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**MY E.G. SERVICES BERHAD**

REGISTRATION No. 200001003034 (505639-K)

# 2022

## ANNUAL REPORT

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Proxy Form

# ABOUT THIS REPORT

## INTRODUCTION

MY E.G. Services Berhad (“**MYEG**” or the “**Company**”) and its subsidiaries (the “**Group**”) presents its Integrated Annual Report for the financial year ended 31 December 2022 (“**FY2022**”). The content of the Integrated Annual Report 2022 (“**IAR2022**”) has been developed in accordance with the Integrated Reporting (“**<IR>**”) Framework based on the Principles-based Framework comprising the six Capitals, seven Guiding Principles and eight Content Elements.

The objective of this IAR2022 is to present readers with a comprehensive yet concise narrative of MYEG’s journey of value creation for the financial year. This includes financial and non-financial values for the Group and its stakeholders.

### 6 Capitals

- Financial
- Manufactured
- Intellectual
- Human
- Social
- Natural



### 7 Guiding Principles

- Strategic focus and future orientation
- Connectivity of information
- Concise
- Reliability and completeness
- Consistency and comparability
- Materiality
- Stakeholder relationships



### 8 Content Elements

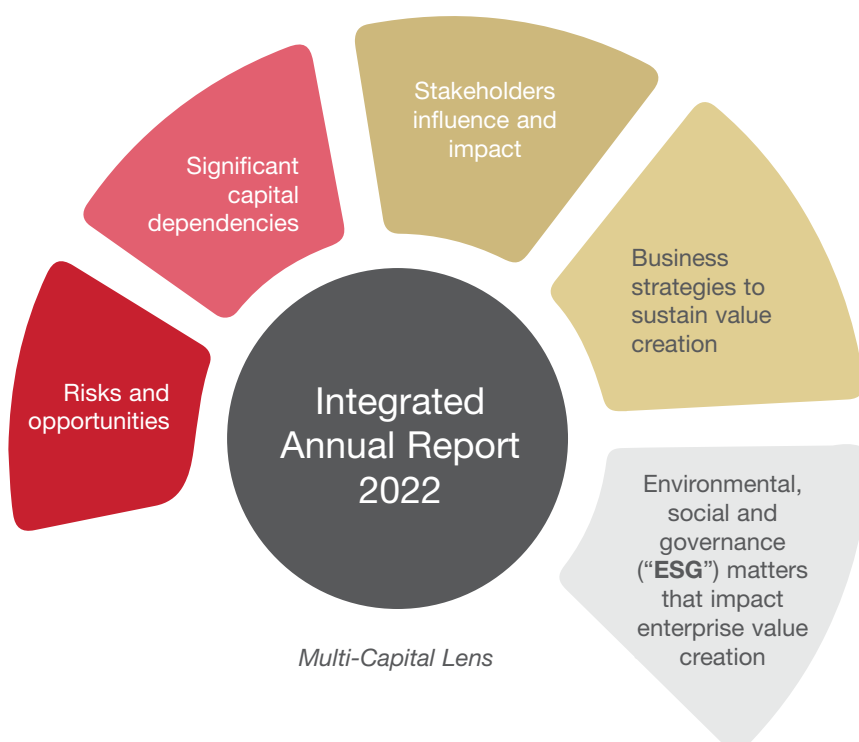
- Organisational overview and external environment
- Governance
- Business model
- Risks and opportunities
- Strategy and resources allocation
- Performance
- Outlook
- Basis of preparation and presentation



MYEG, in its years of <IR> adoption, has looked to progressively strengthen its disclosures based on the Principles-based Framework towards providing readers, notably providers of financial and other capitals, with a more comprehensive, connected and concise narrative that relays the Group’s journey of value creation in FY2022.

In essence, the goal of <IR> is to provide readers with a multi-capital narrative on how MYEG has not just delivered financial performance but is also prepared to sustain value creation through its business model over the short, medium and long-term perspectives.

Hence, the IAR2022, delves not only into business and operational performance but also includes financial and non-financial values for the Group and its stakeholders.



## BASIS OF REPORT PREPARATION

In driving integrated thinking, which is the basis of IAR2022, a strategy workshop was conducted on 27 September 2022 involving key Heads of Departments from Risk, Strategy, Operations, Finance, Human Resources and Corporate Affairs and Communications.

In addition, a comprehensive briefing session was held for the Board of Directors (“**Board**”) to provide them with a high-level understanding of <IR>, MYEG’s progress in its adoption of <IR> and areas for improvement based on a conducted gap analysis (conducted using the Principles-based Framework). The briefing was also leveraged as a question and answer session with the facilitator, a certified <IR> training provider, providing clarification to questions posed by the Board.

The objective of the workshop was to solicit strategic perspectives of the various key personnel towards obtaining strategic information (based on the Principles-based Framework) for the development of the IAR2022 report content.

The workshop included an introduction on what is <IR>, its benefits and importance in the context of present day corporate reporting, the required components as well as a gap analysis of IAR2022 and subsequently, strategies on gap closure.

Information and findings garnered from the workshop have been used to develop the strategy section of IAR2022 and are also used (where relevant) for other narratives such as the Management Discussion and Analysis, Sustainability Statement and Corporate Governance Overview Statement.

All content presented in IAR2022 has been reviewed and approved by the Management of MYEG prior to publication.

## MATERIALITY

Adopting a multi-capital lens, MYEG has taken into account the following considerations in the determination of information deemed material for inclusion in IAR2022:

- Matters that can / will impact enterprise value creation across a multi-capital perspective. These include financial and non-financial matters, including ESG perspectives.
- Matters that affect stakeholders.
- Matters that impact the business model and access / availability to capitals.
- Matters that impact future plans and prospects

Matters that can / will impact value creation	Matters that affect stakeholders	Matters that impact the business model and access / availability to capitals	Matters that impact future plans and prospects
Any trend, development or incident that can significantly impact MYEG’s ability to generate / sustain financial values such as revenue, earnings and cashflow, appreciation of assets, as well as non-financial values including values for stakeholders.	Any trend, development or incident that can affect the wellbeing and satisfaction of stakeholders. These may be existential matters such as climate change or matters specific to MYEG and its business operations such as contributions to community and talent development, contribution to the nation-building and digital society agenda and so forth.	Any trend, development or incident that would hinder MYEG’s access to key resources required to drive the business model.	Any trend, development or incident that may in the future, impact MYEG’s business model and its ability to sustain financial and non-financial value creation.

In addition, the Group has also applied an additional material lens from an ESG perspective, which pertains to matters that have a significant impact on the environment and society, but have little to no impact on enterprise value creation. Performance disclosures related to such identified material topics are provided in the Sustainability Statement of IAR2022.

# ABOUT THIS REPORT

(cont'd)

## HOW TO READ THIS REPORT

While readers may opt to read IAR2022 using their own discretion, the following sequence is recommended in gaining a more complete understanding of IAR2022:



## APPLIED FRAMEWORKS

The IAR2022 report draws from / has been developed in accordance with the following reporting frameworks:

- Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities")
- Integrated Reporting Principles-based Framework of the International Integrated Reporting Council ("IIRC")
- Bursa Malaysia Sustainability Reporting Guide, 2nd Edition 2018
- FTSE4Good Index Disclosures ("FTSE Russell's ESG Data Model")
- Malaysia Code on Corporate Governance ("MCCG")
- Companies Act 2016 ("Act")
- Malaysian Financial Reporting Standards ("MFRS")
- International Financial Reporting Standards ("IFRS")
- ISO 31000 Risk Management Standard implemented in 2013



# ABOUT THIS REPORT

(cont'd)

## SCOPE & BOUNDARY

IAR2022 covers the business operations, activities, processes and employees of the Group where relevant. Beyond financial information, information presented is intended to show how MYEG creates value over the short, medium and long-term horizons.

Our scope is also bound by our present capacity to collate reliable, meaningful and accurate information. Therefore, disclosure is limited to the Group's domestic operations unless stated otherwise.

With the growth and expansion of our international operations and the maturity of data collection systems, we seek to include data from international operations in future reports.

## REPORTING PERIOD

IAR2022 covers the reporting period of 1 January 2022 to 31 December 2022, also known as FY2022. The reporting period is consistent with the audited financial year of the Group.

## ONLINE VERSION

This report can be downloaded from <https://www.myeg.com.my/investor-relations/reports-presentations> and Bursa Securities' website.

## FORWARD LOOKING STATEMENTS

This report contains information on MYEG's strategic priorities, anticipated risks and opportunities, industry outlook and the Group's prospects. All information herewith was collated based on reasonable assumptions using existing forecast models and present market conditions, which may change due to a wide range of factors that are beyond the Group's control.

As such, all forward looking statements are not conclusive. Actual plans and results may differ from those expressed in this report. Forward looking statements do not serve as guarantees of future operational or financial results or any other kind of outcome. Such statements have not been reviewed or audited by an external auditor.

## ASSURANCE

Financial data disclosed has been audited by Messrs. TGS TW PLT and based on their findings, present a true and fair view of the Group's position for FY2022.

Non-financial performance data has not been audited but the Group's Senior Management has judged it as a true and fair view of all material matters as well as the disclosure of our top line strategic plans for the short, medium and long-term so as not to place MYEG at a competitive disadvantage.

## FEEDBACK

Feedback on this report and the issues covered can be channelled to our Investor Relations unit at (Tel) +603 - 7664 8000 or via e-mail to [investors@myeg.com.my](mailto:investors@myeg.com.my).

## DIRECTORS' STATEMENT OF RESPONSIBILITY

The Board acknowledges that this balanced and comprehensive Annual Report is based on good governance practices and guided by IIRC's <IR> Framework.

The Board also provides assurance that the financial statements audited by Messrs TGS TW PLT were prepared in accordance with the relevant standards and frameworks, including the MFRS and IFRS.

# Board of Directors



Seated on the armchair:

**Dato' Dr Norraesah Binti Haji Mohamad**  
*Executive Chairman*

From Left to Right:

**Datuk Mohd Jimmy Wong  
Bin Abdullah**  
*Non-Independent  
Non-Executive Director*

**Wong Kok Chau**  
*Independent Non-Executive Director*

**Dato' Mohd Jeffrey Bin Joakim**  
*Independent Non-Executive Director*

**Wong Thean Soon**  
*Group Managing Director*

**Dato' Sri Mohd Mokhtar  
Bin Mohd Shariff**  
*Independent Non-Executive Director*

**Mohaini Binti Mohd Yusof**  
*Independent Non-Executive Director*

# CORPORATE INFORMATION

(cont'd)

## Remuneration Committee

**Dato' Sri Mohd Mokhtar  
Bin Mohd Shariff**  
Chairman

**Wong Kok Chau**  
Member

**Dato' Mohd Jeffrey Bin Joakim**  
Member

## Nomination Committee

**Mohaini Binti Mohd Yusof**  
Chairman

**Datuk Mohd Jimmy Wong  
Bin Abdullah**  
Member

**Dato' Sri Mohd Mokhtar  
Bin Mohd Shariff**  
Member

## Audit Committee

**Wong Kok Chau**  
Chairman

**Datuk Mohd Jimmy Wong  
Bin Abdullah**  
Member

**Mohaini Binti Mohd Yusof**  
Member

## Employees' Share Option Scheme Committee

**Wong Kok Chau**  
Chairman

**Wong Thean Soon**  
Member

## Risk Management Committee

**Dato' Mohd Jeffrey Bin Joakim**  
Chairman

**Mohaini Binti Mohd Yusof**  
Member

**Wong Kok Chau**  
Member

## Company Secretaries

Tai Yit Chan (MAICSA 7009143)  
(SSM PC No. 202008001023)  
Tan Ai Ning (MAICSA 7015852)  
(SSM PC No. 202008000067)

## Corporate Head Office

Level 43A, MYEG Tower, Empire City  
No. 8, Jalan Damansara, PJU 8  
47820 Petaling Jaya  
Selangor, Malaysia

Tel : 03-7664 8000  
Fax : 03-7664 8008  
Email : [investors@myeg.com.my](mailto:investors@myeg.com.my)  
Website : [www.myeg.com.my](http://www.myeg.com.my)

## Registered Office

12th Floor, Menara Symphony  
No. 5, Jalan Prof. Khoo Kay Kim  
Seksyen 13  
46200 Petaling Jaya  
Selangor, Malaysia

Tel : 03-7890 4800  
Fax : 03-7890 4650

## Auditors

**TGS TW PLT**  
(202106000004 (LLP0026851-LCA)  
& AF 002345)  
E-5-4, Megan Avenue 1  
189, Jalan Tun Razak  
50400 Kuala Lumpur

Tel : 03-9771 4326  
Fax : 03-9771 4327

## Share Registrar

**Boardroom Share Registrars  
Sdn Bhd**  
11th Floor, Menara Symphony  
No. 5, Jalan Prof. Khoo Kay Kim  
Seksyen 13  
46200 Petaling Jaya  
Selangor, Malaysia

Tel : 03-7890 4700  
Fax : 03-7890 4670

## Principal Bankers

Ambank (M) Berhad  
CIMB Bank Berhad  
Malayan Banking Berhad  
Public Bank Berhad  
RHB Bank Berhad  
HSBC Bank Malaysia Berhad

## Stock Exchange Listing

Main Market of Bursa Securities  
Stock Name : MYEG  
Stock Code : 0138



# GROUP CORPORATE PROFILE

The Group is Malaysia's leading digital services provider. Essentially, MYEG brings together a wide range of government (concession) and commercial services under a single digital platform.

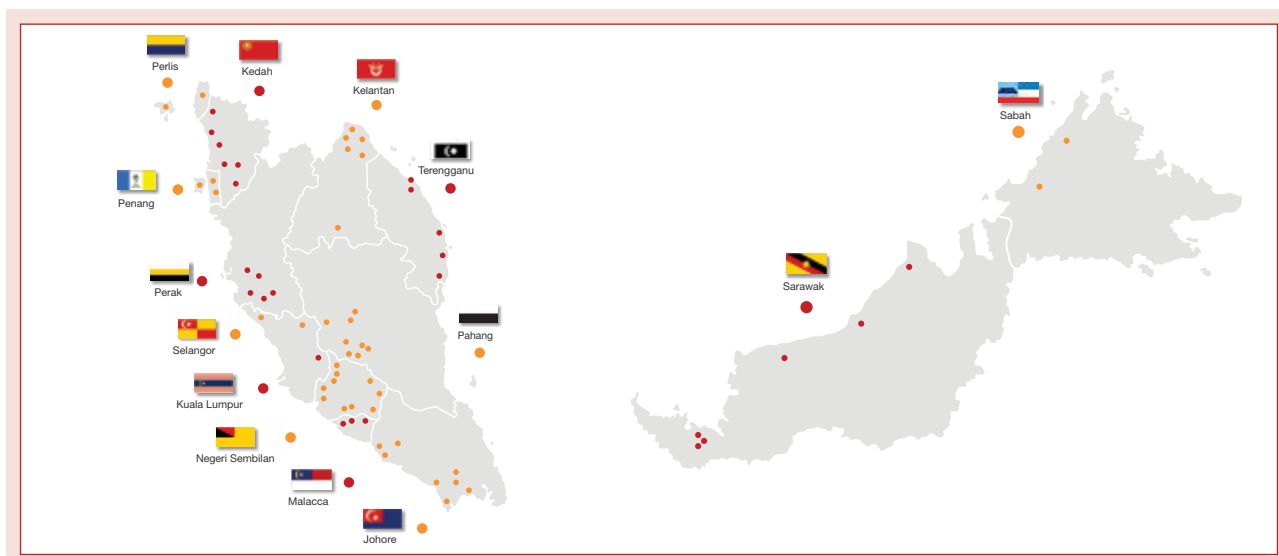
MYEG is entrusted by the Malaysian Government ("Government") to provide vital services on behalf of key government partners such as the Road Transport Department ("JPJ"), Immigration Department ("JIM"), Royal Malaysian Police ("PDRM"), National Registration Department ("JPN"), the Ministry of Health ("KKM") and more.

In addition, the Group also provides a wide range of commercial-based services.

In doing so, MYEG enables the public to easily and quickly access various government and commercial services affordably and provides a complete digital solution. Please refer to our Business Model section for specific information on how MYEG delivers digital government and commercial services and the specific values (outputs and outcomes generated) through the business model



OUR SERVICES IN MALAYSIA		
<ul style="list-style-type: none"> <li>• Payment of compound / summons / assessment</li> <li>• Assessment and payment of zakat</li> <li>• Auto financing</li> <li>• Auto insurance</li> <li>• BELI e-Mart</li> <li>• BreFence Go COVID-19 Breath Test System ("BreFence Go")</li> <li>• Blockchain-based insurance NFT product Covinsure</li> <li>• Blockchain Identity, Verifiable Credentials and Blockchain-based Agreement Signing</li> <li>• Competent Driving Licenses ("CDL") renewal</li> <li>• COVID-19 related health screenings</li> <li>• CRIF Bizinsight Services</li> </ul>	<ul style="list-style-type: none"> <li>• DBKL license renewal for Premise License, Composite License and Premise Signboard</li> <li>• Driver's theory test</li> <li>• Foreign worker accommodation</li> <li>• Foreign worker insurance</li> <li>• Foreign worker recruitment &amp; placement</li> <li>• Insolvency search</li> <li>• Insurance and renewal of driver's license</li> <li>• MyAssist 24/7 roadside assistance</li> <li>• MYDATA-SSM Services</li> <li>• MYEG Lock-Earn Wallet for digital assets holdings</li> <li>• MyMotor transactional portal</li> <li>• MySafeTravel digital health pass for inbound travellers</li> <li>• MySafeQuarantine ("MySafeQ") hotel quarantine services</li> </ul>	<ul style="list-style-type: none"> <li>• MyStay foreign worker accommodation services</li> <li>• One-stop portal for managing workforce</li> <li>• Online media</li> <li>• Payment solution services</li> <li>• Payroll management</li> <li>• Personal and business financing</li> <li>• Remittance</li> <li>• Renewal of foreign worker's permit</li> <li>• Renewal of road tax</li> <li>• Renew Now, Pay Later scheme for road tax and motor insurance</li> <li>• Vehicle ownership transfer</li> <li>• Zetrix Layer - 1 blockchain</li> <li>• Zetrix TradeFi supply chain financing solution</li> </ul>



## GOING BEYOND MALAYSIA

MYEG's successful business model has been rolled out across Asia with the Group having expanded its presence overseas to countries such as Bangladesh, China, Indonesia and the Philippines.

With the appointment of its subsidiary namely Zetrix appointed by the China Academy of Information and Communications Technology ("CAICT") as the first international supernode of China's Xinghuo Blockchain Infrastructure and Facility ("Xinghuo BIF") network, MYEG has effectively expanded its presence into China. The CAICT is a scientific research institute under China's Ministry of Industry and Information Technology.



## OUR SERVICES IN INTERNATIONAL MARKETS

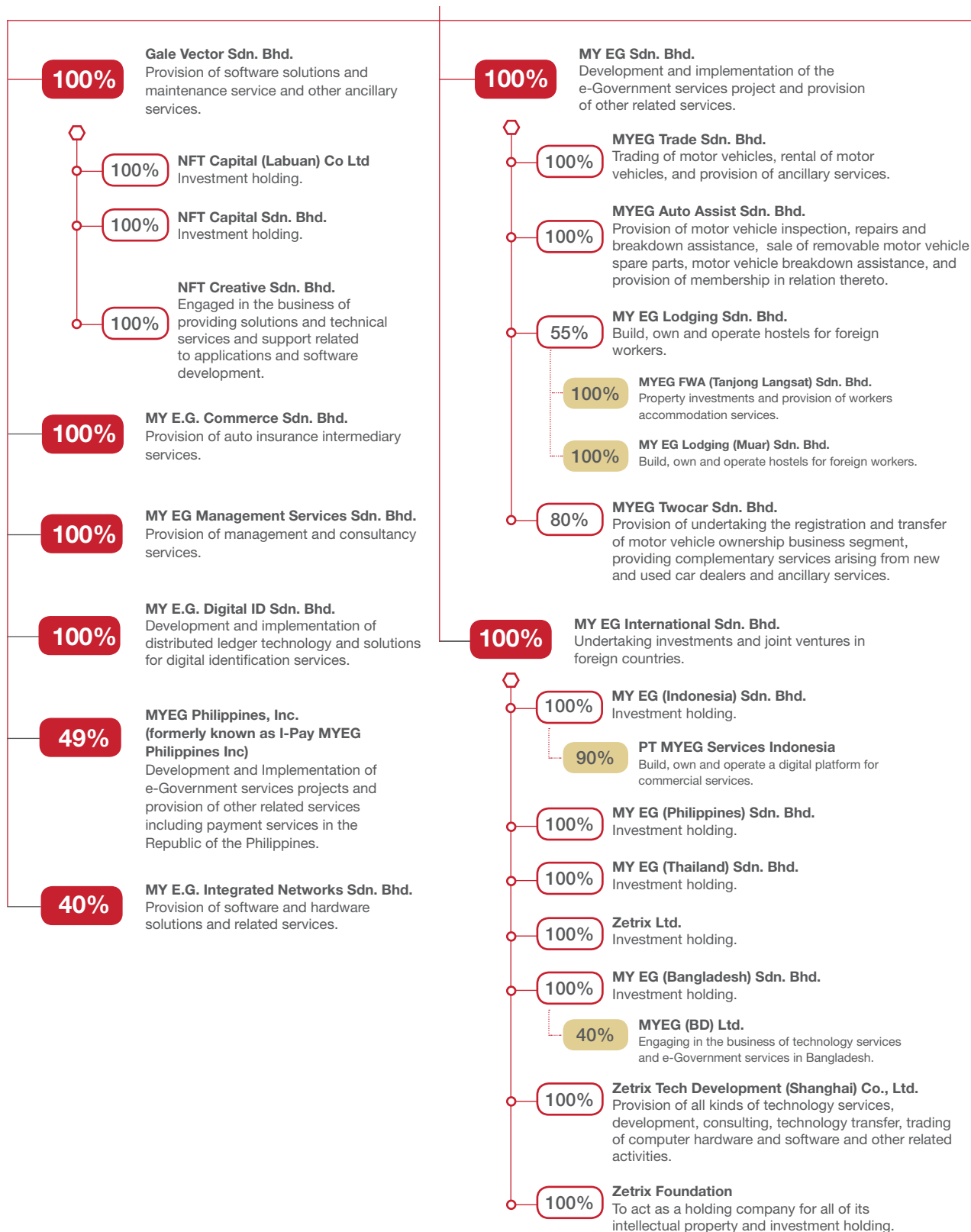
- National Bureau of Investigation ("NBI") clearance renewal and delivery
- MYEG-Landbank Linkbiz e-Payments
- Electronic business permits and licenses for local government units
- Real-time Value-Added Tax ("VAT") monitoring system
- MYEG insurance portal
- COVID-19 testing services
- Contact tracing mobile applications i.e. MyEGuard
- Online payment of income taxes to the Bureau of Internal Revenue ("BIR")
- Online payment of fees to the Philippine Economic Zone Authority ("PEZA")
- PhilHealth Voluntary Members Payment
- Tourism Infrastructure and Enterprise Zone Authority ("TIEZA") Online Travel Tax Services System ("OTTSS")
- Online Payments for Health-Metro Manila Center for Health Development ("DOH-MMCHD")
- Subic Bay Metropolitan Authority ("SBMA") Electronic Billing and Payment System ("eBPS")
- Covinsure

# GROUP CORPORATE STRUCTURE



## MY E.G. Services Berhad

Development and implementation of the e-Government services project and the provision of other related services for the e-Government services project and investment holding.



# GROUP CORPORATE STRUCTURE

(cont'd)

100%

**MY E.G. Capital Sdn. Bhd.**  
Investment holding.

100%

**MY EG Ad Networks Sdn. Bhd.**  
Provision of advertising and marketing services.

100%

**MY E.G. Alternative Payment Services Sdn. Bhd.**  
Providing and operating an electronic payment and remittance platforms for the issuance, transfer, clearance and settlement of electronic money and all ancillary products and services related to it.

100%

**MY EG Finance Technologies Sdn. Bhd.**  
Provision of financing, leasing or hire purchase services, credit granting activities and money lending services.

100%

**MYdigitalcoin Sdn. Bhd.**  
Provision of payment solutions and related services.

56%

**Zetrix Sdn. Bhd.**  
Development and provision of distributed ledger technology and solutions related products and services.

100%

**PayMe Sdn. Bhd.**  
Provision of human resource management and payroll solutions.

100%

**MY EG E-Settlement Sdn. Bhd.**  
Provision of software solutions and maintenance services.

100%

**Agensi Perkerjaan MY EG Jobs Sdn. Bhd.**  
To carry on business as private employment agency to recruit and place a worker to another employer.

33%

**Dinamik Koridor Sdn. Bhd.**  
Investment holding.

100%

**MY EG Islamic Finance Sdn. Bhd.**  
Provision of Islamic financing, leasing and other Islamic credit granting activities.

100%

**MYEG Medical Services Sdn. Bhd.**  
To market medical products and services including health screening solutions and management services.

100%

**MYEG Pharma Sdn. Bhd.**  
Manufacturing, trading, export and import, and distribution of medical devices and equipment and related ancillary services.

51%

**MYEG Vac Sdn. Bhd.**  
To market medical products and services.

100%

**Beli Mart Sdn. Bhd.**  
Build, develop, own, and operate e-commerce platform.

67%

**Essential Reviews Sdn. Bhd.**  
Provision of digital platform for reviews and news on restaurants and food and beverage businesses, with advertising or marketing possibilities of related brands.

60%

**Picasso Media Sdn. Bhd.**  
Advertising.

60%

**Hurr TV Sdn. Bhd.**  
Build, own and operate an online TV channel and e-commerce platform.

100%

**MUCA Wellness Sdn. Bhd.**  
Electronic commerce.

55%

**Car X Services Sdn. Bhd.**  
To operate and manage of automotive classifieds web portal and other value added services for the automotive classifieds web portal.

55%

**Cardbiz Holding Sdn. Bhd.**  
Investment holding.

100%

**Buy Now Asia Sdn. Bhd.**  
E-commerce service provider, online purchase and redemption, merchant and marketing services and other related activities.

100%

**CardBiz Solutions Sdn. Bhd.**  
Engaged in the business as an information and communication technologies software solution provider that provide software and system customisation for the clients. Providing turnkey solution including supplying of networking, tele-communication, computer software and hardware related products.

100%

**CardBiz Technologies Sdn. Bhd.**  
Trading of computer hardware, software, printer, accessories, peripherals, equipment and electronic products.

100%

**CardBiz Payment Services Sdn. Bhd.**  
Provision of all kind of information technology, credit card terminal rental and other related activities.

100%

**CardBiz eServices Sdn. Bhd.**  
Engaged in the business of providing infrastructure for hosting, data processing services and related activities.

51%

**NFT Pangolin Technologies Sdn. Bhd.**  
Development and provision of computer services, other information technology services and investment holding.

40%

**MY AdMarket Sdn. Bhd.**  
Investment holding.

OVERVIEW



## AWARDS AND ACCOLADES



**September 2022**

MYEG named Outstanding Company in Malaysia for Software/Internet Services by Asiamoney

**October 2022**

MYEG's Sustainability Financing Framework assigned a "Gold" Impact Assessment by MARC Ratings



**FTSE4Good**

**December 2022**

FTSE4Good Index Score rose to 3.7 (from 3.4 in 2021)

# KEY MILESTONES

2022

## March 2022

- Launched Global (“**NFT**”) Marketplace known as NFT Pangolin.

## April 2022

- Zetrix Blockchain launched its mainnet.
- Zetrix now powers the minting of NFTs on global marketplace NFT Pangolin.

## May 2022

- Zetrix launched an NFT-based insurance product known as Covinsure.

## June 2022

- I-Pay MYEG Philippines Inc. (“**MYEG Philippines**”) partnered with TIEZA to expand digital channels and make payment of travel taxes easy.

## July 2022

- Zetrix and Xinghuo BIF jointly introduced Web3 services such as Blockchain-based Identifiers (“**BID**”) / Verifiable Credentials (“**VC**”) and Blockchain-based E-signing services to international markets to enable cross-border business with China on the blockchain.
- MYEG Philippines partnered with the DOH-MMCHD to provide a more efficient online payment system for DOH transactions.

## October 2022

- Zetrix partnered with AmBank (M) Berhad to launch the pilot for its cross-border trade financing solution, Zetrix TradeFi.

## October 2022 (cont'd)

- Entered into a Memorandum of Understanding (“**MOU**”) with MIMOS Technology Solutions Sdn Bhd (“**MIMOS**”) to jointly develop and operate the national Layer-1 public blockchain.
- Zetrix and MIMOS blockchain technology will be used as components of the Malaysia Blockchain Infrastructure (“**MBI**”).
- Proposed the establishment of an Islamic Medium-Term Notes (Sukuk Wakalah) programme of up to RM1.0 billion. The programme provides the flexibility for MYEG to issue Sukuk Wakalah in compliance with amongst others, Green/Social/Sustainability/Sustainable and Responsible Investment (“**SRI**”) Sukuk guidelines, frameworks, standards or principles issued by the SC, the ASEAN Capital Markets Forum and the International Capital Market Association.
- MYEG’s Sustainability Financing Framework assigned a “Gold” Impact Assessment by MARC Ratings.
- MYEG Philippines Inc. and the Philippine Health Insurance Corp. (PhilHealth) partnered up to enable micro-employers, small business owners and entrepreneurs to remit their employees’ health insurance contributions online with the addition of GCash, Maya, and credit/debit cards as payment options on its Electronic Payment Remittance System (EPRS).

## November 2022

- Inked a four-year collaboration agreement with the Institute of Industrial Internet and Internet of Things of the CAICT, which allows it to own and operate the Xinghuo International Supernode that will provide connectivity from China to the rest of the world.
- Proposed Sukuk Wakalah programme of up to RM1.0 billion assigned a final rating of AA-IS, with a stable outlook, by MARC Ratings.

2023

## February 2023

- Zetrix was chosen by the Chinese government as a component of its government-to-government (“**G2G**”) programme. Initiated by China’s Ministry of Science and Technology (“**MOST**”), Malaysia (via University Malaya (“**UM**”) is one of the 14 countries participating in the programme.

## March 2023

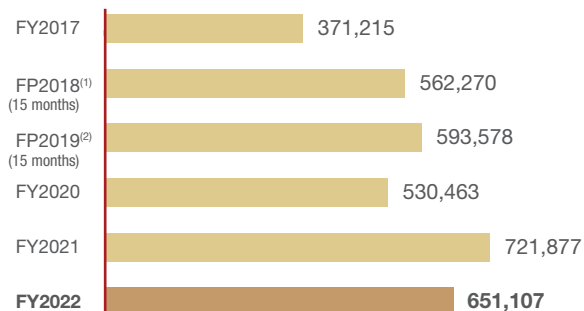
- Signed a partnership agreement with East Logistic-Link Co. Ltd, a wholly-owned agency of the General Administration of Customs of the People’s Republic of China (“**GACC**”), to jointly provide a full suite of cross-border trade facilitation services that include certificates of origin on the Zetrix blockchain platform.

## December 2022

- Declared the Group’s commitment to reach Net Zero emissions by 2050.
- Proposed to distribute 84,000,000 ordinary shares in Agmo Holdings Berhad (“**Agmo**”), representing the entire 25.8% equity interest in Agmo to entitled shareholders of MYEG in two separate tranches by way of a dividend-in-specie.

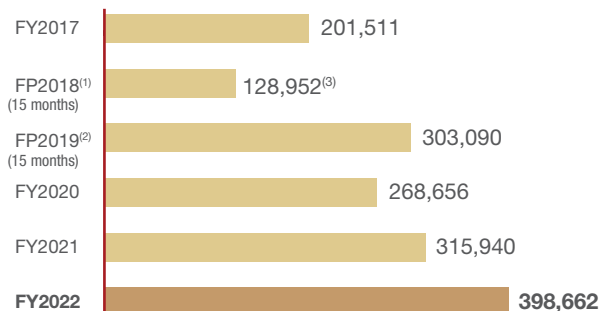
# FINANCIAL HIGHLIGHTS

## Revenue (RM'000)



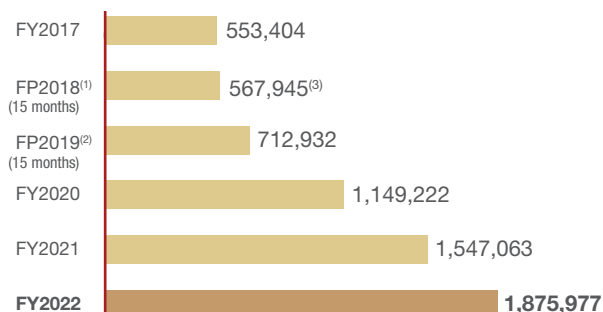
5-year CAGR<sup>(4)</sup> 11.9%

## Net Profit Attributable to Owners of the Company (RM'000)



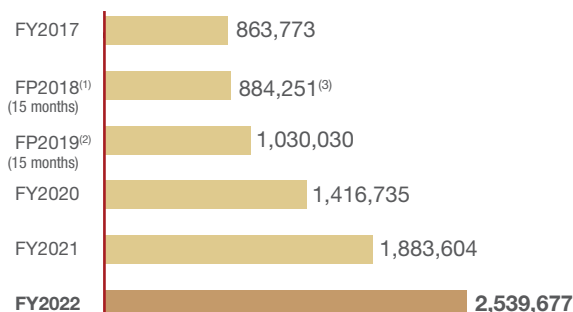
5-year CAGR<sup>(4)</sup> 14.6%

## Shareholders' Equity (RM'000)



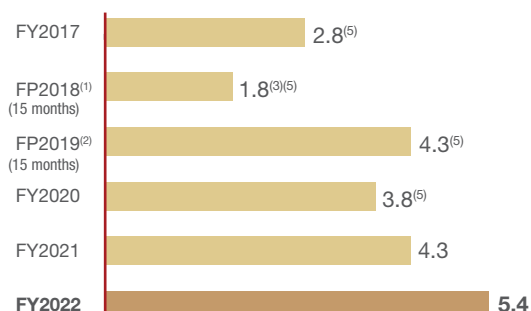
5-year CAGR<sup>(4)</sup> 27.7%

## Total Assets (RM'000)

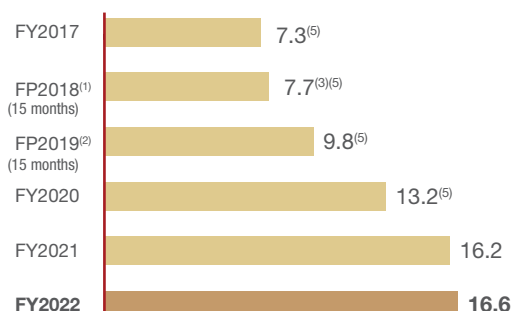


5-year CAGR<sup>(4)</sup> 24.1%

## Net Earnings Per Share (Sen)



## Net Tangible Assets Per Share (Sen)



### Notes:-

- <sup>(1)</sup> MYEG had on 13 June 2018 changed its financial year ("FY") end from 30 June to 30 September. The financial period ("FP") 2018 was made up of results for 15 months covering the period from 1 July 2017 to 30 September 2018.
- <sup>(2)</sup> MYEG had on 27 September 2019 changed its financial year end from 30 September to 31 December. The FP2019 was made up of results for 15 months covering the period from 1 October 2018 to 31 December 2019.
- <sup>(3)</sup> Net of impairment made for capital expenditure ("CAPEX") and receivables related to the abolishment of the Goods and Services Tax ("GST") regime.

<sup>(4)</sup> CAGR = Compounded Annual Growth Rate.

<sup>(5)</sup> The comparative figures for net tangible assets per share and net earnings per share have been restated to reflect the adjustment arising from the bonus issue completed during FY2021.

# FINANCIAL HIGHLIGHTS

(cont'd)

## GROUP INCOME STATEMENTS

As at 30 June/30 Sep/31 Dec (RM'000)	FY2017	FP2018 <sup>(1)</sup>	FP2019 <sup>(2)</sup>	FY2020	FY2021	FY2022
Revenue	371,215	562,270	593,578	530,463	721,877	651,107
EBITDA <sup>(4)</sup>	226,431	168,599 <sup>(3)</sup>	355,237	312,593	377,890	475,636
Profit Before Tax ("PBT")	201,478	128,473 <sup>(3)</sup>	306,939	268,958	320,683	404,367
Net Profit	200,048	125,970 <sup>(3)</sup>	302,156	267,194	316,705	400,402
Net Profit Attributable to Owners of the Company	201,511	128,952 <sup>(3)</sup>	303,090	268,656	315,940	398,662
Total Comprehensive Income	200,048	125,671 <sup>(3)</sup>	302,194	267,176	316,704	400,416

## GROUP BALANCE SHEETS

As at 30 June/30 Sep/31 Dec (RM'000)	FY2017	FP2018 <sup>(1)</sup>	FP2019 <sup>(2)</sup>	FY2020	FY2021	FY2022
<b>Total Non-Current Assets</b>	414,616	526,109 <sup>(3)</sup>	705,207	866,174	1,234,237	1,690,098
<b>Total Current Assets</b>	449,157	358,142 <sup>(3)</sup>	324,823	550,561	649,367	849,579
<b>TOTAL ASSETS</b>	<b>863,773</b>	<b>884,251 <sup>(3)</sup></b>	<b>1,030,030</b>	<b>1,416,735</b>	<b>1,883,604</b>	<b>2,539,677</b>
Financed By:						
Share Capital	360,630	360,630	360,630	634,262	854,895	904,077
Treasury Shares	-	(52,804)	(144,743)	(61,652)	(12,364)	(36,642)
Other Reserves	6,700	6,401	6,439	6,421	6,420	6,434
Retained Profits	186,074	253,718 <sup>(3)</sup>	490,606	570,191	698,112	1,002,108
Shareholders' Equity	553,404	567,945 <sup>(3)</sup>	712,932	1,149,222	1,547,063	1,875,977
Minority Interests	(1,463)	(4,043)	(4,937)	(6,399)	(5,614)	(3,874)
<b>Total Equity</b>	<b>551,941</b>	<b>563,902</b>	<b>707,995</b>	<b>1,142,823</b>	<b>1,541,449</b>	<b>1,872,103</b>
<b>Total Non-Current Liabilities</b>	<b>116,262</b>	<b>96,960</b>	<b>138,738</b>	<b>125,124</b>	<b>101,397</b>	<b>331,017</b>
<b>Total Current Liabilities</b>	<b>195,570</b>	<b>223,389</b>	<b>183,297</b>	<b>148,788</b>	<b>240,758</b>	<b>336,467</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>863,773</b>	<b>884,251</b>	<b>1,030,030</b>	<b>1,416,735</b>	<b>1,883,604</b>	<b>2,539,677</b>

Financial Analysis	FY2017	FP2018 <sup>(1)</sup>	FP2019 <sup>(2)</sup>	FY2020	FY2021	FY2022
Revenue Growth	31.8%	51.5%	5.6%	(10.6%) <sup>(6)</sup>	36.1%	(9.8%)
PBT Growth	40.7%	(36.2%)	138.9%	(12.4%) <sup>(6)</sup>	19.2%	26.1%
Net Profit Growth	40.4%	(37.0%)	139.9%	(11.6%) <sup>(6)</sup>	18.5%	26.4%
EBITDA Margin	61.0%	30.0%	59.8%	59.0%	52.3%	73.1%
PBT Margin	54.3%	22.8%	51.7%	50.7%	44.4%	62.1%
Net Profit Margin	53.8%	22.4%	50.9%	50.6%	43.9%	61.5%
Return on Average Equity	42.0%	22.6%	47.5%	29.0%	23.5%	23.4%
Return on Average Total Assets	25.2%	14.4%	31.6%	22.0%	19.1%	18.0%
Net Tangible Assets Per Share (Sen)	7.3 <sup>(5)</sup>	7.7 <sup>(3)(5)</sup>	9.8 <sup>(5)</sup>	13.8 <sup>(5)</sup>	16.2	16.6
Net Earnings Per Share (Sen)	2.8 <sup>(5)</sup>	1.8 <sup>(3)(5)</sup>	4.3 <sup>(5)</sup>	3.8 <sup>(5)</sup>	4.3	5.4

### Notes:-

<sup>(1)</sup> MYEG had on 13 June 2018 changed its financial year end from 30 June to 30 September. The FP2018 was made up of results for 15 months covering the period from 1 July 2017 to 30 September 2018.

<sup>(2)</sup> MYEG had on 27 September 2019 changed its financial year end from 30 September to 31 December. The FP2019 was made up of results for 15 months covering the period from 1 October 2018 to 31 December 2019.

<sup>(3)</sup> Net of impairments made for CAPEX and receivables related to the abolishment of the GST regime.

<sup>(4)</sup> EBITDA = Earnings Before Interest, Taxes, Depreciation and Amortization.

<sup>(5)</sup> The comparative figures for net tangible assets per share and net earnings per share have been restated to reflect the adjustment arising from the bonus issue completed during FY2021.

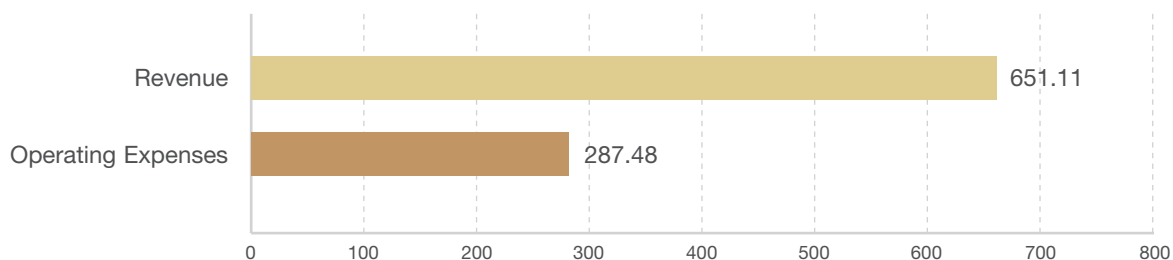
<sup>(6)</sup> Growth rate is negative due to FY2020 being a 12-month period against a 15-month period for FP2019.



# STATEMENT OF VALUE ADDED DISTRIBUTION AND SIMPLIFIED FINANCIAL STATEMENT

Beyond direct financial values such as revenues and earnings, MYEG also generates indirect economic values which benefit stakeholders:

## Statement of Value Added Distribution FY2022 (RM million)



## Simplified Statement of Total Assets FY2022



Property and Equipment:  
**RM330.01**  
million



Trade Receivables:  
**RM334.86**  
million



Cash and Cash Equivalents:  
**RM76.42**  
million



Financing Receivables:  
**RM288.93**  
million

## Total Liabilities and Shareholders' Equity FY2022

Share Capital:  
**RM904.08**  
million



Retained Profits:  
**RM1.00**  
billion



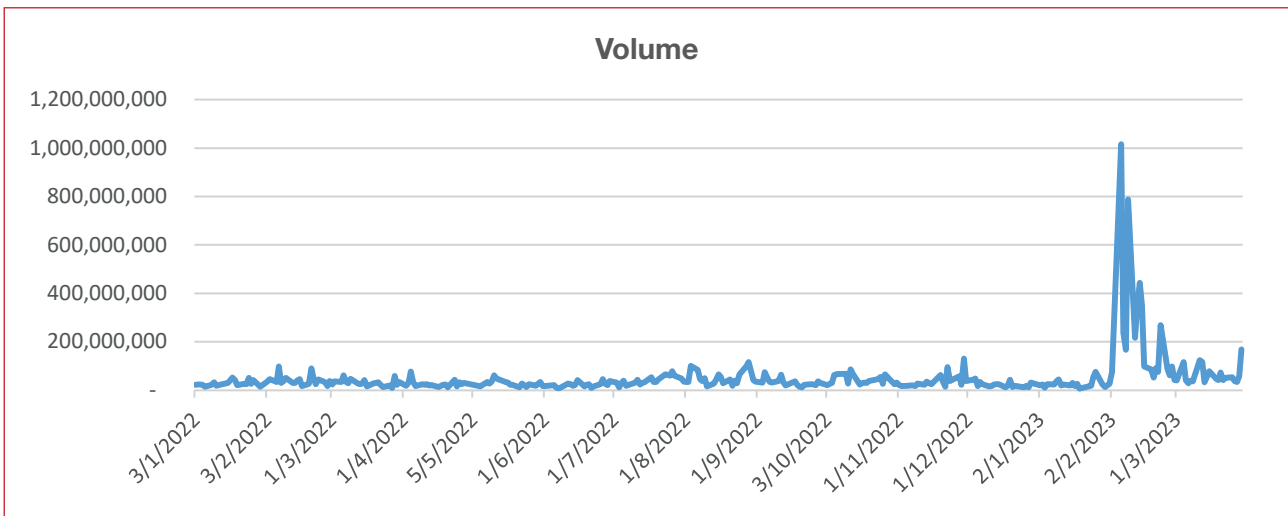
Borrowings:  
**RM443.06**  
million



Trade Payables:  
**RM106.41**  
million



# SHARE PRICE PERFORMANCE



## Share Price Performance for the period of 3 January 2022 to 31 March 2023:

- High (4 January 2022): **RM1.09**
- Low (13 February 2023): **RM0.605**
- Closing Price as at 31 March 2023: **RM0.77**
- Market capitalisation as at 31 March 2023: **RM5.72 billion**
- Market capitalisation as at 31 December 2022: **RM6.51 billion**



# INVESTOR RELATIONS

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MYEG continues to actively engage its investors and the investor community as part of its approach to stakeholder communications. The objective of such engagements, which are held throughout the financial year, is to provide timely and accurate information on the Group's financial and operational performance.

In doing so, MYEG is able to ensure shareholders and investors as well as research houses and analysts have a fair and accurate view of the Group and its prospects.

These engagements consisted of engagements deemed mandatory by the regulator, Bursa Securities as well as communications above and beyond regulatory requirements.

These included quarterly announcements on financial performance, announcements on material changes or developments pertaining to the Group such as renewal of concession contracts or acquisition of new projects / contracts, business expansion locally or overseas, change in Board and / or Senior Management and more.

Increasingly, MYEG has also been including ESG-related data and information in its briefings / engagements with investors. This is due to the growing interest from the community and their strengthened mandate to prioritise ESG performance and disclosures as part of their criteria when evaluating / assessing companies.

Such announcements are made available on the Bursa Securities site and also on the Investor Relations section of the Group's website.

All information is made available on the Group's website, including past announcements and information. An email address is provided for anyone who wishes to submit queries or seek further clarification. All enquiries are responded to on a timely basis.

Other methods of engagement include:

- One-on-one and group meetings and conference calls with institutional and retail investors and shareholders, the Minority Shareholder Watch Group (MSWG) and potential investors;
- Engagement with investment and research houses, market analysts and other key stakeholders from the investment and financial community; and
- Participation in investment-related conferences and roadshows in global financial centres hosted by leading local and international investment banks.

The aforementioned engagement sessions are held either virtually or physically in compliance with all prevailing health and safety regulations.

## Investor Relations Contact

Feedback or queries can be channelled to our Investor Relations unit at (Tel) +603-7664 8000 or via e-mail to [investors@myeg.com.my](mailto:investors@myeg.com.my). We always welcome open dialogue with the investment community.

# MANAGEMENT DISCUSSION AND ANALYSIS

## REVIEWING THE MACRO-OPERATING ENVIRONMENT

Global and domestic economies and societies have largely begun to return to normal after reeling from the profound effects of the COVID-19 pandemic which began in late FY2019, thanks to strong inoculation rates in FY2021 and early FY2022.

However, the continued Eastern European conflict has resulted in supply chain disruptions and increased commodity prices, which subsequently impacted Malaysia's business landscape.

While these volatile situations may have risked restricting Malaysia's growth prospects in FY2022, nevertheless, Malaysia's diverse economic structure, strong fundamentals, good recovery momentum and its reopening of all economic sectors as it entered the endemic phase of the COVID-19 pandemic on 1 April 2022 have helped the country achieve a positive gross domestic product ("GDP") growth.

The country registered GDP growth of 8.7% in FY2022, representing a 22-year high and a strong improvement over FY2021's 3.1% GDP growth.

## MYEG IN FY2022

Domestic growth was on the uptrend due to a strong economic performance in the fourth quarter of 2022 where domestic demand continued to be driven by private consumption supported by better labour market prospects and business confidence that remains positive.

Amidst these operating and economic conditions, MYEG remained resilient by relying on its strong business fundamentals, while maintaining business and operational excellence in key business divisions.

As MYEG entered FY2022 remaining cognisant of uncertainties, the Group ensured that it was always ready to constructively respond to any unexpected changes by pivoting its product offerings to ensure they are always fresh and relevant. The Group did not allow uncertainties to distract the growth trajectory of MYEG in FY2022 and remained committed to current and future growth objectives as well as invested in key projects to be brought to market such as blockchain-related services.

This allowed the Group to consistently grow to achieve a strong earnings performance in FY2022, which was a new record for the Group, while consistently recording several accomplishments.

MYEG's strong business fundamentals continue to primarily come from its robust business model that enables agile responses to everchanging market forces. This has buoyed MYEG's consistent progress in realising the organisation's vision and mission while sustaining the creation of financial and non-financial values.

The Group's value creation abilities have always served a pivotal role in supporting stakeholders ranging from the government, to the business community and to ordinary citizens, and in the past couple of years, this has materialised in the form of pandemic-related healthcare services, which helped the nation combat the COVID-19 virus while keeping society healthy and safe.

For the first quarter of FY2022, focus was still placed on healthcare services as they continued to drive activity during this early period of the reporting year. However, as Malaysia entered the endemic phase of the COVID-19 pandemic situation in April 2022, and with all economic sectors subsequently began removing restrictions and rapidly reopening, focus on the healthcare services began to congruently lessen, understandably so.

This return to normal pre-pandemic market dynamics managed to offset the decreased spotlight on the Group's healthcare services as other services that may have slowed down during the pandemic were revitalised once more as the broader economy began to gradually open up. These other services that returned to normal operating conditions included the e-service centres, which provide, among other things, services encompassing all aspects of the driving theory test under the driver's licensing course.



# MANAGEMENT DISCUSSION AND ANALYSIS

(cont'd)

MYEG's nascent entrance into the blockchain landscape began to bear fruit in FY2022. Various blockchain-based services began operations and the Group started to see its blockchain initiatives generate some revenue, which augurs well for the coming years.

MYEG's blockchain pivot proves that its business model's focus on innovative technology and speed-to-market is a calculated foresight that takes into account the needs of the nation and the public. This ensures MYEG remains competitive, future-proof and responsive to its stakeholders and its user markets. More information on the Group's developed services can be found in the Our Business and Strategy section of this Annual Report.

Ultimately, MYEG's inherently strong business model, expertise as a leading digital services provider in various regions, and its commitment to trailblazing new solutions in line with market trends fundamentally drives the organisation to constantly scope out and develop various partnerships and services to meet and exceed the needs of the market.

More details on MYEG's FY2022 business and operational highlights can be found in the Highlights and Achievements section of this Management Discussion and Analysis.

## FINANCIAL PERFORMANCE

For FY2022, MYEG recorded a revenue of RM651.11 million in FY2022 compared with RM721.88 million in the previous financial year, while profit after tax ("PAT") reached RM400.40 million, a 26.4% increase from the previous year (FY2021: RM316.71 million).

The decline in revenue largely reflected the lower demand for healthcare-related services such as quarantine services during the year as COVID-19 related standard operating procedures were progressively removed following the country's transition into endemicity. Nevertheless, this was mitigated by increased contributions from the provision of other products and services, including existing concession and concession related services, partly as a result of the resumption of full operations of MYEG's e-service centres located nationwide and other commercial services, such as foreign worker job matching. With the completion and launch of the Group's Zetrix layer-1 blockchain platform, the Group also saw maiden revenue contributions from the sale of Zetrix tokens in FY2022.

The increases recorded in the aforementioned product and service offerings underpinned the rise in PAT to a new record high, notwithstanding the tapering of the contribution from healthcare.

A one-off recognition of fair value gains in the Group's investment in Agmo following its initial public offering and listing on Bursa Securities also boosted earnings for the year.

The recent acceleration of digitalisation spurred by the COVID-19 pandemic has seen consumers and businesses continue to prefer making digital transactions due to convenience and accessibility. Thus, the Group continued to benefit from this broad shift to the online space, as evidenced by the ongoing robust demand for the Group's existing concession and commercial services such as online renewal of motorcar road tax and insurance, motorcycle road tax and insurance, and Competent Driving Licenses, as well as online renewal of foreign worker permits and insurance, among others.

Thus, MYEG has managed to successfully capitalise on the strong uptake by consumers of online transaction channels and this, coupled with the introduction and contribution of blockchain solutions, has enabled the Group to deliver a healthy financial performance in FY2022.

## CORPORATE EXERCISES

MYEG's share placement exercises have been successfully carried out, drawing robust investor demand. The following corporate proposals were a key aspect of capital provision for MYEG's business activities in FY2022:

Pursuant to a private placement exercise carried out in FY2021 involving the proposed issuance of 300,000,000 MYEG shares, the first tranche was completed on 29 October 2021 following the listing and quotation of 210,000,000 new MYEG shares.

# MANAGEMENT DISCUSSION AND ANALYSIS

(cont'd)

Bursa Securities had on 29 April 2022, resolved to grant MYEG an extension of time of 6 months to 25 October 2022 to complete the implementation of the issuance of the remaining unissued 90,000,000 MYEG shares of the private placement. The extension of the private placement exercise lapsed on 25 October 2022, marking the completion of the exercise.

Details on utilisation of proceeds raised from the placement is set out in the Additional Compliance Information section of this Annual Report.

## SUKUK WAKALAH PROGRAMME

On 17 October 2022, MYEG proposed to establish a Sukuk Wakalah Programme, a perpetual programme which allows for the issuance of Sukuk Wakalah from time to time, provided that the aggregate outstanding nominal value of Sukuk Wakalah does not exceed RM1 billion at any point in time.

The Sukuk Wakalah Programme has been assigned a rating of AA<sub>IS</sub> with a 'Stable' outlook by MARC Ratings Berhad.

The Sukuk Wakalah Programme also provides flexibility for MYEG to issue Sukuk Wakalah in compliance with amongst others, Green / Social / Sustainability SRI Sukuk guidelines, frameworks, standards or principles issued by the Securities Commission Malaysia, the ASEAN Capital Markets Forum ("**ACMF**") and the International Capital Market Association ("**ICMA**"). MYEG's Sustainability Financing Framework has been assigned a "Gold" Impact Assessment by MARCH Ratings Berhad.

The proceeds raised from the issuance of Sukuk Wakalah under the Sukuk Wakalah Programme shall be utilised for foreign worker hostels and blockchain projects, as per the Sustainability Financing Framework.

## DIVIDEND RETURNS TO SHAREHOLDERS

The Board had proposed a final dividend of 1.03 sen per ordinary share (FY2021: 1.03 sen based on the share capital of 3,671,929,737 ordinary shares) for FY2021, for which the shareholders had approved at the 21st annual general meeting ("**AGM**") held on 23 June 2022. The final dividend is eligible for the dividend reinvestment plan ("**DRP**"), which allows MYEG's shareholders, if they wish, to reinvest all or parts of their dividend proceeds in return for new MYEG shares. The final dividend, which amounted to RM76,070,854 based on MYEG's total number of issued share of 7,408,616,642 MYEG shares (excluding 34,595,400 treasury shares), was paid on 21 September 2022.

For the DRP, a total of 68,954,436 new MYEG shares were issued at the price of RM0.715 per MYEG share, which amounted to RM49,302,422.

On 29 August 2022, the Board declared a first interim single tier dividend of 0.25 sen per MYEG share for FY2022 (FY2021: 0.25 sen), which was paid on 25 November 2022 to shareholders registered at the closed business date on 27 October 2022.

The Board has proposed the declaration of a final dividend of 1.17 sen per ordinary share (FY2021: 1.03 sen) for the shareholders' approval at the forthcoming AGM. The total dividend declared for FY2022 would thus amount to 1.42 sen per MYEG share, representing a payout ratio of approximately 30%.

Meanwhile, in another effort to reward shareholders, MYEG had in December 2022, proposed to distribute 84,000,000 ordinary shares in Agmo, representing the entire 25.8% equity interest in Agmo held through MY E.G. Capital Sdn Bhd ("**MYEG Capital**"), a wholly-owned subsidiary of the Company, to entitled shareholders of the Group in two separate tranches by way of a dividend-in-specie.

The proposed distribution was approved by shareholders at an extraordinary general meeting held on 19 January 2023, following which the distribution of 69,724,752 Agmo shares, representing approximately 21.5% equity interest in Agmo to entitled shareholders under the first tranche was completed on 10 March 2023. The remaining shares in Agmo held by MYEG shall be distributed to entitled shareholders under the second tranche on a date to be determined later.

# MANAGEMENT DISCUSSION AND ANALYSIS

(cont'd)

## CAPITAL AND OPERATIONAL EXPENDITURE

Capital expenditure (“**CAPEX**”) management was important in maintaining the pursuit of key growth opportunities, with management continuing to observe prudence in handling CAPEX for the financial year. The strategy remains focused on balancing investments to unlock further business growth and expansion, while also remaining cognisant of the importance of rewarding shareholders and conserving adequate capital for current needs. Efforts to manage and ensure efficiency of operational expenditure (“**OPEX**”) were also prioritised.

In FY2022, MYEG recorded CAPEX of RM533.53 million, 90.4% higher year-on-year (FY2021: RM280.23 million), while OPEX stood at RM287.48 million, 27.6% lower year-on-year (FY2021: RM397.29 million). CAPEX and OPEX incurred in FY2022 were for the following:

CAPEX	OPEX
Development of technology including blockchain platform and related applications;	Personnel-related expenses and OPEX;
Medical equipment;	Advertising and promotion expenses;
e-Government services related modules;	Maintenance and OPEX for MYEG's building (“ <b>MYEG Tower</b> ”); and
Office and IT equipment; and	Depreciation and amortisation charges.
Foreign workers hostel.	

## ASSETS AND LIABILITIES, CASH AND BANK BORROWINGS

The Group's assets continued to outweigh its liabilities. Both current and non-current assets contributed to an increase in MYEG's total asset position at RM2.54 billion, 34.8% higher year-on-year (FY2021: RM1.88 billion).

