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# **MY E.G. SERVICES BERHAD**

(505639-K)  
(Incorporated in Malaysia)

**INTERIM FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022**



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

**THIRD QUARTERLY REPORT FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022**

**Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income  
for the Third Quarter ended September 30, 2022**  
(The figures have not been audited)

	Individual Quarter			Cumulative Quarter		
	3 Months Ended			9 Months Ended		
	30.09.2022	30.09.2021	Changes	30.09.2022	30.09.2021	Changes
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue	162,616	156,796	3.7	486,176	489,989	(0.8)
Operating Expenses	(50,843)	(64,782)	(21.5)	(170,321)	(214,701)	(20.7)
Operating Profit	111,773	92,014	21.5	315,855	275,288	14.7
Depreciation and Amortisation	(16,286)	(11,788)	38.2	(45,214)	(35,250)	28.3
Interest Income	43	523	(91.8)	268	2,789	(90.4)
Other Income	14	-	100.0	2,861	3	100.0
Fair value gain on investment	61,885	-	100.0	61,885	-	100.0
Share of results of a joint venture	(13)	(312)	(95.8)	66	(286)	(123.1)
Share of results of an associate	-	(257)	(100.0)	-	(1,102)	(100.0)
Profit Before Interest and Taxation	157,416	80,180	96.3	335,721	241,442	39.0
Interest Expense	(2,904)	(1,410)	106.0	(6,546)	(4,952)	32.2
Profit Before Taxation	154,512	78,770	96.2	329,175	236,490	39.2
Taxation	(2,487)	(622)	299.8	(3,599)	(1,762)	104.3
Profit After Taxation	152,025	78,148	94.5	325,576	234,728	38.7
Other Comprehensive Income/ (Expenses)	-	(2)	(100.0)	5	(2)	(100.0)
Total Comprehensive Income for the financial period	152,025	78,146	94.5	325,581	234,726	38.7
Profit After Taxation attributable to:						
Owners of the Company	150,708	78,463	92.1	323,971	235,432	37.6
Non-controlling interest	1,317	(315)	(518.1)	1,605	(704)	(328.0)
	152,025	78,148	94.5	325,576	234,728	38.7
Total Comprehensive Income attributable to:						
Owners of the Company	150,708	78,461	92.1	323,976	235,430	37.6
Non-controlling interest	1,317	(315)	(518.1)	1,605	(704)	(328.0)
	152,025	78,146	94.5	325,581	234,726	38.7
Earnings per share ("EPS") attributable to the equity holders of the Company (sen)						
- Basic EPS	1.9	1.1 *		4.2	3.2 *	
- 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 September 30, 2022**

