q4 FY2021 PAT of RM82.05 million, a net increase in PAT of 3.84% amounting to RM3.1 million as a result of continuous growth from existing services.

B3. Prospect of the Group

For the financial year ending 31 December 2022 ("FYE2022"), MYEG expects to continue introducing innovative services by leveraging on new technologies in Malaysia as well as the countries which we have presence in, to drive our organic growth for FYE2022.

With the Government lifting restrictions put in place during the pandemic, MYEG has now embarked to bring blockchain to the forefront by introducing a Layer 1 blockchain platform namely Zetrix. At the same time, MYEG is collaborating with its partners to integrate Zetrix with China's national blockchain platform, namely "Xing Huo". With such collaboration, the Group will be able to start introducing commercial services which can be used globally.

Barring any unforeseen circumstances, the Board is cautiously optimistic that the long-term outlook for MYEG remains positive as we continue to introduce innovative services in Malaysia as well as globally.

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		
	31.03.2022	31.03.2021	Changes	31.03.2022	31.03.2021	Changes
	RM'000	RM'000	%	RM'000	RM'000	%
Current taxation	517	615	(15.9)	517	615	(15.9)
Deferred taxation	13	-	100.0	13	-	100.0
	<u>530</u>	<u>615</u>	<u>(13.8)</u>	<u>530</u>	<u>615</u>	<u>(13.8)</u>

The effective tax rate for the current taxation for cumulative year to date is 0.62% 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 subsidiaries providing cloud computing services, software development specifically in blockchain as well as management and support services with tax incentives.

B6. Status of Corporate Proposals

There were no corporate proposals announced but not completed as at the date of this announcement, save as disclosed below:

- i) On 9 December 2020, CIMB Investment Bank Berhad had, on behalf of the Board of Directors of MYEG announced that the Company proposes to undertake the private placement of up to 220,000,000 new MYEG Shares ("Placement Shares I"), representing up to about 6.29% of the total number of issued MYEG Shares (excluding treasury shares) ("Private Placement I").

On 15 December 2020, Bursa Securities has vide its letter, approved the Private Placement I and the listing and quotation of up to 220,000,000 Placement Shares I.

The first tranche of the Private Placement I was completed on 17 December 2020 following the listing and quotation of 120,000,000 Placement Shares I on the Main Market of Bursa Securities. On 16 June 2021, Bursa Securities has resolved to grant an extension of time of 6 months from 15 June 2021 to 14 December 2021 for the Company to complete the implementation of the remaining tranche of the Private Placement I.

As at 31 March 2022, the status of utilization of proceeds raised from the first tranche of the Private Placement I amounting to RM216.0 million are as follow:

Descriptions	Proposed	Actual	Actual	Balance	Estimated timeframe for the utilisation of proceeds from the date of listing of the Placement Shares
	Utilisation	Proceeds	Utilisation		
	RM'mil	RM'mil	RM'mil	RM'mil	
Development of foreign workers hostels under the foreign workers accommodation programme	94.5	50.0	21.9	28.1	Within 24 months
Development of healthcare related services	168.0	89.0	89.0	-	Within 24 months
Purchase of fixed assets and related solutions for the e-government concession services	126.0	67.0	67.0	-	Within 12 months
Working capital	9.1	5.5	5.5	-	Within 12 months
Estimated expenses for the Proposed Placement	9.4	4.5	4.5	-	Immediate
	<u>407.0</u>	<u>216.0</u>	<u>187.9</u>	<u>28.1</u>	

B6. Status of Corporate Proposals (Cont'd)

There were no corporate proposals announced but not completed as at the date of this announcement, save as disclosed below (Cont'd):

- ii) On 18 October 2021, CIMB Investment Bank Berhad had, on behalf of the Board of Directors of MYEG announced that the Company proposes to undertake the private placement of up to 300,000,000 new MYEG Shares, representing up to about 4.17% of the total number of issued MYEG Shares (excluding treasury shares) ("Private Placement II"). Private Placement II will entail the completion of the remaining 100,000,000 new MYEG Shares from Private Placement I and the application to Bursa Securities Malaysia Berhad for the listing and quotation of up to 200,000,000 new MYEG Shares ("Placement Shares II").

On 26 October 2021, Bursa Securities has vide its letter approved the listing and quotation of up to 200,000,000 Placement Shares II.

The first tranche of the Private Placement II was completed on 29 October 2021 following the listing and quotation of 210,000,000 new MYEG Shares comprising of 100,000,000 Placement Shares 1 and 110,000,000 Placement Shares II on the Main Market of Bursa Securities.