Property and equipment had increased by 9.7% to RM330.01 million (FY2021: RM300.72 million). Trade receivables also increased by 15.2% to RM334.86 million (FY2021: RM290.78 million). Development costs more than doubled to RM762.68 million (FY2021: RM322.52 million).

The Group's cash and bank balances as at 31 December 2022 decreased 23.1% to RM56.68 million (FY2021: RM73.70mil). While the year saw increased cash generated from operations and fund raising exercises, the Group also intensified capital deployed for future business growth opportunities in areas such as blockchain. MYEG continued to possess sufficient cash to meet working capital requirements.

MYEG's total borrowings consisting of current and non-current secured loans arising from term loans, as well as unsecured loans comprising revolving credit, was higher at RM443.06 million for FY2022 (FY2021: RM160.55 million).

MYEG continued to maintain a healthy debt-to-equity ratio of 0.22 times (FY2021: 0.05 times).

## HIGHLIGHTS AND ACHIEVEMENTS

The lifting of travel restrictions and labour migration in FY2022 served to further strengthen MYEG's immigration-related services such as the foreign worker job matching service. The recruitment business saw solid demand, given that many employers resumed hiring foreign workers again to fill urgent vacancies following the reopening of borders.

The MyStay foreign worker accommodation programme in FY2022 saw existing facilities in Selangor and Melaka continue to achieve full occupancy rate. Notably, further progress was made in the purchase of land as well as in the submission and securing of requisite approvals from the relevant authorities for the upcoming development projects.

# MANAGEMENT DISCUSSION AND ANALYSIS

(cont'd)

While Malaysia has already entered the endemic phase of the country's COVID-19 mitigation plan since April 2022, the habit of digital channels being used for various activities and as the preferred transactional medium has since been strongly inculcated into society.

Digital usage thus remains a significant day-to-day aspect of many citizens' lives beyond the pandemic situation, with MYEG still seeing strong online transaction volumes for the Group's concession and commercial services, which include motor vehicle road tax renewal, online motor insurance renewal and online driving license renewal.

MYEG's nimble business model has enabled swift adaptation to the shifting trends in the Group's operating environments. By leveraging on partnerships, proprietary technologies, internal systems and platforms to introduce new services while maintaining and expanding existing offerings, MYEG is proactively and constantly attuned to changing market forces.

## BLOCKCHAIN TECHNOLOGY

Beginning in FY2021 and cascading into FY2022 onwards, MYEG's pioneering entry into the Web3 space through the introduction of a number of innovative decentralised solutions has seen the Group chart a new blockchain-powered path in providing new, accessible, affordable, efficient and secure digital services to customers. Blockchain technology, also known as Web3, is set to revolutionise the way governments, businesses and society transact and interact by enabling much-needed solutions that were not technically possible before in a Web2 world.

MYEG's entry into blockchain is part of a push to promote greater digital asset adoption by users as well as to harness and apply transformative blockchain technology. The Group is cognisant of complying with all principal regulations related to these blockchain services' development and usability, and thus will also engage with regulatory authorities when needed.

March 2022 saw MYEG announce its official entry into the NFT space with the launch of NFT Pangolin, a global NFT marketplace that supports the issuance and trading of NFTs.

Later in April 2022, the foundational development for Zetrix's Layer-1 blockchain functionalities was completed and the blockchain's mainnet was launched. This marked the completion of the first phase of Zetrix's journey towards being a leading platform for decentralised applications, such as industrial use cases like customs clearance, supply chain traceability and financing. NFT Pangolin was one of the first applications to be hosted on Zetrix, thus enabling the introduction of Zetrix-minted NFTs on the platform. To commemorate Zetrix's mainnet launch and the first-ever minting of NFTs on the Zetrix blockchain, users of the 'Compare by MYEG' service would receive free, limited-edition commemorative NFTs to kickstart their digital assets journey.

In May 2022, Zetrix announced the launch of an innovative NFT-based insurance product, Covinsure, which will provide insurance using blockchain technology and cryptocurrency as a payment method. The only requirements one needs to be insured are having a passport and a Zetrix wallet.

In July 2022, Zetrix, alongside CAICT-owned Xinghuo BIF, jointly introduced the BID / VC and blockchain-based e-signing services to international markets, a major milestone in further enabling cross-border business with China on the blockchain.

Xinghuo BIF is a China initiated international blockchain infrastructure supported by all levels of the Chinese government. MYEG, via its Zetrix blockchain, runs the International Supernode of Xinghuo BIF to connect entities outside China to the Xinghuo BIF. Xinghuo BIF resolves at least 100 million identifiers daily, placing it as the most actively used platform and validates this use case in real world applications.

The BID, officially listed in the DID Specification Registry of World Wide Web Consortium ("W3C"), is a new approach to realise decentralised identity. The initial phase of the BID rollout includes the introduction of Chinese-related credentials, agreements and the corresponding legal frameworks that would serve as the foundation for the establishment of such agreements.

Zetrix's blockchain-based E-signing services will provide support for multiple signing templates and user-defined transactions, verification of an individual's or product's documents / credentials, and inquiry of documents or credentials. The combination of the BID and VC services will enable a host of varied use cases, from simple issuance of certificates to smart product authenticity documents with ownership history and programmable government-issued credentials.

# MANAGEMENT DISCUSSION AND ANALYSIS

(cont'd)

October 2022 saw MYEG entering into an MOU with MIMOS to jointly develop and operate the national Layer-1 public blockchain using Zetrix and MIMOS blockchain technology as the components of the MBI. MBI is a key element of the National Blockchain Roadmap launched by the Ministry of Science, Technology and Innovation (“**MOSTI**”).

The MOU signifies a landmark collaboration to bring next generation Web3 applications to both the Government and commercial sectors in the country to further promote the development, deployment and take-up of blockchain-related applications and services in both the public and private sectors.

Within the same month, MYEG-owned Zetrix launched the pilot for its cross-border trade financing solution, Zetrix TradeFi. AmBank (M) Berhad will be among the banks that will be pioneering the use of this blockchain-based trade financing platform, subject to relevant approvals.

The digitalisation of trade and trade financing via blockchain will bring efficiencies that will enhance and ultimately transform mainstream commerce, making the introduction of this decentralised solution another important milestone in Zetrix’s evolution to be a leading global Web3 platform.

In November 2022, MYEG marked the deepening of its collaboration with CAICT, with MYEG appointed to own and operate the Xinghuo International Supernode that will provide connectivity from China to the rest of the world. This collaboration resulted from the initial MOU that both parties entered on 12 October 2021. This 4-year collaboration also entails the cross-border adoption and utilisation of the latest BID standard to gradually create the Web3 of China and beyond.

Subsequently, in February 2023, Zetrix was chosen by the Chinese government as a component of its G2G programme. Initiated by China’s MOST, Malaysia is one of the 14 countries participating in the programme. The China-Malaysia G2G cooperation covers four sectors, including public health (such as vaccine research and development), Artificial Intelligence (AI), Information and Communications Technology (ICT) (blockchain, big data, etc.), as well as space remote sensing technology.

Notably, CAICT has chosen Universiti Malaya as a research partner in this programme, highlighting it as the tertiary education institution with the best research resources in Malaysia.

The research is proposing a system that could prevent fraud in supply chain processes using blockchain technology for cross-border trade, with eventual commercialisation being carried out on the Zetrix platform. Not only does this mutually-beneficial collaboration stand to further increase technical expertise between two countries, it also strengthens the Malaysia-China trade, data interoperability and further propel Malaysia into the Web3 era.

In March 2023, MYEG signed a partnership agreement with East Logistic-Link Co. Ltd, a wholly-owned agency of the GACC, to jointly provide a full suite of cross-border trade facilitation services that include certificates of origin on the Zetrix blockchain platform.

Other certificates relevant to cross-border trade, such as food safety, quarantine, and bill of lading, can also be issued on the chain. This would enable all data in these certificates to be available accurately in near real-time, which increases the efficiency of tariff computation and customs clearance, especially for trade within the Regional Comprehensive Economic Partnership (RCEP).

Interested supply chain participants worldwide may register to use the service, known as Ztrade, to safely exchange data with relevant government agencies like GACC, as the Web3 digital platform minimises risks by eliminating any single point of failure and safeguarding stakeholders’ data.

## HEALTHCARE SERVICES

MYEG’s penetration into the healthcare sector through pandemic-related services has proved the Group’s business agility, market response speed and its technological leadership in the digital space.

While FY2021 saw some of the strongest contributions and developments when it came to MYEG’s healthcare services, the opening of all economic sectors and the relaxing of COVID-19 restrictions in FY2022 naturally led to a decrease in activity and developments related to MYEG’s healthcare services.



# MANAGEMENT DISCUSSION AND ANALYSIS

(cont'd)

Nonetheless, the Group is pleased to have contributed in the fight against the COVID-19 pandemic, and understands that while the importance of healthcare services has now lessened given that nations and economies have entered the endemic stage of the COVID-19 pandemic, MYEG remains well prepared and in a strong position to leverage on all the experience and expertise cultivated during the last few years to deliver much-needed solutions within the healthcare space if such needs arise in future.

## OTHER MALAYSIA BUSINESS HIGHLIGHTS AND ACHIEVEMENTS

Going beyond the mainstay concession and related commercial services as well as the blockchain and healthcare-related services, MYEG also continued to sustain key progress across many of its other services and business ventures.

FY2022 also saw one of the Group's investee companies Agmo, gain a listing on the ACE Market of Bursa Securities subsequent to its initial public offering ("IPO") exercise. The IPO translated into the recognition of significant one-off fair value gains for MYEG arising from the post-listing revaluation of the Group's interest in Agmo to multiple times the value of its original investment costs.

The Group has been actively investing in innovative technology-centric companies in Malaysia and overseas in the past years, recognising the promising prospects of these companies becoming leaders in their respective fields. Having journeyed closely with these investee companies over the years, the Group understands what they are capable of. Therefore, such as in the case of Agmo, any eventual IPO of these companies in the coming years would potentially generate meaningful gains for the Group going forward.

The Group's BELI e-Mart continued to carve a niche space within a highly-competitive marketplace. BELI e-Mart's competitive ability is buoyed by several inherent advantages such as being able to leverage on free delivery services provided for eligible purchases. BELI leverages on MYEG's delivery expertise to ensure that deliveries are optimised, efficient and cost-effective.

## OVERSEAS BUSINESS HIGHLIGHTS AND ACHIEVEMENTS

In June 2022, the Group announced that through MYEG Philippines, it had entered into a Memorandum of Agreement (MOA) with TIEZA to provide its payment channels for the collection of travel taxes through TIEZA's Online Travel Tax Services System OTTSS, an online payment portal designed to provide a more convenient, faster and hassle-free way of paying for travel taxes.

This will allow Filipino citizens to have multiple options to pay for travel tax online anytime and anywhere using their e-wallets, credit / debit cards, online bank transfers and more. This comes at an opportune time where travel restrictions have eased up, and thus TIEZA is managing the travel surge by providing outbound Filipino citizens a more convenient way of paying their travel taxes online.

MYEG also worked to enable the activation of e-wallet payment facilities for payments to more than 800 government agencies under the Landbank Linkbiz Portal.

The Group also formalised an agreement with the DOH-MMCHD to enable online payments for permits, licenses, accreditation, authorisation, registration, certification, clearances, violations and other DOH-MMCHD transactions.

MYEG also signed a tripartite agreement with the SBMA and InterCommerce Network Services, Inc. for the acceptance and processing of online payment on SBMA's eBPS.

The Group managed to successfully secure an extension of its existing services for the Philippines' National Bureau of Investigation for another 3 years.

These partnerships continue the close collaboration MYEG Philippines has established with the Philippines government since MYEG Philippines' inception in 2017. In FY2022, MYEG delivered another year of robust growth in the Philippines as the value of annual transactions handled surged over three-fold to a new high of some PHP5 billion (USD91 million). These favourable developments translated into MYEG Philippines turning in an improved performance in FY2022.

# MANAGEMENT DISCUSSION AND ANALYSIS

(cont'd)

Going forward, MYEG Philippines aims to continue strengthening its position as the leading one-stop e-Government services provider in the Philippines through the expansion of its service offerings for existing and new government agencies while at the same time, complementing its concession offerings with the introduction of innovative commercial products and services, including blockchain-based solutions by leveraging on the Zetrix platform.

On the other hand, activity in the Group's other overseas markets such as Bangladesh and Indonesia remained subdued during FY2022. The Group continues to closely monitor these markets for meaningful expansion opportunities.

All in all, the Group is consistently working to grow its global footprint. Given MYEG's solid and constructive progress in the Philippines, and its burgeoning collaboration with key Chinese government entities, the Group is determined to continue expanding in existing and potential international markets that hold a positive future for the Group's ambitions, especially with the advent of Web3 technology.

## ROBUST SUSTAINABILITY GOVERNANCE

MYEG's Sustainability Working Group ("**SWG**") formed in FY2021, remains an instrumental component within the Group's sustainability governance structure, effectively managing key risks and opportunities of MYEG's material environmental, social and governance ("**ESG**") topics.

The Group continues to develop and implement ever-improving sustainability plans and strategies that contribute towards MYEG's short-term, medium-term and long-term sustainability. The Board and Senior Management, through the SWG, reviews and approves these plans and strategies accordingly, maintaining key oversight over MYEG's material ESG topics.

Notably in FY2022, MYEG established the Statement of Commitment to Addressing Climate Change Risks and Impacts that outlines the Group's full climate change commitments, targets, plans, effects on the Group's business model and initiatives pursued in relation to MYEG's supply chain. The full statement can be read at <https://www.myeg.com.my/investor-relations/governance>.

More information on sustainability-related disclosures is provided in the FY2022 Sustainability Statement on page 60 of this Annual Report.

## ECONOMIC OUTLOOK

Economies worldwide have begun to positively recover from COVID-19, thanks to strong inoculation rates the past two years which have seen almost all economic sectors reopen in full capacity.

However, Malaysia's Ministry of Finance ("**MOF**") does assert that the eruption of the Ukraine-Russia conflict in Eastern Europe has affected nations everywhere as they began to rebuild their economies and societies, including Malaysia. In lieu of this, the International Monetary Fund ("**IMF**") revised their global economic growth forecast for 2023 to 2.9%, although a rebound to 3.1% in 2024 is also predicted.

According to MOF, Malaysia is also expected to maintain a similar growth trajectory in FY2023, given other downside risks affecting the nation such as China's moderated economic growth and tighter global monetary policies. Malaysia's GDP growth is projected to moderately grow between 4% and 5% in 2023 according to MOF. Bank Negara Malaysia ("**BNM**") states that GDP growth in 2023 will remain supported by domestic demand. MOF's Budget 2023 also explains that a vibrant services sector, implementation of new and ongoing multi-year infrastructure projects as well as sustained exports will also contribute to Malaysia's growth in 2023.

The MOF also denotes that the domestic service sector is expected to grow by 5% in 2023, benefitting largely from sustained domestic demand in spite of a moderate global economic growth. The growth will continue to be mainly driven by wholesale and retail trade following the expansion in retail segment due to wider usage of e-commerce and rapid transition to digitalisation in line with efforts by the Government in creating a cashless ecosystem.

These related prospects to MYEG's business segments pose an overall positive outlook for the Group in FY2023, given that Web3 technology is rapidly growing worldwide, alongside the sturdy recovery of multiple economic subsectors that MYEG has services in.

# MANAGEMENT DISCUSSION AND ANALYSIS

(cont'd)

## EFFECTIVE RISK MANAGEMENT OF PROSPECTS

The Group will continue to leverage its strong business fundamentals and propositions amidst a possibly ever-changing operating environment in FY2023. This would also involve taking advantage of emerging trends and prospects to introduce new services. The Group however remains cognisant of the existing and potential risks arising from undertaking ventures like this.

Notably, MYEG's early championing of blockchain adoption in the region may entail risks in navigating a changing regulatory landscape in view of regulations related to blockchain, cryptocurrency and digital assets still remaining in their early development stages. Understandably, the rapid pace of technological evolution has seen many nations including Malaysia contending with the fair and transparent formulation of regulatory policies and rules within their own countries.

The cross-border collaboration and global market reach of digital revolution, especially Web3 technology, also adds an additional layer of risk that involves the process of fully complying with various countries' specific regulations. Amidst these risks, MYEG remains determined in ensuring that the Group garners and maintains full regulatory compliance at all times.

While there is a receding importance of MYEG's healthcare services as the Group moves back into pre-pandemic normalcy, the Group has shown through these services that it possesses the ability to mitigate risks to itself from volatile disruptive events by strategically pivoting its platform. This was evidenced by the quick launches of new COVID-19 healthcare services as well as redirecting existing services appropriately.

MYEG remains confident of its capacity to evolve and sustain value creation while remaining competitive as it has identified its risks and developed fitting mitigation plans.

## CAPITALISING ON OPPORTUNITIES

MYEG will remain continually vigilant about how else it can evolve moving forward. The Group is always ready to respond to changes in the operating landscape in order to rapidly introduce solutions of genuine need and utility in any scenario.

This vigilance is paired with MYEG's readiness to meet the growing demand for its services across its operating markets by continuing to introduce innovative services that take advantage of new technologies to drive organic growth in its markets. In particular, MYEG views the Web3 space as a primary growth driver to sustain the Group's progress for many years to come.

With the Government lifting restrictions put in place during the pandemic, MYEG is more determined than ever to bring blockchain to the forefront via its Layer-1 blockchain platform, Zetrix. MYEG is also keen to further collaborate with its partners to start introducing blockchain-based commercial services, which can be used globally. The Group expects these services to be well received by the market.

Future professional collaborations with the Government to realise the Government's blockchain objectives will continue to strengthen, more so after being given the honour and responsibility to jointly develop and operate Malaysia's national blockchain infrastructure. The Group intends to introduce blockchain services and applications that ultimately meet the objectives set out in Malaysia's National Blockchain Roadmap and propel Malaysia into becoming a leading technology innovator.

Aligning the Group's blockchain and digital assets with the country's digital transformation agenda is also important going forward to forge a connected, digital-based economy and society via providing day-to-day smart solutions to users.

Therefore, in tandem with building upon existing applications and partnerships in the blockchain realm such as DeFi, crypto-wallets, NFTs, decentralised identifiers and worldwide cross-border commerce, FY2023 will also see the Group continue to pioneer new opportunities to leverage on the power of Web3 application. In achieving this ambition, MYEG will remain on the lookout in forming key synergistic and strategic partnerships that can facilitate win-win solutions to elevate the Group's dominance in the digital space to ultimately benefit communities and businesses everywhere.

# MANAGEMENT DISCUSSION AND ANALYSIS

(cont'd)

At the governmental level, blockchain is being embraced by multiple ministries. In February 2023, the Ministry of Home Affairs and the Ministry of Human Resources announced their commitments to use blockchain technology to ensure security in the process of employing foreign workers, with this security system being more transparent regarding the management of foreign workers given its recommendation by the International Labour Organisation (“ILO”) as well. As the nation’s leading e-Government services provider and pioneer of blockchain adoption in Malaysia, MYEG looks forward to emerging opportunities to play a leading role in realising such national-level objectives.

Internationally, the Group is also looking to deploy its blockchain application and infrastructure in the Philippines to expand the market for its blockchain business significantly moving forward.

Speaking of the importance of MYEG’s immigration services, MYEG aims to further bolster its presence in the space of immigration service offerings by constantly working on solutions that are holistic and innovative.

The increasing demand for foreign worker housing will also see MYEG continue expanding its accommodation capacity towards including more workers under the MyStay programme. MYEG is planning to commence with the development of additional dormitories in Selangor and Johor. In April 2023, MYEG’s sub-subsidiary MY EG Lodging Sdn Bhd secured a tender from Penang Development Corp to build a workers village and related facilities at Batu Kawan Industrial Park 3 in Seberang Perai Selatan, Penang.

Additionally, in laying the groundwork for the future of the Group’s foreign worker housing business, MYEG will remain on the lookout for suitable land / property acquisition opportunities to build more foreign worker hostels in strategic locations in Malaysia.

Regarding its road tax and driving license renewal services, MYEG wishes to assure all valued users, vehicle owners and drivers that they can continue renewing their road taxes and driving licenses as usual through the Group’s existing channels, with the added flexibility now for users to forgo receiving physical copies of their documents.

This added flexibility comes in the form of the ability to display road taxes and driving licenses digitally, as recently announced by the Government. The Group remains committed to serving the Malaysian public by providing a secure and convenient online platform for vehicle owners and drivers to renew their road taxes and driving licenses respectively.

The Group is also pleased to see the Government proactively pilot digital road tax and licences. This trend of digitalising important documents bodes well for the future of Zetrix, as blockchain’s unique features of immutability and verifiability of credentials would make Zetrix the ideal platform to accelerate such digitalisation.

Meanwhile, BELI e-Mart’s continues to cater to customers’ growing needs for speedy convenience and accessibility via e-commerce. Plans in 2023 for BELI involve setting up a BELI retail outlet in Damansara Perdana, adding to its other established BELI retail outlets. Overall, where needed, MYEG will continue to see how best to expand BELI’s operational network of warehouses, retail stores and product suppliers / manufacturers.

The Group’s stable financial position and strong internal cash flow generation will continue to support the aforementioned initiatives in Web3 development and foreign worker accommodation business, as well as other future plans going forward.

When it comes to funding, the Group has demonstrated its ability to raise funds whenever needed in the past to support its growth objectives, MYEG is therefore confident that the Group will continue to have the support and confidence of investors in order to tap conventional financial markets when necessary, in addition to the Zetrix platform now also providing a new and innovative channel for fund raising through the sale of tokens.

MYEG would also like to acknowledge that it stands ready and willing to collaborate with the Government of the day by continuing to play the Group’s role as a leading e-Government services provider to bring to market new services that can help stakeholders facilitate and realise their national objectives for the people.

In tandem with relying on mutually-beneficial stakeholder relationships with key public and private entities, the Board continues to observe a cautiously optimistic outlook barring any unforeseen circumstances.

Keeping in mind MYEG’s robust internal capacities that allow us to purposefully capitalise on current, new and potential services in order to be the best service provider for citizens, businesses and governments, the Group’s forward-thinking priorities in FY2023 will continue to strategically influence MYEG’s core business strengths towards treading in the direction of positive, consistent growth in domestic and international environments.

# BOARD OF DIRECTORS' PROFILES

## DATO' DR NORRAESAH BINTI HAJI MOHAMAD

*Executive Chairman*

**Age:** 75  
**Nationality:** Malaysian  
**Gender:** Female  
**Date of appointment:** 18 August 2006  
**Date of last re-election:** 1 July 2021  
**Board Committee membership:** Nil



### Qualifications:

- Bachelor of Arts (Hons) Economics, University of Malaya
- Masters in International Economics Relations, International Institute of Public Administration, France
- Masters in International Economics and Finance, University of Paris I, Pantheon-Sorbonne, France
- PhD, (Economics Science) International Economics and International Finance, University of Paris I, Pantheon-Sorbonne, France

### Years of working experience:

48 years

### Working experience and occupation:

- |                       |   |
|-----------------------|---|
| <b>1972 - 1988</b>    | • Government Service in Malaysia (MITI & Ministry of Finance)                 |
| <b>1990 - 1991</b>    | • Managing Director, consulting firm  |
| <b>1991 - 1998</b>    | • Chief Representative, Credit Lyonnais Bank, Malaysia                        |
| <b>2000 - 2003</b>    | • Chairman, Bank Kerjasama Rakyat Malaysia Berhad                             |
| <b>2005 - 2008</b>    | • Senator   |
| <b>2005 - present</b> | • Chairman, Board of Trustee of World Islamic Businesswoman Network           |
|                       | • Member, International Advisory Panel, World Islamic Economic Forum ("WIEF") |

### Directorship of public companies/ listed issuer

- Rhong Khen International Berhad (Independent Non-Executive Chairman)
- World Islamic Economic Forum Foundation

### Relationships with other directors/ shareholders/ listed issuer

Nil

### Conflict of Interests with listed issuer

Nil

### Any other convictions (aside from traffic offences)

Nil

### List of training/ seminar/ conference/ workshop attended

- 15 February 2022**  
MYEG  
– Webinar Training : Environmental, Sustainability, Social Impact & Governance Training
- 15 July 2022**  
Diversity Elevates Investability: Exclusive Value-Building Workshop for Business Leaders
- 27 September 2022**  
WIEF (World Islamic Economic Forum)  
– Roundtable 2022 Conference
- 15 November 2022**  
WIEF – WBN (Women Business Network)  
– #iEmPOWER Re-activating Economic Opportunities Through Tourism Webinar
- 7 December 2022**  
MARC360: Malaysia Economic Outlook and Challenges
- 8 December 2022**  
ICDM (Institute of Corporate Directors Malaysia): Board Risk Committee Dialogue & Networking



# BOARD OF DIRECTORS' PROFILES

(cont'd)

## WONG THEAN SOON

*Group Managing Director*

Age: 52  
 Nationality: Malaysian  
 Gender: Male  
 Date of appointment: 6 March 2000  
 Date of last re-election: 23 June 2022  
 Board Committee membership: Employees' Share Option Scheme Committee (Member)



### Qualifications:

- Bachelor's Degree in Electrical Engineering, National University of Singapore

### Years of working experience:

28 years

### Working experience and occupation:

- |                |   |
|----------------|---|
| 1995 - 1997    | • Co-founder and Executive Director, Cybersource Pte Ltd, Singapore       |
| 1997 - 2000    | • Founder and Chief Executive Officer, Technochannel Technologies Sdn Bhd |
| 2000 - present | • Co-founder, MYEG Group  |

### Directorship of public companies/ listed issuer

Nil

### Relationships with other directors/ shareholders/ listed issuer

Nil

### Conflict of Interests with listed issuer

Nil

### Any other convictions (aside from traffic offences)

Nil

### List of training/ seminar/ conference/ workshop attended

27 September 2022

Gaps, requirements and latest ESG trends and developments

7 December 2022

MARC360: Malaysian Economic Outlook and Challenges

8 December 2022

ICDM: Board Risk Committee Dialogue & Networking - Session #1



# BOARD OF DIRECTORS' PROFILES

(cont'd)

## DATUK MOHD JIMMY WONG BIN ABDULLAH

*Non-Independent Non-Executive Director*

**Age:** 61  
**Nationality:** Malaysian  
**Gender:** Male  
**Date of appointment:** 18 August 2006  
**Date of last re-election:** 1 July 2021  
**Board Committee membership:**

- Nomination Committee (Member)
- Audit Committee (Member)



### Qualifications:

- Diploma in Business Studies, Jinan University, Guangzhou, China

### Years of working experience:

37 years

### Working experience and occupation:

- |  |   |
|--|---|
| <b>1981 - 2002</b><br><b>1994 - 1996</b> | <ul style="list-style-type: none"> <li>• Royal Malaysian Police</li> <li>• Diplomatic Mission, Wisma Putra, Guangzhou, China</li> </ul> |
|--|---|

### Directorship of public companies/ listed issuer

Nil

### Relationships with other directors/ shareholders/ listed issuer

Nil

### Conflict of Interests with listed issuer

Nil

### Any other convictions (aside from traffic offences)

Nil

### List of training/seminar/conference/workshop attended

- 27 September 2022  
 Gaps, requirements and latest ESG trends and developments
- 7 December 2022  
 MARC360: Malaysian Economic Outlook and Challenges
- 8 December 2022  
 ICDM: Board Risk Committee Dialogue & Networking - Session #1

# BOARD OF DIRECTORS' PROFILES

(cont'd)

## WONG KOK CHAU

*Independent Non-Executive Director*

**Age:** 54  
**Nationality:** Malaysian  
**Gender:** Male  
**Date of appointment:** 9 July 2018  
**Date of last re-election:** 23 June 2022  
**Board Committee membership:**

- Audit Committee (Chairman)
- Risk Management Committee (Member)
- Remuneration Committee (Member)
- Employees' Share Option Scheme Committee (Chairman)



### Qualifications:

- Chartered Institute of Management Accountants (CIMA)
- Malaysian Institute of Accountants (MIA)

### Years of working experience:

30 years

### Working experience and occupation:

- |                       |   |
|-----------------------|---|
| <b>1993 - 1998</b>    | • Manager, Corporate Advisory Services, Ernst & Young                   |
| <b>1998 - 2000</b>    | • Regional Controller for Asia, BIC                                     |
| <b>2001 - 2009</b>    | • Financial Controller for Asia Pacific; Consultant, Kepner-Tregoe (KT) |
| <b>2009 - 2016</b>    | • Co-Founder, A Davids & Company, Singapore                             |
| <b>2016 - 2020</b>    | • Executive Director, Excel Force MSC Berhad                            |
| <b>2020 - present</b> | • Managing Director, Excel Force MSC Berhad                             |

### Directorship of public companies/ listed issuer

Excel Force MSC Berhad

### Relationships with other directors/ shareholders/ listed issuer

Nil

### Conflict of Interests with listed issuer

Nil

### Any other convictions (aside from traffic offences)

Nil

### List of training/ seminar/ conference/ workshop attended

- 27 September 2022**  
 Gaps, requirements and latest ESG trends and developments
- 17 November 2022**  
 Invitation to the Securities Commission Malaysia's Audit Oversight Board Conversation with Audit Committees
- 7 December 2022**  
 MARC360: Malaysian Economic Outlook and Challenges
- 8 December 2022**  
 ICDM: Board Risk Committee Dialogue & Networking - Session #1

## DATO' SRI MOHD MOKHTAR BIN HAJI MOHD SHARIFF

*Independent Non-Executive Director*

<b>Age:</b>	66
<b>Nationality:</b>	Malaysian
<b>Gender:</b>	Male
<b>Date of appointment:</b>	9 November 2020
<b>Date of last re-election:</b>	1 July 2021
<b>Board Committee membership:</b>	<ul style="list-style-type: none"> <li>• Remuneration Committee (Chairman)</li> <li>• Nomination Committee (Member)</li> </ul>



### Qualifications:

- Masters of Business Administration, Phoenix International University, New Zealand
- Certificate of Legal Practice, Legal Profession Qualifying Board of Malaysia
- Bachelor of Laws (Hons), University of Wolverhampton, United Kingdom

### Years of working experience:

Served the Royal Malaysia Police for 41 years.

### Working experience and occupation:

<b>1978 - 1987</b>	• Staff Officer of Special Branch, Royal Malaysia Police Contingent Terengganu
<b>1987 - 1996</b>	• Assistant Police Attaché, Embassy of Malaysia, Bangkok
<b>1996 - 2002</b>	• Staff Officer of Special Branch, Royal Malaysia Police, Headquarters Bukit Aman
<b>2002 - 2004</b>	• Police Attaché, Embassy of Malaysia, Bangkok
<b>2004 - 2006</b>	• Head of Special Branch, Kuala Lumpur
<b>2006 - 2007</b>	• Deputy Chief Police Officer, State of Pahang
<b>2007 - 2008</b>	• Deputy Chief Police Officer, State of Johor
<b>2008 - 2015</b>	• Chief Police Officer, State of Johor
<b>2015 - 2017</b>	• Director of Narcotics and Crime Investigation Department, Royal Malaysia Police
<b>2017 - 2018</b>	• Director of Special Branch, Royal Malaysia Police
<b>2019 - present</b>	• Admitted as Advocate & Solicitors of High Court of Malaya

### Directorship of public companies/ listed issuer

- TMC Life Sciences Berhad (Independent Non-Executive Chairman)
- South Malaysia Industries Berhad (Independent Non-Executive Director)
- Pacific & Orient Berhad (Independent Non-Executive Director)

### Relationships with other directors/ shareholders/ listed issuer

Nil

### Conflict of Interests with listed issuer

Nil

### Any other convictions (aside from traffic offences)

Nil

### List of training/ seminar/ conference/ workshop attended

<b>22 June 2022</b>	Complimentary Talk: Assessing Your Organizational Culture
<b>27 September 2022</b>	Gaps, requirements and latest ESG trends and developments
<b>7 December 2022</b>	MARC360: Malaysian Economic Outlook and Challenges
<b>8 December 2022</b>	ICDM: Board Risk Committee Dialogue & Networking - Session #1

# BOARD OF DIRECTORS' PROFILES

(cont'd)

## DATO' MOHD JEFFREY BIN JOAKIM

*Independent Non-Executive Director*

**Age:** 63  
**Nationality:** Malaysian  
**Gender:** Male  
**Date of appointment:** 9 July 2021  
**Date of last re-election:** 23 June 2022  
**Board Committee membership:**

- Risk Management Committee (Chairman)
- Remuneration Committee (Member)



### Qualifications:

- Bachelor's Degree in Social Sciences, Open University of Malaysia
- Diploma in Laws and Administration, University of Technology MARA

### Years of working experience:

Served in the public service for 38 years

### Working experience and occupation:

2007 – 2008	• Director, National Institute of Human Resources
2008 - 2010	• Deputy Director General, Department of Industrial Relations Malaysia
2010 - 2012	• Deputy Director General, Department of Labour, Ministry of Human Resources
2012 - 2020	• Director General, Department of Labour, Ministry of Human Resources

### Directorship of public companies/ listed issuer

Nil

### Relationships with other directors/ shareholders/ listed issuer

Nil

### Conflict of Interests with listed issuer

Nil

### Any other convictions (aside from traffic offences)

Nil

### List of training/ seminar/ conference/ workshop attended

22 June 2022  
Complimentary Talk: Assessing Your Organizational Culture

27 September 2022  
Gaps, requirements and latest ESG trends and developments

7 December 2022  
MARC360: Malaysian Economic Outlook and Challenges

8 December 2022  
ICDM: Board Risk Committee Dialogue & Networking - Session #1



## MOHAINI BINTI MOHD YUSOF

*Independent Non-Executive Director*

**Age:** 57  
**Nationality:** Malaysian  
**Gender:** Female  
**Date of appointment:** 9 July 2021  
**Date of last re-election:** 23 June 2022  
**Board Committee membership:**

- Nomination Committee (Chairman)
- Audit Committee (Member)
- Risk Management Committee (Member)



### Qualifications:

- Bachelor's Degree in Mass Communication (Journalism), University of Technology MARA

### Working experience and occupation:

<b>1989 - 1993</b>	• Executive, The Lion Group
<b>1993 - 1995</b>	• Assistant Manager, The Lion Group
<b>1996 - 2000</b>	• Manager, Malaysia Resources Corporation Berhad ("MRCB")
<b>2001 - 2004</b>	• Senior Manager, MRCB
<b>2004 - 2006</b>	• Assistant General Manager, MRCB
<b>2006 - 2018</b>	• General Manager, Head of Corporate Communications, MRCB
<b>2019 - present</b>	• Director, Mo Dylan Communications LLP

### Directorship of public companies/ listed issuer

Cuscap Berhad (Independent Non-Executive Director)

### Relationships with other directors/ shareholders/ listed issuer

Nil

### Conflict of Interests with listed issuer

Nil

### Any other convictions (aside from traffic offences)

Nil

### List of training/ seminar/ conference/ workshop attended

**12 April 2022**  
 Complimentary Talk: Steward Leadership for Sustainability

**27 September 2022**  
 Gaps, requirements and latest ESG trends and developments

**6-7, 12-13, 19-20 September 2022 and 3-4 October 2022**  
 Leadership Transformation Program

**17 November 2022**  
 Invitation to the Securities Commission Malaysia's Audit Oversight Board Conversation with Audit Committees

**7 December 2022**  
 MARC360: Malaysian Economic Outlook and Challenges

**8 December 2022**  
 ICDM: Board Risk Committee Dialogue & Networking - Session #1

# KEY SENIOR MANAGEMENT'S PROFILES

## CHONG CHIEN MING

*Chief Financial Officer*

**Age:** 49  
**Nationality:** Malaysian  
**Gender:** Male  
**Date of appointment:** January 2015  
**Years of working experience:** 25 years

### Qualifications:

- Bachelor's Degree in Accounting, Universiti Putra Malaysia
- Member, Malaysian Institute of Accountants

### Working experience and occupation:

<b>1998 – 2000</b>	• Internal Audit Executive, MBF Management Services Sdn Bhd
<b>2000 - 2002</b>	• Finance Executive, Peremba Development Sdn Bhd
<b>2002 - 2003</b>	• Assistant Finance Manager, AEON Credit Service (M) Sdn Bhd
<b>2003 - 2015</b>	• Financial Controller, MYEG
<b>2015 - present</b>	• Chief Financial Officer, MYEG

### Directorship of public companies

Nil

### Relationships with other directors/ shareholders/ in MYEG

Nil

### Conflict of Interests with MYEG

Nil

### Any other convictions

Nil

## MOHD RUSHDAN KHAIRUL ANUAR

*Information Technology ("IT") Director*

**Age:** 38  
**Nationality:** Malaysian  
**Gender:** Male  
**Date of appointment:** February 2021  
**Years of working experience:** 13 years

### Qualifications:

- MSc in Electronic Systems Engineering, ESIEE Paris, France
- Certificate in Information Technology Infrastructure Library (ITIL)
- Certificate in Control Objectives for Information and Related Technology (COBIT)

### Working experience and occupation:

<b>2010 - 2011</b>	• Electronics System Engineer, Texas Instruments
<b>2011 - 2013</b>	• Business Analyst, Deloitte
<b>2013 - 2014</b>	• Consultant, HeiTech Padu Berhad
<b>2014 - 2016</b>	• IT Risk Manager, MYEG
<b>2016 - 2019</b>	• IT Director, MYEG
<b>2019 - 2021</b>	• Head of IT, TGV Cinemas
<b>2021 - present</b>	• IT Director, MYEG

### Directorship of public companies

Nil

### Relationships with other directors/ shareholders/ in MYEG

Nil

### Conflict of Interests with MYEG

Nil

### Any other convictions

Nil



# KEY SENIOR MANAGEMENT'S PROFILES

(cont'd)

## ERIC LEE KOK LEONG

*Director of Product Marketing*

**Age:** 45  
**Nationality:** Malaysian  
**Gender:** Male  
**Date of appointment:** September 2017  
**Years of working experience:** 23 years

## HASYATI BINTI SHUKRI

*Deputy Project General Manager*

**Age:** 39  
**Nationality:** Malaysian  
**Gender:** Female  
**Date of appointment:** January 2015  
**Years of working experience:** 18 years

### Qualifications:

- Bachelor's Degree in Business (Marketing & Information Technology), La Trobe University, Australia
- Executive Management Course, Kellogg School of Management, Chicago, USA; London Business School, UK.

### Working experience and occupation:

- |                       |  |
|-----------------------|--|
| <b>2001 - 2006</b>    | • Analyst Programmer; Product Manager, Digi Telecommunications |
| <b>2007 - 2012</b>    | • Product Group Marketing Manager, Sony Ericsson Malaysia      |
| <b>2012</b>           | • Marketing Director, Huawei Malaysia                          |
| <b>2013</b>           | • Head of Product, Tunetalk                                    |
| <b>2013 - 2017</b>    | • Head of Prepaid, Digi Telecommunications                     |
| <b>2017 - present</b> | • Director of Product Marketing, MYEG                          |

### Directorship of public companies

Nil

### Relationships with other directors/ shareholders/ in MYEG

Nil

### Conflict of Interests with MYEG

Nil

### Any other convictions

Nil

### Qualifications:

- Degree in Management and Conservation Biodiversity, Kolej Universiti Sains dan Teknologi Malaysia

### Working experience and occupation:

- |                       |  |
|-----------------------|--|
| <b>2005 - 2012</b>    | • Project Executive, MYEG              |
| <b>2012 - 2015</b>    | • Senior Project Manager, MYEG         |
| <b>2015 - present</b> | • Deputy Project General Manager, MYEG |

### Directorship of public companies

Nil

### Relationships with other directors/ shareholders/ in MYEG

Nil

### Conflict of Interests with MYEG

Nil

### Any other convictions

Nil

# KEY SENIOR MANAGEMENT'S PROFILES

(cont'd)

## **R.MAHALINGAM A/L A.RENGANATHAN**

*Head of Operation Department (JPJ).*

<b>Age:</b>	48
<b>Nationality:</b>	Malaysian
<b>Gender:</b>	Male
<b>Date of appointment:</b>	July 2017
<b>Years of working experience:</b>	21 years

### **Qualifications:**

- Diploma in Computer Engineering

### **Working experience and occupation:**

<b>2002 – 2008</b>	• Technical Support Executive, MYEG
<b>2008 - 2009</b>	• Logistic Manager, MYEG
<b>2009 - 2017</b>	• Senior Manager – Operations, MYEG
<b>2017 - present</b>	• Head of Operations, MYEG

### **Directorship of public companies**

Nil

### **Relationships with other directors/ shareholders/ in MYEG**

Nil

### **Conflict of Interests with MYEG**

Nil

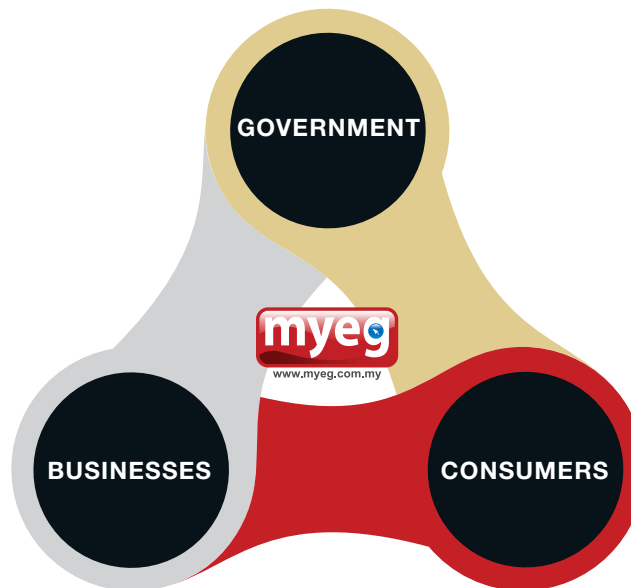
### **Any other convictions**

Nil

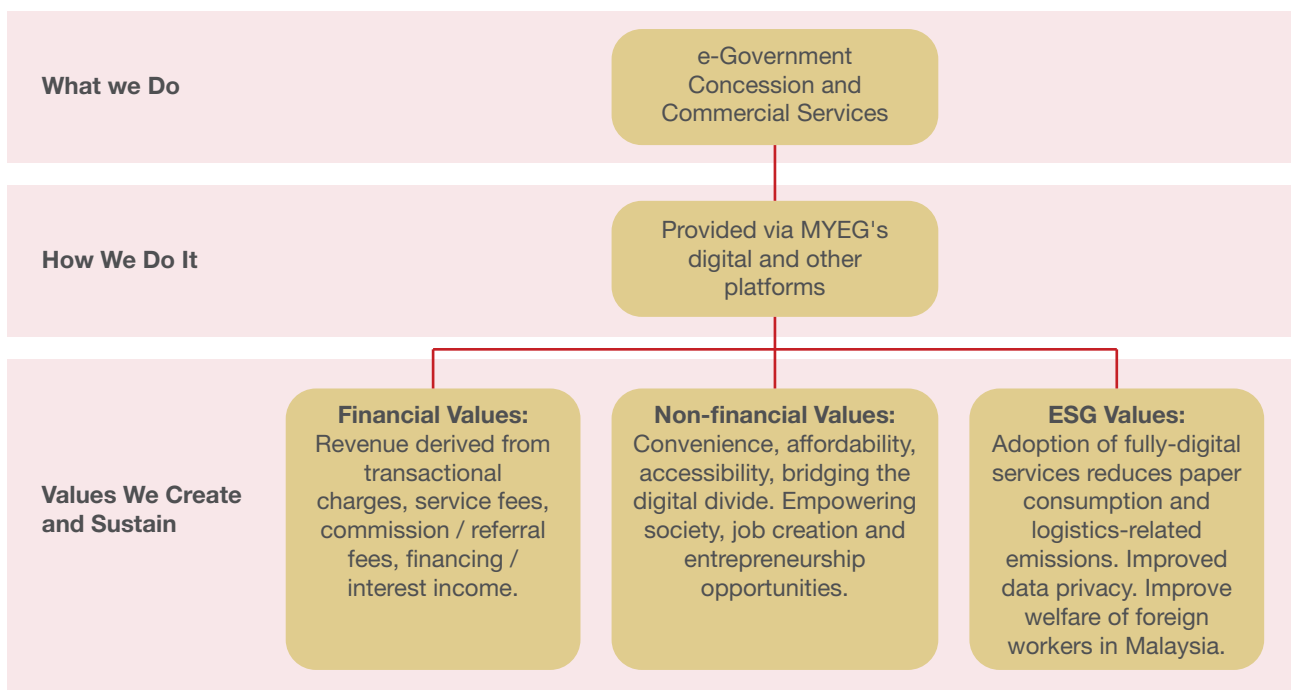
# OUR BUSINESS MODEL AT WORK

In essence, MYEG's business model is centred on the provision of services electronically (or physically) to consumers. The goal is to provide a convenient, cost effective, fast and easy means for the public to access much needed services.

MYEG serves as the conduit or bridge that closes the digital chasm – enabling seamless, affordable and convenient access that empowers users to bring governments, businesses and consumers together.



The business model works as follows:



# OUR BUSINESS MODEL AT WORK

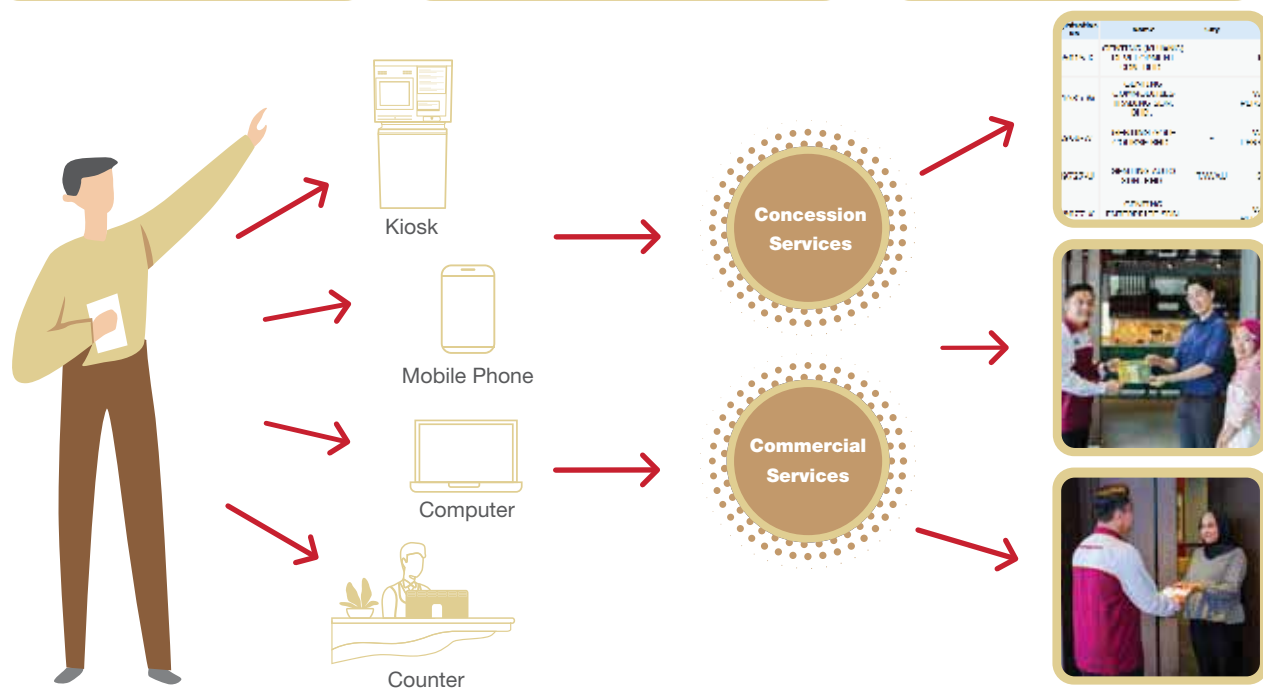
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Further illustrations of how digital services are delivered and values created are provided as follows:

Users access the MYEG portal via multiple access points. These include electronic and in-person channels.

Users have access to a wide and expanding range of government and commercial services. Please see pages 8 to 9 for a full range of our services.

Service is provided to users via the online portal itself and delivered to users' homes/offices or over the counter.



Users access the MYEG portal to renew their road tax.

As users proceed to renew their road tax, related services can be offered. Services are non-compulsory and customers have the choice to choose or decline additional services offered.

# OUR BUSINESS MODEL AT WORK

(cont'd)

Consumers access the BELI portal or go to physical stores to purchase groceries and other necessities

Purchased items can be delivered to consumers' homes or if preferred, consumers can self-collect / transport them home.

Consumers have access to an alternative system for fresh, high-quality produce and other retail items at affordable prices.



## VALUES CREATED FROM THE BUSINESS MODEL

### Convenience and affordability

MYEG's business model reduces, if not eliminates, the need for travelling as well as waiting times. This increases efficiency and productivity and improves delivery of e-Government and commercial services to citizens and customers.



### Bridging the digital divide

The use of digital mediums transcends physical and other boundaries, allowing much needed services to be delivered nationwide, thus reducing disparity between urban, semi-urban and rural populations. It promotes equality and equity with all demographics having equal access to services.



### Creation of jobs and entrepreneurship opportunities

MYEG's business model promotes local entrepreneurship and job opportunities, with the provision of agency opportunities. This is especially evident in semi-urban and rural locations.

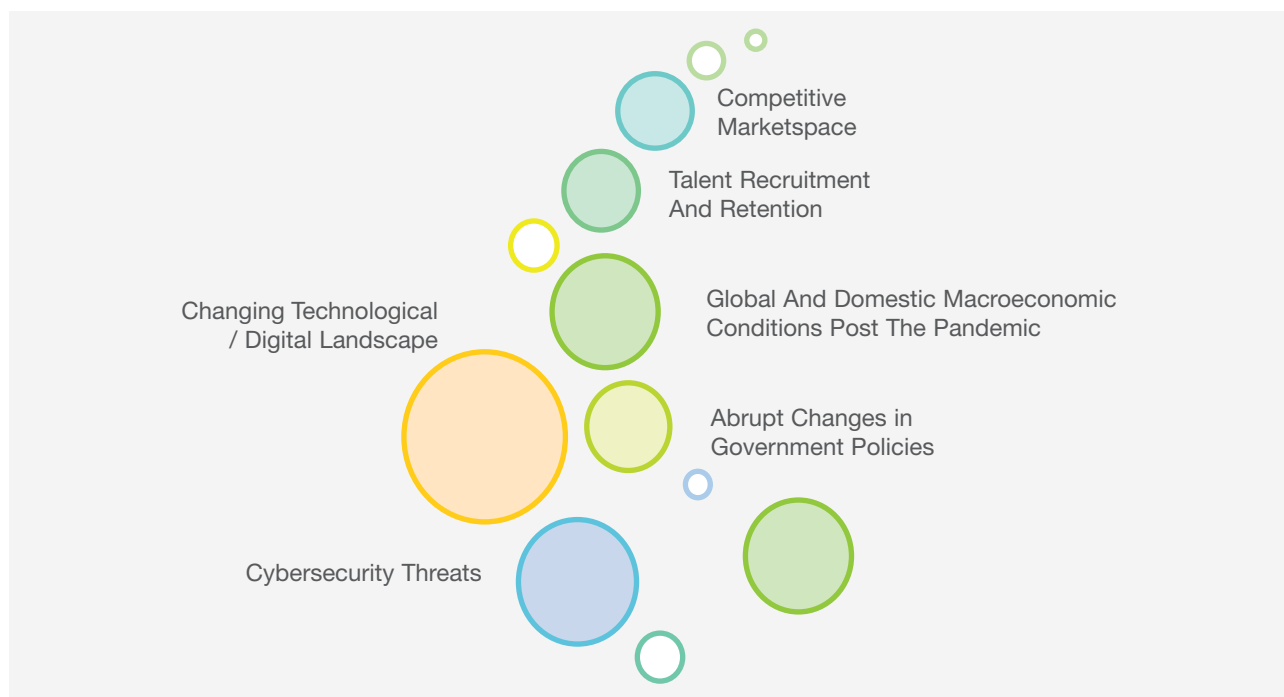


### Supporting Government's aspirations for a digitally connected society

One of the key aspirations on Malaysia's national agenda is a seamlessly digitally connected society. MYEG's successful delivery of e-Government and commercial services enables the progressive realisation of the digital aspirations and paves the way for the continued proliferation of technology in other areas i.e. blockchain and more.



# MATTERS IMPACTING VALUE CREATION



## CHANGING TECHNOLOGICAL / DIGITAL LANDSCAPE

Without a doubt, continued disruption in technologies, in particular digital technologies remains a double-edged sword to enterprise value creation. The constant and swift changes provide both risks and opportunities to MYEG's business model, which is dependent on its digital capabilities.

The ability to acquire and deploy new technologies to improve the business model and service delivery towards delivering enhanced experiences while staying ahead of the competitive curve is pivotal in its continued growth and success.

### Risk

Solutions being developed internally by the Group or with external partners may face the risk of technological obsolescence due to the rapid emergence of new technologies. Capitals consumed for the development of technologies, primarily financial and human capitals, may be lost if developed technologies are subsequently made obsolescent.

### Opportunities

As prior mentioned, the fast-changing technology landscape also presents opportunities for MYEG to enhance its existing capabilities, to enhance its business processes and develop new offerings.

One clear area of opportunity is blockchain, which MYEG has ventured into (Refer to Strategies to Sustain Value Creation Section).

### Business Strategies

MYEG continues to focus on improving its technological capabilities, which includes internal research and development as well as through external collaborations.

Among MYEG's key initiatives is its ongoing pivot to blockchain technologies (refer to Strategies to Sustain Value Creation Section).

### Significant Capitals

Maintaining its technological prowess entails significant financial capital expenditure as well as continued focus on developing human and intellectual capitals.



# MATTERS IMPACTING VALUE CREATION

(cont'd)

## ABRUPT CHANGES IN GOVERNMENT POLICIES

While MYEG is not solely dependent on revenue derived from its e-Government services, any abrupt changes in government policies i.e. a decision to not renew concessions or to delay implementation would impact all digital service providers.

Besides business operations, any shifts in policy may also impact the development of the nation's digital infrastructure and overall landscape.

However, the present government has maintained a pro-digital approach, given how the digitisation of government services has played a key role in bridging the digital divide and improving the delivery of government services while reducing costs. This was notably evident during the COVID-19 pandemic period of FY2020-FY2021.

Capitals invested in the development of such services (be it prototypes or market ready offerings), would again be impacted.

### Risk and Opportunities

Political factors are beyond the Group's control. However, the value of what we provide transcends the politics of the day and is meant to serve stakeholders.

Non-renewal of services may have some impact on business performance. However, this has been mitigated by the Group's continued focus on developing its commercial services.

More than 80% of the Group's revenue is derived from its commercial services.

The Group's existing service quality levels meet and exceed set Key Performance Indicator (KPI) and as such, non-renewal is more driven by any sudden change rather than for non-performance reasons.

### Business Strategies

Continued market and product diversification, especially the development of more commercial services across all geographic locations of operations (refer to Strategies to Sustain Value Creation Section).

### Material Capitals

The Group's ability to maintain its expansionary mode is sustained by the following business strengths and capitals: intellectual property, ongoing development and adoption of new technologies, growing and diverse customer base, a proven track record in e-Government and commercial services, strong stakeholder engagement and a robust financial position comprising growing revenue, earnings and cashflows.

## GLOBAL AND DOMESTIC MACROECONOMIC CONDITIONS POST THE PANDEMIC

Post pandemic, the global and Malaysian economy were forecast to make a robust recovery as markets opened and economic activities returned to pre-pandemic levels. Malaysia's GDP growth in FY2022 was recorded at a strong 8.7%.

However, Malaysia continues to be affected by a rising US dollar and subsequently inflation.

Consumer spending, though recovering, remains weak and the expected rebound in private sector consumption foreign investments is still below par.

Present economic conditions may affect retail consumers consumption of services. However, the larger effect is on commercial entities i.e. companies choosing to defer or scale down business investment plans.

# MATTERS IMPACTING VALUE CREATION

(cont'd)

## GLOBAL AND DOMESTIC MACROECONOMIC CONDITIONS POST THE PANDEMIC (cont'd)

### Risk

Challenging socio-economic conditions can affect consumer demand for services as declining spending power reduces the appetite for consumption, notably for commercial services. Larger purchases such as buying of cars and others may be deferred or put off altogether. Businesses may also see less activities and with that, reduced demand for various services.

### Opportunities

During challenging economic conditions, businesses may place more urgency on enhancing cost efficiencies and this may benefit our blockchain solutions such as trade clearances and supply chain financing. Additionally, certain services may see increased take-up i.e. the selling of cars or the BELI online retail platform as consumers look to unlock assets or source for more affordable products and services. (Refer to Strategies to Sustain Value Creation for more information).

### Business Strategies

Macro-economic conditions are beyond the Group's control. However, MYEG's strategic response is to continue its pursuit of product and market diversification to diversify its revenue streams and reduce its exposure to socio-economic upheavals in any single geographic market. (refer to Strategies to Sustain Value Creation Section).

### Material Capitals

The Group's expansion and diversification plans are supported by an agile business model that is market agnostic (not dependent on specific domestic conditions and has a high replication factor). MYEG's business model enables fast market entry and the quick rollout of products, which supports the Group's ability to respond swiftly to changing socio-economic conditions and market demands.

## TALENT RECRUITMENT AND RETENTION

Securing and retaining talent is a major issue in almost all economic sectors, both locally and abroad. The issue of lack of talent is pervasive across various industries ranging from manual labour- intensive industries such as plantations and manufacturing (notably shortage of foreign labour) right to the tech sector (shortage of high-tech, knowledge workers).

Despite various industry and governmental efforts to increase the talent pool, the tech sector in Malaysia (in which MYEG operates in and is dependent for talent) continues to see widespread attrition due to a competitive talent market and an ongoing brain drain.

### Risk and Opportunities

Talent, which is a key component of MYEG's intellectual and human capital, is material to the Group in undertaking research and development activities in driving the development and delivery of solutions and providing ancillary services, such as over-the-counter and delivery / despatch services. The latter is significant in completing the service loop in ensuring a satisfying and seamless customer experience.

The present demand and supply imbalance contributes to the significantly increasing talent acquisition and retention costs.

### Business Strategies

Talent Development Strategies, including increased advertising and marketing communications, improvements in benefits, developing a people-focussed organisational culture and strengthening employee engagement and empowerment (refer to Strategies to Sustain Value Creation Section).