	Unaudited As at 30.09.2022 RM'000	Audited As at 31.12.2021 RM'000
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property and equipment	463,147	300,722
Right-of-use assets	80,333	10,141
Investment properties	29,170	29,660
Investment in associates	33	16,133
Investment in joint ventures	9,320	9,255
Investment in quoted shares	72,660	-
Other investments	235,718	246,493
Development costs	359,665	322,515
Goodwill on consolidation	20,002	20,002
Financing receivables	252,449	279,316
	<u>1,522,497</u>	<u>1,234,237</u>
<b>CURRENT ASSETS</b>		
Inventories	26,033	18,324
Financing receivables	47,504	39,961
Trade receivables	292,581	290,775
Other receivables, deposits and prepayments	234,500	205,898
Amount owing by joint ventures	2,510	2,510
Amount owing by associates	9	28
Current tax assets	383	2,592
Cash and cash equivalents	218,702	89,279
	<u>822,222</u>	<u>649,367</u>
<b>TOTAL ASSETS</b>	<u>2,344,719</u>	<u>1,883,604</u>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY</b>		
Share capital	904,103	854,895
Treasury shares	(32,254)	(12,364)
Reserves	6,425	6,420
Retained profits	946,012	698,112
	<u>1,824,286</u>	<u>1,547,063</u>
Non-controlling interests	(4,009)	(5,614)
<b>TOTAL EQUITY</b>	<u>1,820,277</u>	<u>1,541,449</u>
<b>NON-CURRENT LIABILITIES</b>		
Long term borrowings	145,313	95,567
Long term lease liabilities	33,960	2,909
Deferred tax liabilities	3,060	2,921
	<u>182,333</u>	<u>101,397</u>
<b>CURRENT LIABILITIES</b>		
Trade payables	124,032	101,609
Other payables and accruals	53,970	67,900
Deferred revenue	3,774	1,544
Amount owing to an associate	22	24
Current tax liabilities	1,564	2,074
Short term borrowings	151,022	64,980
Short term lease liabilities	7,725	2,627
	<u>342,109</u>	<u>240,758</u>
<b>TOTAL LIABILITIES</b>	<u>524,442</u>	<u>342,155</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>2,344,719</u>	<u>1,883,604</u>
Net assets attributable to ordinary equity holders of the parent (RM'000)	1,824,286	1,547,063
Net assets per share attributable to ordinary equity holders of the parent (sen)	24.74	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 Third Quarter ended September 30, 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	-	-	-	-	235,432	235,432	(704)	234,728
Other comprehensive income for the financial period	-	-	-	(2)	-	(2)	-	(2)
Total comprehensive income for the financial period	-	-	-	(2)	235,432	235,430	(704)	234,726
Expenses related to issuance of ordinary shares	(429)	-	-	-	-	(429)	-	(429)
Issuance of ordinary shares pursuant to Dividend Reinvestment Plan	30,327	-	-	-	-	30,327	-	30,327
Additional subscription of shares by minority interest	-	-	-	-	-	-	20	20
Purchase of treasury shares	-	(65,566)	-	-	-	(65,566)	-	(65,566)
Dividends paid	-	-	-	-	(61,005)	(61,005)	-	(61,005)
As at 30 September 2021	664,160	(127,218)	6,401	18	744,618	1,287,979	(7,083)	1,280,896
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	-	-	-	-	323,971	323,971	1,605	325,576
Other comprehensive income for the financial period	-	-	-	5	-	5	-	5
Total comprehensive income for the financial period	-	-	-	5	323,971	323,976	1,605	325,581
Expenses related to issuance of ordinary shares	(94)	-	-	-	-	(94)	-	(94)
Issuance of ordinary shares pursuant to Dividend Reinvestment Plan	49,302	-	-	-	-	49,302	-	49,302
Purchase of treasury shares	-	(19,890)	-	-	-	(19,890)	-	(19,890)
Dividends paid	-	-	-	-	(76,071)	(76,071)	-	(76,071)
As at 30 September 2022	904,103	(32,254)	6,401	24	946,012	1,824,286	(4,009)	1,820,277

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 Third Quarter ended September 30, 2022**  
(The figures have not been audited)

