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MY E.G. SERVICES BERHAD

(505639-K)
(Incorporated in Malaysia)

**INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023**



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

THIRD QUARTERLY REPORT FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

**Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income
for the Third Quarter ended September 30, 2023**
(The figures have not been audited)

	Individual Quarter			Cumulative Quarter		
	3 Months Ended			9 Months Ended		
	30.09.2023	30.09.2022	Changes	30.09.2023	30.09.2022	Changes
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue	194,121	162,616	19.4	552,220	486,176	13.6
Operating Expenses	(44,577)	(50,843)	(12.3)	(146,834)	(170,321)	(13.8)
Operating Profit	149,544	111,773	33.8	405,386	315,855	28.3
Depreciation and Amortisation	(14,534)	(16,286)	(10.8)	(44,078)	(45,214)	(2.5)
Interest Income	353	43	100.0	589	268	100.0
Other Income	214	14	100.0	735	2,861	(74.3)
Fair value gain on investment	143	61,885	(99.8)	2,899	61,885	(95.3)
Share of results of a joint venture	176	(13)	(100.0)	422	66	100.0
Profit Before Interest and Taxation	135,896	157,416	(13.7)	365,953	335,721	9.0
Interest Expense	(15,352)	(2,904)	(100.0)	(28,280)	(6,546)	100.0
Profit Before Taxation	120,544	154,512	(22.0)	337,673	329,175	2.6
Taxation	(443)	(2,487)	(82.2)	(882)	(3,599)	(75.5)
Profit After Taxation	120,101	152,025	(21.0)	336,791	325,576	3.4
Other Comprehensive Income	136	-	100.0	1,034	5	100.0
Total Comprehensive Income for the financial period	120,237	152,025	(20.9)	337,825	325,581	3.8
Profit After Taxation attributable to:						
Owners of the Company	119,996	150,708	(20.4)	337,488	323,971	4.2
Non-controlling interest	105	1,317	(92.0)	(697)	1,605	(100.0)
	120,101	152,025	(21.0)	336,791	325,576	3.4
Total Comprehensive Income attributable to:						
Owners of the Company	120,132	150,708	(20.3)	338,522	323,976	4.5
Non-controlling interest	105	1,317	(92.0)	(697)	1,605	(100.0)
	120,237	152,025	(20.9)	337,825	325,581	3.8
Earnings per share ("EPS") attributable to the equity holders of the Company (sen)						
- Basic EPS	1.6	2.0		4.5	4.4	
- Diluted EPS	Not Applicable	Not Applicable		Not Applicable	Not Applicable	

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 2022 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, 2023

	Unaudited As at 30.09.2023 RM'000	Audited As at 31.12.2022 RM'000
ASSETS		
NON-CURRENT ASSETS		
Property and equipment	311,273	330,006
Right-of-use assets	63,100	59,819
Investment properties	28,517	29,007
Investment in associates	33	33
Investment in joint ventures	9,801	9,379
Other investments	241,624	235,718
Development costs	972,820	762,678
Goodwill on consolidation	20,002	20,002
Financing receivables	215,204	243,456
	1,862,374	1,690,098
CURRENT ASSETS		
Inventories	25,140	25,809
Financing receivables	47,992	45,470
Trade receivables	335,547	334,859
Other receivables, deposits and prepayments	375,869	307,550
Amount owing by joint ventures	5,586	2,510
Amount owing by associates	36	32
Current tax assets	2,305	607
Digital assets	33,068	38
Cash and cash equivalents	398,558	76,424
	1,224,101	793,299
Assets held for sale	8,280	56,280
	1,232,381	849,579
TOTAL ASSETS	3,094,755	2,539,677
EQUITY AND LIABILITIES		
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY		
Share capital	962,030	904,077
Treasury shares	(76,479)	(36,642)
Reserves	7,468	6,434
Retained profits	1,202,053	1,002,108
	2,095,072	1,875,977
Non-controlling interests	(4,621)	(3,874)
TOTAL EQUITY	2,090,451	1,872,103
NON-CURRENT LIABILITIES		
Long term borrowings	687,661	293,791
Long term lease liabilities	34,508	31,366
Deferred tax liabilities	2,860	2,859
	725,029	328,016

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

Condensed Consolidated Statements of Financial Position
As at September 30, 2023 (Cont'd)