### Material Capitals

MYEG's approach to addressing its talent needs is supported by its strong branding and reputation, the commitment of the Board and Management to put people first and to develop a conducive workplace environment centred on high performance as well as equality and diversity.

# MATTERS IMPACTING VALUE CREATION

(cont'd)

## COMPETITIVE MARKETSPLACE

Despite MYEG's relatively leading market positioning, the Group still faces stiff and increasing competition from existing and new market entrants. The effect of competition is more pronounced for services where MYEG is presently not the market leader or newly launched services where there are established incumbents.

Among these include MYEG's online and in-store grocery shopping, BELI, its financing and hire purchase services and others.

### Risk and Opportunities

The commercial success of products may be affected and product costs may increase as constant improvement and development efforts are required to maintain the appeal of services vis-a-vis competitors.

However, for the most part, MYEG's product offerings, despite facing stiff competition, retain commercial appeal and have proven to be successful. Most are expected to continue performing well notwithstanding changing marketplace conditions going forward.

### Business Strategies

Continued market and product diversification (refer to Strategies to Sustain Value Creation Section).

### Material Capitals

Strategic decisions that involve capital investments channeled into services over the short, medium and long-term are made based on internal criteria.

Beyond revenues (derived from the said service), the criteria consider the commercial appeal and overall value creation capability / potential of all products based on a set criterion that feeds into the determination of specific marketplace strategies as well as investments into product development, marketing, and research and development.

## CYBERSECURITY THREATS

A significant portion of MYEG's business model is highly dependent on the security of its digital infrastructure.

While the Group's present infrastructure and systems are robust with high data integrity, the risk of data theft, downed systems and other impacts require constant vigilance especially with more evolved and sophisticated cyberthreats continuing to emerge.

### Risk And Opportunities

Hacking, phishing, malware and other cyber threats can impact service delivery resulting in downtime, hence affecting customer transactions. There would also be potential loss of brand trust and reputation as well as potential commercial losses. In addition, any breach of customer data could lead to loss of confidentiality or other issues, such as fraud, etc.

However, MYEG continues to maintain its impeccable record for zero data breaches and its network and infrastructure remain resilient against cyberattacks.

### Business Strategies

MYEG will continue to rely on its existing ICT systems and infrastructure, which has proven to be resilient against cyber attacks. The Group will also continue to upgrade its security systems and protocols. The deployment of the Group's own Layer-1 blockchain platform Zetrix has also enhanced data privacy and security through the adoption of cryptography and decentralisation.

### Material Capitals

MYEG will continue to rely on its existing ICT systems and infrastructure, which has proven to be resilient against cyber attacks. The Group will also continue to upgrade its security systems and protocols in tandem with new and emerging cyberthreats.

# RISK AND OPPORTUNITIES

MYEG continues to be vigilant against its identified risks, which include business, financial, strategic and operational risks, as well as ESG risks. It is evident as identified in the earlier section on Matters Impacting Value Creation, that the emergence and prevalence of risks in today's business environment does not just emanate from a conventional business-oriented risk perspective, but also from ESG aspects such as stakeholder perspectives, climate change and more.

In the same vein, the fast-changing and disruptive external operating environment also provides opportunities, notably for MYEG through the proliferation of new technologies. When integrated with ESG considerations, these offer tremendous potential for exciting business opportunities. This convergence supports MYEG's aspirations for business and market expansion / diversification and also addresses capital dependencies, notably financial capitals.

Our risk management framework and policy are guided by ISO31000. The Board oversees risk-related matters which include financial and operational risks as well as ESG related risks.

For detailed information on MYEG's internal risk management mechanism, please refer to our Risk Management and Internal Control Statement within this IAR2022.

This section provides specific information on risks. Information on Opportunities is provided in the Strategies to Sustain Value Creation Section.

Risk	Description of Risk	Linkage to Materiality	Who Does this Risk Impact?	Mitigation Action Plans
Technology related risks	<p>Risks of technological obsolescence, costs spent to develop technologies that may be rendered irrelevant due to fast emerging developments. Competitive edge and market positioning affected due to changing technologies.</p> <p>Technology is a double-edged sword that could allow us to gain first mover advantages; or be impacted by others.</p>	<p>Intellectual property</p> <p>Cyber security</p> <p>Business model</p>	<p>Employees</p> <p>Investors</p>	Kindly refer to the Strategies to Sustain Value Creation section of this Annual Report.
Non-renewal of e-Government services	<p>Non-renewal or delays in renewal due to governmental / political factors can impact the business model.</p> <p>Political factors are beyond the Group's control. However, the value of what MYEG provides transcends the politics of the day and is meant to serve the citizens.</p> <p>Given MYEG's sound service delivery record and compliance to KPIs for all e-Government services, the risk of non-renewal remains low.</p>	<p>Customer experience</p> <p>Strong technological and innovation capabilities</p> <p>Business model</p>	<p>Customers</p> <p>Government and regulators</p> <p>Investors</p> <p>Community and general public</p>	Kindly refer to our Strategies to Sustain Value Creation section of this Annual Report.

# RISK AND OPPORTUNITIES

(cont'd)

Risk	Description of Risk	Linkage to Materiality	Who Does this Risk Impact?	Mitigation Action Plans
Cybersecurity risks	<p>The risk of hacking, phishing, malware and other cyber threats could have an impact on service delivery resulting in downtime and affecting customer transactions.</p> <p>There would also be potential loss of brand trust and reputation.</p>	<p>Cyber security</p> <p>intellectual property</p>	<p>Customers</p> <p>Government and regulators</p> <p>Community and general public</p>	Kindly refer to the Sustainability Statement of this Annual Report.
Reduced consumer demand risks	Sluggish economic conditions may reduce the spending power of customers as well; as business growth and expansion plans, which could impact the demand for and pricing of MYEG's services.	Business model	<p>Customers</p> <p>Community and general public</p> <p>Investors</p>	Kindly refer to our Strategies to Sustain Value Creation section of this Annual Report.
Talent retention	Constant talent attrition impacts the collective knowledge body within the Group and may impact operational productivity.	<p>Talent retention and development</p> <p>Customer experience</p>	<p>Employees</p> <p>Customers</p> <p>Investors</p>	Kindly refer to our Strategies to Sustain Value Creation section and the Sustainability Statement of this Annual Report.
Business strategy	<p>The Group has set various targets for business performance and remains confident of realising them.</p> <p>In the event that targets are not achieved, there will be clear implications on financial and non-financial results for stakeholders.</p>	<p>Business model</p> <p>Customer experience</p>	<p>Investors</p> <p>Employees</p>	Kindly refer to our Strategies to Sustain Value Creation section of this Annual Report.
Law and legislation	Any change of legislation by governments may lead to MYEG not complying with local laws or having to remodel its services.	<p>Cyber security</p> <p>Intellectual property</p>	<p>Investors</p> <p>Community and general public</p> <p>Employees</p>	Kindly refer to our Sustainability Statement of this Annual Report.
Litigation	Any legal suit against the Company would have a branding and possibly financial impact as well.	<p>Cyber security</p> <p>Intellectual property</p>	<p>Investors</p> <p>Employees</p> <p>Community and general public</p>	Kindly refer to our Sustainability Statement of this Annual Report.

# STRATEGIES TO SUSTAIN VALUE CREATION

## MARKET DIVERSIFICATION

The strategy of market diversification is in direct response to both macro-economic conditions as well as political or governmental developments. MYEG continues to drive geographical market expansion – focusing on expanding its presence in existing and overseas markets, while also looking to develop new and commercially in-demand services.

The Group therefore further emphasised its pivot towards strengthening and expanding our blockchain initiatives. This strategic early-mover advantage via the adoption of Web3 technologies is poised to be a game changer for the Group in terms of opening up opportunities to enter into new spaces and industries, not only locally but at a regional and global level as well.

This particular strategy has already proven successful up to this point, with collaborations with regional partners in China well underway. Pairing this bold blockchain pivot with the launching of new related products, as well as the introduction of existing commercially-successful products into new markets, positions MYEG's diversification strategy into for further success.

For instance, in Malaysia, a wide range of new services were launched in FY2022 while existing services have been enhanced or improved to provide greater utility and better customer experiences. Aside from blockchain initiatives, highlights for FY2022 included the renewed focus on developing foreign worker hostels. Please see the Management Discussion and Analysis section for more information on all products launched in FY2022.

MYEG has also further cemented its presence in the Philippines. Various market centric products have also been launched in the region in FY2022. Kindly refer to the Management Discussion and Analysis section for specific highlights in this operating markets. MYEG will continue its product diversification strategies and maintain the ongoing development of blockchain technologies as the centre of this strategy.



## RESPONDING TO MARKET DEMAND THROUGH NEW SERVICES

One of MYEG's business strengths is its ability to quickly innovate and deliver customer-oriented services. This was evident throughout FY2020 and FY2021, when MYEG swiftly developed and launched various COVID-19 pandemic related solutions for government, businesses and consumers.

These services include COVID-19 testing and screening services, provision of quarantine booking services, digital health passes for travellers and various others.

In FY2022, by leveraging its speed-to-market capabilities, MYEG is now continuing to develop new services as well as expand existing services that are aligned with the marketplace.

## LEVERAGING BLOCKCHAIN

Malaysia has initially taken a more prudent stance in the mass adoption of blockchain technologies, but the country is now moving in the right direction. This direction has been significantly spearheaded by MYEG, who aims to bring the next-generation Web3 applications to both government and commercial sectors in Malaysia to help propel the country as a leading technology innovator nation and deliver the objectives set out in the National Blockchain Roadmap. Beyond Malaysia, MYEG is also committed to championing the adoption of blockchain as the catalyst for economic growth and digital transformation across the ASEAN region.



# STRATEGIES TO SUSTAIN VALUE CREATION

(cont'd)

MYEG ventured into blockchain technologies beginning in FY2021, signing several strategic agreements with local and international partners. This venture into blockchain is driven by an ESG agenda, which includes a 2050 zero carbon pledge. The continued proliferation of blockchain across the business model is driven by the Group's increased pivot to a multi-capital lens that is driven by ESG considerations.

The efforts of the previous financial year culminated in FY2022, when on 10 March 2022, MYEG launched NFT Pangolin, a global NFT marketplace powered by MYEG-backed Zetrix.



In FY2022, as economies and societies fully reopen, we are now positioning ourselves for the next phase of economic transformation by being an early adopter of Web3 technologies. At MYEG, we see the potential of Web3/blockchain in revolutionising businesses and organisations while at the same time, fostering sustainable practices.

MYEG's blockchain initiative has therefore been progressively building up in FY2022. On 12 April 2022, MYEG completed the foundational development for its Zetrix Layer-1 blockchain and launched the mainnet on 15 April 2022.

Phase one of Zetrix sets the foundation for the development of a decentralised applications platform that supports supply chain traceability and financing. This includes verifying claims of sustainability and product certifications from the source right to the consumer. Consumers can then make more informed choices when purchasing products and services.



Through blockchain, MYEG has also developed its MYEG Lock-Earn Wallet. The Group also has developed several proof-of-concepts with many having reached the testing phase with promising success.

Notably in FY2022, alongside MIMOS, MYEG entered into an MOU to develop and operate the national Layer-1 public blockchain using Zetrix and MIMOS blockchain technology, as the components of the MBI - a key element of the National Blockchain Roadmap that was launched by the Malaysian government.

# STRATEGIES TO SUSTAIN VALUE CREATION

(cont'd)

This collaboration brings the next-generation Web3 applications to both government and commercial sectors in the country to further promote the development, deployment and take-up of blockchain-related applications and services in both the public and private sectors.

Given that the National Blockchain Roadmap aims to steer Malaysia towards Blockchain 2.0 and look beyond its role in cryptocurrencies, the National Blockchain Roadmap also focuses on blockchain's potential to address some of the key business pain points, ranging from fraud management to supply-chain monitoring to identity verification, which can increase efficiency and reduce costs in business transactions.

In this regard, Zetrix's blockchain technology can occupy an important role to address these key challenges, by improving digitalisation, enabling automation as well as providing security, traceability, transparency and authenticity, thus leading to operational cost efficiency with less paperwork and manpower requirements.

In this vein, MYEG's Zetrix saw a huge increase in focus in FY2022 with the notable launch of the pilot for its cross-border trade financing solution, Zetrix TradeFi, with AmBank (M) Berhad being the pioneer bank participating on the blockchain-based digital platform, subject to relevant approvals.

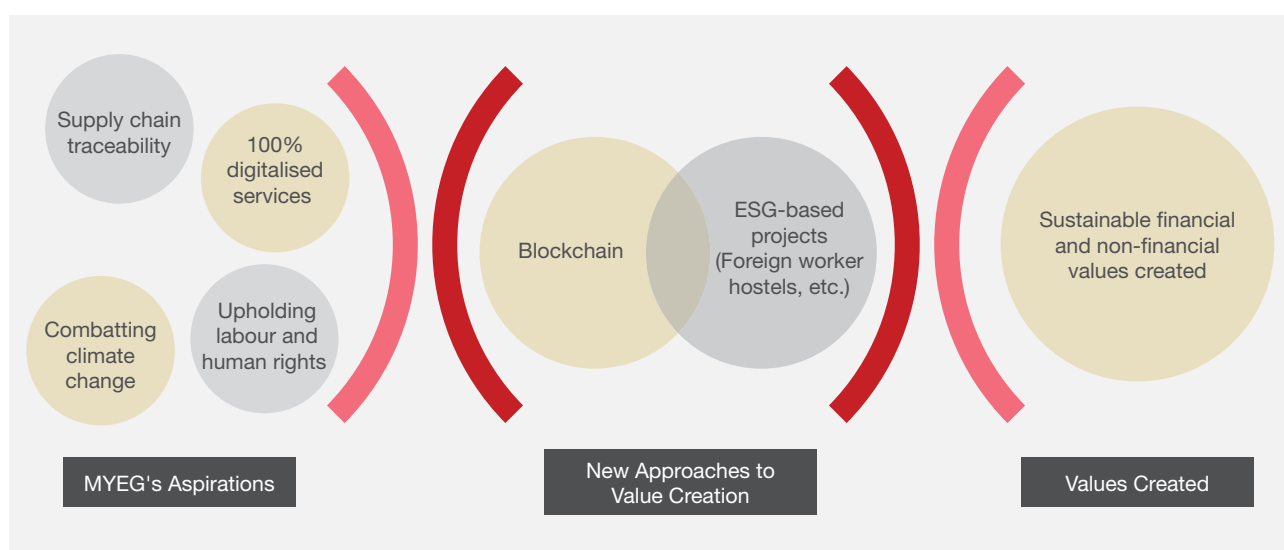
Since then, in marking a landmark breakthrough for Zetrix, MYEG signed a partnership agreement with East Logistic-Link Co. Ltd, a wholly-owned agency of the GACC to jointly provide a full suite of cross-border trade facilitation services that include certificates of origin on the Zetrix blockchain platform.

The digitalisation of trade via blockchain will bring efficiencies that will enhance and ultimately transform mainstream trade and commerce, making this pilot another important milestone in MYEG's evolution to be a leading global Web3 platform.

Ultimately, through blockchain, MYEG aims to strengthen its position as a first market mover, while augmenting its existing capabilities to develop disruptive innovations to advance the digital agenda in Malaysia and well beyond.

As blockchain technology matures and its application across sectors and systems grows, there is an opportunity to realise blockchain's potential – not just for finance or industry, but for people and the planet.

Via distributed solutions, blockchain can effectively address key ESG considerations such as supply chain transparency, decentralised resource management, sustainable finance, sustainability monitoring and verification, transformation of carbon markets, etc.



# STRATEGIES TO SUSTAIN VALUE CREATION

(cont'd)

If previously, security issues with existing technological solutions had prevented a truly 100%, full digital solution (due to the risk of data breaches, data theft hacking and phishing), with blockchain, these risks can be greatly reduced (if not avoided altogether) for most applications, thus enabling a seamless, completely electronic service for customers.

The development of full, digitised services from start to end will further reduce environmental footprint and accentuate the convenience, accessibility and affordability factors of MYEG's products.

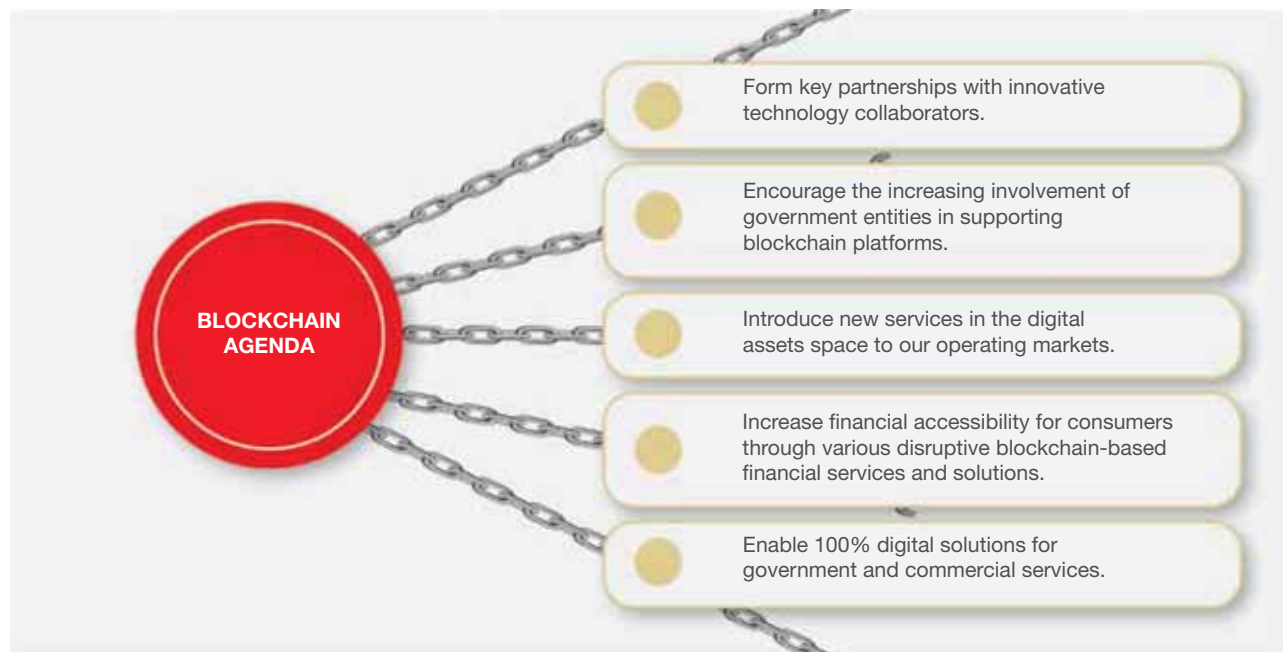
Notably, MYEG's partnership with MIMOS to develop the national blockchain will not only accelerate the adoption of blockchain-related applications but also the establishment of Malaysia's very own DIDs technology: Zidentity ("ZID").

ZID conforms to China's Xinghuo BID, VC and on-chain agreement signing services to the international market, which facilitates cross-border transactions with China in a secure manner.

DID technology allows data owners to gain control of their digital identity through identity wallets. This is made possible by using cryptography for individuals to own their data, allowing users to control and better manage their data. They can share, authorise and verify the exchange of data from another peer in a secure, private and immutable way.

To access your personal data, a pair of keys, which are automatically generated with your identity wallet, are needed to decrypt the code. They consist of a private key, which is solely owned by you, and a public key, which is distributed to the ledger and accessible to everyone. This enables the owner to have full control and ownership over their identity and credentials, and can prevent the loss of your personal information through criminals hacking an entity that has your information stored in their database. Without your private key, it is virtually impossible for hackers to conduct data and identity theft.

DIDs also enable traceability and credible information in a global supply chain scenario. For instance, DIDs can accurately verify the origin and confirm the destination of products. Not only will DIDs make it challenging for the credentials to be forged, they also verify them almost immediately, saving a tremendous amount of time and money for all stakeholders in the supply chain.



# STRATEGIES TO SUSTAIN VALUE CREATION

(cont'd)

Investments into blockchain is financially intensive, especially for the establishment of nodes and services across the world. However, given its importance in sustaining strategic advantage and enterprise value creation, the Group remains committed to pursuing its strategic plans.

Capital requirements for blockchain continued to be funded by internally generated funds and external borrowings. In late-2022, MYEG launched its RM 1 billion Sukuk Wakalah programme to solicit funds from the capital markets to drive its blockchain strategies and ESG oriented businesses.

One of the key concerns of blockchain is that its energy intensive, consuming significant electricity consumption for effective implementation. However, MYEG's new generation ("**newgen**") blockchain solutions are significantly more energy efficient compared to first generation blockchain deployments. Kindly refer to the Group's Sustainability Statement of this Annual Report for specific information.

## LEVERAGING ESG (MULTI-CAPITAL LENS)

The increasing focus on ESG matters by entire industries and businesses worldwide provides new opportunities for MYEG. Specifically, MYEG's foreign worker hostel business and its focus on blockchain are well aligned to the increasing requirements of many economic and business sectors.

## IMPROVING THE WELFARE OF FOREIGN WORKERS



*An artist's illustration of MYEG's future workers' accommodation*

In the past 2-3 years, Malaysian businesses and economic sectors have come under intense scrutiny for human and labour rights violations in particular for living conditions of foreign workers. The implications have been severe with such companies receiving severe fines or being barred from exporting their products or conducting business.



# STRATEGIES TO SUSTAIN VALUE CREATION

(cont'd)

They have also faced legal investigations by the authorities while the brand reputation and image of these companies have come under intense negative scrutiny. The cumulative impact in terms of value eroded is significant.

As businesses now look to comply with standards for the provision of humane living and working conditions, MYEG's foreign worker hostels are strategically positioned to meet this growing requirement.

Presently, MYEG has at least two such facilities in active operations to accommodate foreign workers on a short, medium to long-term basis. Revenue is derived from rental of the facilities and the provision of asset management and related services.

The plan is to develop more such sites to meet increasing demand from factory operators (manufacturing companies), construction and plantation companies.



Funding of this capital-intensive business strategy will come from the Group's RM1 billion Sukuk Wakalah programme as well as from internally generated funds (refer to the Our Capitals section).

## ONLINE RETAIL

Despite the COVID-19 pandemic receding and the global and domestic macro-economic situation returning almost to normalcy, consumer appetite for online shopping, especially for groceries and other necessities continues to grow exponentially. Therefore, MYEG continues to remain stable in its BELI online platform offerings as well as the last mile delivery.



# STRATEGIES TO SUSTAIN VALUE CREATION

(cont'd)

## TALENT AND ORGANISATIONAL CULTURE DEVELOPMENT

As in previous years, beyond looking to recruit and retain talent, MYEG continues to invest in the development of local talents.

Providing training to the employees can positively impact the employee's career growth, creating job satisfaction in order to improve the staff morale. Additionally, training and development initiatives assist the organisation with its primary objective by transforming individual effectiveness into productivity. Periodic employee training programmes, systematically carried out by doing our Training Needs Analysis, serve as refresher courses to the employees to not only help them sharpen their existing skills but also enable the organisation to maintain a high level of internal skill and knowledge.

The Industry, Training and Welfare department is charged with championing MYEG's internal training programmes, which have 3 approaches to promote a more holistic training agenda:

The traditional approach	The experiential approach	The performance-based approach
The training staff designs the objectives, contents, teaching techniques, assignments, lesson plans, tests and evaluations. The focus in this approach is intervention by the training staff.	Emphasises real or simulated situations in which the trainees will eventually operate. In this model, the objectives and other elements of training are jointly determined by the trainers and trainees.	Training goals are measured through the attainment of a given level of proficiency, instead of the passing grades of the employees. Emphasis is given to acquiring specific observable skills for a task.

MYEG is also investing in training local talent through internships, collaborating with local universities and through various other approaches. Notably, the Group is engaging with the Protégé program to further cultivate youth potential through enhancing entrepreneurial and professional skills to add value to the national economy through job opportunities or entrepreneurship.

Beyond training and professional development, Management continues to emphasise the development of a conducive workplace culture that prioritises the wellbeing and satisfaction of employees. This is done through various employee engagement activities as well as cultivating a fair, safe and equal opportunity work environment that is strongly supported by Group policy such as our Human Rights policy.

Further information and data on MYEG's talent training and development initiatives, organisational culture and more can be read in the Sustainability Statement of this Annual Report.



## FINANCIAL CAPITAL

MYEG on 17 October 2022, announced the establishment of a Sukuk Wakalah programme of up to RM1 billion. The Sukuk Wakalah programme is a perpetual programme that allows for the issuance of Sukuk Wakalah from time to time, provided that the aggregate outstanding nominal value of Sukuk Wakalah does not exceed RM1 billion at any point in time. It has been assigned a preliminary rating of AA<sub>IS</sub> with a stable outlook by MARC Ratings Bhd.

The Sukuk Wakalah is part of MYEG's Sustainable Financing Framework, specifically developed and launched to accelerate MYEG's continued pivot towards propelling its business model to be more ESG driven.

The Sustainability Financing Framework (the "**Framework**") has been developed to support MYEG's efforts to achieve its climate transition strategy and reinforce its commitment towards a low emissions future and better living place.

The Framework will apply to any forthcoming Green / Social / Sustainable SRI financings (also known as Sustainable Financing), which includes the aforementioned Sukuk Wakalah.

Under the Framework, financing issued / obtained will be aligned to:

- Social Bond Principles, Green Bond Principles, and Sustainability Bond Guidelines 3 of the ICMA or as they may be subsequently updated or amended;
- Social Bond Standards, Green Bond Standards and Sustainability Bond Standards of the ACMF or as they may be subsequently updated or amended;
- Social Loan Principles and Green Loan Principles of the Asia Pacific Loan Market Association (APLMA), the Loan Market Association (LMA) and the Loan Syndications and Trading Association (LSTA) or as they may be subsequently updated or amended; and
- SRI Sukuk Framework of the Securities Commission Malaysia or as they may be subsequently updated or amended.

Proceeds from the said sukuk issuance will be used for shariah-compliant working capital requirements, capital expenditures, investments and financing of business expansions of the group. It will also be used to refinance existing conventional loans or existing or future Islamic financing facilities (including sukuk).

These include the Group's blockchain ventures, as well as funding expansion of its foreign worker hostel operations and other ESG-based businesses.

## HUMAN, SOCIAL AND NATURAL CAPITALS

Specific talent management strategies including initiatives to recruit, train and develop employees as well as local talents are provided in the embedded Sustainability Statement of this Annual Report.

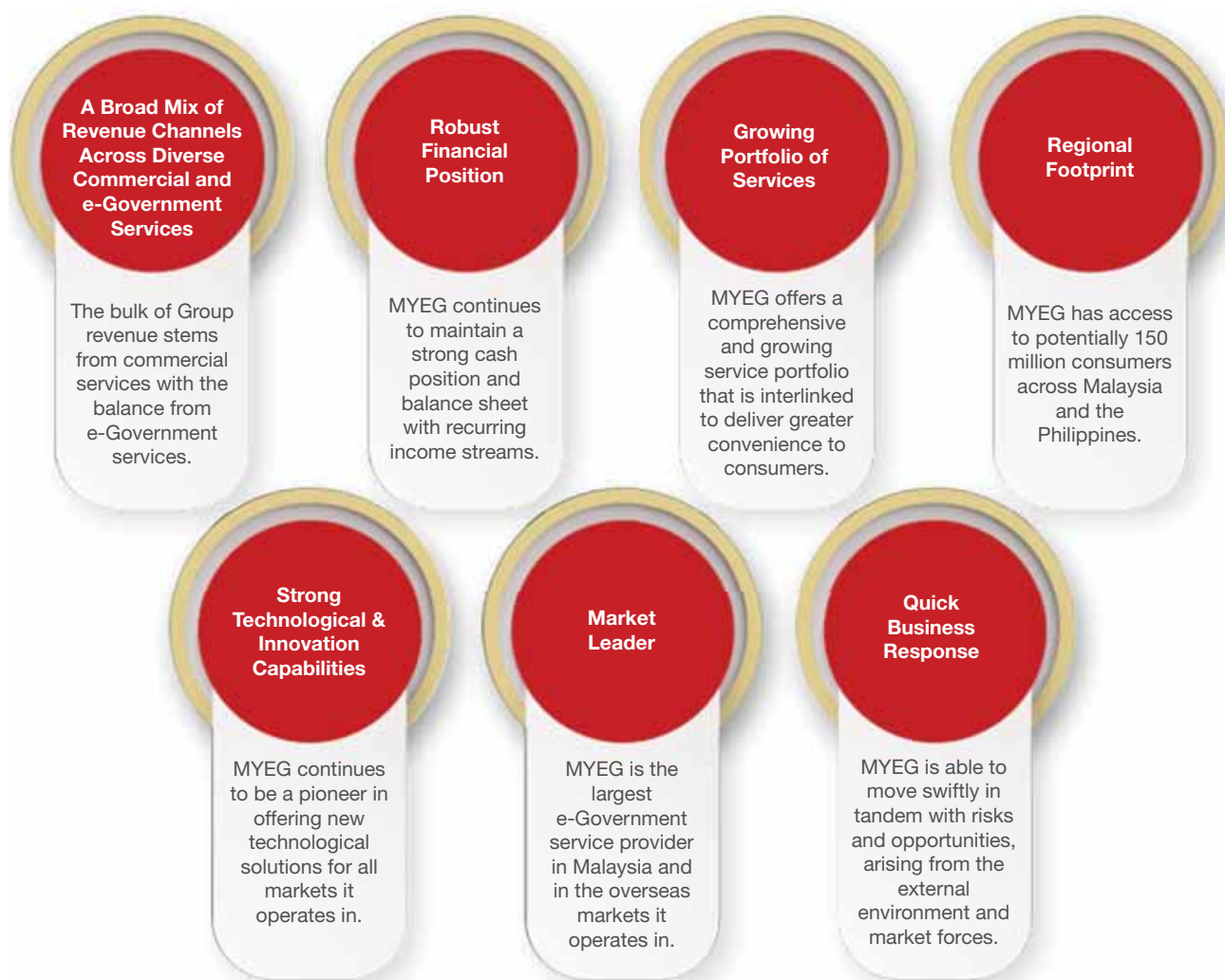
The same Sustainability Statement provides information on the following:

- The Group's ongoing efforts to engage stakeholders and to assess stakeholder impacts on the business model and value creation.
- Its consumption of natural capitals and resources such as fuel, electricity, paper and waste management.

# GROUP BUSINESS STRENGTHS

MYEG's ability to sustain its value creation strategies is based on its inherent business strengths and competitive advantages. These business strengths serve as competitive advantages upon which MYEG can leverage on to effectively implement its strategies to mitigate risks, capitalise on opportunities and pursue its set objectives.

The following are the Group's business strengths in FY2022, which includes existing strengths as well as new and developing competitive advantages.



STRENGTHS	DESCRIPTION / SIGNIFICANCE	SUPPORT TO VALUE CREATION / SUSTAINING STRATEGIES
Broad mix of revenue channels across diverse commercial and e-Government services.	<p>The bulk of group revenue stems from commercial services with the balance from e-Government services.</p> <p>Commercial services are not dependent on the latter. Hence, MYEG's commercial services operate independently and can go to market on their own compelling value propositions.</p> <p>The ability to offer solutions i.e. different services packaged together is a further plus point for MYEG.</p>	<ul style="list-style-type: none"> <li>● Market diversification</li> <li>● Responding to market demand through new services</li> </ul>

# GROUP BUSINESS STRENGTHS

(cont'd)

STRENGTHS	DESCRIPTION / SIGNIFICANCE	SUPPORT TO VALUE CREATION / SUSTAINING STRATEGIES
Robust financial position	<p>MYEG's strong fiscal position enables the Group to tap internally generated funds to finance CAPEX for new investments, to launch products and to undertake research and development.</p> <p>A strong balance sheet and stable cashflows also put the Group in a favourable position when seeking borrowings.</p>	<ul style="list-style-type: none"> <li>● Leveraging blockchain</li> <li>● Leveraging ESG (multi-capital lens)</li> </ul>
Growing portfolio of services	<p>MYEG offers a comprehensive and growing service portfolio. The wide choice is well aligned to customers' requirements and preferences. This enables MYEG to meet the demands of a wider market and also promotes greater brand reach and visibility.</p>	<ul style="list-style-type: none"> <li>● Market diversification</li> <li>● Responding to market demand through new services</li> <li>● Leveraging blockchain</li> </ul>
Regional footprint	<p>International business presence supports expansion into new markets overseas, enables multiple income streams, promotes product development and provides a measure of insulation against reliance on a single geographic location.</p> <p>A multi-market approach enables cross sharing of ideas, innovations, strategies, talents as well as product replication.</p>	<ul style="list-style-type: none"> <li>● Market diversification</li> <li>● Responding to market demand through new services</li> </ul>
Strong technological and innovation capabilities	<p>The Group is not just the market leader in terms of market share and its dominant brand position, but also for its leadership / dominant position in bringing new offerings to market, for product innovation and in developing unique offerings between commercial and e-Government services that offer strong value propositions for consumers.</p>	<ul style="list-style-type: none"> <li>● Market diversification</li> <li>● Responding to market demand through new services</li> <li>● Leveraging blockchain</li> <li>● Leveraging ESG (multi-capital lens)</li> </ul>
Market leader	<p>The Group has a strong and growing brand profile that is recognised by customers for having high credibility and assurance. Consumers have full confidence in using MYEG's services.</p> <p>Our position as market leader gives us the unique platform as an opinion leader to help shape the e-services and e-Government industry as well as the digital economy.</p> <p>Strong brand equity generates higher traffic which will result in substantial revenue increase and market position.</p>	<ul style="list-style-type: none"> <li>● Market diversification</li> <li>● Responding to market demand through new services</li> </ul>
Quick business response	<p>MYEG is able to move swiftly in tandem with risks and opportunities, arising from the external environment and market forces.</p>	<ul style="list-style-type: none"> <li>● Market diversification</li> <li>● Responding to market demand through new services</li> </ul>

# VALUE CREATION MODEL

The chart below provides a snapshot view of MYEG's value creation approach and the actual financial and non-financial values (outputs and outcomes) created for FY2022. The creation of outputs and outcomes is provided from a multi-capital perspective as measured against the inputs consumed, also from a multi-capital perspective. However, for IAR2022, beyond just providing the values created, MYEG has attempted to also measure performance across its capitals by using various performance ratios. These performance ratios enable a more accurate measurement of improvement in performance over time.

## OUR VALUE CREATION PROCESS AND BUSINESS MODEL

### OUR CAPITALS

#### Financial capital

Shareholders' equity, debt and reinvested capital – is a critical input in executing our business activities and in generating, accessing and deploying other forms of capital.

Balancing the short-term interests of investors with longer-term growth objectives, and with some of the interests of other stakeholder groups, remains an essential objective.

#### Manufactured capital

Our physical assets drive our best value creation capabilities. They include our headquarters that houses our corporate office and customer service centre.

Other key manufactured capitals include our motor fleet to support delivery services and operating branches across Malaysia.

#### Intellectual capital

Our proprietary, self-developed, Malaysian made technology and intellectual properties power our business model. It is the intangible quotient of our idea generation and innovation processes that allows us to maintain our competitive edge in a dynamic market, both locally and internationally.

#### Human capital

The technical and managerial skills, productivity and wellbeing of our people – coupled with a company culture and governance systems that foster innovation and compliance – are critical to our long-term success.

Investing in our people is one of the most significant costs to our business.

#### Social and relationship capital

The innate partnerships, collaborations and interactions that we have developed over time that allows us to best understand our marketplace and many stakeholders and how best to develop our value creation approach from a shared perspective.

### SPECIFIC INPUTS

RM1.88 billion in assets

RM904,077 million in share capital

RM75.82 million cash and cash equivalents at beginning of year

RM6.6 billion in market capitalisation

351,780 square feet ("sf") corporate MYEG Tower

45,328 sf customer service centre located within in MYEG Tower

101 operating e-services centres and 907 kiosks nationwide.

Self-developed technology

Logo copyright

Online finance services made possible via our moneylender's license

Road safety diagnostic kit

Decentralised application

2,308 staff strength

- 25 helpdesk staff and 21 over-the-counter staff (HQ only)  
- 172 management staff

Long-standing industry knowledge, experience and expertise

Empowered organisational culture

Talent development and retention programmes

Proactive stakeholder engagements, dialogues, development of joint ventures and strategic agreements, etc. with governments, regulators, communities, vendors and others.

### BUSINESS OPERATING MODEL



#### Vision

To be a high value-added provider of globally competitive IT services



#### Mission

To realise our vision, we strive to:

- optimise our current technological capabilities
- develop employee potential

- enhance stakeholders' confidence
- increase revenue growth through market and product expansion and continuous innovation

### Our Business Strategies Realise Our Vision and Mission

#### Short / Present Term (1-3 years)

Improve existing product  
Enhance customer experience  
Innovate and grow  
Develop capable employee

#### Long Term / Future Orientation (4-10 years)

Customer oriented  
Invest in the future  
Sustainable business  
Moderate risk profile

### We are cognisant of and continue to mitigate against financial, business and operational risks and sustainability related matters:

Please see Sustainability Statement for mitigation measures

### Materiality Matters

Cyber Security  
Business Model  
Intellectual Property  
Customer Experience and Satisfaction  
Energy Efficiency and Consumption

Environmental Footprint Management  
Talent Retention and Development  
Workforce Inclusivity and Diversity  
Occupational Safety and Health  
Community Investment

### Our Opportunities Going Forward

We adapt and leverage on relevant macro factors in key markets.

Digitalisation to enhance e-Government services delivery.

Emerging technology like blockchain and AR to improve delivery of services.

### STAKEHOLDERS

Our model takes into account the aspirations, demands, rights and perspectives of multiple stakeholders:



Employee



Investors



Customers



Government and Regulators



Shareholders



Community and General Public

# VALUE CREATION MODEL

(cont'd)

## OUR VALUE CREATION PROCESS AND BUSINESS MODEL

### OUTPUTS

#### Financial Values Created

Revenue: **RM651.11** million  
Profit before Tax: **RM404.37** million  
Cash and cash equivalents: **RM76.42** million

IPO and listing of Agmo Holdings Berhad (in which MYEG has 25.8% stake, or 84,000,000 shares) and subsequent proposed distribution of Agmo shares to MYEG shareholders

### OUTCOMES

#### Financial Outcomes

Final dividend payout of **1.17** sen per share for FY2022 subject to shareholders' approval.  
**RM3.97** million paid in income tax  
Total assets of **RM2.54** billion

**RM1.00** billion distributable retained profits  
**RM60.70** million paid to financiers in repayment of term loans and lease liabilities  
**RM443.06** million in total borrowings  
Low **0.22** times gearing

#### Manufactured Values Created

Online renewal of motorcycle insurance and road tax as well as CDL.  
Zetrix's Layer-1 blockchain  
NFT Pangolin  
Zetrix TradeFi  
BID / VC and blockchain-based e-signing services

Covinsure  
Online Travel Tax Services System  
MySafeQ  
MySafeTravel  
MYEGuard in the Philippines  
BreFence Go COVID-19 Breath Test System  
Ztrade

One-stop COVID-19 portal  
Beli e-Mart (rebranded from NAK BELI platform)  
MyStay foreign worker accommodation services  
Sukuk Wakalah Programme  
COVID-19 test kit in Malaysia and the Philippines

#### Manufactured Outcomes

Improved efficiency of our one-stop, door-to-door, service experience for customers.  
Expansion of services to more customers nationwide.  
Further strengthening our value proposition as a one-stop service provider and the go-to provider for a wide range of necessary and important services.  
Promote use and proliferation of e-services in Malaysia, including e-Government services

#### Intellectual Values Created

Introduction of MyMotor, MyAssist, as well as an online vehicle auction platform, and most recently the online renewal of motorcycle insurance and road tax as well as CDL, further cements MYEG as a one-stop centre that covers the needs of drivers and motorists.

This includes providing a large range of new and used vehicles to choose from, providing financial assistance via multiple vehicle financing options as roadside vehicle assistance packages.

All of these can be accessed via MYEG – a single website solution.

Other benefits (related and unrelated) created via the business model include:

- Enabling foreign worker permit and insurance renewal.
- Road tax renewal in one click and delivery of road tax to the preferred destination.
- Varieties of IT related services and products that are attractive to investors.
- Positive technology investment that is expected to perform well in the future.
- Enhancing road safety and facilitating more effective regulation and enforcement.
- Allow for the issuance of Sukuk Wakalah via Sukuk Wakalah Programme.
- Provision of online finance services via MYEG Finance Technology Sdn Bhd
- Launch of iPay Easy Wallet
- New blockchain-related initiatives including MYEG Lock-Earn Wallet, NFT Pangolin and the Xinghuo-Zetrix blockchain supernodes and its related cross-border services such as digital customs clearance.

#### Intellectual Outcomes

Provides convenience to customers saving time, travel and contributing to reduced environmental footprint across the customer value chain.  
Further enhancement of our unique business model and value proposition.  
The ability to retain our market leadership position and to continue setting the pace for the industry.  
The ability to operate as a market disruptor and leader through new technology and new offerings.

#### Human Values Created

- Competent employees
- Increase in employee engagement
- Long service employee
- Growth in workforce

#### Human Outcomes

2,308 staff strength  
Low attrition rate

Development of highly skilled knowledge based workers to drive Malaysia's digital economy.

#### Social and Relationship Values created

Greater understanding among key government and business stakeholders on our business model and prospects going forward.

Greater investment analyst and investor interest in our company.

Sharing of resources to achieve a common goal in a business value chain

#### Social and Relationship Outcomes

Proposed establishing a Sukuk Wakalah Programme, which allows for the issuance of Sukuk Wakalah from time to time.

MYEG also saw one of the companies it has invested in, Agmo, being listed on the ACE Market of Bursa Securities subsequent to its IPO exercise. At the time of listing, MYEG Capital held 84,000,000 (25.8%) of Agmo's shares.

Invested in blockchain projects by collaborating with Universiti Malaya ("UM") and Universiti Utara Malaysia ("UUM") in exploring opportunities to promote and foster the development of academic and research projects in blockchain.

The MyStay foreign worker accommodation programme also significantly expanded with a worker hostel in Shah Alam already built, which has resulted in a high utilisation rate. The Shah Alam hostel adds to our existing Melaka facilities. Bandar Sultan Suleiman hostel was at 100% occupancy and Masjid Tanah hostel was at 71% occupancy.

Obtained Social Impact Assessment approval to plan and construction the Sungai Buloh hostel (max occupancy 1,500 pax).

JCorp agreed and issued Letter of Offer to MYEG to purchase 9.53 acres of vacant land. MYEG also acquired 2.18 acres of vacant land in Rawang, Selangor.

MYEG Capital entered into a Supplemental Agreement to the Heads of Agreement with S7 Holdings Sdn. Bhd, Merrington Assets Limited, Avocat Sdn. Bhd., Matrix Indeks Sdn. Bhd., Venstrait Sdn. Bhd., Ancom Logistics Berhad ("ALB") and Ancom Berhad. The proposed disposal in the Supplemental Agreement by ALB of the subsidiaries of ALB to Ancom Berhad or its subsidiary, at a valuation to be agreed by ALB and Ancom Berhad or its subsidiary.

MYEG Philippines had entered into a Memorandum of Agreement with the TIEZA to provide its payment channels for the collection of travel taxes through TIEZA's OTISS.

Data sharing collaboration with the Department of Labour of Peninsular Malaysia.

MYEG announced its official entry into the NFT space with the launch of NFT Pangolin.

MOU of Strategic Cooperation with the Institute of Industrial Internet and Internet of Things of the CAICT, to establish an international extension of China's national blockchain network, Xinghuo Blockchain Infrastructure and Facility.

Zetrix, which is MYEG's Layer-1 blockchain platform, alongside CAICT-owned Xinghuo BIF, jointly introduced BID / VC and blockchain-based e-signing services to international markets.

MYEG's Zetrix announced the launch of Covinsure. The NFT-based insurance product will provide insurance using blockchain technology and cryptocurrency as a payment method.

MYEG entered into a MOU with MIMOS to jointly develop and operate the national Layer-1 public blockchain using Zetrix and MIMOS blockchain technology, as the components of the MBI.

MYEG's Zetrix had also launched the pilot for its cross-border trade financing solution, Zetrix TradeFi. AmBank (M) Berhad will be the pioneer bank participating on the blockchain-based digital platform subject to relevant approvals.

MYEG announced a deeper collaboration with CAICT for MYEG to own and operate the Xinghuo International Supernode that will provide connectivity from China to the rest of the world.

MYEG's Zetrix was chosen by the Chinese Government as a component of its G2G programme. Initiated by China's Ministry of Science and Technology, Malaysia (via UM) is one of the 14 countries participating in the programme.

MYEG signed a partnership agreement with East Logistic-Link Co. Ltd, a wholly-owned agency of the GACC, to jointly provide a full suite of cross-border trade facilitation services that include certificates of origin on the Zetrix blockchain platform.

MYEG Philippines announced that it has secured an agreement to deliver services for the Philippines' NBI for another 3 years.

Signed an agreement with the DOH-MMCHD to enable online payments for permits, licenses, accreditation, authorisation, registration, certification, clearances, violations, and other DOH transactions.

Signed a tripartite agreement with SBMA and InterCommerce Network Services, Inc. for the acceptance and processing of online payment on SBMA's eBPS.



## OVERVIEW

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In FY2022, MYEG continued to strengthen value creation in three primary facets of ESG to identify relevant economic and financial values for the Group. MYEG's sustainability statement thus focuses on disclosing and examining the material ESG factors of MYEG's business operations to maintain the Group's industry-standard sustainability governance throughout all segments of the business operation.

Being a leader in commercial and concession digital service provision, MYEG understands the importance of contributing to the overall nation-building agenda, which includes supporting the development of our society, the environment, employment opportunities, labour rights and our community where needed.



# FY2022 SUSTAINABILITY HIGHLIGHTS AND ACHIEVEMENTS

**8** United Nations Sustainable Development Goals (“**UNSDG**”) adopted to date



## 4-Stars in Bursa Malaysia's ESG Ranking

This puts MYEG in the top **25th** percentile of companies for good ESG disclosure and performance



## 3.7 FTSE4Good Index Score

(included in the FTSE4Good Bursa Malaysia Index since 2017)

### ECONOMIC



**RM651.11 million**  
Revenue



**RM400.40 million** Group Profit After Tax and  
**RM404.37 million** Profit Before Tax



**RM76.42 million**  
Cash and Bank Balances

### ENVIRONMENTAL



**86.79%**  
of Waste Recycled



**1,370**  
E-waste Items Disposed

### SOCIAL



**2,308**  
Total Employees



**435** New Hire



**967**  
Employees Received Training



**31**  
Interns Hired



**0**  
Workplace Fatalities



**40%**  
Female Employees



**RM135,778.00**  
Total Training Budget





**8,325 hours**  
Employee Training


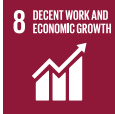



**94%**  
Permanent Employees



# UNSDG

In FY2022, the Group continued to make progress in its adopted UNSDGs, as shown in the table here. This included adopting two new UNSDGs, UNSDG 9 and UNSDG 11, to better align with our climate change management goals and plans. The table's "Achievements and Highlights" subsection shows the targets we attained in meeting the UNSDGs, while the "Upcoming Plans" subsection details MYEG's future steps:

UNSDG	UNSDG DESCRIPTION	GROUP ACHIEVEMENTS AND HIGHLIGHTS	UPCOMING PLANS
	Ensure healthy lives and promote well-being for all at all ages.	<b>For the Group:</b> <ul style="list-style-type: none"> <li>Remained invested in affordable medicine and healthcare insurance for all employees.</li> </ul> <b>For employees and the community:</b> <ul style="list-style-type: none"> <li>Organised multiple blood donation campaigns to inculcate the culture of helping others.</li> <li>Provided posters / e-mail notifications / health tips on practising personal hygiene to better prevent COVID-19 infections.</li> <li>Ensured legal compliance for safe and healthy work procedures.</li> <li>Employees could choose to work from home when necessary.</li> </ul>	<ul style="list-style-type: none"> <li>Maintain existing healthcare services while exploring potential services and systems to be introduced through our platform to the public, via partnerships and collaborations.</li> <li>Continue working closely with Komuniti MYEG (MYEG's CSR arm) to engage in health-related CSR initiatives.</li> </ul>
	Achieve gender equality and empower all women and girls.	<ul style="list-style-type: none"> <li>Continued upholding fair labour recruitment practices.</li> <li>Remained proactive in bolstering equal opportunity in the workplace, particularly granting equal opportunities in leadership roles for women in MYEG's workforce.</li> <li>Maintained a zero-tolerance approach to bullying, sexual harassment and unethical behaviour. Employees are encouraged to report ethical misconduct cases without being exposed or dismissed.</li> <li>Took appropriate actions to address proven cases.</li> </ul>	<ul style="list-style-type: none"> <li>Introduce new effective safety measures for women in the workplace.</li> <li>Further enhance the grievance mechanism's accessibility.</li> <li>Ensure MYEG's female employees' full and effective participation, granting them equal workplace opportunities, including opportunities to assume leadership roles at all decision-making levels.</li> <li>Enhance the workplace's support structure for pregnant female employees beyond maternity leave provision.</li> </ul>

UNSDG	UNSDG DESCRIPTION	GROUP ACHIEVEMENTS AND HIGHLIGHTS	UPCOMING PLANS
	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.	<ul style="list-style-type: none"> <li>Continued the Group's internship programme for various departments.</li> <li>Contributed RM612,249.30 in levy for Human Resource Development Funds in FY2022.</li> <li>Provided relevant job-related skills and motivational trainings to selected employees (please refer to the Talent Training and Development section for more data).</li> <li>Provided training and education for sustainable development to all employees.</li> </ul>	<ul style="list-style-type: none"> <li>Expand the employee training and development budget and include more training modules to foster a more holistic workforce.</li> <li>Collaborate with government entities and higher education institutions to better align our internal training and education directives as related to MYEG's business and CSR goals, including responsible management.</li> <li>Introduce more training initiatives (e.g. internships, work-study programmes, traineeships, etc.) that give students earlier access and exposure to the corporate working environment.</li> <li>Provide employees with continuous on-the-job opportunities to improve their job-related skills for their current and future employment and promotion.</li> <li>Develop cost-effective education products and services that eliminate barriers to access and improve quality learning experiences (e.g. ICT solutions to improve training delivery, innovative measurement tools, etc.).</li> </ul>
	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.	<ul style="list-style-type: none"> <li>Bolstered business sustainability by entering new sectors via new services that provide more accessibility and convenience to citizens and governments. These new services leveraged on socioeconomic trends, such as healthcare and blockchain.</li> <li>Consistently delivered financial and non-financial values to stakeholders, such as healthy earnings, shareholder dividends and more.</li> <li>Contributed indirect economic values such as statutory payments to the government, employees' salaries, repayments to financiers and development of local supply chains.</li> <li>Continued practising non-discrimination in employment.</li> <li>Maintained equal remuneration, including benefits for work of equal value.</li> <li>Continued to pay employees a living wage.</li> </ul>	<ul style="list-style-type: none"> <li>Explore potential new sectors to enter through innovative services and provide timely and consistent value to MYEG's platform and its consumers.</li> <li>Invest in or mentor young entrepreneurs to inculcate an entrepreneurial culture.</li> <li>Review MYEG's services and products continuously to retain efficiency and timeliness.</li> <li>Propagate blockchain utilisation across operating markets, especially Malaysia, through possible governmental collaboration.</li> <li>Introduce commercial services on MYEG-owned Zetrix blockchain, which is accessible globally.</li> <li>Remain on the lookout for land / properties to build worker hostel facilities to aid foreign workers' housing initiatives in the country.</li> </ul>

UNSDG	UNSDG DESCRIPTION	GROUP ACHIEVEMENTS AND HIGHLIGHTS	UPCOMING PLANS
	Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation	<ul style="list-style-type: none"> <li>Successfully launched the Sukuk Wakalah Programme which would, in some capacity, help finance the groundwork for more foreign hostels to be built with green infrastructure capacities in mind.</li> </ul>	<ul style="list-style-type: none"> <li>More foreign worker hostels will be built based on the relevant green building standards, such as being equipped with specific models of refrigerant gas that has a lower impact on global warming, adoption of rainwater harvesting and storage systems to increase resource-use efficiency.</li> </ul>
	Reduce inequality within the workforce.	<ul style="list-style-type: none"> <li>Bolstered accessibility of healthcare and financial services through relevant e-services to pivot MYEG as a platform that aims to reduce inequality in key spaces.</li> <li>Launched the government-organised PROTÉGÉ ready-to-work programme at MYEG in FY2022. The programme focuses on creating job opportunities by giving candidates on-the-job training with multiple job skills within six months to reduce inequality in candidates' skill sets.</li> <li>Implemented and participated in various CSR activities designed to provide socio-economic improvement for targeted community segments.</li> <li>Continued to provide balanced employment opportunities as an equal opportunity employer, including providing opportunities to those with physical disabilities.</li> <li>Maintained the availability of products and services for all income levels via BELI e-Mart by providing accessible and affordable groceries and other daily essentials.</li> <li>Continued to progressively close the gap in equality when it comes to remuneration for male and female employees based on their job positions in the company.</li> <li>Ensured relevant internal employee training modules remained accessible to as many employees as possible.</li> </ul>	<ul style="list-style-type: none"> <li>Align future partnerships with charitable organisations and donation drives to better tackle timely matters such as COVID-19, flood disasters, etc.</li> <li>Provide consistent support to the government-organised PROTÉGÉ programme at MYEG.</li> <li>Actively seek to make accessible and inclusive hybrid work communication channels permanent, with digital or face-to-face communication available to all employees, to foster a cohesive and equal work environment.</li> </ul>

UNSDG	UNSDG DESCRIPTION	GROUP ACHIEVEMENTS AND HIGHLIGHTS	UPCOMING PLANS
 <p>11 SUSTAINABLE CITIES AND COMMUNITIES</p>	Make cities and human settlements inclusive, safe, resilient and sustainable	<ul style="list-style-type: none"> <li>In the medium to long-term, MYEG's blockchain application enables more services to become 100% digital, and thus reduces the requirements for physical delivery in communities to complete the last-mile loop.</li> <li>MYEG's holistic digital services reduce, and in some instances, eliminate the need for people traveling using vehicles, which contribute to a sustainable society.</li> </ul>	<ul style="list-style-type: none"> <li>Incorporation of green building standards that pay attention to air quality and waste management in foreign worker hostels, and/or refurbishment projects that will contribute to the reduction of environmental impact.</li> </ul>
 <p>13 CLIMATE ACTION</p>	Take urgent action to combat climate change and its impacts	<ul style="list-style-type: none"> <li>Fortified MYEG's holistic climate change commitments via drafting and enacting the MYEG Climate Change Commitment Statement, which follows the Statement of Commitment to Addressing Climate Change Risks and Impacts enacted earlier.</li> <li>Maintained alignment of climate change initiatives with key governmental and international organisations, including adopting UNSDG 13 that is related to climate change.</li> <li>Ensured climate change is a material topic under the oversight of the Board and Senior Management.</li> <li>Continued Scope 1 and 2 carbon emissions monitoring.</li> </ul>	<ul style="list-style-type: none"> <li>Look into Scope 3 emissions tracking, including monitoring and disclosing fuel consumption data of our vehicle fleet along with the related emissions.</li> <li>Strengthen governance and policy-driven approaches when it comes to setting the pace of climate change commitment within the organisation.</li> <li>Consider setting meaningful emissions intensity / efficiency targets to enhance climate change impact management and mitigation.</li> <li>Potentially link remuneration to climate change and related sustainability targets.</li> <li>Explore the innovation of tokenising carbon credits.</li> <li>Zetrix blockchain is designed to use a Proof of Stake consensus mechanism, which ensures extensive energy savings (of up to 99%) compared with many other existing Proof of Work platforms.</li> </ul>

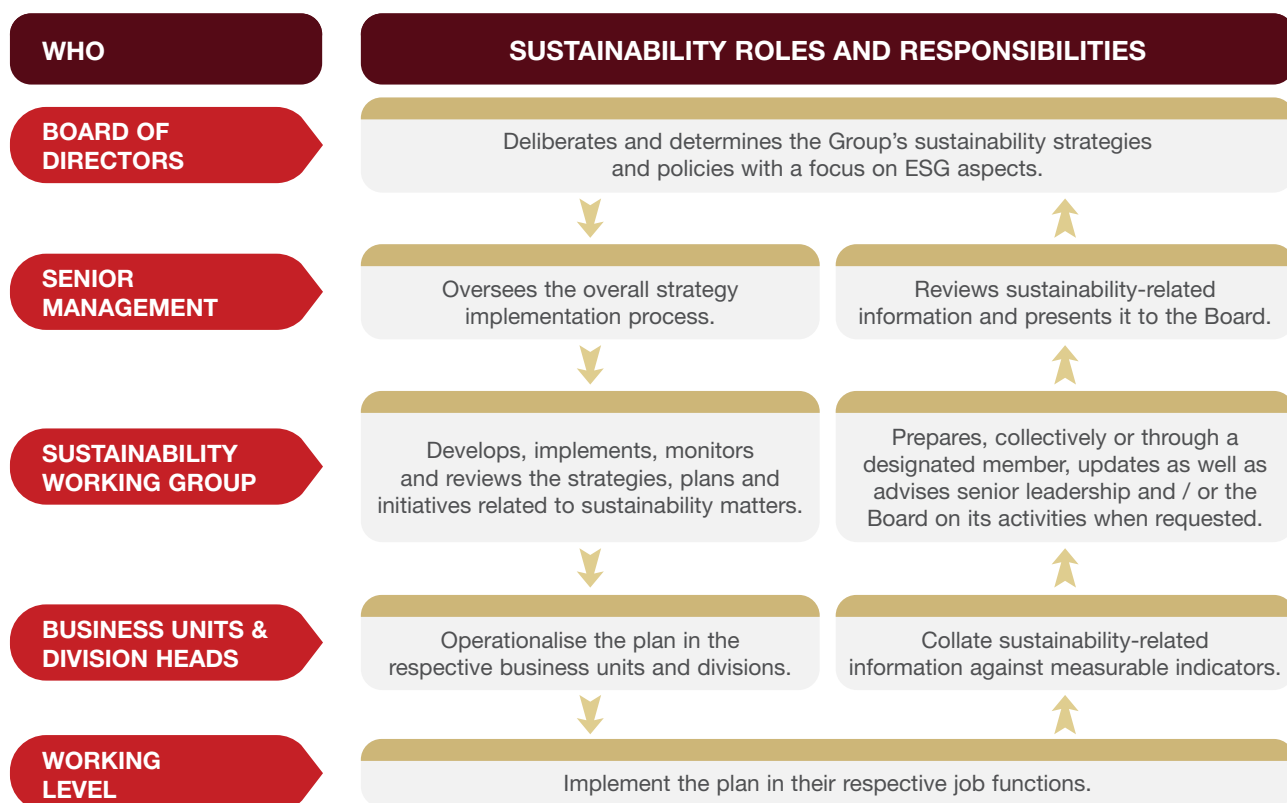
# SUSTAINABILITY GOVERNANCE

MYEG's sustainability governance remains a leading priority for the Group and it is thoroughly monitored by the Group's Board. The Board is responsible for deliberating on sustainability and ESG priorities, which will then be integrated into the Group's strategies, operations and key targets. The results of these deliberations are communicated to MYEG's Senior Management, who will then embrace and adhere to these ESG priorities when developing future plans.