	Current Period Ended 30.09.2022 RM'000	Corresponding Period Ended 30.09.2021 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	329,175	236,490
Adjustments for:-		
Amortisation of development costs	21,020	16,601
Depreciation of equipment	19,928	16,795
Depreciation of right of use assets	4,930	3,379
Depreciation of investment properties	490	489
Fixed assets written off	23	1
Loss / (Gain) on disposal of fixed assets	1,225	(29)
Gain on disposal of right of use assets	(11)	(1)
Asset transfer in	-	(5)
Stock written off	44	82
Gain on disposal of an associate	(2,846)	-
Interest expense	6,017	4,824
Interest expense on lease liabilities	565	171
Share of results in an associate	-	1,102
Share of results for joint ventures	(65)	286
Interest income	(268)	(2,789)
Impairment (gain) / loss on trade and financing receivables	(407)	45
	<hr/>	<hr/>
Operating profit before working capital changes	379,820	277,441
Increase in deferred revenue	2,230	6
Increase in inventories	(7,753)	(9,950)
Decrease / (Increase) in financing receivables	19,711	(6,300)
(Increase) / Decrease in trade and other receivables	(30,388)	44,413
Increase in trade and other payables	8,493	67,387
	<hr/>	<hr/>
<b>CASH FLOWS FROM OPERATIONS</b>	<b>372,113</b>	<b>372,997</b>
Income tax paid	(1,761)	(1,289)
Interest paid	(6,017)	(4,824)
	<hr/>	<hr/>
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>364,335</b>	<b>366,884</b>
	<hr/>	<hr/>
<b>CASH FLOWS FOR INVESTING ACTIVITIES</b>		
Development costs paid	(124,984)	(30,252)
Interest received	268	2,789
Purchase of property and equipment	(116,787)	(65,161)
Additions of right-of-use assets	(33,282)	(169)
Proceeds from disposal of property and equipment	-	1
Investment in a joint venture	-	(937)
Investment in an associate	18,946	(4,087)
Investment in quoted shares	(72,660)	-
Purchase of other investments	10,775	(6,103)
Subscription of shares in a subsidiary by non-controlling interest	-	20
	<hr/>	<hr/>
<b>NET CASH FOR INVESTING ACTIVITIES</b>	<b>(317,724)</b>	<b>(103,899)</b>
	<hr/>	<hr/>

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

**Condensed Consolidated Statements of Cash Flows for the Third Quarter ended September 30, 2022**  
**(The figures have not been audited) (Cont'd)**

	<b>Current Period Ended 30.09.2022 RM'000</b>	<b>Corresponding Period Ended 30.09.2021 RM'000</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividends paid	(76,071)	(30,678)
Dividends received		-
Decrease / (Increase) in amount owing by associates	17	(8)
Decrease in amount due to a joint venture	-	(1,996)
Purchase of treasury shares	(19,890)	(65,566)
Proceeds from Dividend Reinvestment Plan	49,302	-
Expenses related to issuance of ordinary shares	(94)	(429)
Drawdown of term loan	103,483	-
Repayment of term loans	(47,695)	(19,700)
Drawdown of revolving credit	80,000	-
Repayment of lease liabilities	(5,680)	(3,345)
Interest expenses on lease liabilities paid	(565)	(171)
<b>NET CASH FROM / (FOR) FINANCING ACTIVITIES</b>	<b>82,807</b>	<b>(121,893)</b>
<b>NET INCREASE IN CASH AND BANK BALANCES</b>	<b>129,418</b>	<b>141,092</b>
<b>EFFECT OF EXCHANGE RATE FLUCTUATIONS ON CASH HELD</b>	<b>5</b>	<b>(2)</b>
<b>CASH AND BANK BALANCES AT BEGINNING OF THE FINANCIAL PERIOD</b>	<b>89,279</b>	<b>234,613</b>
<b>CASH AND BANK BALANCES AT END OF THE FINANCIAL PERIOD</b>	<b>218,702</b>	<b>375,703</b>

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 September 30, 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”):-

<b>MFRSs and/or IC Interpretations (Including The Consequential Amendments)</b>	<b>Effective Date</b>
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:

<b>Date of buy back</b>	<b>No of shares purchase (units)</b>	<b>Total (RM)</b>
24.08.2022	1,000,000	758,491
25.08.2022	1,000,000	768,524
26.08.2022	1,000,000	768,524
29.08.2022	1,000,000	723,376
02.09.2022	1,000,000	798,623
15.09.2022	1,000,000	853,805
19.09.2022	1,000,000	833,739
20.09.2022	1,000,000	838,756
26.09.2022	500,000	409,457
27.09.2022	1,000,000	838,756
28.09.2022	1,000,000	828,723
29.09.2022	1,000,000	853,805

The total shares purchased during the financial quarter ended 30 September 2022 amounted to 11,500,000 (30 September 2021: 17,216,700) MYEG shares.

As at 30 September 2022, a total of 34,595,400 (30 September 2021: 182,003,000) 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 September 2022.