As at 31 March 2022, the status of utilization of proceeds raised from the first tranche of the Private Placement II amounting to RM214.2 million are as follow:

Descriptions	Proposed	Actual	Actual	Balance	Estimated timeframe for the utilisation of proceeds from the date of listing of the Placement Shares
	Utilisation	Proceeds	Utilisation		
	RM'mil	RM'mil	RM'mil	RM'mil	
Development of healthcare related services and healthcare related technology	60.0	42.0	42.0	-	Within 24 months
Development of automated driving test and training system and purchase of hardware	60.0	42.0	42.0	-	Within 24 months
Development of blockchain products and services	175.0	125.0	66.8	58.2	Within 24 months
Working capital	7.7	0.9	0.9	-	Within 12 months
Estimated expenses for the Proposed Placement	6.3	4.3	4.3	-	Immediate
	<u>309.0</u>	<u>214.2</u>	<u>156.0</u>	<u>58.2</u>	

B7. Group Borrowings

Details of the Group's borrowings as at March 31, 2022 were as follow:-

	As at 31.03.2022		
	Non-Current RM'000	Current RM'000	Total RM'000
<u>Secured^</u>			
Term Loan	147,405	29,776	177,181
<u>Unsecured^</u>			
Revolving Credit	-	71,700	71,700
Total Borrowings	147,405	101,476	248,881

	As at 31.03.2021		
	Non-Current RM'000	Current RM'000	Total RM'000
<u>Secured^</u>			
Term Loan	114,126	23,487	137,613
<u>Unsecured^</u>			
Revolving Credit	-	21,100	21,100
Total Borrowings	114,126	44,587	158,713

^ The borrowings are denominated in RM.

The weighted average interest rate of borrowings as at Q1 FY2022 was 4.18%.

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		
	31.03.2022 RM'000	31.03.2021 RM'000	Changes %	31.03.2022 RM'000	31.03.2021 RM'000	Changes %
Interest Income	(203)	(1,336)	(84.8)	(203)	(1,336)	(84.8)
Other Income	(2,847)	(1)	100.0	(2,847)	(1)	100.0
Interest Expense	1,397	1,607	(13.1)	1,397	1,607	(13.1)
Interest Expense on Lease Liabilities	58	55	5.5	58	55	5.5
Depreciation and Amortisation	13,387	12,484	7.2	13,387	12,484	7.2
Impairment (Gain) / Loss on Trade Receivables	(132)	226	(100.0)	(132)	226	(100.0)
Fixed Assets Written Off	8	384	(97.9)	8	384	(97.9)
Loss / (Gain) on Foreign Exchange						
- Realised	143	(14)	(100.0)	143	(14)	(100.0)
- Unrealised	8	(156)	(100.0)	8	(156)	(100.0)

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

For the financial year ended 31 December 2021, the Directors have proposed the declaration of a final dividend of 1.03 sen per ordinary share (2020 – 1.70 sen based on the share capital of 3,671,929,737 ordinary shares) for the shareholders' approval at the forthcoming Annual General Meeting to be held on 23 June 2022.

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	
	31.03.2022 RM'000	31.03.2021 RM'000	31.03.2022 RM'000	31.03.2021 RM'000
Net profit attributable to ordinary shareholders	84,627	76,285	84,627	76,285
Weighted average number of ordinary shares in issue ('000s)	7,750,800	7,401,608	7,750,800	7,401,608
Basic EPS (sen)	1.1	1.0	1.1	1.0

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.

The Company had on 12 October 2021 entered into a Memorandum of Understanding of Strategic Cooperation with the Institute of Industrial Internet and Internet of Things of the China Academy of Information and Communications Technology to establish and develop a close cooperative relationship to cooperate, support and develop mutually as well as to carry out various forms of cooperation to realise mutual benefit and development.

B13. Additional Disclosure Requirement (Cont'd)

Update on Memorandum of Understanding (“MOU”) pursuant to Paragraph 9.29, Chapter 9 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (Cont'd)

The Company had on 24 November 2021 entered into a Memorandum of Understanding with A Tech Insure Sdn Bhd to provide Malaysian civil servants with a platform to purchase motor vehicle takaful coverage together with road tax renewal by way of an interest-free Shariah compliant Qard loan facility that enables instalment payments via a salary deduction plan of up to 10 months.

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
30 May 2022