The high importance of material sustainability matters is the primary reason why these matters are handled at the top, to ensure that standards are maintained. Continuous improvement and development take place on these material matters when necessary.

The Group's sustainability governance structure is set up to promote the development of MYEG's sustainability strategies, and its effectiveness largely stems from the strong linkages between the different groups involved within the structure.

Here is MYEG's sustainability governance structure:



Notably, the Sustainability Working Group ("SWG") is a key internal driver of the Group's ESG agenda within the sustainability governance structure. The SWG serves an important role in ensuring and enabling the effective implementation of MYEG's sustainability strategies and plans by strategically cascading the Board and Senior Management's ESG implementations to the supervisory and working levels of the Group.

SWG consists of members from Senior Management and Head of Departments from various functions, who also take part in Risk Management Committee meetings, given the close correlation between sustainability and risk management functions at MYEG.

The Group may revisit this composition from time to time upon the consensus of all existing members to enable it to discharge its duties in the most effective and efficient manner. We may also invite other Group employees and / or executives or any external professional advisors / consultants to participate in any meetings, if needed. SWG meetings occur no less than once every 3 months.





- To develop, implement, monitor and review the strategies, plans and initiatives related to sustainability matters so as to ensure the Company's sustainability objectives are met.
- To identify key areas for improvement related to the Company's environment, social and governance performance, and ensure the necessary and relevant measures are executed in response.
- To review and assess the adequacy and effectiveness of the Company's sustainability strategies and measures against the relevant broader industry, national and international best practices.
- To be equipped with sufficient understanding and knowledge of sustainability issues that are relevant to the Company and its business, so as to discharge its role effectively. In this connection, where relevant and necessary, to identify and engage the expertise of external industry professionals for the provision of training, consultation or advice.
- To stay updated on the key trends and developments, nationally or internationally, in relation to corporate environment, social and governance standards, best practices, regulations and laws, and to ensure risks and opportunities arising therefrom are adequately addressed.
- To ensure the Company's sustainability performance and disclosures meet the standards required for inclusion in the key investment indexes and to achieve a satisfactory score by leading international rating bodies.

In FY2022, the key activities undertaken by the SWG include organising a training workshop on Integrated Reporting, including Sustainability Reporting, that was attended by a majority of the Board as well as Senior Management personnel, among others.

The SWG also spearheaded and facilitated the drafting and subsequent adoption of the Group's commitment to achieving net zero emissions by 2050, which was articulated in the Statement of Commitment to Addressing Climate Change Risks and Impacts.

MYEG has a dedicated Audit Committee ("**AC**") and Risk Management Committee ("**RMC**"), which can be referred to the Group's "Corporate Governance Report ("**CG Report**") or the Corporate Governance Overview Statement ("**CG Overview Statement**") section of this Annual Report for more information. Our CG Report also covers detailed disclosures related to MYEG's corporate governance. It is available for download at <https://www.myeg.com.my/investor-relations/reports-presentations>.

## BOARD COMPOSITION

MYEG nurtures a varied array of top leadership perspectives in its Board composition that consists of qualified individuals of wide-ranging experience, knowledge and professional backgrounds. This healthy Board diversity allows the emergence of various viewpoints that can lead to a stronger and more informed perception that enhances strategic decision-making and leadership prowess.

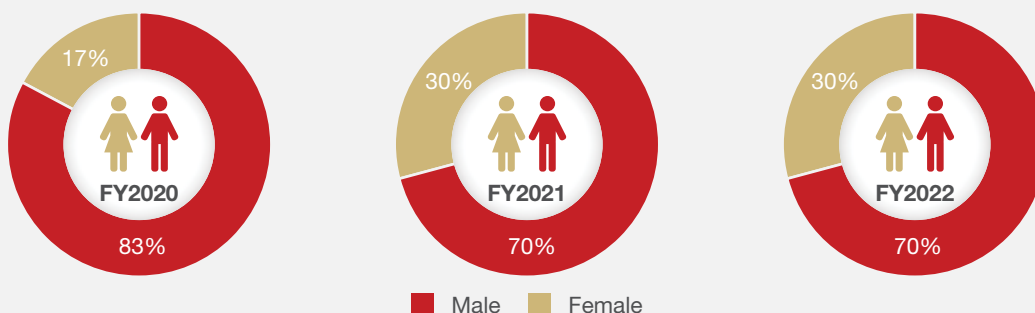
MYEG currently has an approximately 30% representation of women on the Board, with two female Board directors. The Board believes the current composition has the necessary skills and competencies to effectively discharge their duties and responsibilities. Moving forward, to align with the Malaysian Code of Corporate Governance's ("**MCCG**") target of having at least 30% women directors on the Board for listed issuers, the Board will maintain a register of potential directors that includes high-calibre female candidates to be appointed when needed.

# SUSTAINABILITY GOVERNANCE

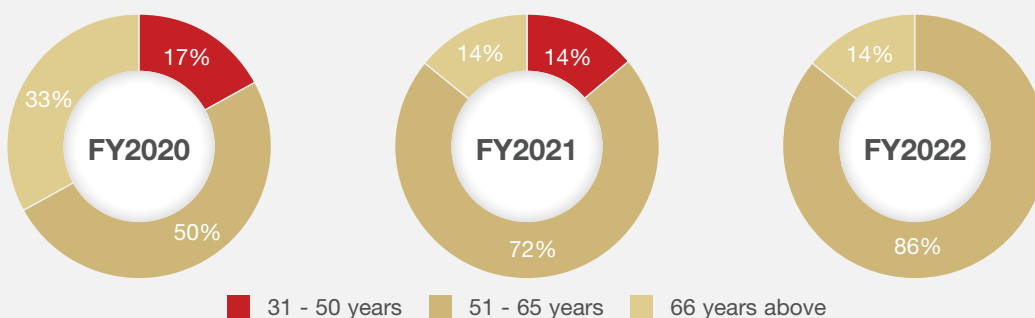
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More information on the Board can be read in the report's Corporate Governance Overview Statement.

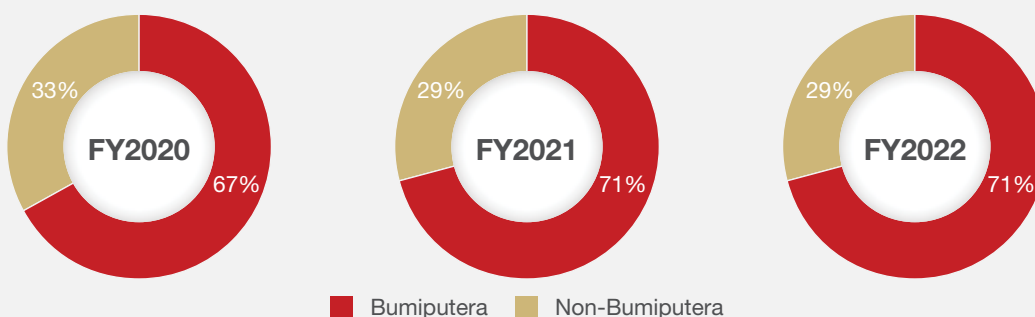
## Board Gender Breakdown



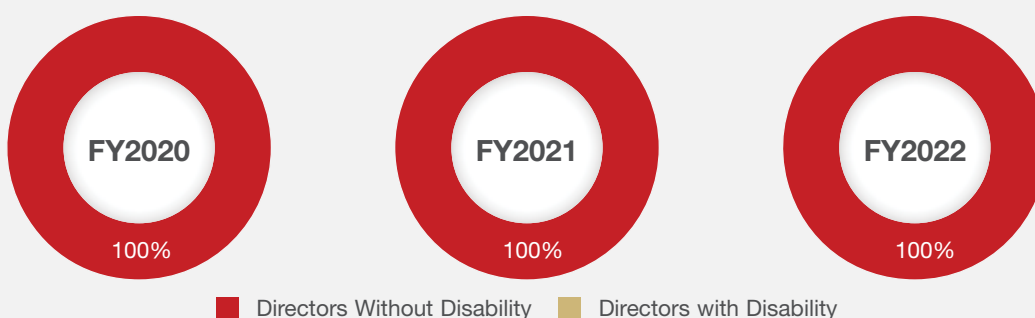
## Board Age Group Breakdown



## Board Ethnicity Breakdown



## Board Disability Breakdown



# SUSTAINABILITY GOVERNANCE

(cont'd)

## MYEG'S CORPORATE GOVERNANCE POLICIES

In addition to the sustainability governance structure, MYEG's corporate governance and sustainability governance approaches are also guided by the following policies:

Category	Policy
Sustainability	Environmental Policy
	Human Rights Policy
	Non-Discrimination and Equal Employment Opportunity Policy
	Safety and Health Policy
	Sustainability Policy
	Statement of Commitment to Addressing Climate Change Risks and Impacts
Corporate Governance	Board Charter
	Code of Conduct
	Code of Ethics
	Code of Business Ethics
	Corporate Disclosure Policies and Procedures
	Anti-Bribery Procedures for Managing Stakeholders
	Anti-Bribery and Anti-Corruption Policy
	Whistle Blowing Policy
	Risk Management Policy
	Directors and Senior Management's Remuneration Policy
	Directors Assessment Policy
	Directors' Fit & Proper Policy
	Independent Directors' Tenure Policy
	Insider Dealing Policy
	Succession Planning Policy
	Share Buyback Policy
	Terms of reference of Risk Management Committee
	Terms of reference of Remuneration Committee
	Terms of reference of Nomination Committee
	Terms of reference of Audit Committee
	Terms of reference of Sustainability Working Group
	Terms of reference of Employees' Share Option Scheme Committee

MYEG remains committed to rotating its auditor-in-charge during the commencement of each audit cycle, with each cycle using a different audit person. Despite Malaysia entering the endemic phase of the COVID-19 situation, auditor visits are still carefully scheduled to maintain the health and safety of the auditor involved.

Full disclosure on the policies mentioned above can be downloaded from our Investor Relations portal at <https://www.myeg.com.my/investor-relations/governance>. These policies are annually evaluated to ensure the durability of their efficacy.

# SUSTAINABILITY GOVERNANCE

(cont'd)

## RISK MANAGEMENT

Sound risk management remains integral for MYEG to effectively safeguard shareholders' investments, the Group's own assets and other stakeholders involved with MYEG's operations. The Head of Departments of various functions support the Risk Management Committee ("**RMC**") in overall risk management process by assessing key strategic and operational risks.

The RMC raises any potential risks it identifies to the Board, given that the Board maintains ultimate oversight of MYEG's risk management process. These potential risks are subsequently deliberated at scheduled Board meetings.

Material ESG topics and related risks are progressively being discussed and embedded in MYEG's overall risk approach, as ESG issues have a growing impact on various factors such as financial and non-financial value creation, access to financing, brand reputation and beyond. MYEG's system of internal control and risk management practices continuously evolve to meet the changing and challenging business environment.

The full details on our risk management framework and structure can be found in the Risk Management and Internal Control Statement in our report on page 136.

## STRONG ANTI-BRIBERY AND ANTI-CORRUPTION POSITION

MYEG's robust Anti-Bribery and Anti-Corruption ("**ABAC**") policy stance remains consistent in pursuant of Section 17A of the Malaysian Anti-Corruption Commission Act 2009 ("**MACCA**").

The MACCA came into force on 1 June 2020 and denotes that commercial organisations are liable and punishable if found to be involved in bribery. Potential liability extends to the company's directors, officers, partners, employees and others who are tied to the company's management, affairs and operations.

MYEG's Board-approved ABAC Policy continues to be stringently enforced at all operating levels within MYEG involving both internal and external stakeholders such as suppliers and vendors. This displays the great lengths MYEG has gone to ensure this policy's implementation. The Board receives all relevant information on MYEG's ABAC agenda through the Audit Committee ("**AC**") and RMC.

The Board has reviewed the Group's ABAC framework, policies (Whistleblowing Policy, ABAC Policy), and codes (Codes of Conduct, Code of Ethics and Code of Business Ethics). Subsequently, policy approvals have been given, and the full enhanced framework, policies and codes are available on our company's website under the Investors Relations section at <https://www.myeg.com.my/investor-relations/governance>.

## ANTI-BRIBERY AND ANTI-CORRUPTION TRAINING AND COMMUNICATION

Anti-bribery and anti-corruption training remain essential to MYEG to foster better understanding and enforcement of the Group's ABAC policies and practices. Board members are entrusted to lead from the top to develop the Group's ability to govern whilst maintaining a high-level of integrity simultaneously, and therefore receive important ABAC training aligned to their leadership attributes and experience.

However, not only do our Board members receive ABAC training, so do other employees at a non-senior decision-making level. Therefore, employees, Board members, Heads of Department ("**HODs**") and senior decision-level decision makers have all been exposed to various anti-corruption refresher courses and related training programmes throughout FY2022 to enable them to continue performing their fiduciary and statutory duties.

MYEG's yearly ABAC refresher course was successfully conducted in FY2022, with full participation attendance.

# SUSTAINABILITY GOVERNANCE

(cont'd)

Contrary to last year's ABAC refresher course being held virtually, the FY2022 yearly ABAC refresher course was held physically. This allowed easier teaching of the course's content to attending participants. MYEG remained determined in ensuring as many participants as possible attended this yearly ABAC refresher course, which is detailed below:

Training Agenda	Training Objective	Training Outcome
<ul style="list-style-type: none"> <li>Overview of the ABAC Framework II</li> <li>ABAC Policy</li> <li>Governance structure and corruption risk management</li> <li>Managing transactions</li> <li>Your business ethics (as MYEG employees)</li> <li>Your responsibility in managing MYEG's external parties</li> <li>Other enforcement and monitoring efforts</li> <li>Getting help</li> <li>Making a report</li> </ul>	<ul style="list-style-type: none"> <li>To deploy various communication tools and methods to raise awareness on the ABAC Policy and the Group's anti-bribery and anti-corruption stance amongst its stakeholders.</li> <li>To create an awareness in the organisation on the importance of employees in preventing bribery and corruption.</li> </ul>	<ul style="list-style-type: none"> <li>Team members are compliant with ABAC Laws</li> <li>To create a culture of integrity within MYEG</li> <li>Regular training will provide staff with a thorough understanding of the policies and legal requirements necessary for an ethical workplace</li> <li>To highlight the importance of the staff's role in preventing bribery and corruption.</li> </ul>

As at FY2022, all the Board members attended the training on anti-corruption as well as 100% of MYEG's Senior Management and employees have attended the training and awareness programme on anti-corruption.

All employees are also required to sign a Code of Conduct Acknowledgement and Declaration form. Anyone found breaching the code will be terminated immediately.

MYEG takes its ABAC Policy very seriously, and strong measures are always taken to consistently improve the Group's initiatives under the ABAC agenda. MYEG utilises various channels such as social media, its Employee-Self-Service ("ESS") portal, employee handbooks and manuals, meetings, e-mails, HOD reminders as well as many more to spread better awareness of ABAC beyond the refresher training courses. More on MYEG's related anti-corruption policies can be found on the company's website at <https://www.myeg.com.my/investor-relations/governance>.

MYEG's goal in spreading ABAC awareness is to prevent any illegal acts from ever occurring within the organisation. MYEG wants to empower all employees and Board members to easily identify potentially corrupt acts and flag them as a potential threat, which can be done through the proper channels of the Group's whistleblowing and grievance mechanisms that alert management to any incidences.

To keep staff constantly aware about MYEG's stance on corruption and bribery, the Group's HODs periodically remind employees about the disciplinary actions that could be brought upon them if they fail to comply.

All of MYEG's operations have been assessed for corruption-related risks. Certain departments in the organisation have been deemed more susceptible to corruption risks, particularly the Procurement Department. Other departments are those that deal with or have direct contact with customers, agents, suppliers, business partners, and authorities. These identified departments are:

- Admin Department
- Technical Department, i.e. Infrastructure and Network
- Fulfilment Department, i.e. Delivery Officers
- Operations Department, i.e. Customer Service for Immigration Services

MYEG remains aware of the higher risk of its Procurement and Logistics personnel, and therefore consistently require the personnel to undergo internal assessments as well as sign a document to signify their acknowledgement of the Group's ABAC Policy. These assessments also allow the Group to thoroughly evaluate, and subsequently rectify, any procedural gaps regarding anti-corruption framework implementation within the organisation. In FY2022, MYEG updated its risk assessment for high-risk departments, which is reported quarterly to the RMC.

We continue to maintain that MYEG is an apolitical organisation, and thus does not favour or promote any political party. MYEG has not made donations to any political party. Nonetheless, MYEG may occasionally take part in CSR-driven charitable or nation-building events organised by the government or other public entities.

MYEG also has not condoned, and will not condoned, any form of corruption. In FY2022, there were zero incidences of corruption at MYEG.

# SUSTAINABILITY GOVERNANCE

(cont'd)

## GIFT GIVING AND RECEIVING, ENTERTAINMENT, HOSPITALITY

All gifts, entertainment, hospitality provided to the Group or received by employees shall be authorised, processed, and recorded in accordance with internal policies and procedures established by the Group.

Employees must avoid giving or receiving gifts which may be construed as bribes or could elicit biased judgement in business relations. No gift shall be given to any officer of a public entity or external corporation on the Group's behalf. The Group and its employees do not give or receive gifts apart from gifts due to customary business or cultural occasion and corporate gifts which are subjected to applicable internal policies and procedures. The Group and its employees are strictly prohibited from giving or receiving gifts in the form of cash or loans.

The Group and its employees can only provide entertainment and hospitality in the form of food and beverage which shall be appropriate and moderate. More info about MYEG's policy on gift giving and receiving, entertainment and hospitality can be found in our ABAC policy at <https://www.myeg.com.my/investor-relations/governance>.

## GOVERNANCE IN SUPPLY CHAIN COMPLIANCE

MYEG is determined to remove any aspects of corruption not only within its own organisation, but throughout the Group's supply chain as well. MYEG's supply chain would include several parties namely the vendors, suppliers, contractors and agents. To ensure that supply chain participants understand MYEG's ABAC policies, a Code of Business Ethics - Acknowledgement and Declaration form would be required to be complied with and signed by these third-party business partners.

Certain safeguards are also in place to further reinforce MYEG's ABAC policy. For instance, the Group established a Vendor Evaluation Committee that specifically focuses on corruption within the supply chain. Logistic officers involved in handling road taxes and foreign worker permits are also put through extensive ABAC Policy training. MYEG also makes periodic audits on supply chain partners, and any entity within the chain that is found not complying with MYEG's ABAC Policy will be blacklisted and restricted in terms of access to MYEG. In some cases, contract termination and legal action may be taken.

Other safeguards include the requirement for at least three quotations to be obtained for all business transactions and all business contracts under MYEG are required to attach the official copy of MYEG's ABAC Policy. Acknowledgement of this document is mandatory to ensure business partners are fully against corrupt practices and MYEG can continue to maintain good corporate governance. The Group's tender process also involves visitation of vendors' business premises, when it is necessary and feasible to do so.

For MYEG, a wide range of different acts fall under the category of what is deemed as a corrupt practice. Examples include elements of bribery, gifts, receiving favours of any kind, misuse of power, theft, fraud, forgery of documents, money laundering, blackmail, using insider information for personal gain, and so forth. MYEG's policies also address ESG factors such as anti-corruption, child labour, forced labour, occupational safety and health ("OSH"), minimum wage, gender and racial discrimination, equal opportunities, excessive working hours, collective bargaining, freedom of association, energy use, climate change impacts, water and resource use, biodiversity impacts, waste management and notable environmental issues.

The Group holds a firm stance on its ABAC policy and any non-compliance will not be accepted given that all parties have been provided with pertinent knowledge of the Group's policies. Any breach of MYEG's policies will be subjected to appropriate consequences and actions being taken.

## IDENTIFICATION OF HIGH-RISK SUPPLIERS

MYEG continues to persistently identify high-risk suppliers in the supply chain, if any, in regard to the suppliers' purchase value, critical item suppliers and sole suppliers from the annual purchase analysis. High-risk suppliers are identified due to the nature of items they are supplying, such as IT hardware and software, kiosks, COVID-19-related project equipment as well as renovation and maintenance works.



# SUSTAINABILITY GOVERNANCE

(cont'd)

The Group conducts its yearly Vendor Performance Evaluation on suppliers with a purchasing value that contributes 80% or more of annual purchases. This is done to ensure the consistent supply from major suppliers and the overall supply chain continues smoothly and with integrity. Data on MYEG's suppliers' assessment for the past two years are as follows:

	FY2021	FY2022
Number of suppliers screened / audited for good ESG performance	64	72
Number of suppliers removed from procurement list or cautioned for poor ESG performance	Nil	Nil
Number of suppliers endorsed under Anti-Bribery & Anti-Corruption policies	64	72

Vendor's score based on assessment/ESG performance	No. of Vendor	
	FY2021	FY2022
91% to 100%	0	1
81% to 90%	1	2
71% to 80%	4	65
Below 70%	59	4

Suppliers are assessed on their contract term and specification compliance, price competitiveness, timeliness of their work, professionalism, customer service, communication and accessibility, prompt and effective correction of situations and conditions as well as documentation and records received in a timely manner. Suppliers are also subjected to product quality assessment and customers' satisfaction survey.

Obtaining the most competitive price is achieved through a price comparison exercise, which allows MYEG to compare and contrast the different prices available on the market. To further ensure that the price obtained is the most cost-efficient, purchases go through multiple levels of approval from Management before being approved.

In addition to continuing the Group's Vendor Performance Evaluation annually, MYEG also closely monitors its stock level by reviewing stock reports on a weekly basis and is constantly on standby to buffer its stock. The Group continuously expands its sourcing strategy to source backup suppliers to work with.

## NUMBER OF SUPPLIERS AUDITED ANNUALLY

MYEG's best practice in supplier audits is to always audit its suppliers, especially new suppliers on the average of one supplier per month.

With the COVID-19 pandemic having entered the endemic phase and all economic sectors having since opened up in full capacity, MYEG begun carrying out on-site physical audits.

These supplier audits continued to be supported by the annual Vendor Performance Evaluation on top-ranking suppliers and regular-purchase suppliers. MYEG evaluated performances of top suppliers that contributed 80% or more of annual purchases.

## DUE DILIGENCE ON NEW AND EXISTING SUPPLIERS

Due diligence on new and existing suppliers is always done by MYEG. The Group ensures that all new vendors are registered via the New Vendor Registration form and that they declare their compliance to ABAC standards. This due diligence standard is practised regularly to ensure that MYEG's suppliers comply with the Group's regulations.

Furthermore, on ABAC compliance, MYEG also briefs, communicates and seeks the vendor's clear acknowledgment and commitment to comply with the Group's ABAC Policy. Vendors who are non-compliant will be immediately phased out of MYEG's supply chain.

# SUSTAINABILITY GOVERNANCE

(cont'd)

The Group also evaluates potential vendors' company background from their financial report and / or annual report to identify their financial strength and capabilities. In addition, the Group conducts site visits to vendors' premises as well as review vendors' customer references, past project track records, business licensing including certification on quality, system and environmental from independent authority. These steps are undertaken to garner a more holistic view of their business operations.

## SUPPLIERS' ESG PERFORMANCE

MYEG ensures that its new and existing suppliers meet the Group's standards of ESG compliance and performance. The Group ensures that its suppliers comply with its relevant human rights policies, such as policies on child labour, forced labour, ABAC Policy, OSH Policy, minimum wage, gender and racial non-discrimination, equal opportunity, labour laws on working hours, energy usage, waste management as well as other related social or environmental issues and policies. For FY2022, a total of 91 suppliers had been assessed under these social impacts.

Other ESG factors such as energy usage, waste management or relevant environmental issues and policies also form part of the suppliers' performance assessment.

MYEG also makes sure that suppliers and vendors have or obtain relevant supporting documents and certifications for suppliers, which is also a key factor in determining our suppliers' ESG performance.

These relevant supporting documents and certifications involve valid licenses from professional bodies and local councils, as well as quality assurance certifications from regulators and authorities, including Standard and Industrial Research Institute of Malaysia ("SIRIM"), Material Safety Data Sheets ("MSDS"), Jabatan Kemajuan Islam Malaysia ("JAKIM"), Ministry of Finance ("MOF"), Ministry of Health, Medical Device Authority ("MDA"), Royal Malaysian Customs Department, Construction Industry Development Board ("CIDB"), Fire and Rescue Department of Malaysia, Department of Environment Malaysia ("DOE"). We also ensure suppliers have completed the relevant Companies Commission of Malaysia forms.

## PHYSICAL INSPECTION AUDITS

We intend to carry out physical inspection audits when necessary on new and existing suppliers to ensure our suppliers' continued reliability and capability to supply to the Group and comply with our requirements.

Given that social restrictions have been lifted and many businesses have reopened due to the country entering the endemic phase of the pandemic in FY2022, we aim to conduct more physical audits in the near future.

## LOCAL PROCUREMENT AND SUPPLY CHAINS

MYEG strongly supports local procurement whenever possible. Not only does sourcing locally contribute to the domestic pool of suppliers and consequently the national economy, but it also reduces our business operation's environmental impact by minimising foreign import activities as well as create quicker response time. Local procurement for MYEG is defined as procuring from Malaysia-based suppliers or vendors.

	FY2020	FY2021	FY2022
Total Procurement Budget (RM)	7,512,500.32	10,936,336.79	8,983,989.23
Proportion of Spending on Local Procurement (%)	99.2%	99.1%	99.6%
Proportion of Suppliers Who Are Local (%)	99.5%	99.2%	99.1%

## REGULATORY COMPLIANCE

In FY2022, MYEG was not fined nor censured by regulatory authorities for any environmental non-compliance and social non-compliance. MYEG also did not incur fines, penalties or financial settlements related to corporate governance and anti-corruption non-compliance in FY2022. The number of complaints escalated to regulatory bodies such as Ministry of Domestic Trade, Co-operatives and Consumerism (KPDNKK) had reduced tremendously. For 2022, the seven cases received from May to December 2022, and all the escalated cases were concerns pertaining to the delivery, which were resolved within the time frame.

# STAKEHOLDER ENGAGEMENT

MYEG remains understanding of the immense value of its stakeholders, which is why stakeholder engagement will always be high priority for the Group. MYEG has a wide variety of different stakeholders that we need to account for and all of them have the potential to impact MYEG as a company.

The engagement of stakeholders continued in FY2022 through a variety of mediums. The pandemic brought about a strong wave of necessary digital adaptation for many businesses, and MYEG remained focused on devoting resources to constantly update its online platforms and websites.

MYEG's official website is regularly updated with the latest news, corporate announcements, financial results, press releases and Board changes in relation to MYEG in a dedicated Investor Relations section. This is done to ensure that MYEG's stakeholders are able to access the latest information regarding the Group. Stakeholders are also able to subscribe to e-mail alerts from the Group's website via the Investor Relations page.

The Group managed to conduct its Customers' Satisfaction Survey in FY2022, after the operational disruptions in FY2021 prevented us from carrying out the survey in the previous financial year.

MYEG's stakeholder engagement table remains unaffected from FY2021 (although the channel of engagement may vary depending on communication circumstances that have been possibly affected by the COVID-19 pandemic):

Stakeholder Group	Level of Engagement	Forms of Engagement	Issues of Concern	Outcome Achieved
<b>Governments and Regulators</b>  Governments of our key markets are both our principals/ partners, as well as regulators of our operating environments	High	Meetings at ministerial and working levels  Discussions on service requirements  Discussions with regulatory authorities  Participation in government and regulatory events	Renewal of e-Government service concession  Change in legislation  Approval of permits	We gained an improved visibility of government policies and the nation's growth agenda, and the role MYEG can play in supporting the governments' digitalisation impetus.
<b>Customers</b>  Users of MYEG services are the cornerstone of our business	High	Advertising and marketing efforts  Website/social media  Customer service channels  Customer survey and feedback exercise  Online feedback via <a href="http://www.myeg.com.my">www.myeg.com.my</a>	User experience/ ease of navigation  Customer service  Timely delivery  Product/service pricing and package	We gained a better understanding of issues faced by users and customer service experiences. We identified areas of improvement leading to improved customer satisfaction.

# STAKEHOLDER ENGAGEMENT

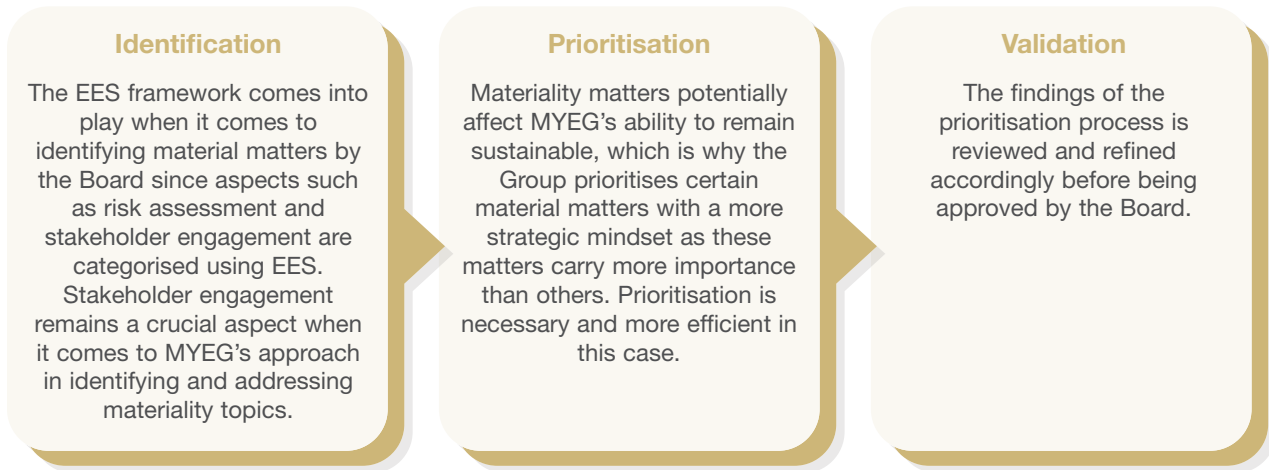
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Stakeholder Group	Level of Engagement	Forms of Engagement	Issues of Concern	Outcome Achieved
<b>Investors</b>  Institutional and retail investors, shareholders and investment analysts affect our capital acquisition	High	Investor briefings  Announcement of financial results  Announcement of company updates and developments  Investor relations portal  AGM	Business performance  Sustainability of business model  Dividend pay-out  Good corporate governance  Listing compliance	Investors achieved a stronger understanding of MYEG's value creation model, our strategies and the sustainability of our business, which in turn helps us attract capital investment.
<b>Employees</b>  Employees are responsible for the day-to-day operations of our business	High	Company intranet  Department meetings  Performance appraisals  Employee engagement events such as in-house talks, trainings, development programmes, and cultural events	Job satisfaction  Talent development and career progression  Recognition, remuneration and benefits  Fair, safe and positive workplace  Recruitment and retention of skilled staff	We gained an improved understanding of employees' workplace and job concerns, allowing us to provide fair and equitable benefits to help attract and retain top talents, improve team morale and strengthen MYEG's reputation as an employer of choice.
<b>Community and General Public</b>  As a provider of e-Government services, the government we serve is chosen by the people – the local communities and the general public	High	News coverage and press releases  CSR activities  Community engagement and outreach programmes  Social media channels	Ethical code of conduct and fair competition  Community welfare  Environmental and social impacts	We maintained our reputation as a good corporate citizen and continued to improve our brand reputation as a company in service of the people and the community.
<b>Third-Party Intermediaries (Suppliers / Vendors / Business Partners / Contractors)</b>  Third-party suppliers and vendors are vital to the Group's procurement, production and service delivery abilities	High	Vendor quality audit  Procurement system  Supply chain performance audit	Fair and sustainable procurement  Product reliability  Business transparency  Good governance	We implemented multiple policies and codes to properly govern our dealings with third-party intermediaries, which bolstered clean and transparent governance and business conduct among our suppliers and vendors.

# MATERIALITY MATTERS

Materiality matters typically refer to issues or topics that can both directly and indirectly impact MYEG's values, especially when considered from an economic, environmental and social perspective ("EES").

## MYEG'S MATERIALITY ASSESSMENT PROCESS



Our list of material topics remains unchanged from the previous year, given that the pandemic is no longer considered to be a large and disruptive material factor in our business operations. MYEG can fully focus on the established materiality matters that the Group has continuously strived to make headway in.

However, as mentioned before, certain topics such as climate change have been given more importance in how we approach them. Throughout our discussions on these topics, it is clear that stakeholder engagement remains a top priority for MYEG.

## ECONOMIC

### DIRECT ECONOMIC VALUE CREATED

The economic improvement in FY2022, as signalled by Malaysia entering the endemic phase of the COVID-19 health situation by opening almost all economic sectors to full capacity, enabled MYEG to continue its healthy financial performance from the previous year.

Our commercial services, healthcare-related services and newly-launched blockchain-based offerings were also in high demand and contributed to a positive financial and operational performance in FY2022.

Kindly refer to the Management Discussion and Analysis section of this Annual Report for specific details on business and financial performance. Below are some of our direct economic values created in FY2022:



**RM404.37 million** Profit Before Tax and  
**RM404.41 million** Profit After Tax



**1.17 sen**  
Final Dividend



**RM76.42 million**  
Cash and Cash equivalents



**RM2.54 billion**  
Total Assets



**RM651.11 million**  
Total Revenue

# MATERIALITY MATTERS

(cont'd)

## INDIRECT ECONOMIC VALUE CREATED

MYEG continued to prioritise its returns to stakeholders, more so given the pandemic's reduced significance in the socioeconomic sphere.

	2020 (RM '000)	2021 (RM '000)	2022 (RM '000)
<b>Economic value generated</b>	530,463	721,877	<b>651,107</b>
<b>Economic value distributed</b>	342,548	477,979	<b>385,057</b>
<b>Total monetary value/spend on procurement</b>	304,449	546,102	<b>665,240</b>
<b>Total payout to employees in salaries and benefits</b>	97,051	100,986	<b>109,403</b>
<b>Taxes paid to government</b>	2,568	1,689	<b>4,028</b>
<b>Repayments to financiers</b>	14,820	27,344	<b>53,809</b>
<b>Dividend returns to shareholders</b>	86,316	79,002	<b>94,666</b>
<b>Economic value retained</b>	187,915	243,898	<b>266,125</b>

Please refer to the Statement of Value Added Distribution and Simplified Financial Statement section of this Annual Report for detailed information on the indirect values created and distributed.

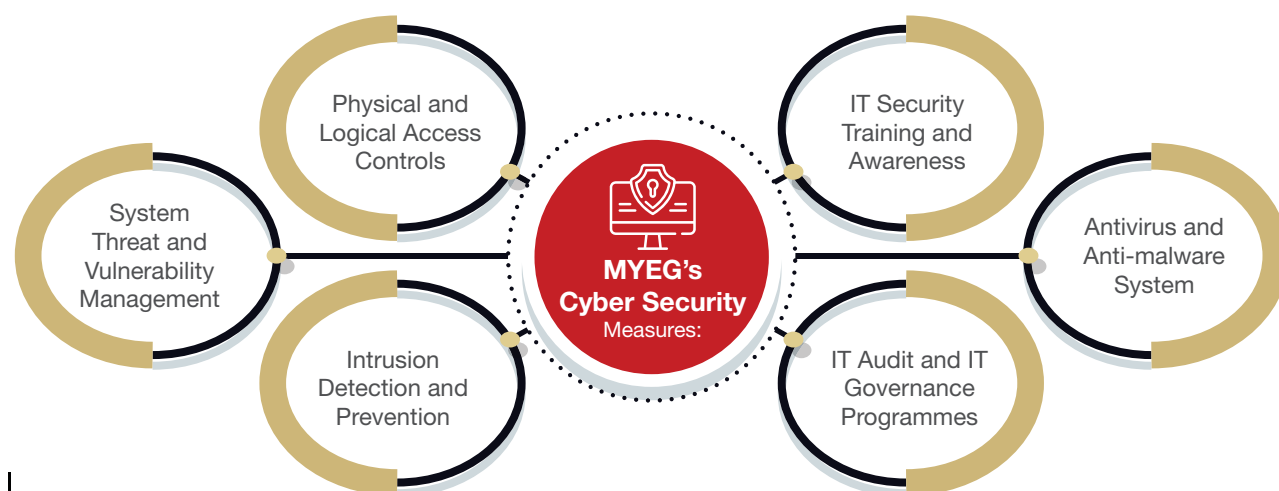
## CYBER SECURITY

With MYEG's core business heavily revolving around being an e-Government and commercial service provider, cyber threats have to be taken extremely seriously. Given how much potential damage and disruption cyberattacks could cause to the Group's brand image, financials and public / stakeholder relations, it is essential for MYEG to have a proper cyber security system in place.

MYEG's Endpoint Detection and Response ("EDR") Security implementation with an integrated solution delivers visibility, segmentation, and protection throughout MYEG's entire network infrastructure. Furthermore, the Group employs a Multi-Factor Authentication ("MFA") solution to protect sensitive data by adding an extra layer of security and improving access control.

MYEG's migration to the cloud and utilisation of the modern cloud-native infrastructure, as well as the adherence to stringent safety measures, continues to fortify our cyber security to avoid any data breaches. The migration from premises security hardware to a cloud-based security service allows MYEG to expand its slew of cyber security tools (i.e. Application Security - DDoS Protection, Rate Limiting, Web Application Firewall, SSL / TLS Encryption, Application Performance - CDN, DNS management, Load Balancing, Smart Routing, etc.) using Cloudflare and Imperva.

Therefore, MYEG continues to solidify its systems, protocols and best practices to protect and recover computer systems, devices, networks, and programmes against any type of cyberattack.





# MATERIALITY MATTERS


(cont'd)



Data transmitted through our networks is encrypted using the latest encryption technologies to ensure confidentiality.



Adherence to Payment Card Industry Data Security Standard in the handling of credit card information for our e-services transactions.




Regular audit and penetration test to ensure the robustness of the entire IT infrastructure.



Websites and social media portals with high risks in cyber security are restricted to prevent malicious attacks via the exploitation of vulnerabilities.




Constant training is provided to employees to ensure that employees are aware of the security standards that we need to adhere to.




The use of external hardware appliances such as thumb drives and other media are also restricted within MYEG premises.



Regulations, standard operating procedures and enforceable regulations for use of corporate systems, confidential data, email, mobile devices and passwords.



Compliance with PDPA in dealing with personal information collected in the course of commercial transactions.



Deployment of firewalls, antivirus and antimalware systems, access management systems and vulnerability systems throughout the entire IT infrastructure.

MYEG has continuously sought ways to improve security by updating our IT policy and procedures when needed to be in strict compliance with the ISO / IEC 27001 Information Security Management System and NIST Cybersecurity Framework. The Group is also in full compliance with the Personal Data Protection Act (“**PDPA 2010**”). MYEG is currently not a member of the Global Network Initiative.

With respect to the adoption of blockchain technology, MYEG is launching a Self Sovereign Identity (SSI) service, which utilises blockchain technology to provide a secure and user-centric approach to digital identity. Under SSI, users can adopt a digital identity model where they have full control and ownership over their digital details. They can store their personal details in decentralised wallets under their control and selectively share them with third parties, rather than revealing their entire identity. This enhances security by eliminating a central point of failure or vulnerability, and preventing personal data from being stored in a single location that can be hacked or compromised.

Having these IT safeguards in place reduces MYEG’s chances of being exposed to a future cyberattack whilst also preparing us in case one does occur through a united front.

There were zero substantiated complaints concerning breaches of customer privacy and losses of customer data. No data breaches or framework non-compliances occurred during the year under review.

# MATERIALITY MATTERS

(cont'd)

## BUSINESS MODEL

### GOVERNMENT CONCESSIONAIRE

Ongoing political changes, whether it be a change of ruling parties in government or the public policies themselves, have an impact on MYEG's financial and non-financial value creation capabilities. Despite this, the Group does not solely rely on its capabilities of being an e-Government service provider. It has other services, which include blockchain, healthcare and commercial sectors.

The Group even launched a variety of healthcare related services on behalf of its government partners as an attempt to provide aid during this troubling period.

FY2022 foresaw developments in various sectors that MYEG has services in, and more can be found in the Management Discussion and Analysis section of this Annual Report.

Notwithstanding the risk of uncertainties from time to time surrounding government, the Group continued to adopt measures to mitigate all risks arising from this material topic. The following measures have therefore been put in place throughout the years and maintained in FY2022:

01

Active engagement and management of relationships with government officials and regulatory authorities at the working and ministerial levels to mitigate potential change in legislation (see pages 75 to 76 for more information on Stakeholder Engagement);

02

Remaining apolitical in our dealings with governments and officials and in our public communication to manage public perception;

03

Improving products, solutions, and customer experience to provide best-in-class services to maintain our market leadership in e-services as well as to safeguard our branding and logos, which is mainly done by maintaining existing Intellectual Property ("IP") and trademarks or by applying for new IP only when necessary (see page 82 for more information on our Intellectual Property);

04

Market diversification to expand our business opportunities in various geographical regions;

05

Ensuring a balanced and diversified revenue mix between e-Government and commercial services;

06

Employing sound ethical business practices aligned with the laws of countries we operate in (see page 81 for more information on our Ethical Work Conduct and Policy section); and

07

Conducting a comprehensive legal review and due diligence to ascertain the level of risk associated with governmental or legal issues (if any).

A market-by-market approach to addressing specific legislative changes and government law-making decisions has also been put in place.

MYEG remains driven to continue lending its industry expertise and organisational resources to aid the relevant government agencies and citizens.

## ETHICAL WORK CONDUCT AND POLICY

Along with our ABAC Policy and supply chain governance, MYEG aims to fortify a high standard of ethics when it comes to business principles and practices. Therefore, the following codes and policies have been established to achieve this:

Code of Conduct	Define the expected ethical conduct of MYEG's employees and intermediaries based on the Group's core values and principles of integrity and responsibility.
Code of Ethics	
Code of Business Ethics	<p>The Code of Conduct is based on principles in relation to trust, integrity, responsibility, excellence, loyalty, commitment, dedication, discipline, diligence and professionalism.</p> <p>The Code of Ethics is based on the principles in relation to sincerity, integrity, transparency, accountability and corporate social responsibility.</p> <p>The Code of Business Ethics sets out the standards of ethical business practices and conduct that the Group expects from all business associates of the Group.</p>
Non-Discrimination and Equal Employment Opportunity Policy	Outlines issues related to racial discrimination, sexual harassment and other forms of inequity and prejudice, including revolting and threatening behaviours deemed inappropriate in MYEG's workplace environment.
ABAC Policy	Addresses any and all forms of corrupt behaviours, acts and practices that may cause MYEG to be exposed to corruption in any form. This includes, but is not limited to, corruption elements of bribery, gifts, improper payment or benefits, favours, misuse of power, theft, fraud, forgery of documents, money laundering, blackmail, using insider information for personal gain, political contributions and more.
Whistle-Blowing Policy	<p>Addresses the fully confidential channel where employees, vendors and any stakeholder can safely report corruption, or any other malpractices or grievances, without fearing punitive repercussions such as retaliation, dismissal, victimisation, demotion, suspension, intimidation, discrimination, and more.</p> <p>The report will be received by the Audit Committee. Either an internal auditor or an appointed third-party investigator will subsequently investigate the whistleblowing reports. The Group's Audit Committee also ensures whistle-blowing channels remain open and accessible at all times.</p>

The policies above can be viewed and downloaded from our Investor Relations portal at <https://www.myeg.com.my/investor-relations/governance>.

# MATERIALITY MATTERS

(cont'd)

## INTELLECTUAL PROPERTY ("IP")

IP has remained a core component for MYEG in distinguishing the Group from its competitors. Development in the technological area to create and improve certain services that are required, especially when there is a change in demand, is what MYEG excels at.

For instance, the COVID-19 pandemic became an opportunity for MYEG to develop and improve products and services that help deal with the situation, proving the Group's ability to instantly respond to sudden changes as well as displaying MYEG's capacity to adapt to its surrounding circumstances.

More importantly, MYEG continued to maintain its existing IPs and trademarks in the face of increasingly volatile market trends to safeguard the Group's unique brand proposition among stiff competition. MYEG has also, when necessary, leveraged on existing IPs, technology and registered trademarks to respond proactively to many issues and opportunities, namely healthcare and blockchain.

As in previous years, the Group's approach to managing IP is two-pronged as follows:

	IP DEVELOPMENT	IP PROTECTION
<b>STRATEGY</b>	<p>Innovating on existing and new product and service offerings to satisfy the existing needs of customers and improve user experience.</p> <p>Exploring new business areas and technologies relevant to the Fourth Industrial Revolution (IR 4.0).</p> <p>Focusing on accessibility and cost effectiveness as prime considerations in our innovation output.</p> <p>Sourcing third-party knowledge via collaborations and partnerships with institutions and promising tech start-ups, locally and internationally.</p>	<p>Internal policies to ensure legal protection of our IP.</p> <p>Application and filing of patents on innovations developed by the Group.</p> <p>Registering trademarks and brand logos as IP.</p>
<b>RESULTS</b>	<p>MYEG launched MySafeQ, an online portal offering an array of hotel accommodation and amenity options available to low risk COVID-19 patients who wish to undergo mandatory quarantine requirements in more comfortable settings.</p> <p>MYEG became the exclusive distributor for all market segments in Malaysia for the marketing, sale and distribution of the rapid breath test system BreFence Go for the screening of the COVID-19 virus in Malaysia.</p> <p>MYEG entering into an 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 ("MBI").</p>	<p>Trademarks registered and IPs patented in FY2019 and before had been carefully maintained, safeguarded and utilised throughout FY2022, including the continued provision of government services and MYEG's entry into the healthcare sector and the blockchain space.</p>

	IP DEVELOPMENT	IP PROTECTION
	<p>MYEG, in collaboration with the Institute of Industrial Internet and Internet of Things of the China Academy of Information and Communications Technology, established an international extension of China's national blockchain network, Xinghuo BIF, by introducing backbone and supernodes outside China known as Zetrix.</p> <p>Under Zetrix, blockchain-based Identifiers / Verifiable Credentials and blockchain-based E-signing services had been introduced. Zetrix had also launched the pilot for its cross-border trade financing solution, Zetrix TradeFi.</p> <p>On 30 March 2023, MYEG has signed a partnership agreement with East Logistic-Link Co., Ltd, a wholly-owned agency of the General Administration of Customs of the People's Republic of China, to jointly provide a full suite of cross-border trade facilitation services that include certificates of origin on the Zetrix blockchain platform. Other certificates like food safety, quarantine, and bill of lading can also be issued on the chain. This will enable all data in these certificates to be available accurately in near real-time, hence, increasing the efficiency of tariff computation and customs clearance, especially for trade within the RCEP.</p> <p>MYEG received JPJ's approval to kickstart Proof of Concept ("<b>POC</b>") to set up an Automated Training and Driving Test System ("<b>e-Testing</b>"), which aims to better assess the competencies of candidates undergoing the Drivers' Learning Education Curriculum.</p> <p>Zetrix was chosen by the Chinese Government as a component of its government-to-government ("G2G") programme. Initiated by the China's Ministry of Science and Technology ("MOST"), Malaysia is one of the 14 countries participating in the programme. The China-Malaysia G2G cooperation covers four sectors, including public health (such as vaccine research and development), Artificial Intelligence ("AI"), Information and Communications Technology ("ICT") (blockchain, big data, etc.), as well as space remote sensing technology.</p>	

# MATERIALITY MATTERS

(cont'd)

## CUSTOMER EXPERIENCE AND SATISFACTION

MYEG understands the importance of engaging with our customers to gain a better understanding of their demands and needs. Achieving a high customer benchmark score is crucial to MYEG since customer satisfaction is an integral part of the Group's operations. MYEG works on continuously enhancing our platforms and services to further improve customer satisfaction.

MYEG's customers can contact us through mediums such as live chats, phone calls and e-mail queries where customer inquiries, escalations, and complaints can be addressed in an urgent manner. Through this, the Group aims to build upon the robust customer experience we provide and achieve targets that have been set.

### Over-The-Counter Highlights

		2022	2021	2020
IMMIGRATION COUNTER	Average Monthly Tickets Served	999.5 tickets	912.1 tickets	1,516 tickets
	Average Serving Time Per Customer	8:30 minutes	11:12 minutes	10:06 minutes
	Fastest Serving Time Per Customer	4:30 minutes (January 2022)	9:19 minutes (August 2021)	4:59 minutes (February 2020)
ROAD TAX COUNTER	Average Monthly Tickets Served	505.5 tickets	307.7 tickets	705 tickets
	Average Serving Time Per Customer	3:05 minutes	7:05 minutes	7:46 minutes
	Fastest Serving Time Per Customer	1:17 minutes (October 2022)	5:02 minutes (March 2021)	4:35 minutes (November 2020)



Given the reopening of all economic sectors in Malaysia as the nation entered the endemic phase of the COVID-19 pandemic, for FY2022, the Group experienced an increased number of customers served compared to the previous year. Over-the-counter self-collection for both road tax and maid permits resumed whilst physical counters were also brought back after pandemic-related hiatus.

in FY2022, the Group focused on reducing our serving time to cope with the increased number of transactions and processing time. MYEG will look to bolster its ability to attend to customers and be more attentive when dealing with them to achieve our target of improving customer satisfaction with serving time.

MYEG always provides a non-compulsory feedback form at our counters to garner insights on our customer service provision. We endeavour to better measure, maintain and enhance our customer service best practices and targets in the future. Our target is to embark on Customer Satisfaction Score in the coming financial year. In the meantime, our focus has been more on resolving a customer's issue urgently.



## Customer Service Personnel Highlights

		2022	2021	2020
<b>CUSTOMER SERVICE COUNTER</b>	Immigration	16	17	16
	Road Tax	3	4	4
<b>HELP DESK</b>	Live Chat	6	6*	5
	Call	10	22	15
	E-mail	25	8	2



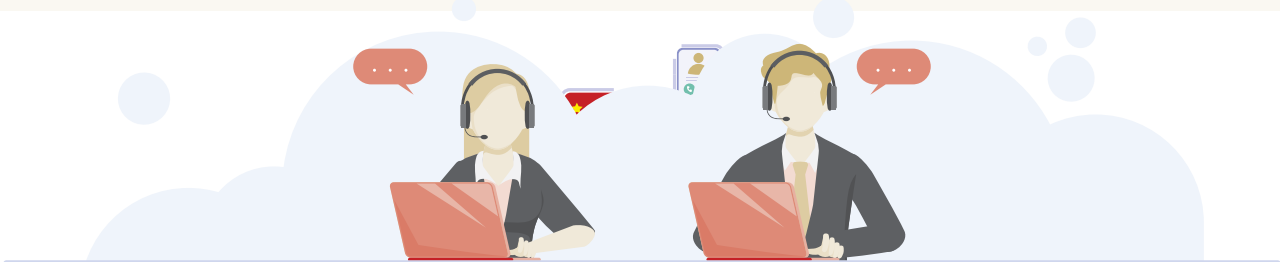
\*Live Chat halted in March 2021 due to expired license.

MYEG redeploys our customer service workforce from time to time to support in-demand channels.

Upon reviewing the current SOPs and organisational chart in FY2022, we managed to optimise our manpower to manage the high volume of queries received.

## Phone Call Queries Highlights

		2022	2021	2020
<b>IMMIGRATION</b>	Average Call Answered Rate	95%	90%	92%
	Highest Call Answered Rate	98%	96%	93%
<b>ROAD TAX</b>	Average Call Answered Rate	95%	90%	92%
	Highest Call Answered Rate	96%	97%	93%
<b>MYSAFETRAVEL</b>	Average Call Answered Rate	95%	90%	87%
	Highest Call Answered Rate	98%	96%	87%



Our target for immigration and road tax phone calls was to maintain FY2020's and FY2021's average rate of phone calls answered, which was 90% and above. With the effective staff maneuvering, we increased the average rate of phone calls answered from 90% in FY2021 to 95% in FY2022.


# MATERIALITY MATTERS

(cont'd)

With increases to our manpower capacity and upgrades to our customer attrition call system to better improve our average calls answered rate, this target was attainable. The Group aims to measure the success rate of achieving this target via daily, weekly and monthly report reviews.

In FY2022, MYEG resumed its live chat service, which was previously halted in March 2021. By doing so, customer queries across immigration, road tax and MySafeTravel sectors could be spread between phone calls and our live chat service, which helped mitigate the disproportionately high volume of calls. Resuming the live chat service was a target MYEG had been working on since the brief halt in FY2021.

## Live Chat Highlights



	2022	2021	2020
Average Live Chat Response Rate	90%	82%*	64%
Highest Live Chat Response Rate	99%	89%	93%

*\*Live Chat halted in March 2021 due to expired license.*

MYEG also received a monthly average of 8,956 emails during FY2022, as part of the Group's robust customer service transaction channels.

## CUSTOMER SERVICE TRAINING

In FY2022, the Group resumed physical training sessions and also incorporated digital training sessions when appropriate. MYEG provides these trainings to ensure new and existing customer service agents are equipped with the latest information on our products and services, and acquire the necessary skills to enhance the customer experience at MYEG.

A total of 106 training sessions and 49 briefing sessions were held throughout FY2022.

The effectiveness and impact of training sessions held will be reviewed as this helps ensure the sessions provided are useful and focused on providing our staff with the required abilities to provide a comprehensive customer service.

Moving forward, the Group will continue to provide these training sessions and further develop our staff's capabilities.

## CUSTOMER SATISFACTION SURVEY


MYEG keeps track of the experience of our customers when using the Group's products and services through our customer satisfaction survey. By doing so, the Group can garner more accurate feedback and allows for a better understanding on areas where MYEG can improve upon and enables more focus to be placed in areas that are lacking. Our customer satisfaction survey goes into great detail by being separated into certain categories such as the breakdown of new and returning customers, customer satisfaction scores, most common complaints and most popular engagement channels.

Customer feedback is extremely valuable to MYEG, which is why the Group encourages feedback through various communication channels such as our email, live chat, and manual feedback forms. In FY2022, MYEG conducted a customer feedback / satisfaction survey for every customer service channel under MYEG, and we will continue to do so moving forward.

The data are collected from three platforms, namely:

- Feedback form (provided to customers who visit our customer service counter)
- Zohodesk satisfaction form (email)
- Live Chat feedback survey

## Customer Satisfaction Scores (%) 2022



CUSTOMER HAPPINESS FEEDBACK RATING PERCENTAGE (%)				
Month	Total No of Feedback received	BAD	AVERAGE	AWESOME
January 2022	NOT AVAILABLE			
February 2022	38		50%	50%
March 2022	67		52%	48%
April 2022	94		61%	39%
May 2022	12		25%	75%
June 2022	NO RECORD DUE TO TRANSITION OF SYSTEM			
July 2022				
August 2022	82		17%	83%
September 2022	732		9%	91%
October 2022	642		15%	85%
November 2022	834		18%	82%
December 2022	884		17%	83%

The customer satisfaction survey mainly requested feedback on the key quantitative and qualitative criteria encompassing:

- Information accuracy
- Customer service skills
- Waiting time

Apart from the above, customers who are receiving further case escalation will have the option to evaluate the service received accordingly.

We have received a higher number of feedback and responses since the introduction of live chat. We have also further improved on the waiting time and accuracy of information by instituting the following measures:

- Implementation of agreed Service Level Agreement
- Monthly KPI for calls attended set at 90
- Email-first response time to be within 48 hours
- Average Serving Time (monthly) for counter set at 15 minutes per customer
- Product training and re-training for all our customer service representatives

In fulfilling the customers' feedback for a more detailed and personalised response, going forward in 2023, we will be focusing on Customer Service skill training, focusing on areas such as:

- Email writing and communication skills
- Language competency and improvement classes
- Grammar and sentence structure training
- Customer service training

# MATERIALITY MATTERS

(cont'd)

We are also equipping all our agents with the necessary skills to enable them to attend to customers' feedback using multiple channels available. Efforts are also underway to review the survey questionnaires towards having a more comprehensive survey and ensuring the customers a better service. In addition, MYEG aims to further digitalise feedback channels, especially the e-mail system and live chat system so that there is less reliance on manual feedback forms. By doing so, customers will have more options to provide their feedback, which will encourage more of them to submit their feedback to the Group.

MYEG will continue to focus on improving our customer satisfaction performance. One of the services, SafeTravel, has been discontinued due to a decline in the number of incoming calls and emails. However, the re-activation of live chat now provides customers with more channels to reach out to our customer service team. Additionally, our chatbot service was also successfully introduced and deployed in October 2022, enabling simple inquiries to be attended to.

Customers wishing to provide feedback to us can contact our e-mail at [help@myeg.com.my](mailto:help@myeg.com.my) or call 03-7801 8888.

## ENVIRONMENTAL

### CLIMATE CHANGE AND EMISSIONS

The issue of climate change is regarded as a material topic of significance for MYEG due to its ability to significantly impact the environment, community and other valued stakeholders in a negative manner. The Group remains committed to mitigate its environmental footprint to reduce the actual impacts and potential threats of climate change, in particular when it comes to the Group's consumption of electricity and production of emissions.

MYEG's Board and Senior Management are cognisant of the increasing risks posed by climate change and the Group is structured in a way that gives the Board key oversight over policies and management of the climate change topic at the Group.

MYEG's business model, which is the delivery of electronic government and commercial services, is for the most part, not directly impacted by climate change issues. Similarly, the Group's business model is also not resource-intensive in terms of the consumption of energy and other natural resources.