	Unaudited	Audited
	As at	As at
	30.09.2023	31.12.2022
	RM'000	RM'000
CURRENT LIABILITIES		
Trade payables	52,527	106,412
Other payables and accruals	69,775	73,423
Deferred revenue	15,625	1,439
Amount owing to an associate	16	22
Current tax liabilities	57	88
Short term borrowings	141,107	149,267
Short term lease liabilities	168	8,907
	<u>279,275</u>	<u>339,558</u>
TOTAL LIABILITIES	<u>1,004,304</u>	<u>667,574</u>
TOTAL EQUITY AND LIABILITIES	<u>3,094,755</u>	<u>2,539,677</u>
Net assets attributable to ordinary equity holders of the parent (RM'000)	2,095,072	1,875,977
Net assets per share attributable to ordinary equity holders of the parent (sen)	28.06	25.22

The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2022 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, 2023
(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 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
As at 1 January 2023	904,077	(36,642)	6,401	33	1,002,108	1,875,977	(3,874)	1,872,103
Profit after tax for the financial period	-	-	-	-	337,488	337,488	(697)	336,791
Other comprehensive income for the financial period	-	-	-	1,034	-	1,034	-	1,034
Total comprehensive income for the financial period	-	-	-	1,034	337,488	338,522	(697)	337,825
Issuance of ordinary shares pursuant to Dividend Reinvestment Plan	57,953	-	-	-	-	57,953	-	57,953
Dilution by non-controlling interest	-	-	-	-	-	-	(50)	(50)
Purchase of treasury shares	-	(39,837)	-	-	-	(39,837)	-	(39,837)
Dividends paid	-	-	-	-	(86,644)	(86,644)	-	(86,644)
Dividend-in-specie paid	-	-	-	-	(50,899)	(50,899)	-	(50,899)
As at 30 September 2023	962,030	(76,479)	6,401	1,067	1,202,053	2,095,072	(4,621)	2,090,451

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 2022 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, 2023
(The figures have not been audited)

	Current Period Ended 30.09.2023 RM'000	Corresponding Period Ended 30.09.2022 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	337,673	329,175
Adjustments for:-		
Amortisation of development costs	16,599	21,020
Depreciation of equipment	22,728	19,928
Depreciation of right-of-use assets	5,697	4,930
Depreciation of investment properties	490	490
Fixed assets written off	180	23
(Gain) / Loss on disposal of fixed assets	(17)	1,225
Gain on disposal of right-of-use assets	(219)	(11)
Stock written off	(30)	44
Fair value gain on investment	(2,899)	-
Gain on disposal of an associate	-	(2,846)
Interest expense	26,616	6,017
Interest expense on lease liabilities	1,684	565
Share of results for joint ventures	(422)	(65)
Dividend income	(4)	-
Interest income	(589)	(268)
Impairment gain on trade and financing receivables	(333)	(407)
	<hr/>	<hr/>
Operating profit before working capital changes	407,154	379,820
Increase in deferred revenue	14,186	2,230
Decrease / (Increase) in inventories	699	(7,753)
Decrease in financing receivables	26,045	19,711
Increase in trade and other receivables	(68,988)	(30,388)
(Decrease) / Increase in trade and other payables	(57,533)	8,493
	<hr/>	<hr/>
CASH FLOWS FROM OPERATIONS	321,563	372,113
Income tax (paid) / refunded	(2,610)	(1,761)
Interest paid	(26,616)	(6,017)
	<hr/>	<hr/>
NET CASH FROM OPERATING ACTIVITIES	292,337	364,335
CASH FLOWS FOR INVESTING ACTIVITIES		
Development costs paid	(226,741)	(124,984)
Interest received	589	268
Purchase of property and equipment	(4,075)	(116,787)
Additions of right-of-use assets	(7,096)	(33,282)
Proceeds from disposal of property and equipment	45	-
Proceeds from disposal of right of use assets	220	-
Proceeds from disposal of an associate	-	18,946
Investment in quoted shares	-	(72,660)
Purchase of other investments	(5,906)	10,775
Additions of digital assets	(33,030)	-
Dilution by non-controlling interest	(50)	-
	<hr/>	<hr/>
NET CASH FOR INVESTING ACTIVITIES	(276,044)	(317,724)

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

Condensed Consolidated Statements of Cash Flows for the Third Quarter ended September 30, 2023
(The figures have not been audited) (Cont'd)