#### **A7. Dividends Paid**

The Directors proposed a final dividend of 1.03 sen per ordinary share (2020 – 1.7 sen) for the financial year ended 31 December 2021 of which the shareholders had approved at the 21th Annual General Meeting (“AGM”) held on 23 June 2022.

The final dividend, which amounted to RM76,070,854 based on the current share capital of 7,408,616,642 ordinary shares (excluding 34,595,400 treasury shares), was paid on 21 September 2022. Under the Dividend Reinvestment Scheme, a total of 68,954,436 new ordinary shares were issued at the price of RM0.715 per MYEG share which amounted to RM49,302,415.

On 29 August 2022, the Directors have declared a first interim single tier dividend of 0.25 sen per ordinary share (2021 – 0.25 sen) for the current financial year ending 31 December 2022, which was paid on 25 November 2022 to shareholders registered at the closed business on 27 October 2022.

#### **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 30 September 2022 are as follows:

	Individual Quarter		Cumulative Quarter	
	3 months ended	3 months ended	9 months ended	9 months ended
	30.09.2022	30.09.2021	30.09.2022	30.09.2021
	RM	RM	RM	RM
<b>(i) A company which a director has financial interest</b>				
Embunaz Ventures Sdn Bhd				
- Professional Fees	62,400	62,400	187,200	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.

## **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 RM162.62 million and RM152.03 million respectively for the third financial quarter ("Q3 FY2022") as compared to RM156.80 million and RM78.15 million respectively in the corresponding quarter ("Q3 FY2021"). The increase in Revenue of approximately RM5.82 million (or 3.71%) and the increase in PAT of approximately RM73.88 million (or 94.53%) was primarily attributable to:

- (i) the resumption of full operations of our E-Service Centers located nationwide;
- (ii) higher contribution from the foreign worker job matching service;
- (iii) contribution from the sale of Zetrix tokens; and
- (iv) a one-off recognition of fair value gain in investment resulting from the listing of our investment in Agmo Holdings Berhad on 18 August 2022.

For the year-to-date period ended 30 September 2022 ("9M FY2022"), the Group recorded Revenue of RM486.18 million as compared to RM489.99 million in the corresponding period ("9M FY2021") while PAT for 9M FY2022 increased to RM325.58 million as compared to 234.73 million in the corresponding period 9M FY2021. The marginal decrease of RM3.81 million (0.78%) in Revenue was due to lower demand for the quarantine services which was offset by the increase in the following Revenue contribution:

- (i) an increase in Revenue from the existing concession services as a result of the resumption of full operations of our E-Service Center located nationwide;
- (ii) contribution from the foreign worker job matching service; and
- (iii) contribution from the sale of Zetrix tokens.

However, the increase of RM90.85 million (38.70%) in PAT was primarily due to:

- (i) a one-off recognition of fair value gain in investment as a result from the listing of our investment in Agmo Holdings Berhad; and
- (ii) an overall increase in Revenue from our existing concession and commercial services which offset the decrease in Revenue from the lower demand for the quarantine services.

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

	<b>Q3 2022</b>	<b>Q2 2022</b>	<b>Changes</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>%</b>
Revenue	162,616	161,792	0.51
Operating Profit	111,773	107,099	4.36
Profit Before Interest and Taxation	157,416	91,143	72.71
Profit Before Taxation	154,512	88,940	73.73
Profit After Taxation	152,025	88,358	72.06
Profit attributable to Ordinary Equity Holders of the Parent	150,708	88,636	70.03

For the Quarter under review, the Group recorded a Revenue of RM162.62 million, a marginal increase of RM0.83 million (0.51%) as compared to Q2 FY2022 Revenue of RM161.79 million. However, the Group's PAT of RM152.03 million achieved in Q3 FY2022 which represent an increase of RM63.67 million (72.06%) as compared to Q2 FY2022 PAT of RM88.36 million was primarily due to a one-off recognition of fair value gain in investment resulting from the listing of our investment in Agmo Holdings Berhad on 18 August 2022.