However, we understand that the expansion of the Group's foreign worker hostel business can lead to an expansion in energy and resource consumption and consequently emissions. Nevertheless, the Group intends to incorporate green building standards that pay attention to air quality and waste management for its hostel projects, contributing toward the reduction of environmental impacts.

Furthermore, in line with its business expansion plans, MYEG may also see a short-term increase in its delivery fleet of cars and motorcycles to meet the growth in service demand which can impact climate change via vehicle emissions. However, in the medium to long-term, MYEG's application of blockchain will enable more services to become 100% digital and thus reduce the requirements for physical delivery to complete the last mile loop.

Improved processes in turn lead to increased efficiency and productivity, which will translate into reduced energy consumption, reduced waste produced and other ecological benefits.

Given the immense potential of blockchain solutions in mitigating climate change impacts, Zetrix has the capacity to help facilitate the emergence of a vibrant and accessible carbon credit market that meets MYEG's requirements and also facilitates carbon credit trading by smaller companies to monetise / offset their emissions. Specifically, Zetrix can be leveraged to enable the tokenisation of carbon credits, which then promotes a simpler trading mechanism that smaller companies can afford. This is in contrast to conventional carbon trading platforms, including voluntary carbon markets which are more structured to meet the requirements of larger companies.

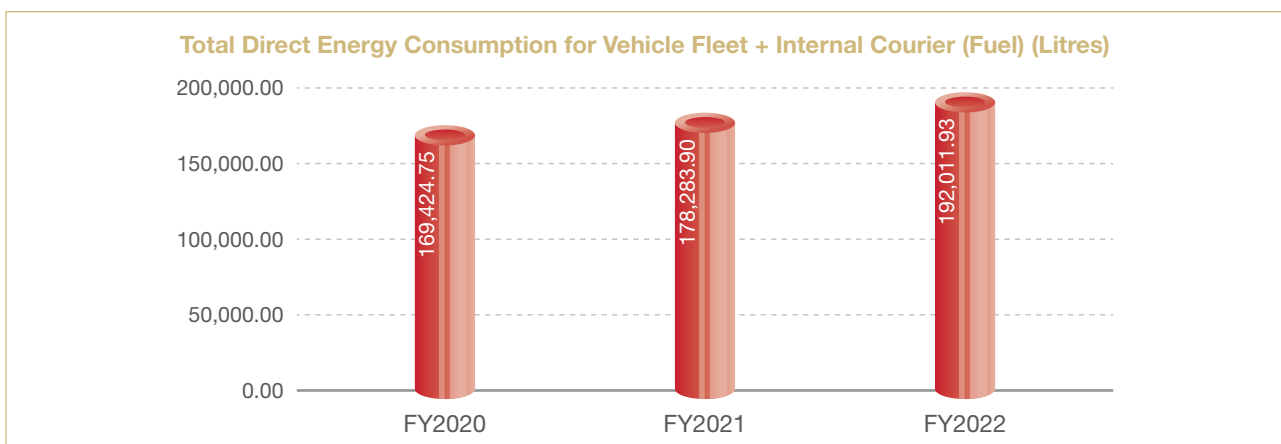
The Board may also consider linking remunerations to the achievement of climate change and other sustainability targets via additional incentive-based remunerations. This will be further discussed by the Board.

MYEG also remains cognisant that there are environmental impacts that occur outside of its direct control, arising from the operations of its suppliers and business partners across its value chain. MYEG has committed to establishing a policy to prioritise vendors who offer Green Technology ("Greentech") solutions and offer certified sustainable products and services. Aside from existing stringent policies formulated to guide the conduct of third parties, the Group will also continue to explore strategies to facilitate effective engagement with its value chain.

These commitments and initiatives are fortified by the establishment of MYEG's Statement of Commitment to Addressing Climate Change Risks and Impacts that fully outlines our climate change commitments, targets, plans, effects on our business model and initiatives pursued in relation to MYEG's supply chain. Please refer to the full statement for more details, which can be read under the "Sustainability" subsection at <https://www.myeg.com.my/investor-relations/governance>.

## FUEL CONSUMPTION AND EMISSIONS PERFORMANCE

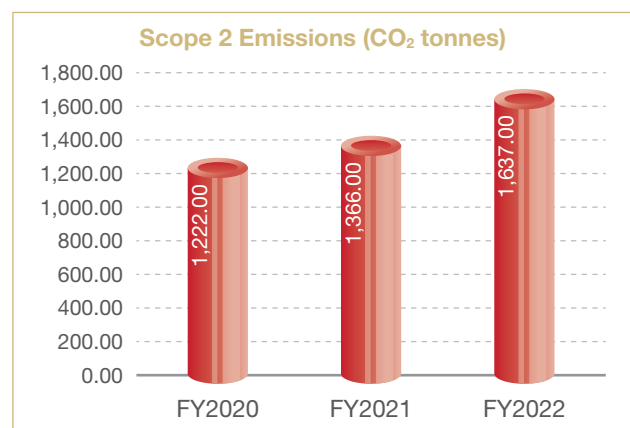
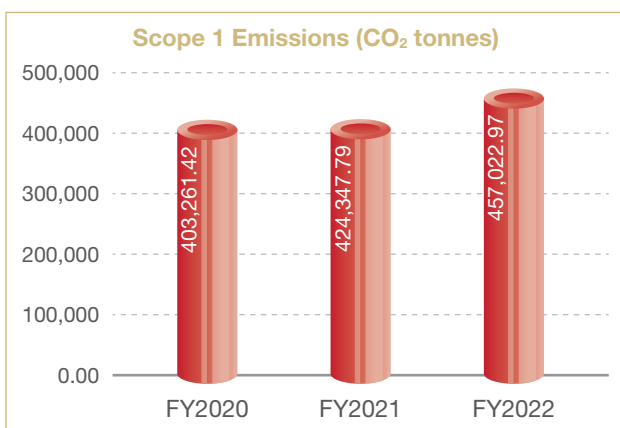
MYEG closely monitors and discloses data on fuel consumption of its vehicle fleet and internal courier which consume petrol (shown in the below graph) as well as electricity consumption (which can be found in the Electricity Consumption section of this Annual Report).



*Note: Scope One Energy is calculated from the usage of diesel, petrol etc in litres.*

We have seen an increase in total fuel consumption for FY2022 by 7.7% as compared to the previous year. This can be attributed to the significant post-pandemic revival of the economy nationwide and the removal of social restrictions which contributed to a surge in business for the Group. To meet this increase in demand for its services and products, MYEG looked to procure more riders and enlarged its fleet of vehicles accordingly to promote smoother operations across its value chain. The Group also continued with its internal courier service which significantly contributed to fuel consumption at the Group. MYEG will continue to monitor the environmental impact of its vehicles in the fleet and its internal couriers in order to achieve a significant reduction in carbon footprint in the future.

Our emissions data is measured based on the Group's fuel and electricity consumed from the grid (Scope 1 and Scope 2 emissions respectively), as shown below:

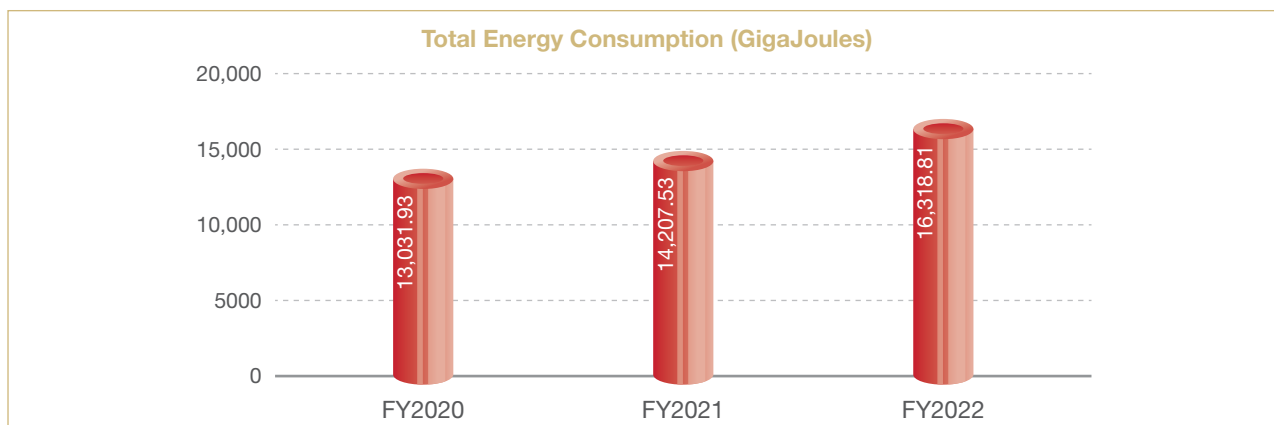


# MATERIALITY MATTERS

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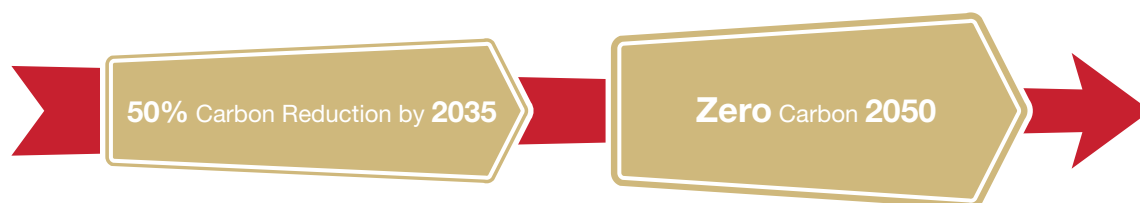
In FY2022, we experienced a slight rise in Scope 1 emissions (7.7% increase year-on-year). This can be attributed to the rise in the Group's fuel consumption, in which we have explained the reasoning for this fuel consumption increase in the previous paragraph. MYEG remains determined on its continued journey towards the goal of reducing its emissions in the future.

Total energy consumption of the Group is shown here:



## CARBON REDUCTION MILESTONES AND TARGETS

MYEG has committed to a target of Net Zero carbon emissions by 2050. In line with its Zero Carbon commitment, MYEG is reviewing all aspects of its business model and operations towards realising the set target as shown here:



Managing and mitigating climate change impacts as well as initiating any related targets, policies and plans are aligned with the following frameworks and guidelines:

- United Nations Sustainable Development Goal 13: Climate Change
- Bank Negara Malaysia: Climate Change and Principle-based Taxonomy
- Global Compact Malaysia (MyClimate Action Guide)
- Malaysian Government's National Policy on Climate Change
- Task Force on Climate-Related Financial Disclosures ("TCFD")



# MATERIALITY MATTERS

(cont'd)

MYEG's main approach in addressing climate change is based on TCFD's 4 pillars, which are:



Additionally, the Group is committed to further aligning its management approach towards setting up and accomplishing the relevant climate change Key Performance Indicators (KPIs). These include:

KPI	METRIC	RATIONALE
<b>Fuel Consumption Intensity</b>	Total direct fuel consumption (in litres) per annum / Group revenue per annum	Fuel consumption results in the production of vehicle emissions that include air pollutants and GHG which contribute to climate change. Any expansion of delivery fleets will be cognisant of the need to set KPIs to limit and monitor the overall fuel consumption, and at the same time, reduce MYEG's negative impact on the environment.
<b>Electricity Consumption intensity</b>	Total electricity consumption (in MWh) per annum excluding electricity generated from RE / revenue per annum	MYEG's primary source of energy consumption is electricity and that is why it is deemed the most material to the Group. By setting targets for electricity consumption and implementing energy efficiency initiatives, the Group can reduce the fossil fuels burned to generate electricity and limit GHG emissions.
<b>Scope One Emissions Intensity</b>	Emissions attributed to fuel consumption (Tonnes CO 2e) / revenue	By setting targets for Scope 1 emissions, the Group can collectively work towards reducing direct emissions from sources owned by the Group, which include emissions produced from our facilities and vehicles. Additionally, to minimise the risk from carbon pricing mechanism.
<b>Scope Two Emissions Intensity</b>	Emissions attributed to electricity consumption (Tonnes CO 2e) / revenue	By setting targets for Scope 2 emissions, MYEG can focus on reducing the indirect emissions produced by the Group. This involves forms of purchased energy. For MYEG, this would primarily involve electricity and also other indirect energy consumed by the Group.

The Group ultimately sees innovation as critical to unlocking solutions towards decarbonisation and therefore also aims to leverage on Web3 technologies as a key enabler towards realising a carbon-free future, not just in its own businesses, but at the wider national and global level as well.

# MATERIALITY MATTERS

(cont'd)

## ELECTRICITY CONSUMPTION

Energy data is measured based on the Group's electricity consumed from the grid. Electricity consumption remains the primary energy source consumed by the Group and hence, the most material in terms of cost and environmental impact.

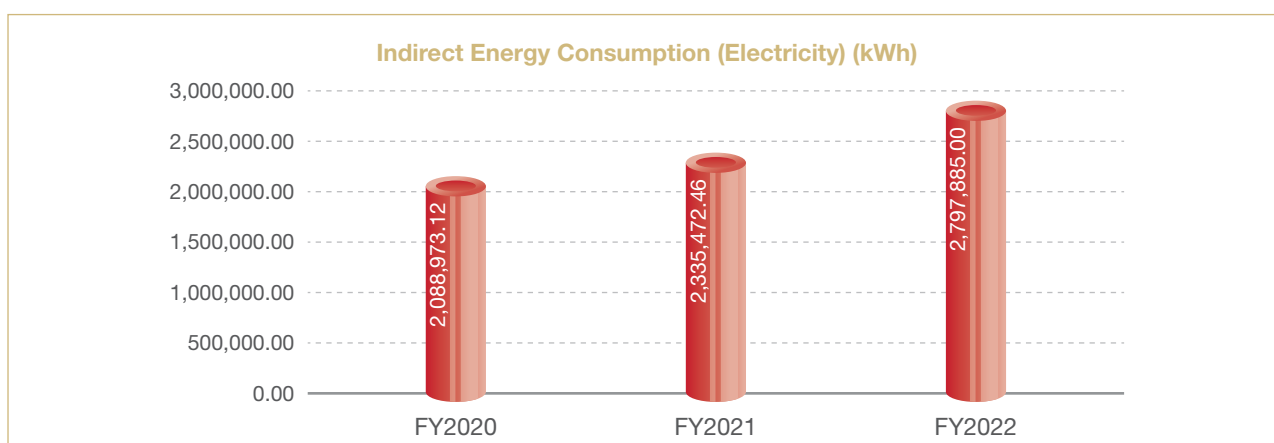
At present, the largest consumers of energy within the Group are its data centres. MYEG has in place various energy-efficient features at on-premises data centres within its servers and cooling systems that aim to reduce overall energy consumption.

The Group is committed to reducing electricity consumption as this is the primary source of energy consumed by the Group.

A wide range of measures are being introduced toward driving energy efficiency across the value chain. This includes introducing energy-saving measures/practices among staff, replacing lighting with LED-based variants, and more.

In developing a comprehensive approach to managing energy consumption, MYEG is studying the feasibility of adopting an energy management system or energy efficiency standards suitable for its industry and business model.

Other methods such as green technology initiatives, corrective maintenance work and thorough monitoring will be taking place to improve electricity consumption for the Group moving forward. The Group has also made use of natural lighting and other energy-efficient methods to help avoid excess carbon being produced.



In FY2022, MYEG's total electricity consumption was recorded at 2.8 million kWh.

Our full Statement of Commitment to Addressing Climate Change Risks and Impacts has further details on MYEG's electricity consumption impacts and related initiatives, which can be read under the "Sustainability" subsection at <https://www.myeg.com.my/investor-relations/governance>.

## RENEWABLE ENERGY

MYEG understands the potential renewable energy possesses in contributing towards the fight against climate change. By using renewable energy, it reduces the need for fossil fuels to be burned and released into the atmosphere, which reduces climate related impacts.

The Group is exploring the possibility of using solar panels to develop renewable energy. The electricity generated from this source can be used to power the Group's computers and to generate light in its offices.

Other methods that could be considered going forward, if feasible, include the use of e-vehicles as substitutes for conventional motorcycles.

In developing a comprehensive approach to manage energy consumption, MYEG is studying the feasibility of adopting an energy management system or energy efficiency standards suitable for its industry and business model.

MYEG's approach to potentially adopting renewable energy in the future will be consistent to further reduce our overall carbon emissions and embed sustainability throughout the organisation.

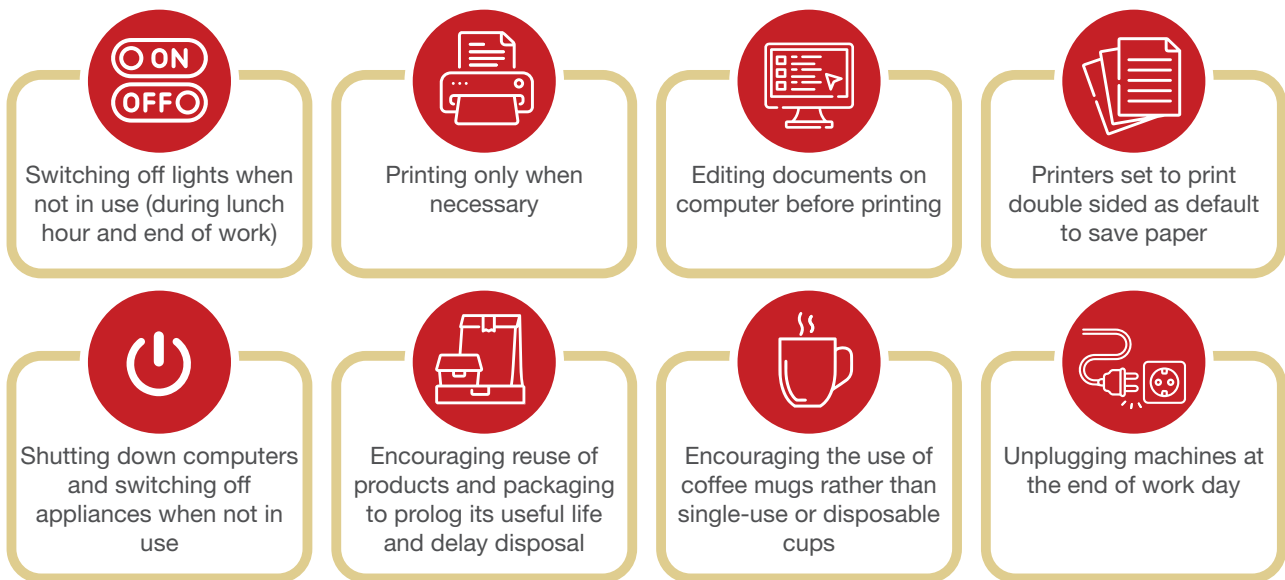
Please refer to our full Statement of Commitment to Addressing Climate Change Risks and Impacts for more details, which can be read under the "Sustainability" subsection at <https://www.myeg.com.my/investor-relations/governance>.

## MORE ENVIRONMENTAL FOOTPRINT MANAGEMENT INITIATIVES

The Group has established an Environmental Policy, along with a Waste Management and Recycling statement aimed at reducing MYEG's overall impact on the environment and promoting a more efficient use of resources without harming the environment.

The Policy displays the Group's commitment to managing our environmental footprint and provides a better understanding of the Group's approach to employees and stakeholders.

Our full Environmental Policy, together with Waste Management and Recycling Statement, can be downloaded from <https://www.myeg.com.my/investor-relations/governance>. The policy has been cascaded across our entire organisation, beginning at MYEG Tower to set the best practices standards. These policy measures include:



## WATER CONSUMPTION

Water is primarily consumed at MYEG office spaces, and we understand the importance of monitoring and mitigating our water consumption as part of our ESG-driven commitment to sustainability.

At a macro level, MYEG uses a chilled water system for its building's cooling mechanism, which enables the recirculation of water and reduces overall water consumption on a larger scale.

At an individual and focused level, employees are periodically reminded to turn off water-based appliances after usage and receive strong awareness on the importance of water conservation. We are exploring more water-saving initiatives to further reduce our water consumption, which will complement our currently adopted best practices on water management.

Regarding the cost of our water consumption, it is primarily lumped together with the rent of our office building and paid by the building's property management company. However, MYEG pays for water consumption on the Upper Ground floor of the office building, which has consumed approximately RM1,000 or 500m<sup>3</sup> of water annually for the past three years.

**Water Consumption (Upper Ground floor only)**

	2022	2021	2020
Total Cost (RM)	RM1,433.94	RM951.57	RM971.62
Total Consumption (m <sup>3</sup> )	596.26 m <sup>3</sup>	452.8 m <sup>3</sup>	457.7 m <sup>3</sup>

# MATERIALITY MATTERS

(cont'd)

## PAPER CONSUMPTION

As an online service provider, the Group's products and services can be accessed online, which eliminates the need for physical paper to be used.

Despite this, the Group still adheres to guidelines set in our Environmental Policy to manage its paper consumption. Employees play a big role in reducing paper consumption, and they are encouraged and reminded to use paper in an efficient manner, such as using double-sided printing and avoiding the use of paper cups in the workplace.

In addition, the Group has established green features at MYEG to reduce paper consumption, which includes the introduction of digital forms or e-forms for employees to use for administrative matters such as leave application, salary slip, claims, appraisal, material requisition and more.

Other notable green features include relying on digital signatures instead of physical signatures on documents for regular administrative operations, which reduce the need for printing, and relying on cloud services for information distribution and sharing instead of distributing printed copies.

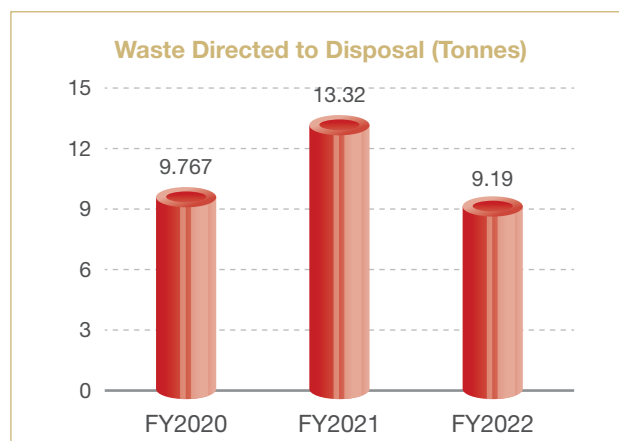
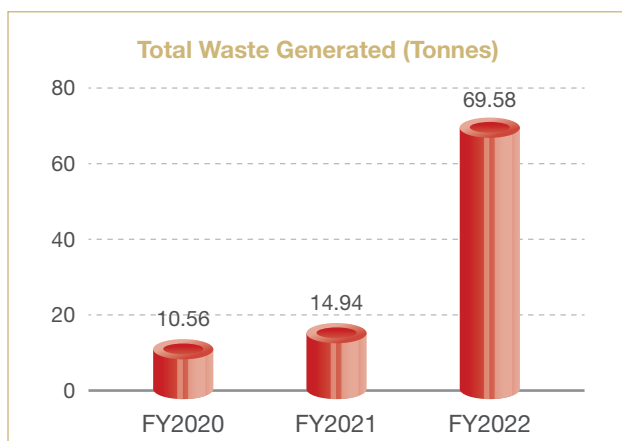
In FY2022, MYEG completed the allocation of 22 paper recycling collection points at MYEG offices and Tower. Each centre will be provided with a waste paper recycle bin. A shredder is provided for the disposal of waste papers that have sensitive data on them, and a designated vendor will collect waste paper from these centres on a monthly basis.

Going forward, MYEG will seek more ways to curb its paper usage as it systematically digitalises more facets of its organisation to enhance workflow and productivity.

## WASTE MANAGEMENT AND RECYCLING

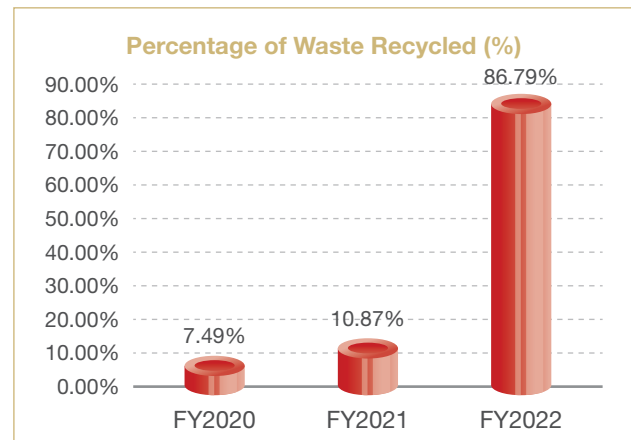
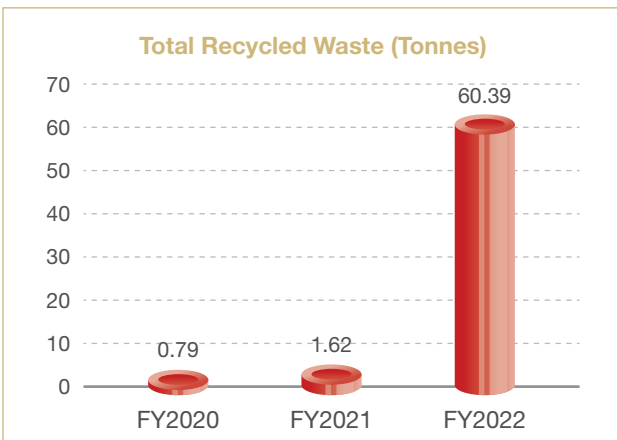
MYEG encourages waste management and recycling practices due to its positive impact on the environment. The main aim is to reduce our overall contribution to landfills, especially since it can release harmful greenhouse gases into the environment.

Here is the total waste generated as well as waste directed to disposal:



As mentioned earlier, the Group has established a Waste Management and Recycling Statement which provides clarity on the initiatives that the Group wishes to develop, including the recycling of materials such as glass, paper and plastic. Data captured on the recycling of waste over the last three years are as below.

Waste generated increased in FY2022 in line with increased activity and return of more employees to workplaces following the lifting of COVID-19 movement controls. Likewise, recycled waste recorded in FY2022 was also significantly higher in line with the increased waste generated as well as the lifting of COVID-19 restrictions, which allowed for such recycling activities to be undertaken, as compared with the previous years. In conjunction with the kiosk replacement exercise in September 2022, the disposal of 362 obsolete kiosks to be recycled, which totalled 46,683kg, also contributed to the sharp increase.



MYEG has also adopted the practice of sorting items upon the dismantling of sites in Klang Valley, our HQ and other regional areas to determine which materials could be potentially reused or recycled instead of being labelled as waste.

Reusable items, usually furniture and air condition systems, will be collected by the Internal Courier team and sent to HQ for restoration and redeployment. To be aligned with our sustainable practices, the Group will undertake regular review of the list of items and materials that could be upcycled.

Additionally, MYEG monitors its food waste throughout the office, as food is the main contributor to creating greenhouse gases as it decomposes. In order to reduce our food waste, food composting machines will be placed in the office where a limited weight of food waste can be deposited. We also designate bins for food waste, as this follows a similar idea to our recycling initiatives.

We remain committed to expanding our recycling policy and procedures in regards to recycling other types of wastes, which will be developed and suitably implemented in the future when feasible to do so. These may include recovering and recycling equipment and materials related to the Group's operations. The Group will continue to develop further policies that promote and cascade recycling of waste within our supply chain.

## E-WASTE

As mentioned earlier, MYEG is an online service provider that uses the latest technology and heavily utilises computers to provide products and services to customers. The latest technology is required to provide our customers with the best possible experience. This would mean constant upgrades to the technology we already have, and the disposal of older technology has to take place.

The problem arises when there is improper disposal of these old electronic devices, which can lead to hazardous components being leaked into the environment through landfills.

This is why MYEG ensures a structured and responsible disposal of damaged / non-usable electrical and electronic items. For example, parts of an old computer can easily be reused in another appliance instead of being thrown away.

From FY2020 to FY2022, we conducted the disposal of the following items to the recycling contractor:

	FY2020	FY2021	FY2022
Computer & Central Processing Unit (CPU)	1	0	79
Tablet	0	930	0
Accessories	120	221	633
Equipment	380	361	658
<b>Total</b>	<b>501</b>	<b>1,512</b>	<b>1,370</b>

MYEG is potentially considering joining e-waste recycling weeks that are set up by the Department of Environment to further its participation in recycling e-waste. Future e-waste solutions will be considered by the Board.

# MATERIALITY MATTERS

(cont'd)

## SOCIAL

### TALENT RETENTION AND DEVELOPMENT

Amidst a competitive market for talent, MYEG and for that matter, all industry players continue to compete for talent. Across the industry, there is an urgent need to recruit and retain high-calibre, competent professionals. MYEG firmly believes in investing in our talent and motivating our employees through the use of incentives to employees who have performed considerably well.

Throughout FY2022, MYEG had initiatives to help expand and develop the talent within the Group. Such initiatives include targeted internships and leadership training courses for top and middle management. A total of 19 team members attended our Transformation into an Effective Leader programme.

Our labour standards are kept to a high level through the various briefings, internal and external training and on-the job training. Our recruitment approach is two-pronged:

- Seeking to attract young individuals with industry-relevant experience
- Recruiting young talents from the nation's vast undergraduate pool through our internship programmes (such as our UUM graduate placement programme), which provides an avenue for successful candidates to join our workforce full-time

A total of 31 interns and 5 proteges were mentored in FY2022 (FY2021: 17 interns).

MYEG does not discriminate who it hires based on an individual's background, social status or education. MYEG is committed to providing opportunities to those from under-privileged backgrounds, poor social status, and a lack of formal education.

Appraisals are also conducted by the Group using a new system of e-Appraisal, which aimed to remove the difficulties brought by the previous EES portal system. The Group conducts these appraisals on a yearly basis.

In addition, the Group also has an internal employee rewards programme called The Abdullah Ahmad Awards, which recognises and appreciates excellence and individual performance.

In FY2022, we continued pursuing key programmes to substantially bolster efforts in internships, youth employment initiatives and graduate placements at the Group. One of these programmes is the Malaysia Short-Term Employment Programme ("**MySTEP**"), a Malaysian government initiative targeting short-term (contract) employment opportunities in various ministries, government agencies and government-linked companies. The government aims to create more employment opportunities and provide work experience to younger generation of workers in Malaysia to increase their marketability.

MYEG had 10 trainees participating in MySTEP in FY2022. Trainees who completed the programme and were deemed qualified became permanent team members upon completion of the training period. MYEG plans to continue participating in MySTEP in 2023, and increase the number of participants.

The other programme is the Professional Training and Education for Growing Entrepreneurs ("**PROTÉGÉ**"), with five participants in FY2022. PROTÉGÉ is an entrepreneurial and marketplace training programme aimed to nurturing the potential of youths in collaboration with industry experts. This programme aims to create more competitive and market-ready job seekers as well as skilled job seekers to meet current industry needs.



## HUMAN RIGHTS AND LABOUR STANDARDS

Human and labour rights are a vital part of MYEG's business operations. Recognising its importance, MYEG is guided by basic human rights principles and the Malaysian Employment Act (1955) and all other relevant labour laws of Malaysia. The Group subscribes to the International Labour Organisation ("ILO") and the Universal Declaration of Human Rights and also the UN Global Compact 10 Principles as follows:

- Human rights, labour, environment and anti-corruption
- UN Guiding Principles on Business and Human Rights
- International Labour Law
- Prohibiting child and forced labour
- Ensuring non-discrimination and equal opportunity
- Supporting a harassment-free and violence free workplace
- Prohibiting retaliation or any form of physical and mental disciplinary practice
- Respecting worker's right to freedom of association

Other policies we follow include the Human Rights Policy and Non-Discrimination and Equal Opportunity Employment Policies.

MYEG has implemented risk assessments for potential and new operations / projects, where risk factors are evaluated thoroughly. These factors include labour issues, employee conduct and many other factors that could affect both the financial and non-financial performance of MYEG.

At MYEG, we have a strict policy against any discrimination in the work place. Anyone found in breach of these policies will be severely punished for their actions, which may include warnings, suspensions, and in extreme cases, contract termination. This includes discrimination based on race, religion, disabilities, age, gender, background, nationality, pregnancy and any other potential discriminatory topics.

Discrimination has no place in our workplace environment and should definitely not impact one's ability to gain promotion or overall career progress. MYEG handles any complaints about discrimination with confidentiality and care, whilst also providing one-to-one coaching to supervisors and managers on how to respond to discriminatory acts.

All workers must be granted their basic human rights such as access to employee benefits, medical care, freedom of association and paid a fair wage. MYEG's whistleblowing mechanism functions as a grievance mechanism for any worker or party to whistleblow on any incident or non-compliance to human rights provisions.

MYEG keeps its employees updated on the latest policies by placing posters in common areas, updating the employee handbook, and sending any changes or updates on policies via e-mail. Digital communication channels, such as online briefings, trainings and communications, are also used to create awareness of bullying and harassment. The shift towards using these forms of communication was enacted since the COVID-19 pandemic and continues to be implemented alongside physical initiatives.

MYEG observes a clear zero-tolerance stance when it comes to these issues of bullying, harassment, and unacceptable behaviour and always does its best to prevent any cases from occurring.

Anyone found in breach of these policies will be severely punished for their actions, which may include warnings, suspensions, and in extreme cases, contract termination. Discrimination has no place in our workplace environment and should not impact one's ability to gain promotion or overall career progress.

MYEG believes that our approach to human rights should be shared by all levels of our supply chain. We would not continue business with anyone found to be lacking in any of these departments. All business associates are required to complete an acknowledgement and declaration form to demonstrate their agreement to comply with the Code of Business Ethics that MYEG has established.

Our Code of Business Ethics sets out the standards of ethical business practices and conduct that the Group expects from all business associates of the Group, including but not limited to service providers, suppliers, business partners, joint venture entities and partners, associate companies, distributors, consultants, contractors, agents, and any third-party performing services for or on behalf of the Group.

# MATERIALITY MATTERS

(cont'd)

MYEG respects the right to freedom of association in Malaysia and the right of collective bargaining. Both come under statutes of the ILO and the Universal Declaration of Human Rights. Employees are free to join any political body, trade association, NGO or religious / cultural group of their choosing so long as these groups are not illegal.

MYEG's employee handbook clearly outlines the rights and benefits that employees possess at MYEG. Translation of this handbook into Bahasa Malaysia was completed in FY2022. Other items such as Industrial Relations SOPs, Performance Improvement Plans, Warning Letters, Show Cause Letters and induction programmes are also in the midst of translation into Bahasa Malaysia.

Our management personnel have also undergone training when it comes to dealing with any reports made. In FY2022, 119 team members consisting of assistant managers, team leaders and assistant team leaders attended bullying and harassment training.

## GRIEVANCE MECHANISM

Management unequivocally supports employees' rights to flag any actions that involve harassment, bullying, human rights violation and breach of labour laws via MYEG's whistleblowing channel and policy.

Employees are neither censured nor discouraged from sharing their grievances. They may also do so collectively. All complaints will be thoroughly investigated. Unless required by law, the identities of complainants will be kept confidential.

In FY2022, zero cases were brought up through the grievance mechanism for human rights or labour standards violations. There have been zero reported infringements on the rights of any persons, adult or child, nor any incidence of forced or compulsory labour. Neither has there been any violation of human rights involving the rights of indigenous people at any time in the Company's history.

## HIRING AND ATTRITION RATES

MYEG hired a total of 435 new employees in FY2022, bringing our total employee count to 2,308 personnel as at 31 December 2022. We also take pride in hiring local talent, which is why only 1.4% of our workforce consists of foreigners at our Malaysian operations. Additionally, 5.4% of employees are contractors or temporary staff.

Our attrition rates remained healthy in FY2022 compared to industry peers, with 679 employees undergoing attrition largely due to the release of contract staff and role restructuring within the organisation to boost work efficiency.

Category	Resigned	Average Head Count	Attrition Rate* %
Managerial and above	34	191	17.80%
Executive and below	645	2,239	28.81%

\* Figures are derived from average headcount for the year.

- 1) For the "Managerial and above" category, 1 out of 34 resigned due to completion of project.
- 2) For the "Executive and below category", 91 out of 645 resigned due to completion of project.

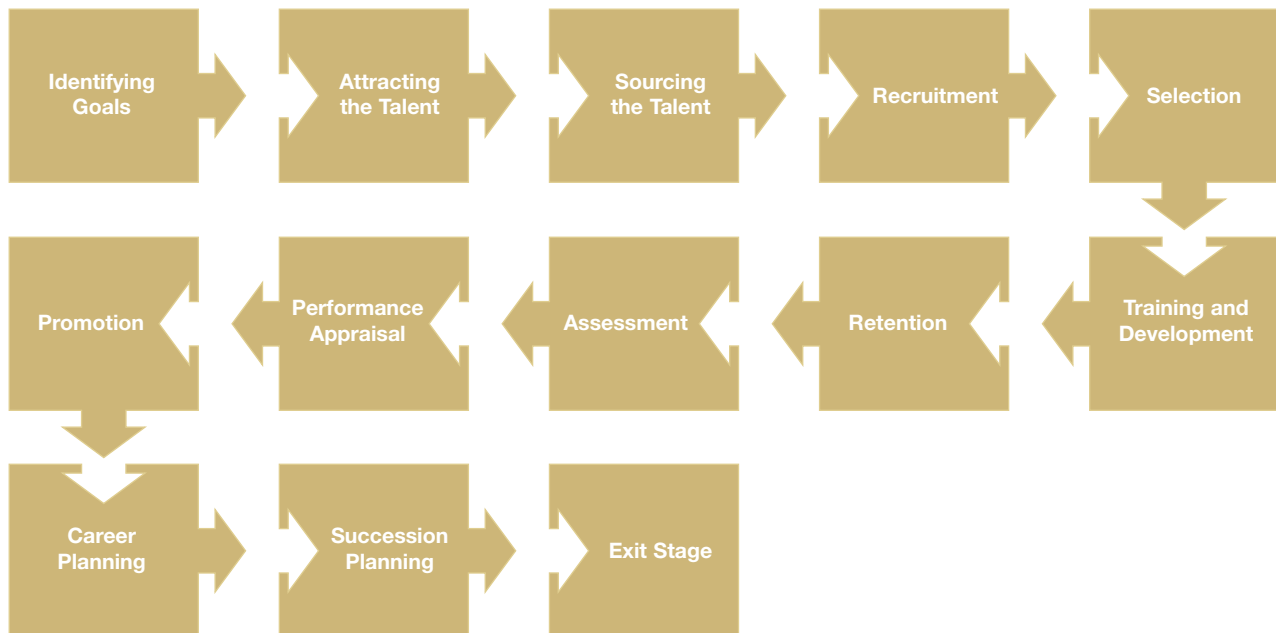
## TALENT TRAINING AND DEVELOPMENT

MYEG understands the importance of facilitating the continuous development of our staff through training, which is a key aspect of our approach to talent management.

Training is an effective means to develop employee competencies or support succession planning. It also serves to reinforce employee morale and satisfaction, reflecting MYEG's appreciation of its employees and how it is a strong supporter of its workforce's career advancement. MYEG's aims to address competency gaps in employees' skill sets through the trainings provided.

MYEG focuses on key aspects such as safety and health, nurturing positive relationships at work, building a high-performing team, handling conflicts and confrontations effectively, ethics and integrity, time management, and privacy and security.

MYEG has in place a carefully-crafted talent development process model in place to attain those aforementioned ambitions. Detailed here is our talent development process model:



**Identifying the goals** – To identify what the organisation aims to achieve, and what characteristics, qualifications and skills the recruits should possess to realise these goals.

**Attracting the talent** – To hire the best talent for the organisation. Organisations at this stage make an effort to attract the best and most talented candidates from the job market.

**Sourcing the talent** – The talent management personnel looks for appropriate sources in the job market or industries where the targeted candidates can be hired or recruited.

**Recruitment** – This is the first stage of hiring the best and most talented people for the organisation. Skilled and qualified candidates are invited to join the organisation.

**Selection** – This is the stage where the objective of talent management becomes a reality, as it is when the truly talented candidates are finally recruited or hired in various roles.

**Training and development** – At this stage, the selected recruits are provided with the necessary training to make them more productive and efficient in working towards the organisation's goals.

# MATERIALITY MATTERS

(cont'd)

**Retention** – The objective of talent management is not only hiring talent but also ensuring their retention in the organisation. The retention rate depends on factors such as attractive pay packages, job specifications, safety and security of the employees, personal development of an employee, recognition and culture of the organisation, as well as the compatibility between the job and respective talent.

**Assessment** – Periodical assessment of employees' skills, abilities, improvements and competencies enable the organisation to know if they are a proper fit for employment continuation and promotion.

**Performance appraisal** – It is a measurement of the actual performance of the employees in the job. It enables the organisation to ascertain if an employee can be granted extra responsibilities.

**Promotion** – It refers to job enrichment. It keeps the energy level of the employees high and inspire them to continue working for the organisation.

**Career planning** – If an employee is found befitting to handle work pressure and extra responsibilities well, the management needs to plan his / her career trajectory so that he or she feels elevated and rewarded. Such recognition and rewards inspire the employees to remain with the organisation for a long time.

**Succession planning** – This pertains to the replacement of employees within the organisation. Employees who have contributed their best to the organisation and have been serving for a long time deserves to hold higher positions within the company.

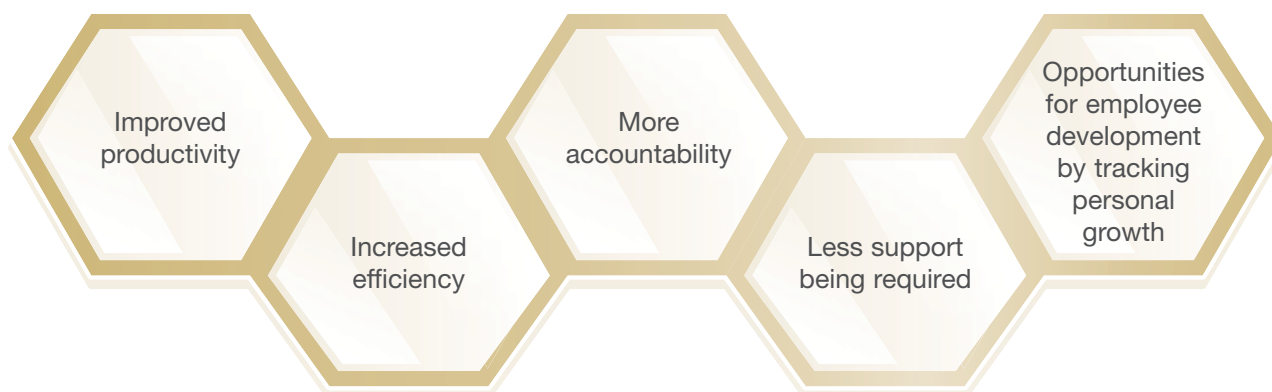
**Exit stage** – This is the final stage of the talent management process that ends in the retirement of the employees, and therefore they are no more a part of the organisation.

Shown here are the key highlights of MYEG's employee training and development in FY2022:



Analysis of training needs will take place and be measured through Employee Training Metrics to improve effectiveness of the trainings we provide.

MYEG conducts these trainings to add to our employees' skillsets with the hopes of getting a return on our investment, such as:



# MATERIALITY MATTERS

(cont'd)

Following is a complete list of FY2022 internal and external training programmes held:

- 01 MAICSA Annual Conference 2022 : Challenge the Challenging in Governance
- 02 JPJ Training (Other Services)
- 03 Team Members Induction Programme
- 04 Immigration Training
- 05 Live Chat - Customer Service
- 06 JPJ Training (Other Services)
- 07 Immigration Training
- 08 Penerangan Proses Kerja SOP Jabatan Percetakan dan Penghantaran
- 09 QA Score Sheet Training
- 10 Basic CPR Training
- 11 Safety & Health
- 12 Response Training
- 13 ICDM Board Risk Committee (BRC) Dialogue and Networking

# MATERIALITY MATTERS

(cont'd)

## STAFF BENEFITS AND REMUNERATION

MYEG continues to provide one of the most competitive remuneration packages and benefits in the country as part of its ongoing strategy to attract and retain good talent. Our wage structure carefully takes into account the respective qualifications, skills, experience and capabilities of the job role and talent to form a solid remuneration offer for our talent.

Besides wages, benefits of full-time MYEG employees include:

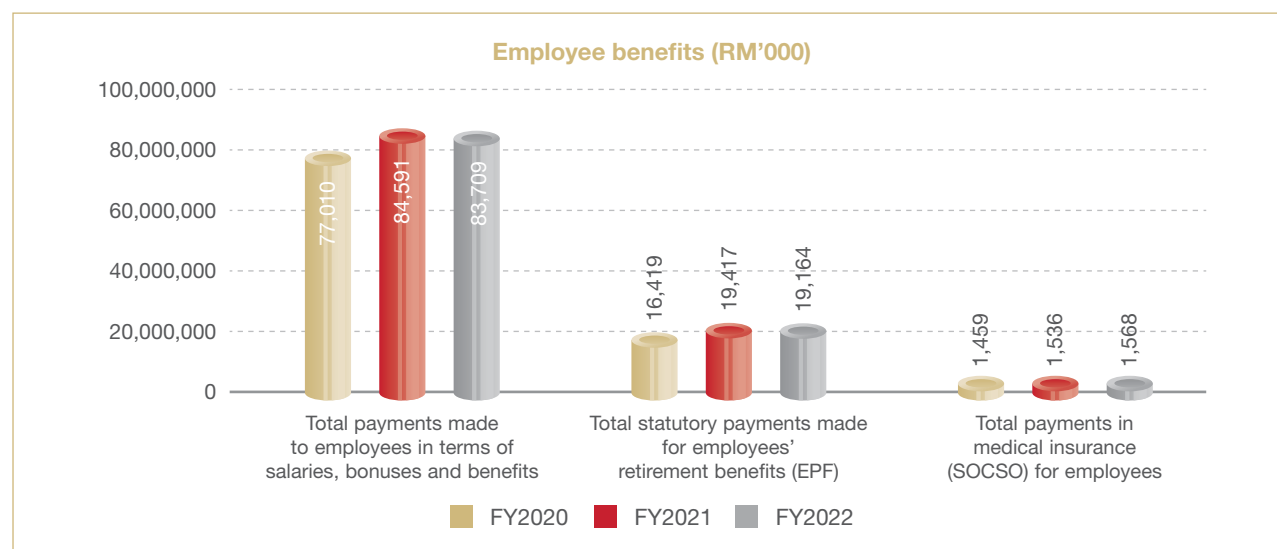


\*As stipulated by Labour Laws

The Group also continues to comply with the government-legislated minimum wage structure in all of our operating markets, and therefore affirms its observance of this basic human right for our employees.

No significant gender bias or discrimination affects our remuneration strategy, as noted by the narrow gaps of male and female employees' median salary in accordance with job category. This healthy gap in median salary differences between male and female employees is something MYEG will continue to champion going forward.

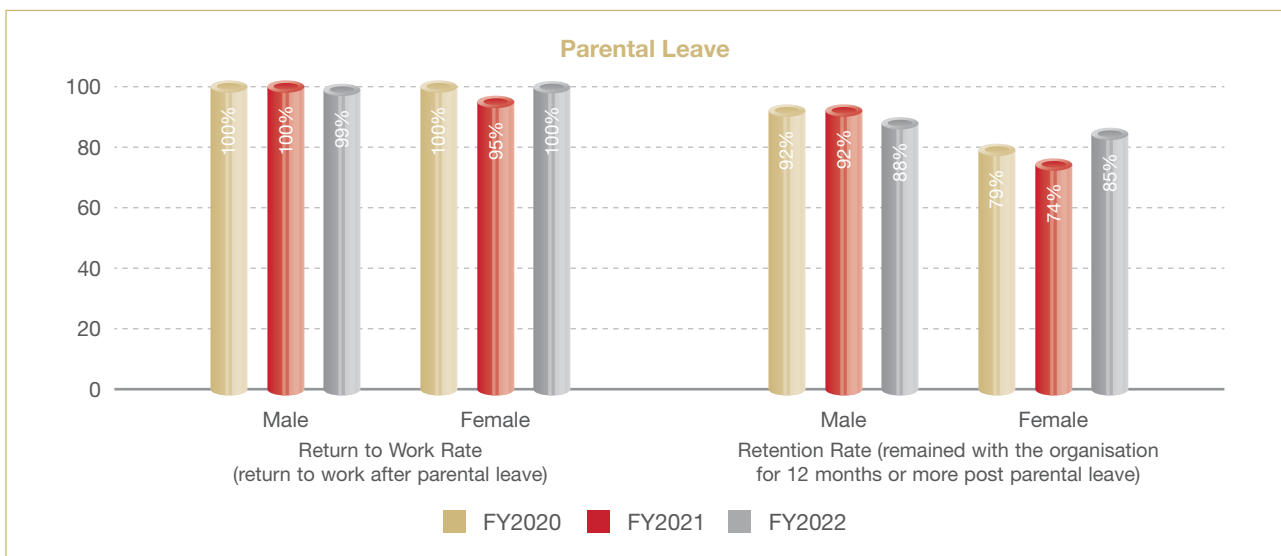
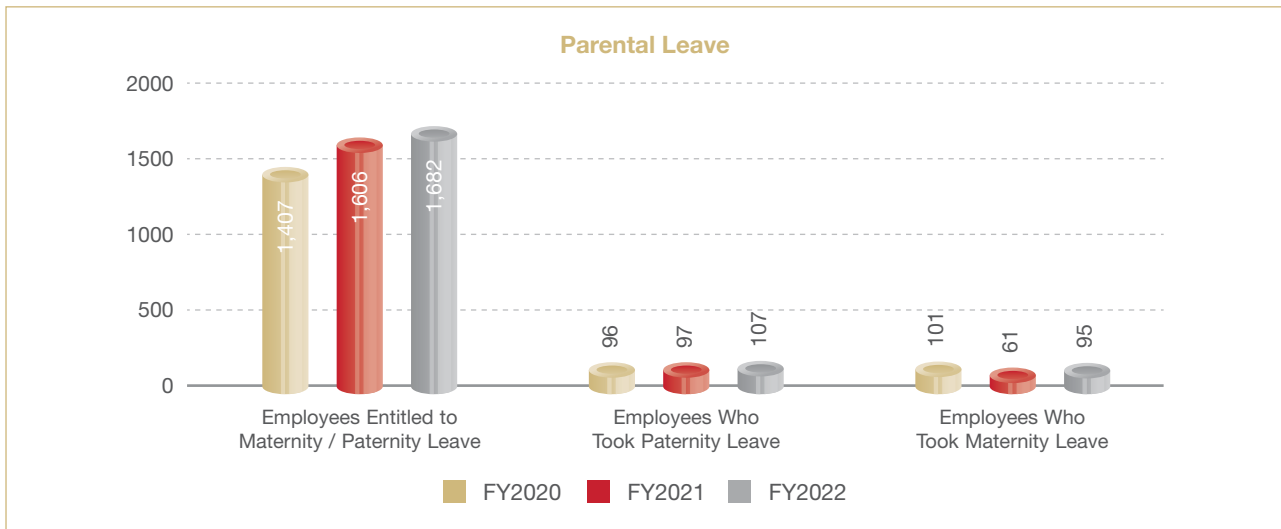
MYEG has in place a fair and competitive remuneration package for its employees, including contributions to EPF, SOCSO and other related monetary bonuses and benefits.





## PARENTAL LEAVE

Parental leave benefits are available to all eligible MYEG employees to aid in balancing their personal commitments with their professional work. Here are the number of maternity leave and paternity leave taken by MYEG employees in FY2022:



## SUCCESSION PLANNING

MYEG encourages healthy competition amongst our employees so they feel like they are constantly being challenged and can reach their maximum potential. The Group identifies top performers as individuals who possess certain characteristics that involve personal development and high productivity.

The top 5% of performers in each department are usually rewarded for their efforts by being given the opportunity to work in management positions.

MYEG's Succession Planning Programme ("SPP") helps prepare the Group in case a member of senior management or anyone deemed in a 'Critical Position' within MYEG vacates their position. Through this programme, suitable and qualified employees would be able to take on the vacant role.

# MATERIALITY MATTERS

(cont'd)

In order to decide which employees are involved in our succession planning process, MYEG looks at the scores of individuals in the annual performance review. The Head of Department will evaluate and review these scores and identify the top performers of the respective departments. There are 14 positions identified as Critical Positions and required to be part of the SPP, which are shown below:

Job Position	Number of Positions
Divisional Heads and Above	4
Project Heads	2
Business Unit Heads	2
Function Heads and Regional Heads	6

This list is subject to change and will be reviewed annually.

The potential successors for SPP are to be selected from the following pool of talent in the Group:

- Natural successor, i.e. immediate subordinate of a critical position; or
- Top 5% performers within the team, based on the performance appraisal; or
- Team members identified by top management with the right traits and characteristics for Critical Positions

To monitor the effectiveness of the SPP, the following will be conducted:

- Half yearly Self-Assessment reports by the potential successors; and
- The incumbents are also to provide yearly assessments on the readiness of the potential successors

There will be no set timeline or target completion date for the SPP for the Critical Positions. However, if the management finds the progress to be unsatisfactory, HR will be required to step in to ensure the smooth running of the SPP. With this opportunity comes specific leadership training programmes that ensure our leaders have the necessary required skills.

Leadership roles require a high level of responsibility at MYEG, as these are the people who guide many decisions within the organisation. Our whole process of placing people in management positions shows how the Group maintains a high level of performers in important roles within the Group. Whilst most of Senior Management are local, all of them possess exceptional talent that ensures the sustainability of MYEG's future.

## EMPLOYEE ENGAGEMENT

Employee engagement remains an important communication and interaction tool for MYEG to constantly enhance the relationship between employees and managers.

The easing of movement restrictions and reopening of economic sectors in FY2022 allowed MYEG's employee engagement efforts to be carried out more frequently and smoothly than before.

The following employee engagement activities were carried out in FY2022:

- Scheduled monthly onboarding / orientation
- Scheduled monthly training for employees
- Blood donation campaign
- Visitation to employees that are under prolonged illness and warded
- Visitation to family members (in the case of a deceased employee)

## WORKFORCE INCLUSIVITY AND DIVERSITY

Diversity and equal opportunity are cornerstones of MYEG's approach to talent management. The Group values diversity as it enables the development of multiple and varied perspectives and experiences, which leads to richer and more insightful decision making.

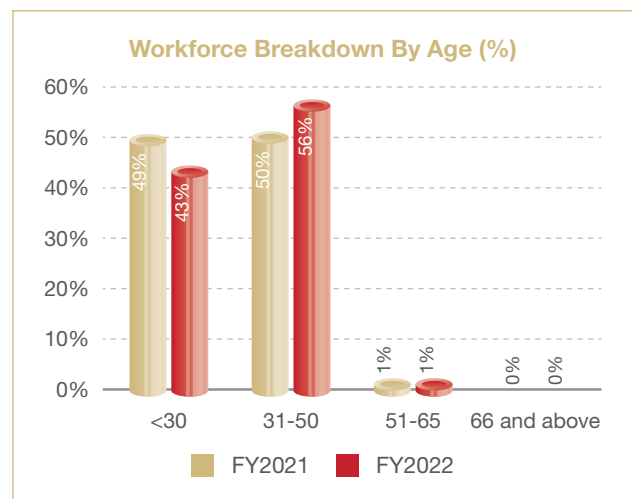
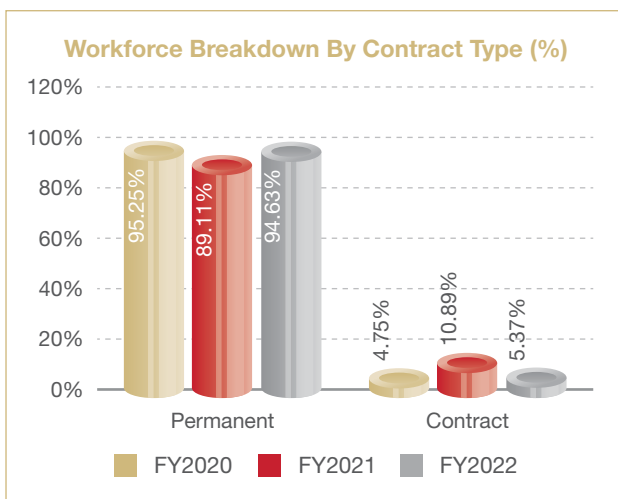
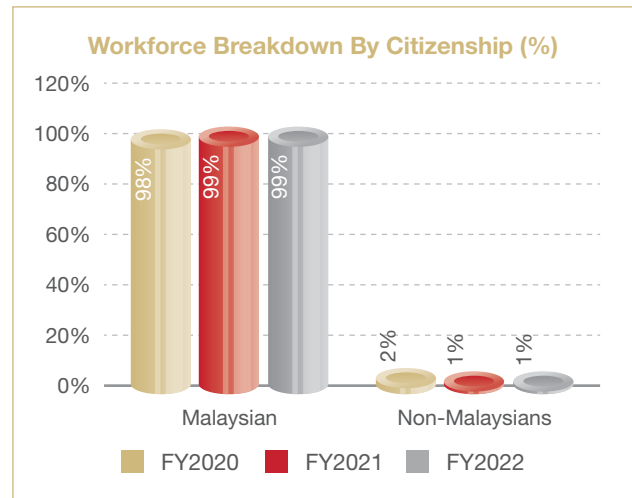
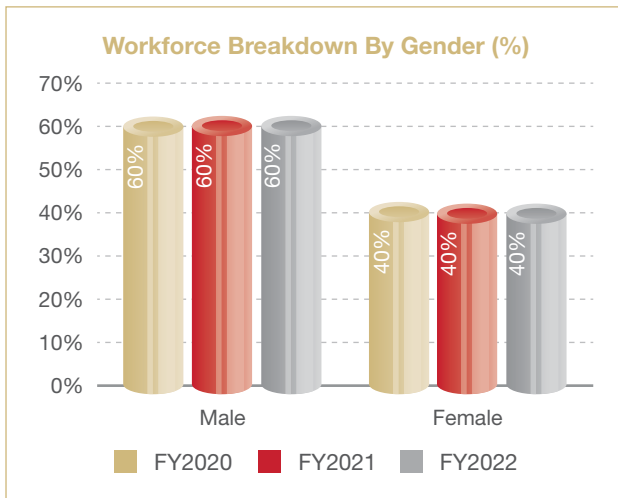
Championing diversity also ensures that marginalised and under-represented groups have access to employment opportunities.