	Current Period Ended 30.09.2023 RM'000	Corresponding Period Ended 30.09.2022 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	(86,644)	(76,071)
Dividends received	4	-
(Decrease) / Increase in amount owing to associates	(10)	17
Increase in amount due from a joint venture	(3,076)	-
Purchase of treasury shares	(39,837)	(19,890)
Issuance of new shares pursuant to Dividend Reinvestment Plan	57,953	49,302
Expenses related to issuance of ordinary shares	-	(94)
Drawdown of term loan	22,071	103,483
Repayment of term loans	(32,261)	(47,695)
Drawdown of revolving credit	4,900	80,000
Repayment of revolving credit	(9,000)	-
Drawdown of SUKUK	400,000	-
Repayment of lease liabilities	(7,608)	(5,680)
Interest expenses on lease liabilities paid	(1,684)	(565)
NET CASH FROM FINANCING ACTIVITIES	304,808	82,807
NET INCREASE IN CASH AND BANK BALANCES	321,101	129,418
EFFECT OF EXCHANGE RATE FLUCTUATIONS ON CASH HELD	1,034	5
CASH AND BANK BALANCES AT BEGINNING OF THE FINANCIAL PERIOD	76,423	89,279
CASH AND BANK BALANCES AT END OF THE FINANCIAL PERIOD	398,558	218,702

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 2022 and the accompanying notes to the Unaudited Financial Statements.

Notes To The Interim Financial Report For the Financial Period ended September 30, 2023

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 2022.

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 2022.

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)

MFRS 17 Insurance Contracts

Amendments to MFRS 17: Insurance Contracts

Amendments to MFRS 101: Disclosure of Accounting Policies

Amendments to MFRS 108: Definition of Accounting Estimates

Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The Group has not applied in advance the following accounting standards and/or interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board (“MASB”):-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)

Effective Date

Amendments to MFRS 16: Lease – Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101: Presentation of Financial Statements - <i>Non-current Liabilities with Covenants</i>	1 January 2024
Amendments to MFRS 10 Consolidated Financial Statements	Deferred
Amendment to MFRS 128: Investments in Associates and Joint Ventures – <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred

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 2022 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)
28.08.2023	2,000,000	1,596,247
01.09.2023	2,000,000	1,576,181
04.09.2023	28,000	21,436
05.09.2023	2,000,000	1,566,148
08.09.2023	2,000,000	1,566,148
11.09.2023	2,000,000	1,566,148
22.09.2023	2,000,000	1,636,379
25.09.2023	2,993,500	2,403,703
26.09.2023	2,000,000	1,606,280
27.09.2023	2,000,000	1,576,181
29.09.2023	2,000,000	1,576,181

A6. Debt and Equity Securities (Cont'd)

The total shares purchased during the financial quarter ended 30 September 2023 amounted to 21,021,500 (30 September 2022: 11,500,000) MYEG shares.

As at 30 September 2023, a total of 93,138,300 (30 September 2022: 34,595,400) MYEG shares were retained as treasury shares in the Company. None of the treasury shares held were resold or cancelled during the financial year ended 30 September 2023.

A7. Dividends Paid

i) Dividend-in-specie

On 23 December 2022, the Directors proposed to distribute 84,000,000 shares representing the Group's entire 25.8% equity interest in Agmo Holdings Berhad ("Agmo Shares") held through MYEG Capital Sdn Bhd ("MYEG Capital") in two (2) separate tranches by way of a dividend-in-specie ("Dividend-in-Specie").

The distribution of the first tranche of the Dividend-in-Specie, consisting of 69,750,000 Agmo Shares was completed on 10 March 2023, following the distribution of 69,724,752 Agmo Shares to entitled shareholders with the remaining 25,248 Agmo Shares arising from fractional entitlements to be retained by MYEG Capital.

The distribution of the second tranche of the Dividend-in-Specie amounting to 14,275,248, which consisted of the remaining 25,248 Agmo Shares subsequent to the first tranche of Dividend-in-Specie and the release from moratorium of an additional 14,250,000 Agmo Shares, was completed on 27 September 2023 following the distribution of 14,255,806 Agmo Shares to entitled shareholders with the remaining 19,442 Agmo Shares arising from fractional entitlements to be retained by MYEG Capital.

ii) Final Dividend for the financial year ended 31 December 2022

For the financial year ended 31 December 2022, the Directors have proposed the declaration of a final dividend of 1.17 sen per ordinary share (2021 – 1.03 sen) of which the shareholders had approved at the 22th Annual General Meeting held on 22 June 2023.