### 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 9 months ended		
	30.09.2022	30.09.2021	Changes	30.09.2022	30.09.2021	Changes
	RM'000	RM'000	%	RM'000	RM'000	%
Current taxation	2,422	518	367.6	3,460	1,658	108.7
Deferred taxation	65	104	(37.5)	139	104	33.7
	<u>2,487</u>	<u>622</u>	<u>299.8</u>	<u>3,599</u>	<u>1,762</u>	<u>104.3</u>

The effective tax rate for the current taxation for cumulative year to date is 1.09% 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 30 September 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 30 September 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	125.0	-	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>214.2</u>	<u>-</u>	

- iii) On 25 October 2022, CIMB Investment Bank Berhad had, on behalf of the Board of Directors of MYEG announced that the extension of time granted by Bursa Securities Malaysia Berhad of up to 25 October 2022 for the Company to complete the implementation of the Proposed Placement has lapsed and accordingly, the Private Placement I and Private Placement II are deemed completed.

## B7. Group Borrowings

Details of the Group's borrowings as at September 30, 2022 were as follow:-

	As at 30.09.2022		
	Non-Current RM'000	Current RM'000	Total RM'000
<b><u>Secured^</u></b>			
Term Loan	145,313	29,322	174,635
<b><u>Unsecured^</u></b>			
Revolving Credit	-	121,700	121,700
Total Borrowings	145,313	151,022	296,335

  

	As at 30.09.2021		
	Non-Current RM'000	Current RM'000	Total RM'000
<b><u>Secured^</u></b>			
Term Loan	101,369	23,349	124,718
<b><u>Unsecured^</u></b>			
Revolving Credit	-	21,100	21,100
Total Borrowings	101,369	44,449	145,818

^ The borrowings are denominated in RM.

The weighted average interest rate of borrowings as at Q3 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 9 months ended		
	30.09.2022 RM'000	30.09.2021 RM'000	Changes %	30.09.2022 RM'000	30.09.2021 RM'000	Changes %
Interest Income	(43)	(523)	(91.8)	(268)	(2,789)	(90.4)
Other Income	(14)	-	100.0	(2,861)	(3)	>100%
Interest Expense	2,456	1,364	80.1	6,017	4,824	24.7
Interest Expense on Lease Liabilities	456	58	>100%	565	171	>100%
Depreciation and Amortisation	16,614	12,361	34.4	46,368	37,264	24.4
Impairment (Gain) / Loss on Trade Receivables	(59)	(29)	>100%	(407)	45	>100%
Fixed Assets Written Off	4	1	>100%	23	1	>100%
Loss / (Gain) on Foreign Exchange						
- Realised	80	9	>100%	342	72	>100%
- Unrealised	85	(29)	>100%	127	30	>100%

Save 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	
	30.09.2022 RM'000	30.09.2021 RM'000	30.09.2022 RM'000	30.09.2021 RM'000
Net profit attributable to ordinary shareholders	150,708	78,463	323,971	235,432
Weighted average number of ordinary shares in issue ('000s)	7,746,781	7,382,762	7,746,781	7,382,762
Basic EPS (sen)	1.9	1.1	4.2	3.2

### 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 ("CAICT") 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. On 17 November 2022, the Company had entered into a Collaboration Agreement ("the Agreement") with CAICT for the Company to own and operate the Xinghuo International Supernode that will provide connectivity from China to the rest of the world. The Agreement shall now supersede the MOU entered on 12 October 2021. As such, the MOU would therefore no longer subsist.

**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 MOU 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.

The Company had on 6 October 2022 entered into a MOU with MIMOS Technology Solutions Sdn Bhd to jointly develop and operate the national layer 1 public blockchain using Zetrix and MIMOS blockchain technology, as the components of the Malaysia Blockchain Infrastructure.

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 November 2022