Within our recruitment process, we strictly adhere to a Non-discrimination and Equal Employment Opportunity Policy. We aim to represent all values and cultures within the Group and maintain our core hiring principles, ensuring that no forms of discrimination or bias are present.

MYEG has several initiatives in place to help promote diversity and inclusivity within the working environment:

- Encouraging the celebration of cultural holidays and reminding employees to be respectful of all cultural beliefs by send e-mails regarding cultural holidays.
- Fostering mutual respect amongst MYEG employees regarding their diverse ethnicity by creating a working environment in which everyone feels welcomed, impartially treated and fully supported to achieve their best.
- Ensuring diversity and inclusivity is achieved through the Group's appraisal procedures.
- Recruiting employees who have disabilities and providing them with equal opportunities, catering to their needs wherever possible. This includes work-from-home (WFH) arrangements, disabled parking spots and easy access to elevators.

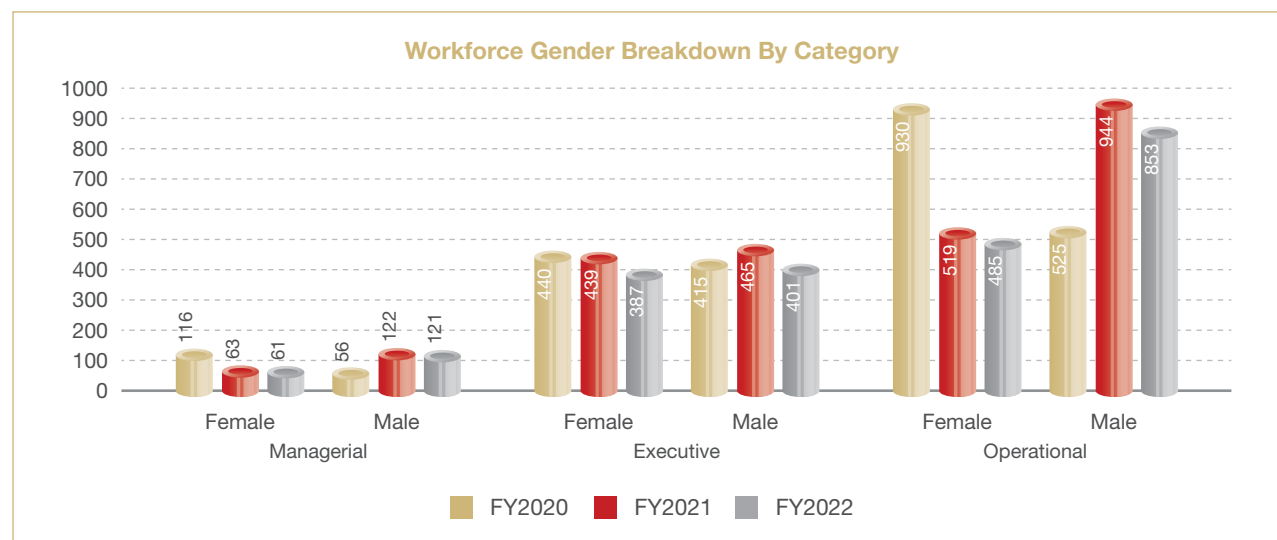
The following constitutes our workforce breakdown by gender, citizenship, contract type, age and job category:



Note : Data not available in FY2020

# MATERIALITY MATTERS

(cont'd)



## OCCUPATIONAL SAFETY AND HEALTH

MYEG aims to always provide a safe and secure work environment to ensure the well-being of our employees, suppliers, contractors and any other relevant stakeholders who play a role in our business operations.

Having excellent occupational safety and health (“**OSH**”) performance is crucial to the Group for various reasons. OSH incidents such as accidents can cause serious disruption to ongoing works, causing delays in progress or damages that incur additional costs.

Besides the value creation aspects, what is most important to MYEG is being a responsible corporate citizen and avoiding any incidents that could lead to injuries or death. MYEG wishes to do everything in our power to avoid such tragedies that could impact families and our society.

MYEG’s OSH standards strictly abide by the Occupational Safety & Health Act (“**OSHA**”) 1994. Responsibility for MYEG’s OSH at the Board level comes under the Group’s Managing Director. Health and Safety data are collected in compliance with OSHA standards for industry benchmarking purposes.

With the nation entering the endemic phase of the COVID-19 pandemic scenario, any implemented SOPs that helped MYEG significantly minimise, control and prevent any COVID-19 infections and risk of infection in the workplace have been reduced or removed.

MYEG will continue to adhere to certain protocols and best practices regarding workplace safety, health and well-being related to COVID-19 if and when necessary. Any COVID-19 positive cases reported from MYEG’s employees will be immediately handled to mitigate the situation and ensure that no further viral spread affects other employees or our customers.

In regard to general health and safety, all employees are represented by a formal joint management-worker Health and Safety Employee Committee (“**HSEC**”). This HSEC focuses on concerns such as mental health, accidents, harassments, and bullying.

The HSEC consists of 18 members from the Group’s management to represent the employer and 22 staff representatives to provide various points of view on employee health and safety measures, in compliance with OSHA requirements and the Group’s OSH Policy.

The aim of this HSEC is to assess any safety risks in MYEG’s operations, both present and future, while also providing counsel to the Board regarding overall management.

The HSEC members are provided with refresher courses on OSHA to ensure that they remain knowledgeable and updated on health and safety procedures and requirements.

In FY2022, several meetings were held where measures to further reinforce our compliance to OSHA and the Group's health and safety policy were discussed. The topics of these meetings were:

- 1) Safety Training
- 2) Reducing Slips, Trips, and Falls
- 3) Mental Health and Stress at the Workplace
- 4) Fire Safety
- 5) Reporting Accidents
- 6) First Aid
- 7) Workplace Ergonomics
- 8) Workplace Violence and Harassment
- 9) Drugs on the Job
- 10) Communications Issues and Safety - Workplace health and safety

The following initiatives have been developed as a result of these meetings:

- Regular training and briefings on safety were organised for employees, and posters on safety and health were placed, as well as reminders on safety and health via social media to help employers protect workers against injuries and illnesses.
- Health and safety inspections, near-miss reporting, health and safety culture, training achievements, good housekeeping, and following the correct procedures are assessed and reported.
- All incidents must be investigated as soon as possible. Those assigned to conduct incident investigations should be competent. Employees and their representatives should participate for the benefit of the investigation.
- The results of such investigations should be communicated to the safety and health committee, where it exists, and the committee should make appropriate recommendations.
- The person in charge will notified and informed to take corrective action(s) based on the recommendation. The corrective action(s) resulting from such investigations should be implemented and verified as recommended.
- All work-related fatalities, injuries, disabilities, ill health, diseases and near misses shall be notified to the employer and/or relevant authorities in accordance with national laws for them to be investigated by the company.
- These SOPs also remain a timely complement to our Safety and Health Policy which sets guidelines, protocols, and best practices regarding workplace safety, health and well-being.

For FY2022, trainings that took place involving health and safety are as below:



The Group's training budget for OSH-related initiatives in FY2022 was RM10,000 for OSHA training, and RM22,000 for Emergency Response Training ("ERT") training.

MYEG always aims to reduce workplace injuries by improving our health and safety procedures, while also creating awareness on harassment and bullying in the workplace. We also target to review the current relevant policies / programmes concerning health and safety, OSHA and harassment / bullying to prevent future occurrences.

For more details on our commitment to the safety and health of our employees, please refer to our Safety and Health Policy at <https://www.myeg.com.my/investor-relations/governance>.

# MATERIALITY MATTERS

(cont'd)

## EMPLOYEE MENTAL HEALTH

Although the pandemic's restrictions have lifted and people can interact more freely now, MYEG continued its efforts in boosting positive mental health among employees in 2022. Mental health is treated as just as important as physical well-being. However, as the company continued to observe strict COVID-19 SOPs, we did not conduct activities such as games and team building sessions.

The Group had replaced these activities with providing a "quote of the day" as well as disseminating news clippings / articles on mental health awareness to employees to motivate, boost morale and create a channel for staff to ease their frustration garnered from work stress, customer complaints, irregular working hours and more. We also continued to rely on robust digital communication platforms such as Zoom, WhatsApp and e-mails when needed, alongside physical channels, to propagate these mental health initiatives across the organisation.

## COMMUNITY INITIATIVES

MYEG remains committed to upholding our corporate social responsibility ("CSR") since it benefits the community by providing a wide range of financial and non-financial support to various charitable causes and community programmes. KomunitiMYEG, which is the company's CSR arm, comprises employees who volunteer their time in CSR efforts.

Through community initiatives, MYEG is also able to increase its exposure to the local community and improve its brand awareness. By solidifying ourselves as a company that firmly believes in investing within the community, stronger bonds can be made with the people in the community, which could lead to higher usage of our platform.

The local community has allowed MYEG to become the company it is today and their usage of our products and services are vital for our operations. The Group will do its best to help the community through our focus on welfare, socioeconomic factors and children's rights.

MYEG wishes to keep a close contact with the community and make communication between MYEG and the community as easy as possible. The Group can be contacted through email and phone call, while also being available on social media platforms such as Facebook, Twitter, Instagram, LinkedIn and YouTube.

Any issues that need to be raised regarding our services, business practices, operations and even employee conduct are open for discussion. We aim to be as transparent as possible with our community, and will try our best to deal with any potential concerns.

Information on some of our community activities in FY2022 are as follows:

### Workplace

#### Blood Donation Campaign (31.1.2022)

The Industrial Relations ("IR") department launched its 2022 CSR program by organising a blood donation campaign at MYEG Tower, marking the sixth year of its partnership with Pusat Darah Negara.





## Community

### Distribution of necessities and cash to the flood victims of Sekolah Menengah Seksyen 11, Shah Alam (8.2.2022) - Students and staff of Sekolah Menengah Seksyen 11, Shah Alam who were badly affected by the flood

Komuniti MYEG donated cash and necessities such as food and diapers to Persatuan Ibu Bapa & Guru SMK Seksyen 11, Shah Alam (also known as Sekolah Sukan Negeri Selangor (SSNS) in aid of 40 staff members and students affected by the flood.



## Community



### Donation of food supplies from BELI to Madrasah Darul Tah'fiz Al-Ain Rohingya for Ramadhan (6.4.2022) - 40 students, 5 staff and 8 Rohingya families from Madrasah Al-Ain Rohingya, Kuala Langat

Komuniti MYEG provided groceries from BELI to Madrasah Al-Ain Rohingya in Kuala Langat, in support of 40 students, 5 staff, and 8 Rohingya families in preparation for the upcoming Ramadhan.

## Community

### Easing Their Cost of Living (19.7.2022) - Single father and 10-year-old daughter

The Komuniti MYEG team visited Mr Wong, a single-parent and stroke patient, and his 10-year-old daughter Suki, who does not have Malaysian citizenship. Upon Mr Wong's request, the team settled his outstanding utility bill.



# MATERIALITY MATTERS

(cont'd)

## Community

### Malaysia Day with Pusat Penjagaan Kanak-Kanak Cacat Taman Megah (PPKKCTM) (15.9.2022) - Underprivileged special kids

In conjunction with Hari Malaysia, Komuniti MYEG visited the underprivileged special kids at Pusat Penjagaan Kanak-Kanak Cacat Taman Megah to distribute goodie bags and groceries from BELI.



## Workplace



### 2nd Blood Donation Campaign for MYEG staff (20.9.2022) - MYEG staff

The IR Department and Pusat Darah Negara organised a second blood donation campaign at MYEG Tower, which was well attended by MYEG staff from various departments.

## Community

### Christmas celebration at Trinity Community Children's Home Society, Petaling Jaya (21.12.2022) - Underprivileged kids from Catholic homes

To end the year on a merry note, Komuniti MYEG celebrated an early Christmas with the kids from Trinity Community Children's Home Society, Petaling Jaya. We distributed Christmas-themed goodie bags and boxes of groceries from BELI so they would get to enjoy many more delicious meals beyond Christmas eve!



# CORPORATE GOVERNANCE OVERVIEW

## INTRODUCTION

The Board recognises the importance of corporate governance and is committed to ensure that the principles and best practices in corporate governance as set out in the Malaysian Code on Corporate Governance 2011 (“MCCG”) and Corporate Governance Guide (4th Edition) are observed and practised throughout the Group so that the affairs of the Group are conducted with integrity and professionalism, in compliance with the law, regulatory requirements and rules, and ethically with the objective of safeguarding shareholders’ investment and ultimately enhancing shareholders’ value as well as sustainable development.

This Corporate Governance Overview (“CG Overview”) outlines the following principles and recommendations which the Group has comprehended and applied with the best practices outlined in the MCCG:

- Board Leadership and Effectiveness
- Effective Audit and Risk Management
- Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders

This CG Overview is prepared in compliance with the Main Market Listing Requirements of Bursa Securities (“MMLR of Bursa Securities”) and it is meant to be read together with the Corporate Governance Statement and Corporate Governance Report. The Corporate Governance Report provides details on how the Group has applied each practice as set out in the MCCG for the financial year ended 31 December 2022 (“FY2022”), a copy of which is available on the Group’s website: [www.myeg.com.my/investor-relations/reports-presentations](http://www.myeg.com.my/investor-relations/reports-presentations) as well as via an announcement on Bursa Securities’ website.

The Board will continue to take measures to improve compliance with the principles and recommended best practices along with our course of business.

## PRINCIPAL A: BOARD LEADERSHIP AND EFFECTIVENESS

### I. BOARD RESPONSIBILITIES

The Board is responsible for providing effective stewardship and determining the strategic direction of the Group, as well as ensuring control over the Company’s operation. The Board exercises this control through the use of a governance framework, effective delegation, risk management, and a system of assurances regarding financial reporting and internal controls. The Board is accountable to its shareholders and other stakeholders, including employees, business associates, communities, and the Government.

Each Director has a duty to act in good faith and in the best interest of the Company. The Board follows the Board Charter, a document that outlines the Board’s authority, responsibilities, and operations, in guiding its actions or roles and ensure effective discharge of its responsibilities.

During FY2022, the Board considered and discussed a wide range of matters, including strategic decisions and risk management in the business. The Board recognizes that the decisions made for the Group’s benefit would affect various stakeholders. While the Board aimed to make fair and consistent decisions that aligned with the Group’s values, it also recognised the importance of balancing these decisions with the need to support the Company’s long-term future business.

# CORPORATE GOVERNANCE OVERVIEW

(cont'd)

## PRINCIPAL A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

### I. BOARD RESPONSIBILITIES (CONT'D)

In order to ensure the efficient and effective discharge of the Board's functions and responsibilities, the Board has established various Board Committees. These Board Committees are delegated specific powers from the Board, as outlined below:



The Board Committees operate under clearly defined roles and responsibilities to assist the Board in overseeing the Company's affairs and deliberating issues within their respective functions and Terms of Reference, which are available on the Company's website. The Board Committees have the authority to deal with specific issues, and the Chairman of each Board Committee reports directly to the Board on the outcome of their meetings for the Board's consideration and final decision. The Independent Non-Executive Directors in these Committees provide independent advice, bringing impartiality, and scrutiny to Board's deliberations and decision-making.

The Board has established a formal schedule of matters reserved for deliberation to ensure good governance practices are in place for the Group. These matters include:

- Conflict of interest issues in relation to a substantial shareholder or a Director including approving related party transactions
- Material acquisition and disposal of assets not in the ordinary course of business including significant capital expenditures
- Strategic investments, mergers and acquisitions, and corporate exercises
- Limits of authority
- Treasury policies
- Risk management policies
- Key human resource issues
- Business plans

## PRINCIPAL A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

### II. BOARD COMPOSITION

The composition of the Board reflects the requirements of the MCCG and the MMLR of Bursa Securities, with a majority of Independent Directors. The Board acknowledges the importance of diversity in enabling a range of perspectives to be considered and facilitates the making of informed decisions and the stewardship of MYEG. The Board also recognises the need to evolve strategically as a dynamic Board in accordance with the strategic direction of the Company. Hence, the Board is actively reviewing its composition to ensure a right balance of independence and diversity to effectively discharge its collective responsibilities and to implement the necessary succession plans.

The Board recognises the benefits of having a diverse Board with a mix of age, ethnicity, gender, and cultural and geographical backgrounds, providing a competitive advantage by leveraging different perspectives, experience, and expertise required to achieve effective stewardship and management.

In evaluating the suitability of individual Board members, the Nomination Committee (“**NC**”) considers several factors such as skills, knowledge, expertise, experience, professionalism and time commitment to effectively discharge his/her roles as a Director, contributions, background, character, integrity and competence. In the case of candidates for the position of Independent Non-Executive Directors, the NC will evaluate the candidates’ ability to discharge their responsibilities and bring in their independent judgement, to provide constructive challenge, strategic guidance, offer specialist advice, and impartiality. The tenure of each Director will also be reviewed by the NC and annual re-election of a director will be contingent on satisfactory evaluation of the Director’s performance and contribution to the Board.

The Board evaluates each individual in the context of the Board as a whole. The ultimate objective is to recommend a team which can best perpetuate the success of the Group’s businesses and represent shareholders’ interests through the exercise of sound judgement.

The Board has no specific policy on setting targets on female candidates to be appointed to the Board. During the year, the total number of female Directors is two (2), representing an approximately 30% of women representation on the board. The Board believes that its current composition possesses necessary knowledge, experience, diverse range of skills, and competence to discharge their duties and responsibilities effectively. Moving forward, the Board, being in line with the national target of having 30% women on the boards of listed issuers, will maintain a register of potential directors which includes high-calibre female candidates to be appointed when the need arises.

The Non-Executive Directors are free from management obligations and any relationships that could materially interfere with the exercise of their independent judgement. This provides an effective check and balance in the functioning of the Board where all matters are reviewed with balance and fairness, to ensure the needs and interests of the Company are met.

### III. REMUNERATION

The Board has put in place a Directors and Senior Management’s Remuneration Policy, which is clear, transparent, and designed to support and drive business strategy and long-term objectives of the Group. In this regard, the Remuneration Committee (“**RC**”) is responsible for formulating and reviewing the remuneration policies for the Directors of the Group to ensure that it remains competitive, appropriate, and in line with the prevailing market practices. The RC considers various factors, such as market benchmarks, company performance, individual performance, and other relevant criteria to make fair and informed remuneration decisions.

The Board carries out a remuneration review for all its employees, including Senior Management, to ensure that the Group continues to retain and attract the right talent in the industry. The proposed salary structure, which is duly considered by the RC, is brought to the Board for approval and implementation.

For further details on how the Board operates effectively and discharges its collective responsibility for the long-term sustainable success of the Group, please refer to the Corporate Governance Statement set out from pages 116 to 132 of this Annual Report.



# CORPORATE GOVERNANCE OVERVIEW

(cont'd)

## PRINCIPAL B: EFFECTIVE AUDIT AND RISK MANAGEMENT

### I. AUDIT COMMITTEE

The AC plays a key role in ensuring the integrity and transparency of corporate reporting. It comprises two (2) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director who provide assurance to the Board that robust risk management, internal controls and assurance processes are in place. The AC's primary responsibility is to review and where necessary, to challenge Management to ensure that appropriate disclosures of accounting treatment and accounting policies are made. Additionally, it monitors the potential risks of the Group and ensures that mitigating measures are in place to safeguard the health, safety and business continuity of the Group.

During the FY2022, the AC, with the assistance of the internal audit function, undertook a thorough review of various areas within the Group to ensure that appropriate controls and effective management processes are in place. These areas included:

- (a) Operation Management (ESC);
- (b) Project Department;
- (c) Operation Department (HQ and Logistic);
- (d) Customer Complaint Management; and
- (e) Management of Information System.

The composition of the AC is reviewed annually by the NC and recommended to the Board for approval. The Board is satisfied with the performance of the AC in discharging its responsibilities, based on the results of the evaluation undertaken during the year.

For further details on the activities undertaken by the AC, please refer to the AC Report set out on pages 133 to 135 of this Annual Report.

### II. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

Risk management is a critical component of good management practice and effective corporate governance. Our Risk Management Policy ensures that the Board's decision-making is supported by sufficient information for the right discussions and considerations. The enhanced level of risk debate and greater involvement from Management is critical in ensuring that appropriate monitoring and mitigations are embedded to support the proposals under discussion.

The Board fulfils its responsibilities in the risk governance and oversight functions through its Risk Management Committee ("**RMC**"), which manages the overall risk exposure of the Group. In addition to reviewing the adequacy and effectiveness of the internal control system of the Group, the RMC also assesses and monitors the efficacy of the risk management and controls.

The Board is committed to driving a proactive risk management approach and ensuring that the Group's employees have a good understanding of the application of risk management principles, in order to cultivate a sustainable risk management culture. The Board will continue to challenge the Group's risk reporting mechanism and ensure that it is data-driven to capture and quantify exposures where applicable and necessary.

The Board is confident that the system of internal control and risk management in place during the FY2022 is sound and sufficient to safeguard the Group's assets, as well as shareholders' investments and the interest of its stakeholders. The details of the Risk Management and Internal Control Framework can be obtained in the Risk Management and Internal Control Statement set out from pages 136 to 138 of this IAR2022.



# CORPORATE GOVERNANCE OVERVIEW

(cont'd)

## PRINCIPAL C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

### I. COMMUNICATION WITH STAKEHOLDERS

The Group recognises the importance of stakeholders engagement leading to the long-term sustainability of its businesses. As a responsible corporate citizen, the Group must interact with stakeholders and also acknowledge the potential impact of its operations may have on a wide range of stakeholders. For an engagement to be constructive and meaningful, each matter considered by the Board ought to be in the context of the relevant economic, social, and environmental factors. The Group has heightened its engagement efforts with stakeholders by engaging with analysts, fund managers and shareholders, both locally and overseas, upon request.

MYEG has embarked on integrated reporting since financial year 2019 and had continued to improve and strengthen its disclosures in accordance to the principles based Integrated Reporting framework comprising the six capitals, seven guiding principles and eight content elements.

### II. CONDUCT OF GENERAL MEETINGS

The Group's Annual General Meeting ("AGM") is an important means of communicating with its shareholders. To ensure effective participation and engagement with the shareholders at the AGM of the Group, all members of the Board would be present at the meeting to respond to questions raised by shareholders and proxies. The Chairman of the Board presides over the AGM in an orderly manner and encourages the shareholders and proxies to speak at the meeting. The overall performance of the Group would be presented at the meeting.

In line with good governance practices, the notice of the AGM would be issued at least 28 days before the AGM date, and voting at the AGM is conducted through an electronic polling system. The Twenty-First (21st) AGM of the Company was conducted entirely through live streaming and online remote voting using Remote Participation and Voting facilities. The Group will continue to leverage on the use of technology, to enhance the quality of engagement with its shareholders to facilitate further participations by shareholders at the general meetings of the Group.

### PRELUDE

The following pages cover the Board, its role, performance and oversight. Details on the Board's activities and discussions during the financial year along with the actions arising from these and the progress made, are provided. In addition, insights on director independence, evaluation on the effectiveness of our Board, succession planning and other on-going developments, are also provided.

# CORPORATE GOVERNANCE STATEMENT

The Board recognises the importance of corporate governance and is committed to ensure that the principles and best practices in corporate governance as set out in the MCCG and Corporate Governance Guide (4th Edition) are observed and practised throughout the Group. This is to ensure that the affairs of the Group are conducted with integrity and professionalism, in compliance with the law, regulatory requirements and rules, and ethically with the objective of safeguarding shareholders' investment and ultimately enhancing shareholders' value as well as sustainable development.

The Board recognises that having a strong corporate governance framework is essential for driving financial performance and delivering long-term and sustainable value to shareholders. In this regard, the Board has complied with MCCG and all relevant laws and regulations related to corporate governance. This Corporate Governance Statement ("**CG Statement**") outlines the commitment of the Board to ethical behaviour and transparency in all aspects of the Group's business strategy, operations, and corporate culture, with the goal of achieving sustainable growth, fostering stakeholder trust, and enhancing the Group's reputation as a responsible corporate citizen.

The Board is pleased to provide the following CG Statement on how the Group has adopted and applied the principles and complied with the best practices outlined in the MCCG and Paragraph 15.25 of the MMLR of Bursa Securities.

## A. BOARD LEADERSHIP AND EFFECTIVENESS

### I. Board Responsibilities

#### 1. Board of Directors

The Group is led by an effective and experienced Board, with members from diverse background and specialisation, possessing a wide range of expertise in areas such as finance, corporate affairs, accounting, marketing, human resources, and legal. Collectively, they bring a broad range of skills, experience, and knowledge which adds strength to the leadership in managing and directing the Group's operations. There is a clear division of functions between the Board and the Management to ensure that no single individual or group dominates the decision-making process.

The Directors, individually have a legal duty to act in the best interest of the Group and are collectively aware of their responsibilities to the stakeholders for the manner in which the affairs of the Group are managed. The Board's responsibilities, amongst others, include:

- working together with Senior Management to promote good corporate governance culture within the Group, which reinforces ethical, prudent, and professional behaviour
- reviewing, challenging and deciding on Management's proposals for the Group, and monitoring their implementation by the Management
- ensuring that the strategic plan of the Group supports long-term value creation, which includes strategies on economic, environmental, and social considerations underpinning sustainability
- supervising and assessing Management performance to determine whether the business is being properly managed
- ensuring there is a sound framework for risk management and internal controls
- understanding the principal risk of the Group's business and recognising that business decisions involve the taking of appropriate risks
- setting the risk appetite within which the Board expects Management to operate and ensuring that there is an appropriate Risk Management Framework to identify, analyse, evaluate, manage, and monitor significant financial and non-financial risks
- ensuring that Senior Management has the necessary skills and experience, and that there are measures in place to provide for the orderly succession of the Board and Senior Management
- ensuring that the Group has in place procedures to enable effective communication with stakeholders
- ensuring the integrity of the Group's financial and non-financial reporting

# CORPORATE GOVERNANCE STATEMENT

(cont'd)

## A. BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

### I. Board Responsibilities (cont'd)

#### 1. Board of Directors (cont'd)

To ensure the effectiveness in the discharge of its fiduciary duties and leadership function, the Board delegates certain of its responsibilities to the following Board Committees, which operate within their defined Terms of Reference and provide recommendations and advice:

- (i) Nomination Committee ("NC")
- (ii) Remuneration Committee ("RC")
- (iii) Audit Committee ("AC")
- (iv) Risk Management Committee ("RMC")
- (v) ESOS Committee ("EC")

Each Board Committee operates within its approved Terms of Reference set by the Board, which are periodically reviewed. The Board appoints the chairman and members of each Board Committee.

The chairman of the respective Board Committees will report to the Board on the outcome of any discussions held at the Board Committee meeting and make recommendations thereon to the Board. However, ultimate responsibility for the final decision on all matters, lies with the Board.

The Board may form other committees delegated with specific authorities to act on its behalf when the needs arise. These committees will then operate under approved Terms of Reference or guidelines.

Board meeting agenda comprises statutory matters, governance and management reports, which include strategic risks, strategic projects and operational items.

The profile of each Director is presented from page 29 to page 35 of this IAR2022.

#### 2. Separation of Positions of Chairman and Group Managing Director

The Board recognises the importance of having a clear division of power and responsibilities between the roles of the Chairman of the Board and Group Managing Director to ensure an equilibrium of power and authority in managing and directing the Group. The role of the Chairman of the Board and the Group Managing Director are distinct and separate to engender accountability and facilitate a clear division of responsibilities, ensuring a balance of power and authority in the Group. This segregation of roles also facilitates a healthy open exchange of views between the Board and Management in their deliberation of the Group's businesses, strategies, and key activities.

The Executive Chairman of the Board, Dato' Dr Norraesah Binti Haji Mohamad, is primarily responsible for the effective and efficient conduct and working of the Board. She leads the Board with a focus on governance and compliance and acts as a facilitator at Board meetings.

The Chairman of the Board's key responsibilities, amongst others, include:

- providing leadership for the Board to enable it to perform its responsibilities effectively;
- setting the Board agenda and ensuring that Board members receive complete and accurate information in a timely manner;
- leading Board meetings and discussions;
- encouraging active participation and allowing dissenting views to be freely expressed;
- managing the interface between Board and Management;
- ensuring appropriate steps are taken to provide effective communication with stakeholders and that their views are communicated to the Board as a whole; and
- leading the Board in establishing and monitoring good corporate governance practices in the Group.

The Board delegates the Group Managing Director, Wong Thean Soon, and the Management, to oversee the day-to-day management of the Group's business operations and the implementation of policies and strategies adopted by the Board to achieve the Group's objective of creating long term value for its shareholders.

# CORPORATE GOVERNANCE STATEMENT

(cont'd)

## A. BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

### 1. Board Responsibilities (cont'd)

### 2. Separation of Positions of Chairman and Group Managing Director (cont'd)

The Board views that the Chairman of the Board should not be involved in any Board Committees. This is to ensure check and balance as well as objectivity will not be impaired/influenced by the Chairman of the Board who also sits on Board Committee(s). Therefore, our Chairman of the Board is not a member of any of the Board Committees, which is in line with the MCCG.

### 3. Supply of and Access to Information

All Directors have full and unrestricted access to all information pertaining to the Group's businesses and affairs in a timely manner which enables them to perform their duties effectively.

Procedures have been established to ensure that Board and Board Committees papers are disseminated promptly to all Directors and members of the Board Committees in advance of the scheduled meetings. Notices of meetings are sent to each Director at least seven (7) days prior to the meeting date. After each meeting, the Company Secretary drafts the minutes of meeting and circulates them in a timely manner. All matters discussed and resolutions passed at each Board Meeting is recorded in the minutes.

Generally, the circulated Board papers would include minutes of the previous meeting, quarterly and annual financial statements, corporate developments, minutes of Board Committees' meetings, acquisition and disposal proposals, related party transactions and/or recurrent related party transactions, updates from Bursa Securities, list of directors' circular resolutions passed and reports on the Directors dealings in securities, if any. In addition, Management is often invited to attend Board meetings to provide detailed explanations on agenda items.

The external auditors would brief Board members on the financial reporting standards that would affect the Group's financial statements during the period. As and when necessary, the Board may seek independent professional advice at the Group's expense, in the furtherance of their duties.

Technology is effectively utilised in Board and Board Committees' meetings. The agenda and meeting materials are sent online to Directors before the hardcopy versions of the same. Where the Directors are in remote areas or overseas, they are encouraged to participate in meetings via audio or video conferencing.

### 4. Commitment of the Board

The Board would meet at least four (4) times a year, at quarterly intervals which are scheduled at the onset of the financial year to help facilitate the Directors in planning their meeting schedule for the year. Additional meetings are convened where necessary to address urgent and important matters that require the attention of the Board. All pertinent issues discussed in Board meetings are properly recorded by the Company Secretary.

The Board met five (5) times during the FY2022. Details of attendance are as follows:

Directors	Number of meetings attended	%
Dato' Dr Norraesah Binti Haji Mohamad	5 / 5	100
Wong Thean Soon	5 / 5	100
Datuk Mohd Jimmy Wong Bin Abdullah	5 / 5	100
Wong Kok Chau	5 / 5	100
Dato' Sri Mohd Mokhtar Bin Mohd Shariff	5 / 5	100
Dato' Mohd Jeffrey Bin Joakim	5 / 5	100
Mohaini Binti Mohd Yusof	5 / 5	100

The Board is satisfied with the level of time commitment from each Director in fulfilling their roles and responsibilities, as evidenced by their satisfactory attendance record.

# CORPORATE GOVERNANCE STATEMENT

(cont'd)

## A. BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

### I. Board Responsibilities (cont'd)

#### 5. Continuous Development of the Board

Directors are responsible for notifying the Board before accepting any new directorships, despite the MMLR of Bursa Securities allowing a Director to sit on the Board of a maximum of five (5) listed issuers. Such notification should include an indication of the time that will be spent on the new appointment. At present, all Directors of the Company comply with the MMLR of Bursa Securities, with none sitting on the board of more than five (5) listed issuers.

In order for the Group to remain competitive, the Board acknowledges the importance of staying up-to-date with the industry's directions and developments. The Board is provided with training opportunities in areas such as new laws and regulations, financial reporting, risk management, and investor relations in order to equip themselves with the knowledge to effectively discharge their duties.

All Directors have completed the Mandatory Accreditation Programme as prescribed by Bursa Securities. The Directors are committed to enhancing their skills and knowledge during their tenure to maximise their effectiveness. In the financial year under review, the Directors have attended seminar(s), conference(s) and/or training(s) individually or collectively as set out below, to continuously upgrade their skills and stay abreast of current developments:

Directors	List of training/seminar/conference/ workshop attended
Dato' Dr Norraesah Binti Haji Mohamad	<ul style="list-style-type: none"> <li>Environmental, Sustainability, Social Impact &amp; Governance Training</li> <li>Diversity Elevates Investability: Exclusive Value-Building Workshop for Business Leaders</li> <li>MARC360: Malaysian Economic Outlook and Challenges</li> <li>WIEF (World Islamic Economic Forum) – Roundtable 2022 Conference</li> <li>WIEF (World Islamic Economic Forum) – WBN (Women Business Network)- #iEmPOWER Through Tourism Webinar</li> <li>ICDM – Board Risk Committee Dialogue &amp; Networking – Session #1</li> </ul>
Wong Thean Soon	<ul style="list-style-type: none"> <li>Gaps, requirements and latest ESG trends and developments</li> <li>MARC360: Malaysian Economic Outlook and Challenges</li> <li>ICDM: Board Risk Committee Dialogue &amp; Networking – Session #1</li> </ul>
Datuk Mohd Jimmy Wong Bin Abdullah	<ul style="list-style-type: none"> <li>Gaps, requirements and latest ESG trends and developments</li> <li>MARC360: Malaysian Economic Outlook and Challenges</li> <li>ICDM: Board Risk Committee Dialogue &amp; Networking – Session #1</li> </ul>
Wong Kok Chau	<ul style="list-style-type: none"> <li>Gaps, requirements and latest ESG trends and developments</li> <li>Invitation to the Securities Commission Malaysia's Audit Oversight Board Conversation with Audit Committees</li> <li>MARC360: Malaysian Economic Outlook and Challenges</li> <li>ICDM: Board Risk Committee Dialogue &amp; Networking – Session #1</li> </ul>

# CORPORATE GOVERNANCE STATEMENT

(cont'd)

## A. BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

### I. Board Responsibilities (cont'd)

#### 5. Continuous Development of the Board (cont'd)

Directors	List of training/seminar/conference/ workshop attended
Dato' Sri Mohd Mokhtar Bin Mohd Shariff	<ul style="list-style-type: none"> <li>Complimentary Talk: Assessing Your Organizational Culture</li> <li>Gaps, requirements and latest ESG trends and developments</li> <li>MARC360: Malaysian Economic Outlook and Challenges</li> <li>ICDM: Board Risk Committee Dialogue &amp; Networking – Session #1</li> </ul>
Dato' Mohd Jeffrey Bin Joakim	<ul style="list-style-type: none"> <li>Complimentary Talk: Assessing Your Organizational Culture</li> <li>Gaps, requirements and latest ESG trends and developments</li> <li>MARC360: Malaysian Economic Outlook and Challenges</li> <li>ICDM: Board Risk Committee Dialogue &amp; Networking – Session #1</li> </ul>
Mohaini Binti Mohd Yusof	<ul style="list-style-type: none"> <li>Complimentary Talk: Steward Leadership for Sustainability</li> <li>Gaps, requirements and latest ESG trends and developments</li> <li>Leadership Transformation Program</li> <li>Invitation to the Securities Commission Malaysia's Audit Oversight Board Conversation with Audit Committees</li> <li>MARC360: Malaysian Economic Outlook and Challenges</li> <li>ICDM: Board Risk Committee Dialogue &amp; Networking – Session #1</li> </ul>

Furthermore, the Company Secretary also highlights changes to the relevant guidelines on statutory and regulatory requirements to the Board from time to time. The external auditors on the other hand, brief the Board on changes to the MFRS that affect the Group's financial statements during the year. In addition, the Directors receive regular briefings and updates on the Group's businesses, operations, risk management activities and human resource matters.

#### 6. Board Committees

##### Nomination Committee ("NC")

The NC oversees matters related to the nomination of new Directors, annually reviews the required mix of skills, experience, and other requisite qualities of Directors, as well as the annual assessment of the effectiveness of the Board as a whole, Board Committees and the contribution of each individual Director. The NC also identifies candidates to fill board vacancies, and nominates them for approval by the Board.

The NC comprises of three (3) members, of whom two (2) are Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director. The composition of the NC is as follows:

NC Members	Designation
Mohaini Binti Mohd Yusof	Chairman, Independent Non-Executive Director
Dato' Sri Mohd Mokhtar Bin Mohd Shariff	Member, Independent Non-Executive Director
Datuk Mohd Jimmy Wong Bin Abdullah	Member, Non-Independent Non-Executive Director



# CORPORATE GOVERNANCE STATEMENT

(cont'd)

## A. BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

### I. Board Responsibilities (cont'd)

#### 6. Board Committees (cont'd)

##### Nomination Committee (cont'd)

During the FY2022, the NC had held one (1) meeting and all members registered full attendance. Below is a summary of the key activities undertaken by the NC in the discharge of its duties:

- (a) Reviewed the Terms of Reference;
- (b) Reviewed the Directors' Assessment Policy and Succession Planning Policy;
- (c) Determined Directors who are subject to re-election by rotation;
- (d) Reviewed the mix skills, experience, and other requisite qualities of Directors;
- (e) Reviewed the composition of the Board and Board Committees;
- (f) Reviewed the independence of the Independent Directors;
- (g) Reviewed and recommended the revised Evaluation Forms of the Board, Board Committees, External Auditors and Internal Auditors to the Board for approval;
- (h) Conducted annual assessment on effectiveness and performance of the Board, the Board Committees and the individual Directors;
- (i) Reviewed the performance and term of office of AC; and
- (j) Reviewed and assessed Directors' training needs.

A copy of the NC's Terms of Reference can be found on the Group's website at <https://www.myeg.com.my/investor-relations/governance>

##### Remuneration Committee

The RC is responsible for recommending the remuneration principles and the framework for members of the Board and Senior Management to the Board.

The RC comprises three (3) members, all of whom are Independent Non-Executive Directors. The composition is as follows:

RC Members	Designation
Dato' Sri Mohd Mokhtar Bin Mohd Shariff	Chairman, Independent Non-Executive Director
Wong Kok Chau	Member, Independent Non-Executive Director
Dato' Mohd Jeffrey Bin Joakim	Member, Independent Non-Executive Director

# CORPORATE GOVERNANCE STATEMENT

(cont'd)

## A. BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

### I. Board Responsibilities (cont'd)

#### 6. Board Committees (cont'd)

##### Remuneration Committee (cont'd)

During the FY2022, the RC held one (1) meeting and all members registered full attendance. Below is a summary of the key activities undertaken by the RC in the discharge of its duties:

- (a) Reviewed the remuneration package of the Executive Directors and Senior Management within the Group;
- (b) Reviewed and recommended the Directors' fees and benefits payable to the Independent Non-Executive Directors of the Company;
- (c) Reviewed the Directors' and Senior Management Remuneration Policy; and
- (d) Reviewed the Terms of Reference of the RC.

A copy of the RC's Terms of Reference can be found on the Group's website at <https://www.myeg.com.my/investor-relations/governance>.

##### Risk Management Committee

The RMC is responsible for monitoring the Group's risk management processes, including overseeing the assessment of key strategic and operational risks.

The RMC comprises three (3) members, all of whom are Independent Non-Executive Directors. The composition is as follows:

RMC Members	Designation
Dato' Mohd Jeffrey Bin Joakim	Chairman, Independent Non-Executive Director
Wong Kok Chau	Member, Independent Non-Executive Director
Mohaini Binti Mohd Yusof	Member, Independent Non-Executive Director

During the FY2022, the RMC held four (4) meetings and all members registered full attendance. Below is a summary of the key activities undertaken by the RMC in the discharge of its duties:

- (a) Reviewed quarterly risk assessment reports with the head of departments; and
- (b) Reviewed internal audit report on the operation and business processes with in-house internal auditors.

Further information can be found in the Risk Management and Internal Control Statement from page 136 to page 138 of this IAR2022.

A copy of the RMC's Terms of Reference can be found on the Group's website at <https://www.myeg.com.my/investor-relations/governance>.

# CORPORATE GOVERNANCE STATEMENT

(cont'd)

## A. BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

### I. Board Responsibilities (cont'd)

#### 6. Board Committees (cont'd)

##### Audit Committee

The AC assists in providing oversight on the Group's financial reporting, disclosure, regulatory compliance and monitoring of internal control processes within the Group. Besides that, the AC reviews the quarterly financial results, unaudited and audited financial statements, internal and external audit reports as well as related party transactions.

The description of the activities carried out by the AC during the year is set out in the AC Report from page 133 to 135 of this Annual Report.

A copy of the AC's Terms of Reference can be found on the Group's website at <https://www.myeg.com.my/investor-relations/governance>.

#### 7. Board Charter

The Group has established a Board Charter to promote high standards of corporate governance. The Board Charter is designed to provide guidance and clarity to Directors and Management regarding the role of the Board and its Committees. It clearly sets out the key values and principles of the Group and the duties and responsibilities of the Board, the Chairman of the Board, Group Managing Director, Independent Director and Board Committees. The Board Charter also provides structure guidance and ethical standards for the Board to follow in discharging their duties as well as operating practices.

The Board has a formal schedule of matters reserved for deliberation to ensure good governance is in place for the Group. These schedule of matters reserved are as follows:

- Conflict of interest issues relating to a substantial shareholder or a Director including approving related party transactions;
- Material acquisitions and disposal of assets not in the ordinary course of business including significant capital expenditures;
- Strategic investments, mergers and acquisitions and corporate exercises;
- Limits of authority;
- Treasury policies;
- Risk management policies;
- Key human resource issues; and
- Business plans.

The Board Charter is reviewed annually by the Board to keep abreast with the new changes in legislations and best practices, and remains effective and relevant to the Board's objectives.

A copy of the Board Charter can be found on the Group's website at <https://www.myeg.com.my/investor-relations/governance>.

#### 8. Code of Conduct, Code of Ethics and Code of Business Ethics

The Group has established a Code of Conduct, Code of Ethics, and Code of Business Ethics to promote a corporate culture that encourages ethical conduct that permeates throughout the Group. Whereas, the Board is focused on the creation that imbues this culture throughout the Group. The Code of Conduct is based on principles of trust, integrity, responsibility, excellence, loyalty, commitment, dedication, discipline, diligence and professionalism. The Code of Ethics is based on the principles of sincerity, integrity, transparency, accountability and corporate social responsibility. The Code of Business Ethics sets out the standards of ethical business practices and conduct that the Group expects from all business associates.

# CORPORATE GOVERNANCE STATEMENT

(cont'd)

## A. BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

### I. Board Responsibilities (cont'd)

### 8. Code of Conduct, Code of Ethics and Code of Business Ethics (cont'd)

The Group uphold these principles and values its dealings with employees, customers, suppliers, and business associates. The Directors, officers, and employees of the Group are required to observe, uphold and maintain high standards of integrity in carrying out their roles and responsibilities and to comply with the relevant laws and regulations as well as the Group's policies. Ongoing training on the Code of Conduct, Code of Ethics, Code of Business Ethics and general workplace behaviour is provided to the Group's employees to ensure that they continuously uphold high standard of conduct while performing their duties.

In line with the Malaysian Anti-Corruption Commission (Amendment) Act 2018, the Group has established an Anti-Bribery and Anti-Corruption Framework that sets out the Group's stance against bribery and corruption and adequate procedures for managing bribery and corruption risks in the Group's businesses, regardless of the country of operation. Following the establishment of the Anti-Bribery and Anti-Corruption Framework, the Group has adopted the Anti-Bribery and Anti-Corruption Policy and Anti-Bribery Procedures for Managing Stakeholders.

The Board is provided with guidance on disclosing conflict of interest and other disclosure information/requirements to ensure that the Directors comply with the relevant regulations and practices. In order to address and manage possible conflicts of interest that may arise between Directors' interests and those of the Group, the Group has put in place appropriate procedures including requiring such Directors to abstain from participating in deliberations during meetings and abstaining from voting on any matter in which they may also be deemed interested or conflicted. The Directors of the Group are also required to disclose and confirm their directorships and shareholdings in the Group and any other entities where they have interests for the Group's monitoring on a half yearly basis or as and when required.

Notices on the closed period for trading in the MYEG Shares are sent to Directors and Senior Management and the relevant employees on a quarterly basis specifying the timeframe during which they are prohibited from dealing in MYEG Shares, unless they comply with the procedures for dealings during closed period as stipulated in the MMLR of Bursa Securities.

A copy of the Code of Conduct, Code of Ethics and Code of Business Ethics, Anti-Bribery and Anti-Corruption Policy and Anti-Bribery Procedures for Managing Stakeholders can be found on the Group's website at <https://www.myeg.com.my/investor-relations/governance>.

### 9. Whistle Blowing Policy and Procedures

The Group has adopted a Whistle Blowing Policy as the Board believes that a sound whistle blowing system will strengthen good management, and at the same time, demonstrate accountability, good risk management and support sound corporate governance practices. The policy encourages the reporting of any major concerns over any wrongdoings within the Group.

The policy outlines the relevant procedures such as when, how and to whom a concern may be properly raised about genuine or suspected instances of wrongdoing at the Group. The identity of the whistleblower is kept confidential, and protection is accorded to the whistleblower against any form of reprisal or retaliation. All such concerns shall be set forth in writing and forwarded in a sealed envelope to either the Chairman of the AC, the Group Managing Director or Head of the Human Resource Department.

Besides the abovementioned policies, the Group has also put in place the following:

- Corporate Disclosure Policies and Procedures
- Directors and Senior Management's Remuneration Policy
- Directors' Assessment Policy
- Human Rights Policy
- Insider Dealing Policy
- Non-Discrimination and Equal Employment Opportunity Policy
- Risk Management Policy
- Share Buy Back Policy
- Safety and Health Policy
- Directors' Fit and Proper Policy
- Succession Planning Policy
- Independent Directors' Tenure Policy

# CORPORATE GOVERNANCE STATEMENT

(cont'd)

## A. BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

### I. Board Responsibilities (cont'd)

#### 10. Sustainability

The Company acknowledges the importance of sustainability relating to ESG including their risks to and opportunities for the Group. The Board had also adopted Environmental Policy, Sustainability Policy and Statement of Commitment to Addressing Climate Change Risks and Impacts which demonstrates the Company's commitment to integrating the principles of sustainability into the Group's strategies, policies and procedures.

The Company will continuously and constantly disclose the targets and performances of the ESG; and if necessary, communicate to all the stakeholders of the Group.

A copy of the Environmental Policy, Sustainability Policy and Statement of Commitment to Addressing Climate Change Risks and Impacts can be found on the Group's website at <https://www.myeg.com.my/investor-relations/governance>.

#### 11. Company Secretaries

Every Director has unrestricted access to the independent professional advice and services of the Company Secretaries on matters related to compliance with laws, rules, procedures and regulations affecting the Company and the Group. The Board believes that the current Company Secretaries are capable of carrying out their duties efficiently to ensure the effective functioning of the Board. However, in the event that the Company Secretaries fail to fulfil their functions effectively, the terms of their appointment do permit their removal and appointment of a successor by the Board.

The Board is assisted by qualified and competent Company Secretaries who play a vital role in advising the Board in relation to the Group's constitution, policies, procedures and compliance with relevant regulatory requirements, codes, guidance and legislations. Both Company Secretaries are fellow members of the Malaysian Institute of Chartered Secretaries and Administrators ("MAICSA") and have obtained Practising Certificate from the Companies Commission of Malaysia ("CCM"). All the Directors have unrestricted access to the advice and services of the Company Secretaries for the conduct of the Board's affairs and business.

The Company Secretaries continuously keep themselves abreast of the evolving capital market environment, regulatory changes and developments in corporate governance through attendance at relevant conferences and training programmes. They have also attended the relevant continuous professional development programmes as required by the CCM and MAICSA for practising company secretaries. The Board is satisfied with the performance and support rendered by the Company Secretaries in discharging their functions, duties and responsibilities.

In addition, the Company Secretaries are accountable to the Board and are responsible for the following:

- Advising the Board on its roles and responsibilities
- Advising the Board on matters related to corporate governance and the MMLR of Bursa Securities
- Ensuring that Board procedures and applicable rules are observed
- Maintaining records of the Board and ensuring effective management of the Company's statutory records
- Preparing comprehensive minutes to document Board proceedings and ensuring conclusions are accurately recorded
- Assisting communications between the Board and Management
- Providing full access and services to the Board and carrying out other functions deemed appropriate by the Board from time to time
- Preparing agendas and co-coordinating the preparation of Board papers

# CORPORATE GOVERNANCE STATEMENT

(cont'd)

## A. BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

### II. Board Composition

#### 1. Composition and Diversity

The Directors are of the opinion that the current Board size and composition are adequate and appropriate for facilitating effective decision making given the scope and nature of the Group's businesses and operations. The Board maintains an appropriate balance of expertise, skills and attributes among the Directors, which is reflected in their diverse backgrounds and competencies. These competencies include finance, accounting, legal, digital, and other relevant industry knowledge, entrepreneurial and management experience, and familiarity with regulatory requirements and risk management.

The Board consists of one (1) Executive Chairman, one (1) Group Managing Director, four (4) Independent Non-Executive Directors, and one (1) Non-Independent Non-Executive Director. The majority of the Board comprises Independent Directors, which ensures that they can exercise independent judgment on the affairs of the Group.

All Directors of the Company hold no more than five (5) directorships in public listed companies under Paragraph 15.06(1) of the MMLR of Bursa Securities. The Board of Directors' profile can be found from page 29 to page 35 of this Annual Report.

#### 2. Independency of Independent Directors

For Independent Directors who have exceeded a cumulative term of nine (9) years, the Board would justify and seeks annual shareholders' approval for re-appointment.

The Independent Directors play a crucial role in corporate accountability and provide unbiased views and impartiality to the Board's deliberations and decision-making process. In addition, the Independent Directors ensure that matters and issues brought to the Board are given due consideration, fully discussed and examined, taking into account the interest of all stakeholders. The Board, via the NC assesses each Director's independence annually to ensure on-going compliance with this requirement.

The NC is satisfied that the Independent Directors are independent of Management and free from any business or other relationships that could interfere with the exercise of independent judgement, objectivity and the ability to act in the best interest of the Group.

#### 3. Appointment of Board and Senior Management

The Board comprises individuals with extensive complementary knowledge and competencies, as well as expertise to make active, informed and positive contribution to the Management of the Group in terms of the business' strategic direction and development. The appointment of the Board and its Senior Management are based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender.

The NC assesses the suitability of the candidates before formally considering and recommending them for appointment to the Board. The NC considers and evaluates the candidates' required skills, knowledge, expertise, competence, experience, characteristics, professionalism in proposing its recommendation. For appointment of Independent Directors, considerations will also be given to whether the candidates meet the requirements for independence as defined in MMLR of Bursa Securities and time commitment expected from them to attend to matters of the Company in general, including attending meetings of the Board, Board Committees, EGM, and AGM.



# CORPORATE GOVERNANCE STATEMENT

(cont'd)

## A. BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

### II. Board Composition (cont'd)

#### 4. Gender Diversity

The Board acknowledges the importance of promoting gender diversity within its composition and endeavours to increase female participation in the Board and Senior Management. However, the Board has decided not to set any specific targets, as the Board believes that having the right mix and skills for such positions is more crucial.

The Board has no specific policy on setting targets for female candidates to be appointed to the Board. With the current composition of two (2) female Directors which an approximately 30% of women representation on the board, the Board is in the opinion that its members have the necessary knowledge, experience, diverse range of skills and competence to discharge their duties and responsibilities effectively. The NC will however continue to take steps to ensure suitable female candidates are sought as part of its recruitment exercise.

#### 5. Identifying Suitable Candidates

The full Board will deliberate any proposed appointment of a new member based on the qualifications and experience of the proposed director. The NC will assess the suitability of potential candidates for appointment to the Board based on an internal policy that outlines the criteria and skill sets required for Board members. In identifying suitable candidates for the appointment of Director, the Board may engage independent search firms if needed.

#### 6. Chairman of the NC

Mohaini Binti Mohd Yusof, an Independent Non-Executive Director, leads the NC in succession planning and appointment of Board members and Senior Management. The NC conducts an annual review of board effectiveness and skill assessments, which provide relevant information on the Group's needs and allow the NC to source suitable candidates when the need arises.

#### 7. Annual Evaluation

The NC is responsible for evaluating the performance and effectiveness of the entire Board, Board Committees and individual Directors on a yearly basis. Led by the NC's Chairman and supported by the Company Secretary, the evaluation process uses questionnaires. The NC reviews the evaluation results and recommends areas for continuous improvement and also for them to form the basis of recommending relevant Directors for re-election at the AGM.

The NC reviewed the revision made to the Evaluation Forms of the Board and Board Committees in which the elements of ESG were duly incorporated to assess the Board's performance in addressing the Company's material sustainability risks and opportunities.

On 27 February 2023, the NC assessed the effectiveness of the Board, Board Committees and the contribution of each Director by identifying the strengths and weaknesses. The assessment criteria used in the assessment of Board and individual Directors includes a mix of skills, knowledge, diversity, size and experience of the Board, core competencies, and contribution of each Director. The Board Committees were evaluated based on their roles and responsibilities, scope and knowledge, frequency and length of meetings, supply of sufficient and timely information to the Board and also overall effectiveness and efficiency in discharging their function.

# CORPORATE GOVERNANCE STATEMENT

(cont'd)

## A. BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

### II. Board Composition (cont'd)

#### 7. Annual Evaluation (cont'd)

The Board evaluation comprises performance evaluation of the Board and various Board Committees, Directors' peer evaluation and assessment of the independence of the Independent Directors. The assessment is based on four (4) main areas related to:

- the Board structure;
- the Board operations;
- the roles and responsibilities of:
  - (i) the Board;
  - (ii) the Chairman; and
  - (iii) the Board Committees.
- Elements of ESG.

The Directors' peer evaluation assesses their abilities and competencies, calibre and personality, technical knowledge, objectivity, level of participation at Board and Board Committees' meetings and contribution to the Board processes.

Any appointment of a new Director to the Board or Board Committee is recommended by the NC for consideration and approval by the Board. In accordance with the Constitution of the Company, one-third (1/3) of the Directors for the time being shall retire from office at each AGM. A retiring director shall be eligible for re-election. The existing Constitution of the Company also provides that all Directors shall retire at least once every three (3) years.

During the year, the Board conducted an internally facilitated Board assessment. The results and recommendations from the evaluation of the Board and Board Committees are reported to the Board for full consideration and action. The Board was comfortable with the outcome and satisfied that the skills and experience of the current Directors satisfy the requirements of the skills matrix and that the Chairman of the Board possesses the leadership to safeguard the stakeholders' interest and ensure the development of the Group.

The NC also considered the results of the evaluation when considering the re-election of Directors and recommended the Directors standing for re-election at the forthcoming AGM of the Company to the Board for endorsement. The Directors standing for retirement by rotation pursuant to Clause 94 of the Constitution of the Company and subject to re-election at the forthcoming AGM are Dato' Dr Norraesah Binti Haji Mohamad and Datuk Mohd Jimmy Wong Bin Abdullah. The NC had also conducted the fit and proper assessment on the Directors who are subject to re-election at the forthcoming AGM and was satisfied with the outcome of the assessments.

### III. Remuneration

The objectives of the Directors and Senior Management's Remuneration Policy and Terms of Reference of the RC are to provide fair and competitive remuneration to Directors and Senior Management in order for the Group to attract and retain Directors and Senior Management of the calibre required to run the Group successfully. The responsibility for developing the Directors and Senior Management's Remuneration Policy, determining the remuneration packages of Directors, Group Managing Director and Senior Management, lies with the RC. Nevertheless, it is ultimately the responsibility of the Board to determine the remuneration of Directors and Senior Management.

Based on the Directors and Senior Management's Remuneration Policy, the remuneration packages for the Executive Directors comprises a fixed component (i.e. salary, allowance and etc.) and a variable component (i.e. bonus, benefit-in kind and etc.). The variable component is determined by the Group's overall financial performance each financial year and is designed to support the Group's strategy and provides a balance between motivating and challenging the Board to deliver e business priorities and strong performance while also driving the long-term sustainable success of the Group.

# CORPORATE GOVERNANCE STATEMENT

(cont'd)

## A. BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

### III. Remuneration (cont'd)

The level of remuneration for Non-Executive Directors reflects their experience and level of responsibility undertaken by them. Non-Executive Directors will receive a fixed fee, with additional fees for serving on Board Committees. The Chairman of the NC, RC, RMC or AC receives a higher fee for serving as Chairman of the respective committees. The fees for Non-Executive Directors are determined by the Board and approved by shareholders at the AGM and no Director is involved in deciding their own remuneration.

During the financial year under review, the RC reviewed the remuneration for Directors, and Senior Management. The remuneration packages were considered to be comparable to industry norms, reflecting their level of responsibilities and the performance of the Group. The remuneration policies and procedures governing the remuneration of Executive Directors, Non-Executive Directors and Senior Management are available in the Directors and Senior Management's Remuneration Policy, published on the Company's website.

The details of the remuneration of the Board, on named basis, are set out below, comprising remuneration received/receivable from the Company and the Group for the FY2022:

	Group/Company					
	Fees	Salaries	Bonuses	Benefit in Kind	Others	Total*
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Executive Directors</b>						
Dato' Dr Norraesah Binti Haji Mohamad	154	-	-	-	-	154
Wong Thean Soon	206	-	-	-	-	206
<b>Non-Executive Director</b>						
Datuk Mohd Jimmy Wong Bin Abdullah	86	-	-	-	-	86
Wong Kok Chau	60	-	-	-	-	60
Dato' Sri Mohd Mokhtar Bin Mohd Shariff	86	-	-	-	-	86
Dato' Mohd Jeffrey Bin Joakim	86	-	-	-	-	86
Mohaini Binti Mohd Yusof	86	-	-	-	-	86

\* The Directors of the Company only received remuneration from the Group.

The details of the remuneration of the five (5) Senior Management, on named basis, for the FY2022 were disclosed in the Corporate Governance Report for FY2022.

A copy of the Directors and Senior Management's Remuneration Policy can be found on the Group's website at <https://www.myeg.com.my/investor-relations/governance>.