The final dividend, which amounted to RM86,643,787 was paid on 20 September 2023. Under the Dividend Reinvestment Scheme, a total of 81,110,688 new ordinary shares were issued at the price of RM0.715 per MYEG share which amounted to RM57,994,131.

iii) Interim Dividend for the financial year ended 31 December 2023

On 21 August 2023, the Directors have declared a first interim single tier dividend of 0.25 sen per ordinary share (2022 – 0.25 sen) for the current financial year ending 31 December 2023, which was paid on 17 November 2023 to shareholders registered at the closure business on 18 October 2023.

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 year ended 30 September 2023 are as follows:

	Individual Quarter		Cumulative Quarter	
	3 months ended	3 months ended	9 months ended	9 months ended
	30.09.2023	30.09.2022	30.09.2023	30.09.2022
	RM	RM	RM	RM
(i) A company which a director has financial interest				
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 RM194.12 million and RM120.10 million respectively for the third quarter financial period ended 30 September 2023 ("Q3 FY2023") as compared to RM162.62 million and RM152.03 million respectively in the corresponding quarter last year ("Q3 FY2022").

The increase in Revenue of RM31.50 million (or 19.37%) was a result of:

- i) contribution from newly launch services from our Zetrix blockchain platform; and
- ii) contribution from the sale of Zetrix tokens.

However, the PAT decreased by RM31.92 million (or 21.00%) mainly due to the one-off recognition of fair value gain in investment amounting to RM61.89 million as a result from the listing of our investment in Agmo Holdings Berhad ("Agmo Listing") in Q3 FY2022. Without taking into consideration the one-off recognition of fair value gain, operating PAT increased by RM29.96 million (or 33.25%) which was attributable to the contribution from our Zetrix platform.

For the year-to-date period ended 30 September 2023 ("9M FY2023"), the Group recorded Revenue of RM552.22 million as compared to RM486.18 million in the corresponding period ("9M FY2022") while PAT for 9M FY2023 increased to RM336.79 million as compared to RM325.58 million in the corresponding period 9M FY2022.

The increase of RM66.04 million (13.58%) in Revenue for the 9M FY2023 was primarily attributable to:

- (i) an overall increase in Revenue from our existing services with higher margin which offset the cessation of Revenue contribution from the health screening and quarantine services;
- (ii) contribution from newly launch services from our Zetrix blockchain platform;
- (iii) contribution from the sale of Zetrix tokens; and
- (iv) increase in foreign worker job matching service due to the uplifting of freeze on foreign worker recruitment.

The lower increase in PAT of RM11.21 million (3.44%) for 9M FY2023 was mainly due to the one-off recognition of fair value gain in investment of RM61.89 million from the Agmo Listing in Q3 FY2022 which accounted for the relatively higher PAT in 9M FY2022. Without taking into consideration the one-off recognition of fair value gain, operating PAT for 9M FY2023 would have shown an increase of RM73.10 million (or 27.72%) mainly attributable to the same factors which contributed to the increase in Revenue.

B2. Comparison with Preceding Quarter's Results

	Q3 2023	Q2 2023	Changes
	RM'000	RM'000	%
Revenue	194,121	184,875	5.00
Operating Profit	149,544	136,614	9.46
Profit Before Interest and Taxation	135,896	120,978	12.33
Profit Before Taxation	120,544	111,751	7.87
Profit After Taxation	120,101	111,351	7.86
Profit attributable to Ordinary Equity Holders of the Parent	119,996	111,556	7.57

For the Quarter under review, the Group recorded a Revenue of RM194.12 million as compared to the preceding quarter Q2 FY2023 Revenue of RM184.88 million. The Group's PAT amounted to RM120.10 million in Q3 FY2023 as compared to Q2 FY2023 PAT of RM111.35 million.

B2. Comparison with Preceding Quarter's Results (Cont'd)

The increase in Revenue of RM9.25 million (5.00%) and PAT of RM8.75 million (7.86%) was primarily due to:

- i) contribution from our Zetrix blockchain platform; and
- ii) contribution from the sale of Zetrix tokens.

B3. Prospect of the Group

For the financial year ending 31 December 2023 ("FYE2023"), MYEG expects to continue introducing innovative services by leveraging on new technologies, specifically blockchain or Web 3.0, in Malaysia as well as globally, to drive our organic growth for FYE2023.