# CORPORATE GOVERNANCE STATEMENT

(cont'd)

## B. EFFECTIVE AUDIT AND RISK MANAGEMENT

### I. Audit Committee

The current AC consists of two (2) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director, and all of them are financially literate and have a sufficient understanding of the Group's business. Additionally, all the members of the AC undertake continuous professional development to remain abreast of relevant developments in accounting and auditing standards, practices and rules. The composition of the AC is presented in the AC Report on page 133 of this Annual Report.

The Chairman of the AC is not the Chairman of the Board, which ensures that the objectivity of the Board's review of the AC's findings and recommendation remains intact.

The AC has adopted a Terms of Reference that sets out its goals, objectives, duties, responsibilities and criteria for the composition of the AC, which includes a former key audit partner of the Group observing a cooling-off period of at least three (3) years before being able to be appointed as a member of the AC.

The Board is responsible for presenting a clear, balanced and understandable assessment of the Group's performance and position when presenting the annual audited financial statements and interim financial statements on a quarterly basis to the shareholders. The AC is entrusted to assist the Board in reviewing the Group's financial reporting process and accuracy of its financial results, and scrutinising information for disclosure to ensure accuracy, adequacy, completeness and compliance with the accounting standards.

The Board places great emphasis on the objectivity and independence of the external auditors. Through the AC, the Board maintains a transparent relationship with the external auditors in seeking professional advice on the internal control and ensuring compliance with the appropriate accounting standards. The AC is empowered to communicate directly with the external auditors to highlight any issues of concern at any point in time.

The external auditors would meet with the AC at least two (2) times a year without the presence of the executive Board members and Management on matters related to the Group and its audit activities. During these meetings, the external auditors highlight and discuss the nature and scope of the audit, audit programme, internal controls and any other issues that may require the attention of the AC or the Board. During the year under review, the AC met with the external auditors two (2) times without the presence of Management.

The AC members are financially literate and able to understand the Company's business and matters under the purview of the AC, including the financial reporting process. The AC members will undertake continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules as and when required.

The AC ensures the external audit function is independent of the activities it audits and reviews contracts for the provision of non-audit services by the external auditors to ensure that they do not give rise to conflicts of interests. The excluded contracts would include management consulting, internal audit and standard operating policies and procedures documentation.

For FY2022, the fees paid to the external auditors, TGS TW PLT and its affiliated firms by the Group are stated in the Additional Compliance Information of this Annual Report.

The external auditors have confirmed to the AC that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the independence criteria set out by the Malaysian Institute of Accountants

Further information on the roles and responsibilities of the AC may be found in the AC Report from page 133 to page 135 of this Annual Report.

# CORPORATE GOVERNANCE STATEMENT

(cont'd)

## B. EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

### II. Risk Management and Internal Control Framework

The Board is ultimately responsible for effectively managing risks across the Group, determining its risk appetite as well as ensuring that each business area implements appropriate internal controls. In order to achieve this objective, the Group has adopted a risk management policy. The Group's risk management systems are designed to manage, mitigate and eliminate risks (where possible), to achieve business objectives, but can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board has delegated its responsibility for reviewing the effectiveness of the Group's systems of internal control to the RMC. This covers all material controls including financial, operational, compliance and risk management systems. The RMC is further supported by several sources of internal assurance within the Group in order to determine the adequacy and effectiveness of the existing risk controls.

To implement an internal audit function, the Group has outsourced the internal audit function as it is the most cost effective means. The independent third-party service provider of the internal audit services for the FY2022 was Vaersa Advisory Sdn Bhd ("Vaersa"), which reported directly to the AC as specified in the Terms of Reference of the AC. The internal auditors carry out their functions in accordance with the annual Internal Audit Plan which has been approved by the AC. Vaersa has approximately three (3) audit personnel assisting the person responsible for the internal audit. Details on the person responsible for the internal audit are as set out below:

Name	:	Ramnath R Sundaram
Qualification	:	Associate of Chartered Certified Accountant
Independence	:	Does not have any family relationship with any Director and/or major shareholder of the Company
Public Sanction or penalty	:	Has no convictions for any offences within the past 5 years, other than traffic offences, if any and has not been imposed any public sanction or penalty by the relevant regulatory bodies during the financial year.

Further information can be found in the Risk Management and Internal Control Statement from page 136 to page 138 and the Management Discussion and Analysis from page 19 to page 28 of this Annual Report.

## C. INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

### I. Communication with stakeholders

The Board recognises that communication with stakeholders is an essential aspect of the Group's sustainability. In view thereof, stakeholders are informed of all material business events and risks of the Group in a factual, timely and widely available manner. The Board has formalised a Corporate Disclosure Policy and Procedure not only to comply with the disclosure requirements stipulated in the MMLR of Bursa Securities, but also to establish the persons authorised and responsible to approve and disclose material information to all stakeholders.

The Board acknowledges the importance of fostering effective two-way communication with investors and analysts to provide a greater understanding of the Group's vision, strategies, developments and financial prospects. A variety of engagement initiatives including direct meetings and dialogues with stakeholders are continually conducted to enhance mutual understanding.

The Group promptly disseminates its financial performance, major corporate developments and other relevant information to shareholders and investors through announcements of its quarterly results, annual report, corporate announcements to Bursa Securities and press conferences. It is the Group's practice to ensure that any material information for public announcement, including annual, quarterly financial statements, press releases, and presentation to investors, analysts and media are factual and reviewed internally before issuance to ensure accuracy and is expressed in a clear and objective manner.

# CORPORATE GOVERNANCE STATEMENT

(cont'd)

## C. INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (CONT'D)

### I. Communication with stakeholders (cont'd)

The Group's corporate website includes a dedicated Investor Relations section that provides all relevant information on the Group, including announcements to Bursa Securities, share price information as well as the corporate and governance structure of the Group. Stakeholders are also able to subscribe to e-mail alerts from the Group via the Investor Relations page.

### II. Conduct of General Meetings

The AGM is the principal forum for dialogue with shareholders, allowing shareholders to review the Group's performance via the Group's annual report and pose questions to the Board for clarification. To ensure shareholders have sufficient time to go through the annual report, it is circulated at least twenty-eight (28) clear days before the date of the AGM. Shareholders are encouraged to vote on the proposed motions by appointing a proxy in the event if they are unable to attend the meeting.

While Malaysia entered the "Transition to Endemic" phase of COVID-19 on 1 April 2022, to exercise prudence and as part of the safety measures, the Twenty-First AGM ("**21st AGM**") of the Company was conducted entirely through live streaming and online remote voting using Remote Participation and Voting ("**RPV**") facilities. Before the commencement of the AGM, the Board provided shareholders with ample opportunity and time to submit questions pertaining to the Annual Report, proposed resolutions and the business of the Company or the Group in general prior to seeking approval from members and proxies on the resolutions. The Board, Senior Management, external auditors and other advisors, were also present virtually at the fully virtual AGM to provide answers and clarification to shareholders.

During the 21st AGM, a presentation was shown to the shareholders on the Group's performance and major activities carried out during the financial period under review. Shareholders were allowed to participate (including posing questions to the Board via real time submission of typed texts) and vote remotely at the 21st AGM via the RPV facilities.

In line with the MMLR of Bursa Securities, the Company has implemented and will continue to implement poll voting for all proposed resolutions set out in the notice of any general meeting. An independent scrutineer will be appointed to validate the votes cast at any general meeting of the Company.

All meetings will be recorded by the Company Secretary and the summary of key matters discussed at the general meetings will be available for inspection at the Company's website.



# AUDIT COMMITTEE REPORT

The Board is pleased to present the Audit Committee (“AC”) Report for the financial year ended 31 December 2022.

## AUDIT COMMITTEE MEMBERS AND MEETINGS

### AC Members

The AC is comprised of three (3) members, majority of whom are Independent Non-Executive Directors and one of the members is a member of the Malaysian Institute of Accountant. The AC meets the requirements set forth in paragraph 15.09(1) of the MMLR of Bursa Securities. No alternate director is appointed as a member of the AC.

During the FY2022, the AC members are as follows:

Name of AC Members	Position
Wong Kok Chau	Chairman, Independent Non-Executive Director
Datuk Mohd Jimmy Wong Bin Abdullah	Member, Non-Independent Non-Executive Director
Mohaini Binti Mohd Yusof	Member, Independent Non-Executive Director

All members of the AC possess financial literacy and are capable of analyzing and interpreting financial statements in order to effectively fulfill their duties, roles, and responsibilities for the Company.

### AC Meetings

During the FY2022, the AC held a total of five (5) meetings. The meetings were organized in a well-structured manner. Each meeting was preceded by agendas that were distributed to all members of the AC with ample notification. The agendas were comprehensive, providing detailed information on the matters to be discussed and addressed thoroughly during the meeting.

The attendance of the AC members during the FY2022 are as follows:

Name of AC Members	Meetings attended
Wong Kok Chau	5/5
Datuk Mohd Jimmy Wong Bin Abdullah	5/5
Mohaini Binti Mohd Yusof	5/5

Details of the members of the AC are contained in the Profile of Directors as set out from pages 29 to 35 of this Annual Report.

The Company Secretaries or their representatives were in attendance for every meeting. Representatives of the external auditors, outsourced internal auditors and the Senior Management were invited to specific meetings in order to facilitate direct communication and to provide clarifications on audit issues, internal controls and Group operations.

In order to keep all members of AC informed as well as to ensure transparency and accountability, the Minutes of each AC meeting were disseminated electronically and in hardcopy to all the members of AC and the Board. The Chairman of the AC provided reports to the Board on key matters discussed during the AC meetings.

# AUDIT COMMITTEE REPORT

(cont'd)

## AUDIT COMMITTEE MEMBERS AND MEETINGS (CONT'D)

### AC Meetings (cont'd)

For the financial year under review, the AC had held meetings with the outsourced internal auditors and external auditors without the presence of the Senior Management to discuss any issues or significant matters, which the internal and external auditors wished to raise.

The meeting dates with outsourced internal auditors and external auditors without the presence of the Senior Management are as follows:

#### Outsourced internal auditors

30 May 2022  
29 August 2022  
28 November 2022

#### External auditors

25 February 2022  
28 November 2022

## SUMMARY OF ACTIVITIES UNDERTAKEN BY THE AC

During the FY2022, the AC carried out the following activities in discharging its functions and duties, including the deliberation on and review of:-

### Financial Reportings

- a) the unaudited quarterly financial statements of the Group to ensure that they are in compliance with the requirements of relevant authorities, prior to the submission to the Board for their approval and release of the Group's results to Bursa Securities.

### Annual Report

- b) the Audit Committee Report, Sustainability Statement, Corporate Governance Overview, Corporate Governance Statement, Corporate Governance Report and annual audited financial statements of the Group prior to submission to the Board for their consideration and approvals.

### External Audit

- c) the audit plan of the external auditors in terms of their scope of audit prior to their commencement of the annual audit.
- d) the external auditors' report in relation to audit and accounting issues arising from the audit; matters arising from the audit of the Group in meetings with the external auditors without the presence of the executive Board members and management.
- e) The independence, suitability, objectivity and effectiveness of the external auditors, and services provided. In this respect, the AC has received assurance from the external auditors that in accordance with the requirements of all professional and regulatory requirements, they remained independent throughout the conduct of the audit engagement for FY2022.
- f) the re-appointment of external auditors and their audit fees, after taking into consideration the independence and objectivity of the external auditors and the cost effectiveness of their audit, before the recommendation to the Board for approval.
- g) Change of external auditors to be in line with good corporate governance practices of upholding the level of independence as well as enable the Company to benefit from the fresh perspectives and viewpoints of another professional audit firm, thus enhancing the value of audit of the Company and its Group.

## SUMMARY OF ACTIVITIES UNDERTAKEN BY THE AC (CONT'D)

### Internal Audit

- h) the internal audit reports which outlined the recommendations towards correcting areas of weaknesses and ensure that there were management action plans established for the implementation of the internal auditors' recommendation.
- i) The internal audit plan prepared by the outsourced internal auditors to ensure there is adequate scope and comprehensive coverage over the activities in the Group and that all the risk areas are audited annually.
- j) the scope, function, resources and effectiveness of the internal auditors to ensure they have discharged their functions and responsibilities effectively.

### Related Party Transactions

- k) the related party transactions entered into by the Group to ensure that they were not detrimental to the interests of minority shareholders.

### Others

- l) the Terms of Reference of AC to ensure that most of the good practices recommended in the MCCG have been implemented by the Company.
- m) complaints / cases reported in relation to the Whistle Blowing policy.
- n) Completed the annual evaluation for AC Members' Self and Peer Evaluation form.

## TRAINING AND EDUCATION

During the financial year, the AC members attended individually or collectively seminar(s), conference(s) and/or training(s) to continuously upgrade their skills and to keep abreast of current developments to enhance their knowledge and enable them to discharge their duties more effectively.

## INTERNAL AUDIT FUNCTION

The internal audit function is designed to evaluate and enhance the Group's risk management, controls, and governance processes, using a risk-based approach to assist Senior Management in achieving corporate goals.

For FY2022, the internal audit function was outsourced to an independent internal audit professional firm, Vaersa, which reports directly to the AC and assists the Board in monitoring and managing risks and internal controls. The AC is satisfied that Vaersa's independence have been maintained and they have sufficient resources and access to information to perform their duties effectively.

Vaersa conducted internal audit reviews in accordance with the approved internal audit plan, which covered the adequacy and effectiveness of operational controls in mitigating risks, compliance with established policies and procedures, authority limits, and applicable laws. Vaersa formally reported the results of the reviews to the AC and Senior Management took note of the findings and acted upon their recommendations. The internal audit reviews did not reveal any significant weaknesses and consequential provides reasonable assurance of the effectiveness of the Group's internal control systems and the system adequacy to mitigate business risks and safeguard the Group's assets and resources.

The total cost incurred for the internal audit function for the financial year under review was approximately RM40,000. Further details of the internal audit function are set out in the Risk Management and Internal Control Statement on page 137.

# RISK MANAGEMENT AND INTERNAL CONTROL STATEMENT

## INTRODUCTION

The Board is pleased to present its Risk Management and Internal Control Statement (“**Statement**”) for FY2022 which has been prepared pursuant to paragraph 15.26(b) of the MMLR on an additional statement to state risk management and internal control of the Company, Principle B of the MCCG relating to risk management and internal control framework, and as guided by the Statement on Risk Management & Internal Control: Guidelines for Directors of Public Listed Issuers (“the Guidelines”). This Statement outlines the nature and state of the internal controls of the Group.

## BOARD’S RESPONSIBILITY

The Board acknowledges its responsibility for maintaining a sound system of risk management and internal control and reviewing its adequacy and effectiveness to safeguard shareholders’ interests and the Group’s assets.

While the Management implements a system of risk management and internal control, it is important to note that this system has inherent limitations and is not designed to completely eliminate all risks. Instead, its purpose is to identify, evaluate, manage, and monitor risks to an acceptable level, thereby mitigating the risk of material misstatements, losses, contingencies, fraud, or irregularities. It is important to note that this system can only provide reasonable and not absolute assurance against such risks that may impede the Group’s achievement of corporate objectives.

## RISK MANAGEMENT FRAMEWORK

The Board recognises that risk management should be an integral part of the business operation. Respective Heads of Departments are responsible for identifying, evaluating, managing, and mitigating both existing and potential risks related to their functions and/or departments on a day-to-day basis.

Weekly management meetings are held to ensure that the Group’s risks are monitored and addressed properly. At these meetings, key risks and corresponding controls implementation are communicated amongst the Senior Management team.

The RMC, comprising entirely of independent directors, provides oversight on risk management matters relating to the Group’s activities and ensures prudent risk management over the Group’s operations and businesses. To assist the RMC in fulfilling its oversight responsibilities, the Heads of Departments of various functions are responsible to assess the Group’s risk management processes including the assessment of key strategic and operational risks. The Heads of Departments conduct their risk management activities and prepares quarterly risk assessment reports. Meanwhile, our in-house internal audit team performs audit work to identify any significant risks of the department. Both Heads of Departments and the in-house internal audit team present their findings to the RMC at a quarterly meeting for assessment, discussion, and attention. The Chairman of the RMC highlights the salient matters and provides oversight of the entire risk management framework of the Group to the Board at their scheduled meetings. Where necessary, special meetings will be convened to discuss specific matters that require immediate attention.

During the financial year under review, the Heads of Departments had met four (4) times with the RMC to update their respective department’s quarterly risk assessment report for discussion and highlighted the key risk areas affecting the Group as well as recommended risk management strategies to manage and mitigate the identified risks.

The Group’s Risk Management Policy established in October 2013 was reviewed by the Board at their scheduled meeting held on 27 February 2023 where it was assessed to be adequate and no further amendments were required.

The abovementioned risk management practices of the Group are the ongoing process of identifying, evaluating and managing significant risks that may affect the Group’s achievement of its corporate objectives for the year under review and up to the date of approval of this Risk Management and Internal Control Statement by the Board.

# RISK MANAGEMENT AND INTERNAL CONTROL STATEMENT

(cont'd)

## INTERNAL AUDIT FUNCTION

The Group has engaged Vaersa, an outsourced internal audit service provider, to carry out the internal audit function in addition to our in-house internal audit team. Vaersa provides an independent assessment of the effectiveness and adequacy of the Group's system of internal control. This provides the AC and Board with reasonable assurance of the adequacy of the scope, functions and resources of the internal audit function and internal control.

Regular assessment of the adequacy and effectiveness of the internal controls established by Management to mitigate risks are conducted through interviews and discussions with key management staff, review of the relevant established policies, procedures and authority limits, and observation and testing of the internal controls on a sample basis. The results of the internal audit reviews, including action plans to be taken by Management to address identified weaknesses and recommendations for enhancement opportunities are reported to the AC, which in turn reports to the Board.

During the FY2022, internal audit work was carried out in accordance with the risk assessment based on internal audit plan that was reviewed and approved by the AC. The business processes audit reviews were conducted on Operation Management (ESC), Project Department, Operations Department (HQ and Logistic), Customer Complaint Management, and Management of Information System. The results of the audit reviews were discussed with Senior Management, and subsequently, the audit findings, including the recommendations for improvement were reported to the AC at the quarterly meetings.

Based on the internal audit reviews conducted, no noted weaknesses resulted in any material losses, contingencies or uncertainties that would require separate disclosure in this report. The total costs incurred for the internal audit function for FY2022 was approximately RM40,000.

Vaersa met with AC on 30 May 2022, 29 August 2022, and 28 November 2022 both with and without the presence of executive board members and Management to discuss audit related matters.

## OTHER KEY ELEMENTS OF INTERNAL CONTROLS

The other key elements of the Group's internal control systems are:

- i. Quarterly review of the financial performance of the Group by the AC and the Board.
- ii. Clearly defined and structured lines of reporting and responsibility.
- iii. Operations review meetings are held to monitor the progress of business operations, deliberate significant issues and formulate corrective measures.
- iv. Documented internal policies as set out in a series of memorandums to various departments within the Group.
- v. Whistle Blowing Policy which provides an avenue for employees to report suspected malpractices, misconduct or violations of the Company's policies and regulations in a secured and confidential manner.

## ASSURANCE

Based on the assurance provided by the Group Managing Director and Chief Financial Officer, and other relevant assurance providers, the Board is confident that the risk management and internal control practices and processes are functioning effectively and efficiently in all materials aspects. This provides reasonable assurance that the Group's assets are safeguarded, and the interests of the shareholders and customers are protected. However, it should be noted that there are inherent limitations in any risk management and internal control system, and such a system cannot provide absolute assurance against any material misstatements, losses, contingencies, fraud, or irregularities.

The Board acknowledges the importance of continually assessing and enhancing the Group's risk management and internal control practices and processes. To this end, the Board will continue to oversee the Group's risk management and internal control framework as well as regularly review and assess the adequacy and effectiveness of the Group's risk management and internal control practices and processes to ensure that they remain relevant and effective in mitigating the risks faced by the Group.

# RISK MANAGEMENT AND INTERNAL CONTROL STATEMENT

(cont'd)

## CONCLUSION

Overall, the Statement provides an overview of the Group's system of risk management and internal control, including the processes and procedures in place to identify, assess, and manage risks, as well as the role of the AC and internal auditors in reviewing and reporting on the effectiveness of these controls.

The Statement acknowledges that the Group operates in a constantly changing and challenging business environment and that the system of risk management and internal controls must continuously evolve to meet these challenges. The Board is committed to taking appropriate action plans when necessary to enhance the Group's system of risk management and internal controls.

It is also worth noting that the Group's risk management and internal control systems do not apply to the associate companies, but the Group's interest in these companies is served through Board representation and periodic review of their management accounts.

Overall, the Statement appears to provide a reasonable level of assurance to shareholders and stakeholders regarding the Group's approach to risk management and internal control. However, it is important to note that the effectiveness of these systems can only be fully assessed over time, and stakeholders should continue to monitor the Group's progress in this area.

## REVIEW BY EXTERNAL AUDITORS

As required by paragraph 15.23 of the MMLR, the External Auditors have reviewed this Statement. Their review was performed in accordance with Malaysian Approved Standard on Assurance Engagements, ISAE 3000 (Revised), Assurance Engagement Other than Audits or Reviews of Historical Financial Information and Audit and Assurance Practice Guide 3 (AAPG 3): Guidance for Auditors on Engagements to Report on the Risk Management and Internal Control Statement included in this Annual Report, issued by the Malaysian Institute of Accountants. Based on their review, nothing has come to their attention that causes them to believe that this Statement is not prepared, in all material respects, in accordance with the disclosures required by paragraph 41 and 42 of the Risk Management and Internal Control Statement: Guidelines for Directors of Listed Issuers and Practice Note 10.1 and 10.2 of Malaysian Code of Corporate Governance 2021, nor is factually inaccurate.



# DIRECTORS' REPORT

The Directors have pleasure in submitting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2022.

## PRINCIPAL ACTIVITIES

The Company is principally engaged in the businesses of development and implementation of the electronic government services project and the provision of other related services for the electronic government services project, as well as investment holding. The principal activities of its subsidiaries are disclosed in Note 8 to the financial statements.

There have been no significant changes in the nature of these activities of the Company and of its subsidiaries during the financial year.

## FINANCIAL RESULTS

	Group RM'000	Company RM'000
Profit for the financial year	400,402	100,268
Attributable to:		
Owners of the Company	398,662	100,268
Non-controlling interests	1,740	-
	400,402	100,268

## RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than as disclosed in the financial statements.

## DIVIDENDS

Since the end of the last financial year, the Company paid:

	RM'000
In respect of the financial year ended 31 December 2021:	
- a final dividend of 1.03 sen per ordinary share, paid on 21 September 2022	76,071
In respect of the financial year ended 31 December 2022:	
- a first interim single tier dividend of 0.25 sen per ordinary share, paid on 25 November 2022	18,595
	94,666

On 27 February 2023, the Directors recommended the payment of a final single-tier dividend of 1.17 sen per ordinary share in respect of the current financial year, subject to the approval of the shareholders at the forthcoming Annual General Meeting.

## ISSUE OF SHARES AND DEBENTURES

During the financial year, the Company increased its issued and paid-up share capital from RM854,894,698 to RM904,076,762 by issuance of 68,954,436 new ordinary shares from the exercise of Dividend Reinvestment Plan ("DRP") at an exercise price of RM0.715 per share amounting to RM49,182,065 as disclosed in Note 24 to the financial statements.

# DIRECTORS' REPORT

(cont'd)

## TREASURY SHARES

During the financial year, the Company purchased 27,595,400 of its issued ordinary shares from the open market. The average price paid for the shares repurchased was RM0.88 per share. The total consideration paid for the share purchase was RM24,278,293 including transaction cost. The ordinary shares purchase were being held as treasury shares in accordance with Section 127(6) of the Companies Act 2016 and were presented as a deduction from equity.

As at 31 December 2022, the Company held 39,595,400 treasury shares out of the total 7,477,571,078 issued ordinary shares. Further relevant details are disclosed in Note 25 to the financial statements.

## OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued shares of the Company during the financial year.

## DIRECTORS

The Directors in office during the financial year until the date of this report are:

Dato' Dr Norraesah Binti Haji Mohamad\*  
Wong Thean Soon\*  
Datuk Mohd Jimmy Wong Bin Abdullah  
Wong Kok Chau  
Dato' Sri Mohd Mokhtar Bin Mohd Shariff  
Dato' Mohd Jeffrey Bin Joakim  
Mohaini Binti Mohd Yusof

The Directors who held office in the subsidiaries (excluding Directors who are also Directors of the Company) during the financial year up to the date of this report:

Dato' Raja Haji Munir Shah Bin Raja Mustapha  
Chong Chien Ming  
Chong Mei Yee  
Cheong Kok Leong  
Khow Siong Long  
Malcolm Caesar Leong Sze Kwong  
Tan Seong Yeau  
Sean Cornelius Yoong Wan Yen  
Zulhelmi Bin Othman  
Tan Kai Jie  
Wong Thean Chye  
Chan Yat Choong  
Chow Kah Siong  
Ding XiaoTing  
Xu Bo  
Lu Peng Fei  
Benjamin Low Ewe Ee  
Chu Zhi Ning  
Gopirajan A/L J Rasamy (Appointed on 30 August 2022)  
Datuk Nor Adnan Bin Zainal Abidin (Resigned on 30 June 2022)  
Ong Hong Tiong (Resigned on 22 July 2022)  
Ong Eng Huat (Resigned on 22 July 2022)  
Priyaa Darshini A/P Paremasivem (Resigned on 30 August 2022)

\* Directors of the Company and its subsidiaries.

## DIRECTORS' INTERESTS IN SHARES

The interests and deemed interest in the shares of the Company and of its related corporations (other than wholly-owned subsidiaries) of those who were Directors at financial year end (including their spouse or children) according to the Register of Directors' Shareholding are as follows:

	Number of ordinary shares				
	At 1.1.2022	Dividend reinvestment plan ("DRP")	Bought	Sold	At 31.12.2022
<b>The Company</b>					
<b>Direct interests</b>					
Dato' Dr Norraesah Binti Haji Mohamad	51,129,288	736,546	-	-	51,865,834
Wong Thean Soon	894,058,650	12,147,635	104,400,000	(93,500,000)	917,106,285
Datuk Mohd Jimmy Wong Bin Abdullah	6,822,954	98,288	-	-	6,921,242
<b>Indirect interests</b>					
Wong Thean Soon <sup>(#)</sup>	1,432,974,130	19,391,985	22,500,000	(190,900,000)	1,283,966,115

(#) Indirect interest through his interest in Asia Internet Holdings Sdn. Bhd. ("AIH") by virtue of Section 8 of the Companies Act 2016.

By virtue of his interests in the shares of the Company, Wong Thean Soon is deemed to have interest in the shares of all the subsidiaries and its related corporation during the financial year to the extent that the Company has an interest under Section 8 of the Companies Act 2016.

Other than as disclosed above, none of the other Directors in office at the end of the financial year have any interest in shares in the Company or its related corporations during the financial year.

## DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of remuneration received or due and receivable by Directors as shown below) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

The details of the Directors' remuneration for the financial year ended 31 December 2022 are set out below:

	Group RM'000	Company RM'000
Salaries, fees and other emoluments	1,905	764
Defined contribution plans	136	-
	2,041	764

Neither during nor at the end of the financial year, was the Company a party to any arrangement whose object was to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

# DIRECTORS' REPORT

(cont'd)

## INDEMNITY AND INSURANCE COSTS

There was no indemnity given to or insurance effected for any Directors, officers and auditors of the Company in accordance with Section 289 of the Companies Act 2016.

## OTHER STATUTORY INFORMATION

- (a) Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:
  - (i) to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and
  - (ii) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including the value of current assets as shown in the accounting records of the Group and of the Company have been written down to an amount which the current assets might be expected so to realise.
- (b) At the date of this report, the Directors are not aware of any circumstances:
  - (i) which would render the amounts written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
  - (ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
  - (iii) not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading; or
  - (iv) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (c) At the date of this report, there does not exist:
  - (i) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
  - (ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.
- (d) In the opinion of the Directors:
  - (i) no contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due;
  - (ii) the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
  - (iii) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

## SUBSIDIARIES

The details of the subsidiaries are disclosed in Note 8 to the financial statements.

## SIGNIFICANT EVENTS

The significant events during the financial year are disclosed in Note 47 to the financial statements.

## SUBSEQUENT EVENTS

The significant events after the financial year are disclosed in Note 48 to the financial statements.

## AUDITORS

The Auditors, TGS TW PLT (202106000004 (LLP0026851-LCA) & AF002345), have expressed their willingness to continue in office.

Auditors' remuneration for the Group and the Company as set out in Note 36 to the financial statements are RM497,000 and RM92,000 respectively.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 28 April 2023.

**Wong Thean Soon**

**Dato' Dr Norraesah Binti Haji Mohamad**

# STATEMENT BY DIRECTORS

Pursuant to Section 251(2) of the Companies Act 2016

We, the undersigned, being the two Directors of the Company, do hereby state that, in the opinion of the Directors, the financial statements set out on pages 149 to 247 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2022 and of their financial performance and cash flows for the financial year ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 28 April 2023.

**Wong Thean Soon**

**Dato' Dr Norraesah Binti Haji Mohamad**

# STATUTORY DECLARATION

Pursuant to Section 251(1) of the Companies Act 2016

I, Wong Thean Soon, being the Director primarily responsible for the financial management of MY E.G. Services Berhad, solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 149 to 247 are correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by  
the abovenamed at Kuala Lumpur  
in the Federal Territory  
on 28 April 2023.

**Wong Thean Soon**

Before me

**Shi' Aratul Akmar Binti Sahari**  
(W788)  
Commissioner for Oaths



# INDEPENDENT AUDITORS' REPORT

To the members of MY E.G. Services Berhad  
(Incorporated in Malaysia) [Registration No.: 200001003034 (505639-K)]

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

### Opinion

We have audited the financial statements of MY E.G. Services Berhad, which comprise the statements of financial position as at 31 December 2022 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 149 to 247.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2022, and of their financial performance and of their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

### Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Independence and Other Ethical Responsibilities*

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

### Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Impairment of financing receivables	
Key audit matters	How our audit addressed the key audit matters
<p>As disclosed in Note 13 to the financial statements, financing receivables as at the reporting date amounted to approximately RM288.9 million representing 11.4% of total assets of the Group.</p> <p>The management assessed the level of allowance for expected credit losses on financing receivables based on, amongst others, the realisable value of collaterals pledged, the borrowers' financial position and their abilities to repay.</p> <p>This assessment involves significant judgement and there is inherent uncertainty in the assumptions applied by the management to determine the level of allowance for expected credit losses.</p> <p>We considered this as key audit matter due to the significance of financing receivables and the uncertainty inherent in determining the level of allowance for expected credit losses.</p>	<p>Our audit procedures included, amongst others:-</p> <ul style="list-style-type: none"><li>• Reviewed recoverability of financing receivables;</li><li>• Reviewed management's basis of assessment on expected credit losses on financing receivables;</li><li>• Reviewed management's assessment on the borrowers' and guarantors' creditworthiness and collaterals pledged for the financing receivables;</li><li>• Enquired management on procedures established for the approval of financing receivables;</li><li>• Reviewed the repayment of principal and interest during the financial year; and</li><li>• Considered the adequacy of the Group's disclosure in this area.</li></ul>

# INDEPENDENT AUDITORS' REPORT

To the members of MY E.G. Services Berhad  
(Incorporated in Malaysia) [Registration No.: 200001003034 (505639-K)]  
(cont'd)

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS OPINION (CONT'D)

### Key audit matters (cont'd)

Fair value assessment of other investments	
Key audit matters	How our audit addressed the key audit matters
<p>As disclosed in Note 12 to the financial statements, other investments as at the reporting date amounted to approximately RM235.7 million representing 9.3% of total assets of the Group.</p> <p>The management's determination of other investments' fair value involves significant assumptions on future results of the business. In particular, key assumptions are made on, among others, growth rates and discount rates in the projected cash flows.</p> <p>This assessment involves significant judgement and there is inherent uncertainty in the assumptions applied by the management to determine the fair value of other investments.</p> <p>We considered this as key audit matter due to the significance of the other investments of the Group and the uncertainty inherent in determining the fair value of these other investments.</p>	<p>Our audit procedures included, amongst others:-</p> <ul style="list-style-type: none"><li>• Obtained management's fair value assessment and gained an understanding of their approach in determining the fair value of other investments;</li><li>• Reviewed the reasonableness of key assumptions used and judgement made in determining the fair values of other investments; and</li><li>• Reviewed the sensitivity analysis on revenue growth, profit margin and discount rate.</li></ul>
Impairment of development costs	
Key audit matters	How our audit addressed the key audit matters
<p>As disclosed in Note 7 to the financial statements, development costs as at the reporting date amounted to approximately RM762.7 million representing 30.0% of total assets of the Group.</p> <p>Development costs are subject to impairment assessment by comparing the carrying amounts to their corresponding recoverable amounts.</p> <p>The recoverable amounts were determined by the management using the value in use method, based on future financial information.</p> <p>We considered this as key audit matter due to the significance of the carrying amounts of development cost and the uncertainty inherent in determining the recoverable amounts.</p>	<p>Our audit procedures included, amongst others:-</p> <ul style="list-style-type: none"><li>• Obtained management's impairment analysis and gained an understanding of their impairment assessment process;</li><li>• Reviewed the reasonableness of key assumptions used and judgement made in determining the recoverable amount;</li><li>• Reviewed the sensitivity analysis on revenue growth, profit margin and discount rate; and</li><li>• Evaluated the capitalisation process and determined that costs capitalised met the requirements of MFRS 138.</li></ul>

### Information other than the financial statements and auditors' report thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

# INDEPENDENT AUDITORS' REPORT

To the members of MY E.G. Services Berhad  
(Incorporated in Malaysia) [Registration No.: 200001003034 (505639-K)]  
(cont'd)

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS OPINION (CONT'D)

### Information other than the financial statements and auditors' report thereon (cont'd)

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of the Directors for the financial statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

### Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.

# INDEPENDENT AUDITORS' REPORT

To the members of MY E.G. Services Berhad  
(Incorporated in Malaysia) [Registration No.: 200001003034 (505639-K)]  
(cont'd)

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS OPINION (CONT'D)

### Auditors' responsibilities for the audit of the financial statements (cont'd)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:  
(cont'd)

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on other legal and regulatory requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 8 to the financial statements.

### Other Matters

1. The financial statements of the Company as at 31 December 2021, were audited by another firm of Chartered Accountants who expressed an unmodified opinion on the financial statements dated 26 April 2022.
2. This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

### TGS TW PLT

202106000004 (LLP0026851-LCA) & AF002345  
Chartered Accountants

Kuala Lumpur  
28 April 2023

### Ooi Poh Lim

03087/10/2023 J  
Chartered Accountant

# STATEMENTS OF FINANCIAL POSITION

As at 31 December 2022

	Note	Group		Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property and equipment	4	330,006	300,722	155,139	183,960
Investment properties	5	29,007	29,660	116,429	105,464
Right-of-use assets	6	59,819	10,141	24	308
Development costs	7	762,678	322,515	100,757	66,215
Investment in subsidiaries	8	-	-	20,395	20,395
Investment in associates	9	33	16,133	-	-
Investment in joint ventures	10	9,379	9,255	12,249	12,249
Goodwill on consolidation	11	20,002	20,002	-	-
Other investments	12	235,718	246,493	-	-
Financing receivables	13	243,456	279,316	-	-
		1,690,098	1,234,237	404,993	388,591
<b>Current assets</b>					
Inventories	14	25,809	18,324	-	-
Financing receivables	13	45,470	39,961	-	-
Trade receivables	15	334,859	290,775	7,530	2,128
Other receivables	16	307,551	205,898	85,133	97,826
Amount due from subsidiaries	17	-	-	1,139,816	843,351
Amount due from associates	18	32	28	2	#
Amount due from joint ventures	19	2,510	2,510	-	-
Tax recoverable		607	2,592	-	-
Digital assets	20	38	-	-	-
Fixed deposits with licensed banks	21	20,127	16,165	11,143	8,030
Cash and bank balances	22	56,296	73,114	35,451	31,993
		793,299	649,367	1,279,075	983,328
Assets held for sale	23	56,280	-	-	-
		849,579	649,367	1,279,075	983,328
<b>Total assets</b>		<b>2,539,677</b>	<b>1,883,604</b>	<b>1,684,068</b>	<b>1,371,919</b>

# STATEMENTS OF FINANCIAL POSITION

As at 31 December 2022  
(cont'd)

		Group		Company	
	Note	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
<b>EQUITY AND LIABILITIES</b>					
<b>EQUITY</b>					
Share capital	24	904,077	854,895	904,077	854,895
Treasury shares	25	(36,642)	(12,364)	(36,642)	(12,364)
Reserves	26	1,008,542	704,532	385,364	379,762
Equity attributable to owners of the Company		1,875,977	1,547,063	1,252,799	1,222,293
Non-controlling interests ("NCI")		(3,874)	(5,614)	-	-
<b>Total equity</b>		<b>1,872,103</b>	<b>1,541,449</b>	<b>1,252,799</b>	<b>1,222,293</b>
<b>LIABILITIES</b>					
<b>Non-current liabilities</b>					
Loans and borrowings	27	293,791	95,567	277,850	87,982
Lease liabilities	28	31,366	2,909	-	41
Deferred tax liabilities	29	2,859	2,921	1,910	1,910
		328,016	101,397	279,760	89,933
<b>Current liabilities</b>					
Loans and borrowings	27	149,267	64,980	120,650	38,325
Lease liabilities	28	8,907	2,627	24	272
Trade payables	30	106,412	101,340	3,020	3,813
Other payables	31	73,423	68,169	19,445	16,262
Contract liabilities	32	1,439	1,544	-	-
Amount due to subsidiaries	17	-	-	8,348	997
Amount due to associates	18	22	24	-	-
Tax payable		88	2,074	22	24
		339,558	240,758	151,509	59,693
<b>Total liabilities</b>		<b>667,574</b>	<b>342,155</b>	<b>431,269</b>	<b>149,626</b>
<b>Total equity and liabilities</b>		<b>2,539,677</b>	<b>1,883,604</b>	<b>1,684,068</b>	<b>1,371,919</b>

# - represents an amount less than RM1,000

The accompanying notes form an integral part of the financial statements.



# STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the Financial Year Ended 31 December 2022

	Note	Group		Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Revenue	33	651,107	721,877	164,370	149,329
Cost of sales		(153,336)	(283,110)	(20,086)	(77,444)
Gross profit		497,771	438,767	144,284	71,885
Other income		49,420	4,546	10,627	8,986
Administrative expenses		(72,156)	(66,321)	(25,336)	(23,504)
Other expenses		(61,990)	(47,857)	(21,341)	(21,750)
Net gain/(loss) on impairment of financial assets	34	439	(279)	-	-
<b>Profit from operations</b>		<b>413,484</b>	<b>328,856</b>	<b>108,234</b>	<b>35,617</b>
Finance costs	35	(9,241)	(6,716)	(6,534)	(5,564)
Share of result of associates		-	(765)	-	-
Share of result of joint ventures		124	(692)	-	-
<b>Profit before tax</b>	36	<b>404,367</b>	<b>320,683</b>	<b>101,700</b>	<b>30,053</b>
Taxation	37	(3,965)	(3,978)	(1,432)	(114)
<b>Profit for the financial year</b>		<b>400,402</b>	<b>316,705</b>	<b>100,268</b>	<b>29,939</b>
<b>Other comprehensive income for the financial year, net of tax</b>					
<b>Item that will be reclassified subsequently to profit or loss</b>					
Exchange differences on translation		14	(1)	-	-
<b>Total comprehensive income for the financial year</b>		<b>400,416</b>	<b>316,704</b>	<b>100,268</b>	<b>29,939</b>
<b>Profit for the financial year attributable to:</b>					
Owners of the Company		398,662	315,940	100,268	29,939
NCI		1,740	765	-	-
		400,402	316,705	100,268	29,939
<b>Total comprehensive income attributable to:</b>					
Owners of the Company		398,676	315,939	100,268	29,939
NCI		1,740	765	-	-
		400,416	316,704	100,268	29,939
<b>Earnings per share</b>					
Basic earnings per share (sen)	39	5.39	4.29		
Diluted earnings per share (sen)	39	-	-		

The accompanying notes form an integral part of the financial statements.

# STATEMENTS OF CHANGES IN EQUITY

For the Financial Year Ended 31 December 2022

		Non-Distributable			Distributable			Attributable to Owners of the Company		Total Equity
		Share capital	Treasury shares	Fair value reserve	Other reserve	Retained earnings	RM'000	RM'000	RM'000	RM'000
Note		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Group</b>										
<b>At 1 January 2021</b>		634,262	(61,652)	6,401	20	570,191	1,149,222	(6,399)	1,142,823	
Profit for the financial year		-	-	-	-	315,940	315,940	765	316,705	
Other comprehensive income for the financial year:										
- foreign currency translation differences		-	-	-	(1)	-	(1)	-	(1)	
Total comprehensive income for the financial year		-	-	-	(1)	315,940	315,939	765	316,704	
<b>Transactions with owners:</b>										
Issuance of ordinary shares pursuant to DRP	24	30,327	-	-	-	-	30,327	-	30,327	
Issuance of ordinary shares pursuant to private placement	24	208,506	-	-	-	-	208,506	-	208,506	
Purchase of treasury shares	25	-	(77,929)	-	-	-	(77,929)	-	(77,929)	
Cancellation of treasury shares	25	(18,200)	127,217	-	-	(109,017)	-	-	-	
Issuance of subsidiary's ordinary shares to NCI		-	-	-	-	-	-	20	20	
Dividends to owners of the Company	40	-	-	-	-	(79,002)	(79,002)	-	(79,002)	
Total transactions with owners		220,633	49,288	-	-	(188,019)	81,902	20	81,922	
<b>At 31 December 2021</b>		854,895	(12,364)	6,401	19	698,112	1,547,063	(5,614)	1,541,449	

# STATEMENTS OF CHANGES IN EQUITY

For the Financial Year Ended 31 December 2022

(cont'd)

		Non-Distributable			Distributable			Attributable to Owners of the Company			Total Equity	
		Share capital	Treasury shares	Fair value reserve	Other reserve	Retained earnings	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Note	Group (cont'd)	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
	<b>At 1 January 2022</b>	854,895	(12,364)	6,401	19	698,112	1,547,063	(5,614)	1,541,449			
	Profit for the financial year	-	-	-	-	398,662	398,662	1,740	400,402			
	Other comprehensive income											
	- foreign currency translation differences	-	-	-	14	-	14	-	14			
	Total comprehensive income for the financial year	-	-	-	14	398,662	398,676	1,740	400,416			
<b>Transactions with owners:</b>												
24	Issuance of ordinary shares pursuant to DRP	49,182	-	-	-	-	49,182	-	49,182			
25	Purchase of treasury shares	-	(24,278)	-	-	-	(24,278)	-	(24,278)			
40	Dividends to owners of the Company	-	-	-	-	(94,666)	(94,666)	-	(94,666)			
	Total transactions with owners	49,182	(24,278)	-	-	(94,666)	(69,762)	-	(69,762)			
	<b>At 31 December 2022</b>	904,077	(36,642)	6,401	33	1,002,108	1,875,977	(3,874)	1,872,103			

# STATEMENTS OF CHANGES IN EQUITY

For the Financial Year Ended 31 December 2022  
(cont'd)

		← Non-distributable →	Distributable	
	Note	Share capital RM'000	Treasury shares RM'000	Retained earnings RM'000
				Total equity RM'000
<b>Company</b>				
<b>At 1 January 2021</b>		634,262	(61,652)	537,842
Profit for the financial year, representing total comprehensive income for the financial year		-	-	29,939
<b>Transactions with owners:</b>				
Issuance of ordinary shares pursuant to DRP	24	30,327	-	-
Issuance of ordinary shares pursuant to private placement	24	208,506	-	-
Purchase of treasury shares	25	-	(77,929)	-
Cancellation of treasury shares	25	(18,200)	127,217	(109,017)
Dividends to owners of the Company	40	-	-	(79,002)
Total transactions with owners		220,633	49,288	(188,019)
<b>At 31 December 2021</b>		854,895	(12,364)	379,762
<b>At 1 January 2022</b>		854,895	(12,364)	379,762
Profit for the financial year, representing total comprehensive income for the financial year		-	-	100,268
<b>Transactions with owners:</b>				
Issuance of ordinary shares pursuant to DRP	24	49,182	-	-
Purchase of treasury shares	25	-	(24,278)	-
Dividends to owners of the Company	40	-	-	(94,666)
Total transactions with owners		49,182	(24,278)	(94,666)
<b>At 31 December 2022</b>		904,077	(36,642)	385,364

The accompanying notes form an integral part of the financial statements.

# STATEMENTS OF CASH FLOWS

For the Financial Year Ended 31 December 2022

		Group		Company	
		2022	2021	2022	2021
	Note	RM'000	RM'000	RM'000	RM'000
Cash flows from operating activities					
Profit before tax		404,367	320,683	101,700	30,053
Adjustments for:					
Amortisation of development costs		27,053	22,131	8,000	8,131
Bad debts written off		2	46	-	-
Depreciation of property and equipment		28,531	23,056	11,017	11,316
Depreciation of investment properties		653	653	2,320	2,320
Depreciation of right-of-use assets		5,738	4,581	284	530
Fair value loss on digital assets		3	-	-	-
Dividend income		(1,440)	(140)	(125,000)	(1,000)
Equipment written off		1,458	26	-	15
Fair value gain on other investments		(45,505)	-	-	-
Gain on disposal of associates		(2,846)	-	-	-
Gain on disposal of equipment	C	(654)	(158)	-	(29)
Gain on modification of lease contract		-	(1)	-	-
Gain on termination of lease contract		(17)	-	-	-
(Reversal)/Allowance for expected credit losses:					
- trade receivables		(14)	40	-	-
- other receivables		(2)	-	-	-
- financing receivables		(423)	239	-	-
Inventories written down	D	15	313	-	-
Reversal of inventories written down	D	(20)	(112)	-	-
Operating profit/(loss) before working capital changes carried forward					
		416,899	371,357	(1,679)	51,336

# STATEMENTS OF CASH FLOWS

For the Financial Year Ended 31 December 2022  
(cont'd)

		Group		Company	
		2022	2021	2022	2021
Note		RM'000	RM'000	RM'000	RM'000
<b>Cash flows from operating activities</b> <i>(cont'd)</i>					
Operating profit/(loss) before working capital changes brought forward		416,899	371,357	(1,679)	51,336
Share of results of associates		-	765	-	-
Share of results of joint ventures		(124)	692	-	-
Unrealised (gain)/loss on foreign exchange		(3)	43	-	(15)
Interest expenses		9,294	6,786	6,539	5,581
Interest income		(312)	(2,958)	(10,626)	(8,986)
Operating profit/(loss) before working capital changes		425,754	376,685	(5,766)	47,916
Changes in working capital:					
Inventories	D	(5,814)	(14,987)	-	-
Receivables		(114,949)	(309,895)	7,291	(40,747)
Payables		10,352	69,832	2,390	10,879
Contract liabilities		(105)	292	-	-
Cash generated from operations		315,238	121,927	3,915	18,048
Tax paid		(5,830)	(1,758)	(1,434)	(104)
Tax refunded		1,802	69	-	-
Net cash from operating activities		311,210	120,238	2,481	17,944
<b>Cash flows (for)/from investing activities</b>					
Acquisition of:					
- other investments		-	(38,493)	-	-
- a subsidiary		-	-	-	(500)
- associates		-	(4,088)	-	-
- a joint venture		-	(3,826)	-	(3,826)
Additions of right-of-use assets	A	(8,426)	(4,806)	-	-
Net cash outflow from acquisition of subsidiaries	8	-	(1,142)	-	-
Purchase of property and equipment		(66,315)	(36,840)	(1,883)	(13,190)
Subscription of shares in a subsidiary by NCI		-	20	-	-
Development costs incurred		(467,216)	(243,388)	(42,542)	(51,505)
Interest received		312	2,958	10,626	8,986
Dividends received		1,440	140	125,000	1,000
Proceeds from disposal of associates		18,946	-	-	-
Proceeds from disposal of equipment	C	657	268	-	29
Acquisition of digital assets		(41)	-	-	-
Net cash (used in)/from investing activities		(520,643)	(329,197)	91,201	(59,006)



# STATEMENTS OF CASH FLOWS

For the Financial Year Ended 31 December 2022  
(cont'd)

		Group		Company	
		2022	2021	2022	2021
	Note	RM'000	RM'000	RM'000	RM'000
<b>Cash flows from financing activities</b>					
Advances to joint ventures		-	(1,996)	-	-
Dividends paid		(45,484)	(79,002)	(45,484)	(79,002)
Drawdown of block discounting		16,320	1,773	-	-
Drawdown of sukuk wakalah		150,000	-	150,000	-
Drawdown of term loans		90,000	-	90,000	-
Drawdown of revolving credit		80,000	20,600	80,000	-
Increased in fixed deposit pledged with licensed bank		(4,159)	(2,834)	(3,113)	(342)
Increased in fixed deposits with tenure more than 3 months		(2)	-	-	-
Interest paid		(9,294)	(6,786)	(6,539)	(5,581)
Proceeds from issuance of ordinary share		-	238,833	-	238,833
Purchase of treasury shares		(24,278)	(77,929)	(24,278)	(77,929)
Repayment of lease liabilities	B	(6,889)	(4,448)	(289)	(535)
Repayment of term loans		(47,807)	(21,703)	(47,807)	(21,703)
Repayment of block discounting		(6,002)	(5,641)	-	-
Advances to associates		(6)	(32)	(2)	-
Advances to subsidiaries	E	-	-	(282,712)	(76,313)
Net cash from/(used in) financing activities		192,399	60,835	(90,224)	(22,572)
<b>Net cash (decrease)/increase in cash and cash equivalents</b>					
		(17,034)	(148,124)	3,458	(63,634)
<b>Cash and cash equivalents at the beginning of the financial year</b>					
		73,698	221,866	31,993	95,612
Effect of exchange translation differences on cash and cash equivalents		17	(44)	-	15
<b>Cash and cash equivalents at the end of the financial year</b>					
		56,681	73,698	35,451	31,993

# STATEMENTS OF CASH FLOWS

For the Financial Year Ended 31 December 2022  
(cont'd)

		Group		Company	
		2022	2021	2022	2021
	Note	RM'000	RM'000	RM'000	RM'000
Cash and cash equivalents at the end of the financial year comprises:					
Cash and bank balances (including short-term investments)		56,296	73,114	35,451	31,993
Fixed deposits with licensed banks		20,127	16,165	11,143	8,030
		76,423	89,279	46,594	40,023
Less: Cash at trust account balances	(2)	(2)	(2)	-	-
Less: Fixed deposits pledged to licensed banks		(19,615)	(15,456)	(11,143)	(8,030)
Less: Fixed deposits with tenure more than 3 months		(125)	(123)	-	-
		56,681	73,698	35,451	31,993

## NOTES TO THE STATEMENTS OF CASH FLOWS

### A. Additions of right-of-use assets

	Note	Group		Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Total purchase of right-of-use assets		50,672	9,344	-	237
Less: Additions of new lease liabilities		(42,246)	(4,538)	-	(237)
		8,426	4,806	-	-

### B. Cash outflow for leases as lessee

	Note	Group		Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Included in net cash from operating activities					
Payment relating to short-term leases	36	1,527	702	646	-
Payment relating to low value assets	36	44	289	25	95
		1,571	991	671	95
Included in net cash from financing activities					
Interest paid on lease liabilities	35,36	1,197	241	5	17
Payment of lease liabilities		6,889	4,448	289	535
		8,086	4,689	294	552
		9,657	5,680	965	647

# STATEMENTS OF CASH FLOWS

For the Financial Year Ended 31 December 2022  
(cont'd)

## NOTES TO THE STATEMENTS OF CASH FLOWS (CONT'D)

### C. Gain on disposal of equipment

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Net carrying amount of equipment disposed	29	110	-	#
Proceed from disposal of equipment	(657)	(268)	-	(29)
Settlement againsts other payables	(26)	-	-	-
Gain on disposal of equipment	(654)	(158)	-	(29)

### D. Inventories

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Total purchase of inventories	(7,485)	(84,896)	-	-
Less: Inventories written down	(15)	(313)	-	-
Add: Reversal of inventories written down	20	112	-	-
Add: Transfer from equipment	611	110	-	-
Add: Transfer from right-of-use assets	1,055	-	-	-
Add: Transfer from development cost	-	70,000	-	-
	(5,814)	(14,987)	-	-

### E. Subsidiaries

	Company	
	2022	2021
	RM'000	RM'000
Gross advances to subsidiaries	(289,114)	(146,313)
Less: Controlled transferred of property and equipment to a subsidiary	6,402	-
Add: Consideration paid on behalf of subsidiaries for additional investment in other investment	-	70,000
Net advances to subsidiaries	(282,712)	(76,313)

# - represent amount less than RM1,000

The accompanying notes form an integral part of the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2022

## 1. CORPORATE INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of the Bursa Malaysia Securities Berhad.

The registered office of the Company is located at 12th Floor, Menara Symphony, No.5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan.

The principal place of business of the Company is located at Level 43A, MYEG Tower, Empire City, No. 8, Jalan Damansara, PJU 8, 47820 Petaling Jaya, Selangor Darul Ehsan.

The Company is principally engaged in the business of development and implementation of the electronic government services project and the provision of other related services for the electronic government services project, as well as investment holding. The principal activities of its subsidiaries are disclosed in Note 8 to the financial statements.

There have been no significant changes in the nature of these activities of the Company and of its subsidiaries during the financial year.

## 2. BASIS OF PREPARATION

### (a) Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("**MFRSs**"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

The financial statements of the Group and of the Company have been prepared under the historical cost convention, unless otherwise indicated in the significant accounting policies below.

#### (i) Adoption of new and amended standards

During the financial year, the Group and the Company have adopted the following amendments to MFRSs issued by the Malaysian Accounting Standards Board ("**MASB**") that are mandatory for current financial year:

Amendments to MFRS 16	COVID-19 - Related Rent Concessions beyond 30 June 2021
Amendments to MFRS 3	Reference to the Conceptual Framework
Amendments to MFRS 116	Property, plant and equipment - Proceeds before Intended Use
Amendments to MFRS 137	Onerous Contracts - Cost of fulfilling a Contract
Annual Improvements to MFRS Standards 2018 - 2021	Amendments to MFRS 1
	Amendments to MFRS 9
	Amendments to Illustrative Examples accompanying MFRS 16
	Amendments to MFRS 141

The adoption of the amendments to MFRSs did not have any significant impact on the financial statements of the Group and of the Company.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

(cont'd)

## 2. BASIS OF PREPARATION (CONT'D)

### (a) Statement of compliance (cont'd)

#### (ii) Standards issued but not yet effective

The Group and the Company have not applied the following new and amendments to MFRSs that have been issued by the MASB but are not yet effective for the Group and the Company:

		Effective dates for financial years beginning on or after
MFRS 17	Insurance Contracts	1 January 2023
Amendments to MFRS 17	Initial Application of MFRS 17 and MFRS 9 - Comparative Information	1 January 2023
Amendments to MFRS 17	Insurance Contracts	1 January 2023
Amendments 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 16	Lease liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101	Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice

The Group and the Company intend to adopt the above MFRSs when they become effective.

The initial applications of the above-mentioned MFRSs are not expected to have any significant impacts on the financial statements of the Group and of the Company.

### (b) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional currency. All financial information is presented in RM and has been rounded to the nearest thousand except when otherwise stated.

### (c) Significant accounting judgements, estimates and assumptions

The preparation of the Group's and of the Company's financial statements require management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

(cont'd)

## 2. BASIS OF PREPARATION (CONT'D)

### (c) Significant accounting judgements, estimates and assumptions (cont'd)

#### Judgements

The following are the judgements made by management in the process of applying the Group's and the Company's accounting policies that have the most significant effect on the amounts recognised in the financial statements:

#### Classification between investment properties and property and equipment

The Group and the Company have developed certain criteria based on MFRS 140 *Investment Property* in making judgement whether a property qualifies as an investment property. Investment property is a property held to earn rentals or for capital appreciation or both.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes.

If these portions could be sold separately (or leased out separately under a finance lease), the Group and the Company would account for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes.

Judgement is made on an individual property basis to determine whether ancillary services are significant that a property does not qualify as investment property.

#### Determining the lease term of contracts with renewal and termination options - Group and Company as lessee

The Group and the Company determine the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group and the Company have several lease contracts that include extension and termination options. The Group and the Company apply judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group and the Company reassess the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

The Group and the Company include the renewal period as part of the lease term for leases of land and building with non-cancellable period included as part of the lease term as these are reasonably certain to be exercised because there will be a significant negative effect on operation if a replacement asset is not readily available. Furthermore, the periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised.

#### Satisfaction of performance obligations in relation to contracts with customers

The Group is required to assess each of its contracts with customers to determine whether performance obligations are satisfied over time or at a point in time in order to determine the appropriate method for recognising revenue. This assessment was made based on the terms and conditions of the contracts, and the provisions of relevant laws and regulations:

The Group recognises revenue over time in the following circumstances:

- (a) the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- (b) the Group does not create an asset with an alternative use to the Group and has an enforceable right to payment for performance completed to date; and
- (c) the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

(cont'd)

## 2. BASIS OF PREPARATION (CONT'D)

### (c) Significant accounting judgements, estimates and assumptions (cont'd)

#### Judgements (cont'd)

##### Satisfaction of performance obligations in relation to contracts with customers (cont'd)

Where the above criteria are not met, revenue is recognised at a point in time. Where revenue is recognised at a point of time, the Group assesses each contract with customers to determine when the performance obligation of the Group under the contract is satisfied.

##### Digital assets

The Group has considered its position on the accounting for digital assets for the financial year ended 31 December 2022 and has determined that the Group's digital assets fall into 3 categories:

- (i) Inventory method (historical method used by the Group);
- (ii) Intangible asset method (the method noted by the International Accounting Standard Board in its most recent deliberations); and
- (iii) Financial asset method (used where the digital asset meets the criteria of a financial assets).

The Group notes that under the 3 methods noted above, the treatment continues to be to measure digital assets at fair value (unless otherwise disclosed and provided certain conditions are met) under the respective accounting standards.