With its Layer 1 blockchain platform namely Zetrix coming online, there is a huge potential for MYEG to commercialise innovative services as Web 3.0 becomes widely adopted. Furthermore, Zetrix has also been integrated with China's national blockchain platform, namely "Xing Huo" which will allow ease of cross border trade to take place and it will be the Group's foray into the global market.

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			Cumulative Quarter		
	3 months ended			9 months ended		
	30.09.2023	30.09.2022	Changes	30.09.2023	30.09.2022	Changes
	RM'000	RM'000	%	RM'000	RM'000	%
Current taxation	442	2,422	(81.8)	881	3,460	(74.5)
Deferred taxation	1	65	(98.5)	1	139	(99.3)
	<u>443</u>	<u>2,487</u>	<u>(82.2)</u>	<u>882</u>	<u>3,599</u>	<u>(75.5)</u>

The effective tax rate for the current taxation for cumulative year to date is 0.26% 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").

B6. Status of Corporate Proposals (Cont'd)

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 2023, 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 Utilisation	Actual Proceeds Raised	Actual Utilisation	Balance	Estimated timeframe for the utilisation of proceeds from the date of listing of the Placement Shares
	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>	

B7. Group Borrowings

Details of the Group's borrowings as at September 30, 2023 were as follow:-

	As at 30.09.2023		
	Non-Current RM'000	Current RM'000	Total RM'000
<u>Secured[^]</u>			
Term Loan	137,661	23,507	161,168
Islamic Medium Term Notes	550,000	-	550,000
<u>Unsecured[^]</u>			
Revolving Credit	-	117,600	117,600
Total Borrowings	<u>687,661</u>	<u>141,107</u>	<u>828,768</u>
	As at 30.09.2022		
	Non-Current RM'000	Current RM'000	Total RM'000
<u>Secured[^]</u>			
Term Loan	145,313	29,322	174,635
Islamic Medium Term Notes	-	-	-
<u>Unsecured[^]</u>			
Revolving Credit	-	121,700	121,700
Total Borrowings	<u>145,313</u>	<u>151,022</u>	<u>296,335</u>

[^] The borrowings are denominated in RM.

The weighted average interest rate of borrowings as at Q3 FY2023 was 7.45%.

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		
	30.09.2023	30.09.2022	Changes	30.09.2023	30.09.2022	Changes
	RM'000	RM'000	%	RM'000	RM'000	%
Interest Income	(353)	(43)	100.0	(589)	(268)	100.0
Other Income	(214)	(14)	100.0	(735)	(2,861)	(74.3)
Interest Expense	14,831	2,456	100.0	26,616	6,017	100.0
Interest Expense on Lease Liabilities	529	456	16.0	1,684	565	100.0
Depreciation and Amortisation	15,036	16,614	(9.5)	45,514	46,368	(1.8)
Impairment Gain on Trade Receivables	(138)	(59)	100.0	(333)	(407)	(18.2)
Fixed Assets Written Off	172	4	100.0	180	23	100.0
Gain on Foreign Exchange						
- Realised	70	80	(12.5)	26	342	(92.4)
- Unrealised	143	85	68.2	1,222	127	100.0

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 dividend was 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	
	30.09.2023	30.09.2022	30.09.2023	30.09.2022
	RM'000	RM'000	RM'000	RM'000
Net profit attributable to ordinary shareholders	119,996	150,708	337,488	323,971
Weighted average number of ordinary shares in issue ('000s)	7,420,476	7,390,772	7,420,476	7,390,772
Basic EPS (sen)	1.6	2.0	4.5	4.4

B12. EPS (Cont'd)

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

- i) 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.
- ii) 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.
- iii) 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.
- iv) 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.
- v) The Company had on 14 June 2023 entered into a non-binding MOU with Oyika Green Technologies Sdn Bhd in relation to a collaboration on the use of electric motorcycles and placement of battery swapping stations at designated locations for a trial period, in line with MYEG's ongoing efforts to reduce carbon emissions as part of its overarching commitment to reaching net zero by 2050.
- vi) The Company's joint venture company MYEG Philippines, Inc, had on 27 July 2023 entered into a MOU with MYEG Ventures Inc., Cargo Data Exchange Center Inc., and the Philippines Bureau of Customs ("BOC"). The purpose of this MOU is to establish a deployment of Zetrix blockchain-based customs clearance and processing services for the BOC.

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
20 November 2023