##### Fair value of digital assets

Digital assets (including bitcoin inventory) is measured at fair value using the quoted in United States Dollar ("USD") on from a number of different sources at closing Coordinated Universal Time. The Group considers this fair value to be a Level 1 input under the MFRS 13 *Fair Value Measurement* fair value hierarchy as the price on the quoted price (unadjusted) in an active market for identical assets.

The Group uses a number of exchanges in order to provide the Group with appropriate size and liquidity to provide reliable evidence of fair value for the size and volume of transactions that are reasonably contemplated by the Group.

#### Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period are set out below.

##### Useful lives of property and equipment, investment properties and right-of-use ("ROU") assets

The Group and the Company regularly review the estimated useful lives of property and equipment, investment properties and ROU assets based on factors such as business plan and strategies, expected level of usage and future technological developments. Future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned above. A reduction in the estimated useful lives of property and equipment, investment properties and ROU assets would increase the recorded depreciation and decrease the value of property and equipment, investment properties and ROU assets. The carrying amount at the reporting date for property and equipment, investment properties and ROU assets are disclosed in Notes 4, 5 and 6 to financial statements.

##### Development costs

The Group and the Company capitalise development costs for a project in accordance with the accounting policy. Initial capitalisation of development costs is based on management's judgement that technological and economic feasibility is confirmed, usually when a product development project has reached a defined milestone according to an established project management model. In determining the amounts to be capitalised, management makes assumptions regarding the expected future cash generations of the project, discount rates to be applied and the expected period of benefits. The carrying amount at the reporting date for development costs is disclosed in Note 7 to the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

(cont'd)

## 2. BASIS OF PREPARATION (CONT'D)

### (c) Significant accounting judgements, estimates and assumptions (cont'd)

#### Key sources of estimation uncertainty (cont'd)

##### Recoverability of development costs

During the financial year, the Directors considered the recoverability of the Group's and of the Company's development cost arising from its existing concession services and its newly introduced block-chain platform, namely Zetrix.

The project continues to progress in a satisfactory manner, and customer reaction has reaffirmed the Directors' previous estimates of anticipated revenues from the project. However, increased competitor activity has caused the Directors to reconsider their assumptions regarding future market share and anticipated margins of this product. Detailed sensitivity analysis has been carried out and the Directors are confident that the carrying amount of the asset will be recovered in full, even if returns are reduced. This situation will be closely monitored, and adjustments made in future periods, if market activity indicates that such adjustments are appropriate. The carrying amount at the reporting date for development costs is disclosed in Note 7 to the financial statements.

##### Impairment of goodwill on consolidation

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use amount requires the Group to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The key assumptions used to determine the value in use is disclosed in Note 11 to the financial statements.

##### Impairment of investment in subsidiaries

The Company reviews its investments in subsidiaries when there are indicators of impairment. Impairment is measured by comparing the carrying amount of an investment with its recoverable amount. Significant judgement is required in determining the recoverable amount. Estimating the recoverable amount requires the Company to make an estimate of the expected future cash flows from the cash-generating units and also to determine a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount at the reporting date for investment in subsidiaries is disclosed in Note 8 to the financial statements.

##### Deferred tax assets

Deferred tax assets are recognised for all unused tax losses, unabsorbed capital allowances and other deductible temporary differences to the extent that it is probable that taxable profit will be available against which the unused tax losses, unabsorbed capital allowances and other deductible temporary differences can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The carrying value of recognised and unrecognised deferred tax assets are disclosed in Notes 29 and 37 to the financial statements.

##### Inventories valuation

Inventories are measured at the lower of cost and net realisable value. The Group estimates the net realisable value of inventories based on an assessment of expected selling prices. Demand levels and pricing competition could change from time to time. If such factors result in an adverse effect on the Group's products, the Group might be required to reduce the value of its inventories. Details of inventories are disclosed in Note 14 to the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

(cont'd)

## 2. BASIS OF PREPARATION (CONT'D)

### (c) Significant accounting judgements, estimates and assumptions (cont'd)

#### Key sources of estimation uncertainty (cont'd)

##### Determination of transaction prices

The Group is required to determine the transaction price in respect of each of its contracts with customers. In making such judgement the Group assesses the impact of any variable consideration in the contract due to discounts or penalties, the existence of any significant financing component and any non-cash consideration in the contract.

There is no estimation required in determining the transaction price, as revenue from sale of goods and rendering of services are based on invoiced values. Discounts are not considered as they are not only given in rare circumstances.

##### Provision for expected credit loss of financial assets at amortised cost

The Group reviews the recoverability of its receivables at each reporting date to assess whether an impairment loss should be recognised. The impairment provisions for receivables are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the payment profiles of past sales (including the effects of COVID-19 pandemic), the corresponding historical credit losses and adjusts for qualitative and quantitative rationale and supportable forward-looking information at the end of each reporting period.

The Group uses a provision matrix to calculate expected credit loss for trade and other receivables. The provision rates are based on number of days past due.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and expected credit loss is a significant estimate. The carrying amounts at the reporting date for receivables are disclosed in Notes 13, 15, 16, 17, 18 and 19 to the financial statements.

##### Income taxes

Judgement is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group and the Company recognise liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

##### Fair value estimates for investment in unquoted shares

The Group carries certain financial assets that are not traded in an active market at fair value. The Group uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. The amount of fair value changes would differ if the Group uses different valuation methodologies and assumptions, and eventually affect profit and/or other comprehensive income. The carrying amounts of these financial assets as at the reporting date are disclosed in Note 12 to the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

(cont'd)

## 3. SIGNIFICANT ACCOUNTING POLICIES

The Group and the Company apply the significant accounting policies set out below, consistently throughout all periods presented in the financial statements unless otherwise stated.

### (a) Basis of consolidation

#### (i) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in business combination are measured initially at their fair values at the acquisition date. The Group recognises any NCI in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed in profit or loss as incurred.

If the business combination is achieved in stages, the acquirer's previously held equity interest in the acquiree is re-measured at its acquisition-date fair value and the resulting gain or loss is recognised in profit or loss.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (which cannot exceed one year from the acquisition date), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date, if known, would have affected the amounts recognised at that date.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of MFRS 9 *Financial Instruments* is measured at fair value with the changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

Inter-company transactions, balances and unrealised gains or losses on transactions between Group entities are eliminated. Unrealised losses are eliminated only if there is no indication of impairment. Where necessary, accounting policies of subsidiaries have been changed to ensure consistency with the policies adopted by the Group.

In the Company's separate financial statements, investment in subsidiaries are stated at cost less accumulated impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts are recognised in profit or loss. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. See accounting policy Note 3(o)(i) to the financial statements on impairment of non-financial asset.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

(cont'd)

## 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (a) Basis of consolidation (cont'd)

#### (ii) NCI

NCI at the reporting period, being the portion of the net assets of subsidiary companies to equity interests that are not owned by the Company, whether directly or indirectly through subsidiary companies, are presented in the consolidated statement of financial position and statement of changes in equity, separately from equity attributable to the equity shareholders of the Company. NCI in the results of the Group are presented in the consolidated statement of profit or loss and other comprehensive income as an allocation of the profit or loss and the comprehensive income for the financial year between the NCI and the equity shareholders of the Company.

Losses applicable to the NCI in a subsidiary are allocated to the NCI even if doing so causes the NCI to have a deficit balance.

Transactions with NCI that do not result in loss of control are accounted for as equity transactions that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary company is recorded in equity. Gains or losses on disposals to NCI are also recorded in equity.

#### (iii) Loss of control

Upon the loss of control of a subsidiary, the Group derecognised the assets and liabilities of the former subsidiary, including any goodwill, and non-controlling interests and other components of equity related to the former subsidiary from the consolidated statement of financial position. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the former subsidiary, then such interest is remeasured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity-accounted investee or as a financial asset depending on the level of influence retained.

#### (iv) Goodwill on consolidation

The excess of the aggregate of the consideration transferred of any non-controlling interest in the acquiree and the acquisition date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total consideration transferred, NCI recognised and previously held interest measured at fair value is less than the fair value of the net assets of the subsidiary acquired (i.e. a bargain purchase), the gain is recognised in profit or loss.

Following the initial recognition, goodwill is measured at cost less accumulated impairment losses. Goodwill is not amortised but instead, it is reviewed for impairment annually or more frequent when there is objective evidence that the carrying amount may be impaired. See accounting policy Note 3(o)(i) to the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

(cont'd)

## 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (b) Investment in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

On acquisition of an investment in an associate or joint venture, any excess of the cost of investment over the Group's share of net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill and included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of investment is excluded from the carrying amount of the investment and is instead included as income in the determination of Group's share of associate's or joint venture's profit or loss for the period in which the investment is acquired.

An associate or a joint venture is accounted for either at cost or equity method as described in MFRS 128 from the date on which the investee becomes an associate or a joint venture. Under the equity method, on initial recognition the investment in an associate or a joint venture is recognised at cost, and the carrying amount is increased or decreased to recognise the Group's share of profit or loss and other comprehensive income of the associate or joint venture equals or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

Profits or losses resulting from upstream and downstream transactions between the Group and its associate or joint venture are recognised in the Group's consolidated financial statements only to the extent of unrelated investors' interest in the associate or joint venture. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the assets transferred.

The financial statements of the associates and joint ventures are prepared as of the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

The requirements of MFRS 136 *Impairment of Assets* are applied to determine whether it is necessary to recognise any additional impairment loss with respect to its net investment in the associate or joint venture. When necessary, the entire carrying amount of the investment is tested for impairment in accordance with MFRS 136 as a single asset, by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss is recognised in profit or loss. Reversal of an impairment loss is recognised to the extent that the recoverable amount of the investment subsequently increases.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

In the Company's separate financial statements, investments in associates and joint ventures are either stated at cost less accumulated impairment losses or equity method. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts are recognised in profit or loss. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. See accounting policy Note 3(o)(i) to the financial statements on impairment of non-financial assets.



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

(cont'd)

## 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (c) Foreign currency translation

#### (i) Foreign currency transactions and balances

Transactions in foreign currency are recorded in the functional currency of the respective Group entities using the exchange rates prevailing at the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are included in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operation. These are initially taken directly to the foreign currency translation reserve within equity until the disposal of the foreign operations, at which time they are recognised in profit or loss. Exchange differences arising on monetary items that form part of the Company's net investment in foreign operation are recognised in profit or loss in the Company's financial statements or the individual financial statements of the foreign operation, as appropriate.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the reporting period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income. Exchange differences arising from such non-monetary items are also recognised in other comprehensive income.

#### (ii) Foreign operations

The assets and liabilities of foreign operations denominated in functional currencies other than RM, including goodwill and fair value adjustments arising on acquisition, are translated to RM at the rate of exchange prevailing at the reporting date. The income and expenses of foreign operations, excluding foreign operations in hyperinflationary economies, are translated to RM at exchange rates at the dates of the transactions.

Goodwill and fair value adjustments arising from the acquisition of foreign operations, if any, are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated at the closing rate at the end of the reporting period.

Foreign currency differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve ("FCTR") in equity. However, if the operation is a non-wholly owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the Foreign Currency Translation Reserves related that foreign operation reclassified to profit or loss as part of the gain or loss on disposal.

When the Group disposes of only part of its interest in a subsidiary company that includes a foreign operation, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

In the consolidated financial statements, when the settlement of an intragroup loan is neither planned nor likely to occur in the foreseeable future, the exchange differences arising from translating such monetary item are considered to form part of a net investment in the foreign operation and are recognised in other comprehensive income.



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

(cont'd)

## 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (d) Property and equipment

Property and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. The policy of recognition and measurement of impairment losses is in accordance with Note 3(o)(i) to the financial statements.

#### (i) Recognition and measurement

Cost includes expenditures that are directly attributable to the acquisition of the assets and any other costs directly attributable to bringing the asset to working condition for its intended use, cost of replacing component parts of the assets, and the present value of the expected cost for the decommissioning of the assets after their use. All other repair and maintenance costs are recognised in profit or loss as incurred.

When significant parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

Property and equipment are derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising on the disposal of property and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss.

Capital work-in-progress represents assets under construction, and which are not ready for commercial use at the end of the reporting period. Capital work-in-progress is stated at cost, and is transferred to the relevant category of assets and depreciate accordingly when the assets are complete and ready for commercial use.

#### (ii) Subsequent costs

The cost of replacing part of an item of property and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and the Company and their cost can be measured reliably. The costs of the day-to-day servicing of property and equipment are recognised in the profit or loss as incurred.

#### (iii) Depreciation

Depreciation is recognised in the profit or loss on straight line basis to write off the cost or valuation of each asset to its residual value over its estimated useful life. Property and equipment under construction are not depreciated until the assets are ready for its intended use.

Property and equipment are depreciated based on the estimated useful lives of the assets as follows:

Buildings	2%
Office and communication equipment	10 - 12%
Medical equipment	20%
Computers	20%
Software	20%
IT terminals	20%
Motor vehicles	16 - 20%
Office furniture and renovation	10%

The residual values, useful lives and depreciation method are reviewed at the end of each reporting period to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the property and equipment.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

(cont'd)

## 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (e) Investment properties

Investment properties are properties held either to earn rental income or for capital appreciation or for both. Investment properties are measured at cost, including transaction costs, less any accumulated depreciation and impairment losses.

The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day servicing of an investment property.

Investment properties are depreciated on a straight-line basis to write down the cost of each asset to their residual values over their estimated useful lives. The principal annual depreciation rates are:

Leasehold buildings	Over the remaining period of the lease
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The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Where an indication of impairment exists, the carrying amount of the asset is assessed and written down immediately to its recoverable amount. See accounting policy Note 3(o)(i) to the financial statements on impairment of non-financial assets.

Investment properties are derecognised upon disposal or when they are permanently withdrawn from use and no future economic benefits are expected from their disposal. Upon disposal, the difference between the net disposal proceeds and the carrying amount is recognised in the profit or loss.

### (f) Leases

#### As lessee

The Group and the Company recognise a ROU asset and a lease liability at the lease commencement date. The ROU asset is initially measured at cost as part of property and equipment, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or site on which it is located, less any lease incentives received.

The ROU asset is subsequently measured at cost less any accumulated depreciation, accumulated impairment loss and, if applicable, adjusted for any remeasurement of lease liabilities. The policy of recognition and measurement of impairment losses is in accordance with Note 3(o)(i) to the financial statements.

The ROU asset under cost model is depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the ROU asset or the end of the lease term. Capital work in progress are not depreciated until the assets are ready for its intended use. The estimated useful lives of the ROU assets are determined on the same basis as those of property and equipment as follows:

Leasehold land	Over the lease term
Office buildings	2%
Premises	Over the lease term
Office and communication equipment	10 - 12%
Motor vehicles	20%

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

(cont'd)

## 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (f) Leases (cont'd)

#### As lessee (cont'd)

The lease liability is initially measured at the present value of future lease payments at the commencement date, discounted using the Group's and the Company's incremental borrowing rates. Lease payments included in the measurement of the lease liability include fixed payments, any variable lease payments, amount expected to be payable under a residual value guarantee, and exercise price under an extension option that the Group and the Company are reasonably certain to exercise.

Variable lease payments that do not depend on an index or a rate and are dependent on a future activity are recognised as expenses in profit or loss in the period in which the event or condition that triggers the payment occurs.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in rate, or if the Group and the Company change their assessment of whether they will exercise an extension or termination option.

Lease payments associated with short-term leases and leases of low value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less and do not contain a purchase option. Low value assets are those assets valued at less than RM20,000 each when purchased new.

The Group and the Company apply the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value.

#### As lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases.

If the lease arrangement contains lease and non-lease components, the Group applies MFRS 15 *Revenue from Contracts with Customers* to allocate the consideration in the contract based on the stand-alone selling price.

The Group recognises assets held under a finance lease in their statements of financial position and presents them as a receivable at an amount equal to the net investment in the lease. The Group uses the interest rate implicit in the lease to measure the net investment in the lease.

The Group recognises lease payments under operating leases as income on a straight-line basis over the lease term unless another systematic basis is more representative of the pattern in which benefit from the use of the underlying asset is diminished. The lease payment recognised is included as part of "Revenue". Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

(cont'd)

## 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (g) Intangible assets

#### (i) Internally-generated intangible assets - research and development costs

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Group and the Company can demonstrate:

- the technical feasibility of completing the intangible asset so that the asset will be available for use or sale;
- its intention to complete and its ability and intention to use or sell the asset;
- how the asset will generate future economic benefits;
- the availability of resources to complete; and
- the ability to measure reliably the expenditure during development.

The amount initially recognised for internally generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful lives and amortisation methods are reviewed at the end of each reporting date, with the effect of any changes in estimate being accounted for on a prospective basis.

#### (ii) Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated depreciation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. Their estimated useful lives and amortisation methods are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

### (h) Financial assets

Financial assets are recognised in the statements of financial position when, and only when, the Group or the Company become a party to the contractual provisions of the financial instrument.

A financial asset (unless it is a trade receivable without financing component) is initially measured at fair value plus or minus, for an item not at fair value through profit or loss ("FVTPL"), directly attributable transaction costs. A trade receivable without a significant financing component is initially measured at the transaction price.

The Group and the Company determine the classification of their financial assets at initial recognition, and are not reclassified subsequent to their initial recognition unless the Group and the Company change their business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

(cont'd)

## 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (h) Financial assets (cont'd)

#### (i) Financial assets at amortised cost

The Group and the Company measure financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the assets is derecognised, modified or impaired.

#### (ii) Financial assets at fair value through other comprehensive income ("FVTOCI")

##### (aa) Debt instruments

A debt security is measured at FVTOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

##### (bb) Equity instruments

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in other comprehensive income on an investment-by-investment basis.

Financial assets categorised as FVTOCI are subsequently measured at fair value, with unrealised gains and losses recognised directly in other comprehensive income and accumulated under fair value reserve in equity. For debt instruments, when the investment is derecognised or determined to be impaired, the cumulative gain or loss previously recorded in equity is reclassified to the profit or loss. For equity instruments, the gains or losses are never reclassified to profit or loss.

#### (iii) Financial assets at FVTPL

All financial assets not classified as measured at amortised cost or FVTOCI, as described above, are measured at FVTPL. This includes derivative financial assets (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument). On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVTOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets categorised as FVTPL are subsequently measured at their fair value with gains or losses recognised in the profit or loss.

All financial assets, except for those measured at FVTPL and equity investments measured at FVTOCI, are subject to impairment.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

(cont'd)

## 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (h) Financial assets (cont'd)

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned. All regular way purchases or sales of financial assets are recognised or derecognised on the trade date i.e. the date that the Group and the Company commit to purchase or sell the asset.

A financial asset is derecognised when the contractual rights to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received for financial instruments is recognised in profit or loss.

### (i) Financial liabilities

Financial liabilities are recognised when, and only when, the Group and the Company become a party to the contractual provisions of the financial instruments. All financial liabilities are recognised initially at fair value plus, in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

### (j) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statements of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

### (k) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs when the guaranteed debtor fails to make payment when due.

Financial guarantee contracts are recognised initially as financial liabilities at fair value, net of transactions costs. Subsequently, the liability is measured at the higher of:

- the amount of the loss allowance; and
- the amount initially recognised loss, when appropriate, the cumulative amount of income recognised in accordance with the principles of MFRS 15 *Revenue from Contracts with Customers*.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

(cont'd)

## 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (l) Inventories

Inventories are stated at the lower of cost and net realisable values.

Cost of trading goods comprise cost of purchase and other costs incurred in bringing it to their present location and condition are determined on a first-in-first-out basis.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

### (m) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits, and highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. For the purpose of statements of cash flows, cash and cash equivalents are presented net of pledged deposits.

### (n) Contract liabilities

Contract liability is the obligation to transfer goods or services to customers for which the Group excess of the billings to-date over the revenue recognised. Contract liabilities are recognised as revenue when the Group performs its obligation under the contracts.

### (o) Impairment of assets

#### (i) Non-financial assets

The carrying amounts of non-financial assets (except for inventories, deferred tax assets and asset held for sale) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units. Subject to operating segment ceiling test, for the purpose of goodwill impairment testing, cash-generating units to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to a cash-generating unit or a group of cash-generating units that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

An impairment loss is recognised if the carrying amount of an asset or cash-generating unit exceeds its estimated recoverable amount. Impairment loss is recognised in profit or loss, unless the asset is carried at a revalued amount, in which such impairment loss, impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (group of cash-generating units) and then to reduce the carrying amounts of the other assets in the cash-generating unit (group of cash-generating units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment loss been recognised for asset in prior years. Such reversal is recognised in the profit or loss.



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

(cont'd)

## 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (o) Impairment of assets (cont'd)

#### (ii) Financial assets

The Group and the Company recognise an allowance for expected credit losses ("ECLs") for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group and the Company expect to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For receivables, the Group and the Company apply a simplified approach in calculating ECLs. Therefore, the Group and the Company do not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group and the Company have established a provision matrix that is based on their historical credit loss experience and the economic environment.

### (p) Share capital

#### (i) Ordinary shares

An equity instrument is any contract that evidences a residual interest in the assets of the Group and of the Company after deducting all of its liabilities. Ordinary shares are equity instruments. Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity.

Dividend distribution to the Company's shareholders is recognised as a liability in the period they are approved by the Board of Directors except for the final dividend which is subject to approval by the Company's shareholders.

#### (ii) Treasury shares

When issued shares of the Company are repurchased, the amount of the consideration paid, including directly attributable costs, net of any tax effects, is recognised as a deduction from equity as treasury shares until the shares are cancelled, reissued or disposed of. No gain or loss is recognised in profit or loss on the sale, re-issuance or cancellation of the treasury shares.

When treasury shares are distributed as share dividends, the cost of the treasury shares is deducted against the retained earnings of the Company.

When treasury shares are sold or reissued subsequently, the difference between the sales consideration, net of directly attributable costs and the carrying amount of the treasury shares is recognised in equity.

#### (iii) Distribution of non-cash assets to owners of the Company

The distribution of non-cash assets to owners is recognised as dividend payable when the dividend was approved by shareholders. The dividend payable is measured at the fair value of the assets to be distributed. At the end of the reporting period and on the settlement date, the Group reviews the carrying amount of the dividend payable, with any changes in the fair value of the dividend payable recognised in equity. When the Group settles the dividend payable, the difference between the carrying amount of the dividend distributed and the carrying amount of the dividend payable is recognised as a separate line item in profit or loss.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

(cont'd)

## 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (q) Sukuk wakalah

Sukuk wakalah is classified as liabilities when there is contractual obligation to deliver cash or other financial assets to another person or entity or to exchange financial assets or liabilities with another person or entity that are potentially unfavourable to the Company and the Group. Cost directly attributable to the issuance of the instrument, net of tax, are treated as a deduction from the proceeds. Distribution on Sukuk wakalah is recognised in liabilities in the period in which they are paid.

Sukuk wakalah holders' entitlement is accounted for as a distribution recognised in the statements of profit or loss and other comprehensive income in the period in which it is declared.

### (r) Provisions

Provisions are recognised when there is a present legal or constructive obligation as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Any reimbursement that the Group and the Company can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision. The expense relating to any provision is recognised in the profit or loss and net of any reimbursement.

### (s) Revenue recognition

#### (i) Revenue from contracts with customers

Revenue is recognised when the Group and the Company satisfied a performance obligation ("PO") by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A PO may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied PO.

The Group and the Company recognise revenue from the following major sources:

#### (a) Rendering of services

Revenue from concession based services and commercial based services are recognised at a point in time in which the services are rendered, which simultaneously received and consumes the benefit provided by the Group and the Company, and the Group and the Company have a present right to payment for the services.

Revenue from media solution and related professional services are recognised over time in which the services are rendered, which simultaneously received and consumes the benefit provided by the Group, and the Group has a present right to payment for the services.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

(cont'd)

## 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (s) Revenue recognition (cont'd)

#### (i) Revenue from contracts with customers (cont'd)

##### (b) Sales of goods

Revenue from sale of goods is recognised when control of the products has transferred, being at the point that the goods had been delivered to the customer. Following delivery, the customer has full discretion over the manner of distribution and price to sell the goods, and bears the risks of obsolescence and loss in relation to the goods.

A receivable is recognised by the Group when the goods are delivered as this represents the point in time at which the right to consideration is unconditional, because only the passage of time is required before payment is due.

#### (ii) Rental income

Rental income is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

#### (iii) Interest income

Interest income is recognised on accruals basis using the effective interest method.

#### (iv) Dividend income

Dividend income from investment is recognized when the right to received dividend payment is established.

#### (v) Income from Ijarah financing

This represents a lease contract that transfers the ownership of an asset to another party for a specified period in exchange for a rental. Effective transfer of the legal title is a consequent to the conclusion of the lease arrangement that can be in the form of a sale or gift of the asset to the lessee. Al-Ijarah Thumma al-Bai' ("AITAB") is a form of Ijarah lease contracts where the sale of asset to the lessee is executed at the completion of the lease period. Income from an Ijarah contract is recognised on effective profit rate basis over the period of the contract based on the principal amounts outstanding.

### (t) Employee benefits

#### (i) Short-term employee benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the reporting period in which the associated services are rendered by employees of the Group and of the Company. Short-term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short-term non-accumulating compensated absences such as sick and medical leave are recognised when the absences occur.

The expected cost of accumulating compensated absences is measured as additional amount expected to be paid as a result of the unused entitlement that has accumulated at the end of the reporting period.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

(cont'd)

## 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (t) Employee benefits (cont'd)

#### (ii) Defined contribution plans

As required by law, companies in Malaysia contribute to the state pension scheme, the Employee Provident Fund. Some of the Group's foreign subsidiaries also make contributions to their respective country's statutory pension scheme. Such contributions are recognised as an expense in the profit or loss as incurred. Once the contributions have been paid, the Group and the Company have no further payment obligations.

### (u) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of the assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. All other borrowing costs are recognised in profit or loss in the period in which they are incurred. Borrowing costs consist of interest and other costs that the Group and the Company incurred in connection with the borrowing of funds.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

### (v) Tax expense

Tax expense in profit or loss comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination items recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the financial year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous financial period.

Deferred tax is recognised using the liability method for all temporary differences between the carrying amounts of assets and liabilities in the statements of financial position and their tax bases. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax is based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, at the end of the reporting period. Deferred tax assets and liabilities are not discounted.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

(cont'd)

## 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (w) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-makers are responsible for allocating resources and assessing performance of the operating segments and make overall strategic decisions. The Group's operating segments are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

### (x) Contingencies

Where it is not probable that an inflow or an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the asset or the obligation is disclosed as a contingent asset or contingent liability, unless the probability of inflow or outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent assets or contingent liabilities unless the probability of inflow or outflow of economic benefits is remote.

### (y) Asset held for sale

Investment is classified as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. Such investment classified as held for sale are measured at the lower of its carrying amount and fair value less costs to sell.

The criteria for held for sale classification is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

No fair value gain or loss will be measured on the investment once classified as held for sale.

### (z) Earnings per share

#### (i) Basic

Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the reporting period, adjusted for own shares held.

#### (ii) Diluted

Diluted earnings per share is calculated by dividing the net profit for the reporting period attributable to common controlling shareholders by the weighted average number of ordinary shares in issue, adjusted for the dilutive effects of all potential ordinary shares to be issued. Diluted earnings per share is not applicable as the Group does not have potential dilutive equity instruments that would give a diluted effect to the basic earnings per share.

### (za) Related parties

A related party is a person or entity that is related to the Group and the Company. A related party transaction is a transfer of resources, services or obligations between the Group and its related party, regardless of whether a price is charged.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

(cont'd)

## 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (za) Related parties (cont'd)

- (a) A person or a close member of that person's family is related to the Group and the Company if that person:-
  - (i) has control or joint control over the Group; or
  - (ii) has significant influence over the Group; or
  - (iii) is a member of the key management personnel of the Group.
- (b) An entity is related to the Group and the Company if any of the following conditions applies:-
  - (i) The entity and the Group are members of the same group.
  - (ii) The entity is an associate or joint venture of the other entity.
  - (iii) Both entities are joint ventures of the same third party.
  - (iv) The entity is a joint venture of a third entity and the other entity is an associate of the third entity.
  - (v) The entity is a post-employment benefit plan for the benefits of employees of either the Group or an entity related to the Group.
  - (vi) The entity is controlled or jointly-controlled by a person identified in (a) above.
  - (vii) A person identified in (a)(i) above has significant influence over the Group or is a member of the key management personnel of the Group.
  - (viii) The entity or any member of an entity of which it is a party, provides key management personnel services to the Group.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

(cont'd)

## 4. PROPERTY AND EQUIPMENT

Group	Buildings	Office communication equipment	Medical equipment	Computers	Software	IT terminals	Motor vehicles	Office furniture and renovation	Capital work-in-progress	Total
Cost	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2021	222,470	91,799	-	30,885	4,828	7,066	2,781	53,616	26,102	439,547
Additions	-	13,212	8,820	1,809	605	2,899	823	8,672	-	36,840
Acquisition of subsidiaries	-	-	-	7	-	-	-	22	-	29
Transfer from right-of-use assets	-	3,201	-	-	-	-	2,105	-	-	5,306
Transfer to inventories	-	-	-	-	-	(392)	(34)	-	-	(426)
Disposals	-	(1)	-	-	-	-	(133)	-	-	(134)
Written off	-	(89)	-	-	(42)	(40)	(103)	(2)	-	(276)
At 31 December 2021	222,470	108,122	8,820	32,701	5,391	9,533	5,439	62,308	26,102	480,886
Additions	-	45,918	14,700	802	96	3,430	266	1,103	-	66,315
Transfer from right-of-use assets	-	-	-	-	-	-	946	-	-	946
Transfer to right-of-use assets	-	(6,402)	-	-	-	-	-	-	-	(6,402)
Transfer to inventories	-	-	-	-	-	(395)	(608)	-	-	(1,003)
Disposals	-	(9)	-	(10)	-	-	(1,043)	(24)	-	(1,086)
Written off	-	(4)	-	-	-	(1,031)	-	(1,633)	-	(2,668)
At 31 December 2022	222,470	147,625	23,520	33,493	5,487	11,537	5,000	61,754	26,102	536,988



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

(cont'd)

## 4. PROPERTY AND EQUIPMENT (CONT'D)

	Buildings RM'000	Office communication equipment RM'000	Medical equipment RM'000	Computers RM'000	Software RM'000	IT terminals RM'000	Motor vehicles RM'000	Office furniture and renovation RM'000	Capital work-in- progress RM'000	Total RM'000
<b>Group (cont'd)</b>										
<b>Accumulated depreciation</b>										
At 1 January 2021	11,391	62,870	-	25,354	3,557	3,014	2,330	18,631	-	127,147
Charge for the financial year	4,492	7,419	490	2,776	648	1,599	430	5,202	-	23,056
Acquisition of subsidiaries	-	-	-	2	-	-	-	6	-	8
Transfer from right-of-use assets	-	2,336	-	-	-	-	2,105	-	-	4,441
Transfer to inventories	-	-	-	-	-	(282)	(34)	-	-	(316)
Disposals	-	-	-	-	-	-	(24)	-	-	(24)
Written off	-	(74)	-	-	(42)	(29)	(103)	(2)	-	(250)
At 31 December 2021	15,883	72,551	490	28,132	4,163	4,302	4,704	23,837	-	154,062
Charge for the financial year	4,492	9,265	4,508	1,909	525	1,927	219	5,686	-	28,531
Transfer from right-of-use assets	-	-	-	-	-	-	946	-	-	946
Transfer to inventories	-	-	-	-	-	(238)	(154)	-	-	(392)
Disposals	-	(1)	-	(3)	-	-	(1,043)	(10)	-	(1,057)
Written off	-	(3)	-	-	-	(920)	-	(287)	-	(1,210)
At 31 December 2022	20,375	81,812	4,998	30,038	4,688	5,071	4,672	29,226	-	180,880
<b>Accumulated impairment losses</b>										
At 1 January 2021/31 December 2021/31 December 2022/	-	-	-	-	-	-	-	-	26,102	26,102
<b>Carrying amount</b>										
At 31 December 2022	202,095	65,813	18,522	3,455	799	6,466	328	32,528	-	330,006
At 31 December 2021	206,587	35,571	8,330	4,569	1,228	5,231	735	38,471	-	300,722

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

(cont'd)

## 4. PROPERTY AND EQUIPMENT (CONT'D)

Company	Buildings RM'000	Office and communication equipment RM'000	Computers RM'000	Software RM'000	Motor vehicles RM'000	Office furniture and renovation RM'000	Capital work-in- progress RM'000	Total RM'000
<b>Cost</b>								
At 1 January 2021	141,249	36,373	12,927	2,771	540	41,126	26,102	261,088
Additions	-	12,832	266	81	-	11	-	13,190
Disposals	-	#	-	-	-	-	-	#
Written off	-	(25)	-	-	-	-	-	(25)
At 31 December 2021	141,249	49,180	13,193	2,852	540	41,137	26,102	274,253
Additions	-	1,620	97	63	-	103	-	1,883
Transfer to investment properties	(14,572)	-	-	-	-	-	-	(14,572)
Transfer to a subsidiary	-	(6,402)	-	-	-	-	-	(6,402)
At 31 December 2022	126,677	44,398	13,290	2,915	540	41,240	26,102	255,162
<b>Accumulated depreciation</b>								
At 1 January 2021	7,641	18,043	10,910	1,974	540	13,777	-	52,885
Charge for the financial year	2,825	3,025	1,211	384	-	3,871	-	11,316
Disposals	-	#	-	-	-	-	-	#
Written off	-	(10)	-	-	-	-	-	(10)
At 31 December 2021	10,466	21,058	12,121	2,358	540	17,648	-	64,191
Charge for the financial year	2,825	3,523	536	269	-	3,864	-	11,017
Transfer to investment properties	(1,287)	-	-	-	-	-	-	(1,287)
At 31 December 2022	12,004	24,581	12,657	2,627	540	21,512	-	73,921
<b>Accumulated impairment losses</b>								
At 1 January 2021/31 December 2021/ 31 December 2022	-	-	-	-	-	-	26,102	26,102
<b>Carrying amount</b>								
At 31 December 2022	114,673	19,817	633	288	-	19,728	-	155,139
At 31 December 2021	130,783	28,122	1,072	494	-	23,489	-	183,960

# - represents an amount less than RM1,000

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022  
(cont'd)

## 4. PROPERTY AND EQUIPMENT (CONT'D)

- (a) Assets pledged as securities to financial institutions

The net carrying amount of buildings of the Group and of the Company are pledged as securities for bank facilities granted to the Group and the Company as follows:

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Buildings	119,903	122,587	68,573	83,685

- (b) The strata title deed of building of the Group and of the Company amounting to RM127,958,371 (2021: RM130,783,359) are yet to be issued by relevant authorities.

## 5. INVESTMENT PROPERTIES

	Leasehold buildings RM'000	Total RM'000
<b>Group</b>		
<b>Cost</b>		
At 1 January 2021/31 December 2021/31 December 2022	32,654	32,654
<b>Accumulated depreciation</b>		
At 1 January 2021	2,341	2,341
Charge for the financial year	653	653
At 31 December 2021	2,994	2,994
Charge for the financial year	653	653
At 31 December 2022	3,647	3,647
<b>Carrying amount</b>		
At 31 December 2022	29,007	29,007
At 31 December 2021	29,660	29,660

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

(cont'd)

## 5. INVESTMENT PROPERTIES (CONT'D)

	Leasehold buildings RM'000	Total RM'000
<b>Company</b>		
<b>Cost</b>		
At 1 January 2021/31 December 2021	115,989	115,989
Transfer from property and equipment	14,572	14,572
At 31 December 2022	130,561	130,561
<b>Accumulated depreciation</b>		
At 1 January 2021	8,205	8,205
Charge for the financial year	2,320	2,320
At 31 December 2021	10,525	10,525
Charge for the financial year	2,320	2,320
Transfer from property and equipment	1,287	1,287
At 31 December 2022	14,132	14,132
<b>Carrying amount</b>		
At 31 December 2022	116,429	116,429
At 31 December 2021	105,464	105,464

- (a) The investment properties of the Group and of the Company are leased to customers under operating leases with rental payable monthly. The leases contain initial non- cancellable periods ranging from 1 to 3 years.

As at the reporting date, the future minimum rental receivable under the non- cancellable operating leases are as follows:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Within 1 year	1,215	1,452	2,326	5,775
Between 1 and 2 years	601	1,059	1,131	4,601
Between 2 and 3 years	-	454	24	568
	1,816	2,965	3,481	10,944

- (b) Certain investment properties have been pledged to a licensed bank as security for banking facilities granted to the Group and the Company as disclosed in Note 27 to the financial statements.
- (c) Fair value measurement

There are no Level 1 investment properties during the financial years ended 31 December 2022 and 31 December 2021. There was transfer for investment properties between Level 2 and Level 3 due to change of valuation method during the financial year 31 December 2022.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022  
(cont'd)

## 5. INVESTMENT PROPERTIES (CONT'D)

### (c) Fair value measurement (cont'd)

Fair value measurement of the investment properties were categories as follows:

	Group		Company	
	2022	2021	2022	2021
	Level 3	Level 2	Level 3	Level 2
	RM'000	RM'000	RM'000	RM'000
Leasehold buildings	61,707	69,673	120,330	121,161

- (d) Investment properties of the Company comprise buildings that are leased to companies within the Group to earn rental income. They are accounted for as property and equipment at the Group.

## 6. RIGHT-OF-USE ASSET

	Office buildings RM'000	Premises RM'000	Motor vehicles RM'000	Office and communication equipment RM'000	Leasehold land RM'000	Capital work-in progress RM'000	Total RM'000
<b>Group</b>							
<b>Cost</b>							
At 1 January 2021	2,279	6,564	5,073	3,201	-	-	17,117
Additions	4,688	2,671	1,985	-	-	-	9,344
Transfer to property, plant and equipment	-	-	(2,105)	(3,201)	-	-	(5,306)
Expiration of lease contract	(684)	(2,427)	-	-	-	-	(3,111)
Modification of lease contract	(16)	(1,825)	-	-	-	-	(1,841)
Termination of lease contract	-	(625)	-	-	-	-	(625)
At 31 December 2021	6,267	4,358	4,953	-	-	-	15,578
Additions	123	1,440	792	29,450	8,661	10,206	50,672
Transfer to inventories	-	-	(1,499)	-	-	-	(1,499)
Transfer to property, plant and equipment	-	-	(946)	-	-	-	(946)
Transfer from property, plant and equipment	-	-	-	6,402	-	-	6,402
Expiration of lease contract	(700)	(849)	-	-	-	-	(1,549)
Termination of lease contract	-	(1,002)	-	-	-	-	(1,002)
At 31 December 2022	5,690	3,947	3,300	35,852	8,661	10,206	67,656

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

(cont'd)

## 6. RIGHT-OF-USE ASSET (CONT'D)

	Office buildings RM'000	Premises RM'000	Motor vehicles RM'000	Office and communication equipment RM'000	Leasehold land RM'000	Capital work-in progress RM'000	Total RM'000
<b>Group (cont'd)</b>							
<b>Accumulated depreciation</b>							
At 1 January 2021	1,194	3,554	4,132	1,984	-	-	10,864
Charge for the financial year	630	2,958	640	353	-	-	4,581
Transfer to property, plant and equipment	-	-	(2,104)	(2,337)	-	-	(4,441)
Expiration of lease contract	(684)	(2,427)	-	-	-	-	(3,111)
Modification of lease contract	(12)	(1,819)	-	-	-	-	(1,831)
Termination of lease contract	-	(625)	-	-	-	-	(625)
At 31 December 2021	1,128	1,641	2,668	-	-	-	5,437
Charge for the financial year	525	1,981	590	2,536	106	-	5,738
Transfer to inventories	-	-	(444)	-	-	-	(444)
Transfer to property, plant and equipment	-	-	(946)	-	-	-	(946)
Expiration of lease contract	(700)	(849)	-	-	-	-	(1,549)
Termination of lease contract	-	(399)	-	-	-	-	(399)
At 31 December 2022	953	2,374	1,868	2,536	106	-	7,837
<b>Carrying amount</b>							
At 31 December 2022	4,737	1,573	1,432	33,316	8,555	10,206	59,819
At 31 December 2021	5,139	2,717	2,285	-	-	-	10,141

	Office buildings RM'000	Premises RM'000	Total RM'000
<b>Company</b>			
<b>Cost</b>			
At 1 January 2021	682	697	1,379
Additions	-	237	237
Expiration of lease contract	(682)	-	(682)
At 31 December 2021/31 December 2022	-	934	934

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

(cont'd)

## 6. RIGHT-OF-USE ASSET (CONT'D)

	Office buildings RM'000	Premises RM'000	Total RM'000
<b>Company (cont'd)</b>			
<b>Accumulated depreciation</b>			
At 1 January 2021	674	104	778
Charge for the financial year	8	522	530
Expiration of lease contract	(682)	-	(682)
At 31 December 2021	-	626	626
Charge for the financial year	-	284	284
At 31 December 2021	-	910	910
<b>Carrying amount</b>			
At 31 December 2022	-	24	24
At 31 December 2021	-	308	308

- (a) The Group leases various office properties, equipment and motor vehicles of which the leasing activities are summarised below:-

- i. Office buildings The Group has leased a number of office buildings between 1 year and 3 years.
- ii. Premises The Group has leased a number of sites, warehouses and retail shops between 1 year and 3 years. The Group is not allowed to sublease the warehouses and retail shops.
- iii. Motor vehicles The Group has leased its motor vehicles under hire purchase arrangements. The leases are secured by the leased assets. The Group has an option to purchase the asset at the expiry of the lease period at an insignificant amount.
- iv. Office and communication equipment The Group has leased its office and communication equipment under hire purchase arrangements. The leases are secured by the leased assets. The Group has an option to purchase the asset at the expiry of the lease period at an insignificant amount.

- (b) The Group also has leases with lease terms of 12 months or less and leases of premises with low value. Leases included extension and termination options. These options are negotiated by management to provide flexibility in managing the portfolio of leased asset and align with the Group's business needs. Management exercises judgement in determining whether these extension and termination options are reasonably certain to be exercised.

The Group has applied the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

(cont'd)

## 7. DEVELOPMENT COSTS

	Development costs RM'000	Intangible assets under development RM'000	Total RM'000
<b>Group</b>			
<b>Cost</b>			
At 1 January 2021	196,084	-	196,084
Addition	243,388	-	243,388
Disposal	(70,000)	-	(70,000)
At 31 December 2021	369,472	-	369,472
Addition	319,955	147,261	467,216
At 31 December 2022	689,427	147,261	836,688
<b>Accumulated amortisation</b>			
At 1 January 2021	24,826	-	24,826
Charge for the financial year	22,131	-	22,131
At 31 December 2021	46,957	-	46,957
Charge for the financial year	27,053	-	27,053
At 31 December 2022	74,010	-	74,010
<b>Carrying amount</b>			
At 31 December 2022	615,417	147,261	762,678
At 31 December 2021	322,515	-	322,515
	Development costs RM'000	Total RM'000	
<b>Company</b>			
<b>Cost</b>			
At 1 January 2021	104,977	104,977	
Addition	51,505	51,505	
Disposal	(70,000)	(70,000)	
At 31 December 2021	86,482	86,482	
Addition	42,542	42,542	
At 31 December 2022	129,024	129,024	
<b>Accumulated amortisation</b>			
At 1 January 2021	12,136	12,136	
Charge for the financial year	8,131	8,131	
At 31 December 2021	20,267	20,267	
Charge for the financial year	8,000	8,000	
At 31 December 2022	28,267	28,267	
<b>Carrying amount</b>			
At 31 December 2022	100,757	100,757	
At 31 December 2021	66,215	66,215	

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

(cont'd)

## 7. DEVELOPMENT COSTS (CONT'D)

The amortisation charges are recognised in statements of profit or loss and other comprehensive income under the "Other Expenses" line item. Additional development costs with finite useful lives are amortised over a period of 2 to 5 years. Certain development costs are not amortised as these assets are not available for use and are still under development as at the financial year end.

### (a) Impairment testing for cash-generating units ("CGU")

The recoverable amounts of the CGU has been determined based on the value in use calculations using cash flow projections from financial budget approved by management covering a five years period.

## 8. INVESTMENT IN SUBSIDIARIES

	Company	
	2022	2021
	RM'000	RM'000
<b>In Malaysia</b>		
<b>At cost</b>		
Unquoted shares	20,395	20,395

The details of the subsidiaries are as follows:

Name of Company	Place of business /Country of incorporation	Effective interest %		Principal Activities
		2022	2021	
Subsidiaries of the Company				
Gale Vector Sdn. Bhd. ("GVSB")	Malaysia	100	100	Provision of software solutions and maintenance services.
MY E.G. Sdn. Bhd. ("EGSB")	Malaysia	100	100	Development and implementation of the Electronic Government services project and provision of other related services.
MY E.G. Commerce Sdn. Bhd. ("MECSB")	Malaysia	100	100	Provision of auto insurance intermediary services and other related ancillary services.
MY E.G Capital Sdn. Bhd. ("MYEGC")	Malaysia	100	100	Investment holding.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

(cont'd)

## 8. INVESTMENT IN SUBSIDIARIES (CONT'D)

The details of the subsidiaries are as follows: (cont'd)

Name of Company	Place of business /Country of incorporation	Effective interest %		Principal Activities
		2022	2021	
Subsidiaries of the Company (cont'd)				
MY EG Management Services Sdn. Bhd. ("MYEGMS")	Malaysia	100	100	Provision of management and consultancy services.
MY EG International Sdn. Bhd. ("MYEGI")	Malaysia	100	100	To undertake investments and joint ventures in foreign countries.
MY E.G. Digital ID Sdn. Bhd. ("MYEGDI")	Malaysia	100	100	Development and implementation of distributed ledger technology and solutions for digital identification services.
Subsidiaries of MYEGC				
MY EG Ad Networks Sdn. Bhd. ("MYEGAD")	Malaysia	100	100	Provision of advertisement and marketing services.
Agensi Pekerjaan MY EG Jobs Sdn. Bhd. ("MYEGJOBS")	Malaysia	100	100	To carry on business as a private employment agency to recruit and place a worker to another employer.
Car X Services Sdn. Bhd. ("CarX")	Malaysia	55	55	To operate and manage automotive classified web portal and other value added services for the automotive classified web portal.
MY EG Finance Technologies Sdn. Bhd. ("MYEGFT")	Malaysia	100	100	Provision of finance lease activities and other credit granting activities and money lending services.
MY E.G. Alternative Payment Services Sdn. Bhd. ("MYEG ALT")	Malaysia	100	100	Providing and operating an electronic payment and remittance platform for the issuance, transfer, clearance and settlement of Electronic Money and all ancillary products and services related to it.
Picasso Media Sdn. Bhd. ("Picasso Media")	Malaysia	60	60	Advertising.
CardBiz Holding Sdn. Bhd. ("CardBiz")	Malaysia	55	55	Investment holding.
Hurr Tv Sdn. Bhd. ("Hurr Tv")	Malaysia	60	60	Build, own and operate an online TV channel and e-commerce platform.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022  
(cont'd)

## 8. INVESTMENT IN SUBSIDIARIES (CONT'D)

The details of the subsidiaries are as follows: (cont'd)

Name of Company	Place of business /Country of incorporation	Effective interest %		Principal Activities
		2022	2021	
Subsidiaries of MYEGC (cont'd)				
Essential Reviews Sdn. Bhd. ("ERSB")	Malaysia	67	67	Provision of digital platform for reviews news on restaurant and food and beverage business, with advertising or marketing possibilities for related brands.
Mydigitalcoin Sdn. Bhd. ("MYDC")	Malaysia	100	100	Investment holding.
MY EG E-Settlement Sdn. Bhd. ("MYEGE")	Malaysia	100	100	Providing software solutions and maintenance services.
PayMe Sdn. Bhd. ("PayMe")	Malaysia	100	100	Provision of human resource management and payroll services.
MY EG Islamic Finance Sdn. Bhd. ("MYEGIF")	Malaysia	100	100	Provision of Islamic financial lease activities and other Islamic credit granting activities.
MYEG Medical Services Sdn. Bhd. ("MYEGM")	Malaysia	100	100	To market medical products and services including health screening solutions and quarantine services.
NFT Pangolin Technologies Sdn. Bhd. ("NFTPT")	Malaysia	51	51	Investment holding.
Beli Mart Sdn. Bhd. ("Beli Mart")	Malaysia	100	100	Build, develop, own, and operate e-commerce platform.
Subsidiaries of CardBiz				
CardBiz Solutions Sdn. Bhd. ("CSSB")	Malaysia	55	55	Engaged in business as an information and communication technologies software solutions provider that provide software and system customisation for clients.
CardBiz Payment Services Sdn. Bhd. ("CPSSB")	Malaysia	55	55	Information technology and credit card terminal rental and other related services.
CardBiz Technologies Sdn. Bhd. ("CTSB")	Malaysia	55	55	Trading of computer hardware, software, printer, accessories, peripherals, equipment, and electronic products.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

(cont'd)

## 8. INVESTMENT IN SUBSIDIARIES (CONT'D)

The details of the subsidiaries are as follows: (cont'd)

Name of Company	Place of business /Country of incorporation	Effective interest %		Principal Activities
		2022	2021	
Subsidiaries of CardBiz (cont'd)				
Buy Now Asia Sdn. Bhd. ("BNASB")	Malaysia	55	55	E-Commerce service provider, online purchase and redemption, merchant and marketing services and other related activities.
CardBiz eServices Sdn. Bhd. ("CBES")	Malaysia	55	55	Engaged in the business of providing infrastructure for hosting data processing services and related activities.
Subsidiaries of EGSB				
MYEG Trade Sdn. Bhd. ("MTSB")	Malaysia	100	100	Trading of motor vehicles, rental of motor vehicles and provision of ancillary services.
MY EG Lodging Sdn. Bhd. ("MLSB")	Malaysia	55	55	Build, own and operate hostels for foreign workers.
MYEG Auto Assist Sdn. Bhd. ("MYAA")	Malaysia	100	100	Provision of motor vehicle inspection, maintenance and repair of motor vehicles, motor vehicles with breakdown assistance and towing services, sale of removable motor vehicle spare parts, and provision of membership in relation thereto.
MYEG TwoCar Sdn. Bhd. ("MYEG TwoCar")	Malaysia	80	80	Provision of undertaking the registration and transfer of motor vehicle ownership, business segment, providing complementary services arising from new and used car dealers and ancillary services.
Subsidiary of Hurr Tv				
Muca Wellness Sdn. Bhd. ("MUCA")	Malaysia	60	60	General merchants, importers, exporters, distributors and manufacturers of cosmetics, skin care products, healthcare products and pharmaceuticals.
Subsidiaries of MYEGI				
MY EG (Indonesia) Sdn. Bhd. ("MYEGIND")	Malaysia	100	100	Investment holding.
MY EG (Bangladesh) Sdn. Bhd. ("MYEGBD")	Malaysia	100	100	Investment holding.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

(cont'd)

## 8. INVESTMENT IN SUBSIDIARIES (CONT'D)

The details of the subsidiaries are as follows: (cont'd)

Name of Company	Place of business /Country of incorporation	Effective interest %		Principal Activities
		2022	2021	
Subsidiaries of MYEGI (cont'd)				
MY EG (Philippines) Sdn. Bhd. ("MYEGP")	Malaysia	100	100	Investment holding.
MY EG (Thailand) Sdn. Bhd. ("MYEGT")	Malaysia	100	100	Investment holding.
Zetrix Ltd ^	British Virgin Island	100	-	Investment holding
Zetrix Tech Development (Shanghai) Co., Ltd. ("Zetrix China") *	China	100	-	Technology development and consulting; enterprises management consulting; import and export of goods and technology, wholesale of computer hardware and software and auxiliary equipment.
Zetrix Foundation ^	Cayman Island	100	-	To act as a holding company for all of its intellectual property and investment holding.
Subsidiaries of MYEGIND				
PT MYEG Services Indonesia. ("PTMYEG") ^	Indonesia	90	90	To build, own, and operate a digital platform for commercial services.
Subsidiaries of MLSB				
MYEG FWA (Tanjong Langsat) Sdn. Bhd. ("MYEGFWA")	Malaysia	100	100	Property investment and provision of workers accommodation services.
Subsidiaries of MYEGM				
MYEG Pharma Sdn. Bhd. ("MYEGPHA")	Malaysia	100	100	Manufacturing, trading, export and import, and distribution of medical devices and equipment and related ancillary services.
MYEG Vac Sdn. Bhd. ("MYEG VAC")	Malaysia	51	51	To market medical products and services.
Subsidiaries of GVSBB				
NFT Capital (Labuan) Co Ltd ("NFT Labuan")	Malaysia	100	100	Investment holding.
Subsidiary of NFT (Labuan)				
NFT Capital Sdn. Bhd. ("NFT Capital")	Malaysia	100	100	Investment holding.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

(cont'd)

## 8. INVESTMENT IN SUBSIDIARIES (CONT'D)

The details of the subsidiaries are as follows: (cont'd)

Name of Company	Place of business /Country of incorporation	Effective interest %		Principal Activities
		2022	2021	
Subsidiary of NFT Capital				
NFT Creative Sdn. Bhd. ("NFT Creative")	Malaysia	100	100	Provision of solutions and technical services and support related to application and software development.
Subsidiary of MYDC				
Zetrix Sdn. Bhd. ("Zetrix")	Malaysia	56	56	Development and provision of distributed ledger technology and solutions related products and services.

<sup>^</sup> The subsidiary was unaudited as the financial year end. The subsidiary's financial statement are not material to the Group. The subsidiary was not audited by TGS TW PLT in the financial year 31 December 2022.

<sup>\*</sup> There is no audit carried out on the financial statements of the subsidiary for the financial year as it is incorporated during the financial year. The subsidiary's financial statements are not material to the Group.

### 2022

#### Incorporation of subsidiaries

- On 17 March 2022, MYEGI incorporated a wholly-owned subsidiary with 50,000 ordinary shares; representing 100% of equity interest in Zetrix Ltd for a total consideration of RM211,150.
- On 5 August 2022, MYEGI incorporated a wholly-owned subsidiary with 1 ordinary shares; representing 100% of equity interest in Zetrix Foundation for a total consideration of RM5.
- On 19 September 2022, MYEGI incorporated a wholly-owned subsidiary with 1,000,000 ordinary shares; representing 100% of equity interest in Zetrix China for a total consideration of RM892,080.

### 2021

#### Incorporation of subsidiaries

- On 18 March 2021, EGSB incorporated a wholly-owned subsidiary with 2 ordinary shares, representing 100% of equity interest in MYEG TwoCar for a total consideration of RM2.
- On 21 June 2021, MYEGM incorporated a wholly-owned subsidiary with 2 ordinary shares, representing 100% of equity interest in MYEG VAC for a total consideration of RM2.
- On 25 June 2021, MYEGI incorporated a wholly-owned subsidiary with 2 ordinary shares, representing 100% of equity interest in MYEGT for a total consideration of RM2.
- On 3 August 2021, MYEGC incorporated a subsidiary by subscribing 51 ordinary shares, representing 51% of equity interest in NFTPT for a total consideration of RM51.
- On 7 September 2021, MYDC incorporated a wholly-owned subsidiary with 2 ordinary shares, representing 100% of equity interest in Zetrix for a total consideration of RM2. Subsequently on 17 November 2021, MYDC subscribed for an additional 2,351,998 ordinary shares, representing 56% of equity interest in Zetrix for a total consideration of RM4,199,998.



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

(cont'd)

## 8. INVESTMENT IN SUBSIDIARIES (CONT'D)

2021 (cont'd)

### Incorporation of subsidiaries (cont'd)

- (f) On 15 November 2021, MYEGC incorporated a wholly-owned subsidiary with 100 ordinary shares, representing 100% of equity interest in Beli Mart for a total consideration of RM100.

### Acquisition of subsidiaries

- (i) Acquisition of NFT Labuan, NFT Capital and NFT Creative

On 1 May 2021, GVSB acquired 100,000 ordinary shares, representing 100% of equity interests in NFT Creative for a total consideration of RM1,250,000. As part of the restructuring of the acquisition, GVSB acquired 100 ordinary shares representing 100% equity interest of both NFT Labuan and NFT Capital on 18 November 2021 and 13 September 2021.

The net assets of NFT Creative as at acquisition date is as follows:-

	Group 2021 RM'000
Equipment	21
Trade receivables	7
Other receivable	#
Cash and bank balances	7
Other payables	(434)
Net identifiable liabilities	(399)
Add: Goodwill on consolidation	1,548
	1,149
Less: Cash and bank balances of subsidiaries acquired	(7)
	1,142

# - represents an amount less than RM1,000

The goodwill is attributable mainly to control premium paid. In addition, the purchase consideration also included benefits derived from the expected revenue growth of the subsidiaries, its future market development as well as a customer list. These benefit are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets. The goodwill is not deductible for tax purpose.

The subsidiaries have contributed revenue of RM20,250 and loss after taxation of RM30,843,676 to the Group since the date of acquisition.

If the acquisition was effective at the beginning of the current financial year, the Group's revenue and profit after taxation for the current financial year would have been RM721,877,821 and RM316,657,476.

### Increases in stake of subsidiaries

- (i) On 20 April 2021, EGSB subscribed for an additional 79,998 ordinary shares, representing 80% of the equity interest in MYEG TwoCar for a total consideration of RM79,998.
- (ii) On 1 July 2021, MYEGM subscribed for an additional 508 ordinary shares, representing 51% of the equity interest in MYEG VAC for a total consideration of RM508.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

(cont'd)

## 8. INVESTMENT IN SUBSIDIARIES (CONT'D)

2021 (cont'd)

**Increases in stake of subsidiaries (cont'd)**

- (iii) On 12 October 2021, the Company subscribed for an additional 500,000 ordinary shares, representing 100% of equity interest in MYEGMS for a total consideration of RM500,000.
- (iv) On 1 October 2021, MYEGM subscribed for an additional 999,998 ordinary shares, representing 100% of equity interest in MYEGPHA for a total consideration of RM999,998.

## 9. INVESTMENT IN ASSOCIATES

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Unquoted shares, at cost	436	19,382	400	400
Share of post-acquisition losses	(403)	(3,249)	-	-
	33	16,133	400	400
Accumulated impairment losses	-	-	(400)	(400)
	33	16,133	-	-
<b>Share of post-acquisition results</b>				
At beginning of the financial year	3,249	2,484	-	-
Share of loss	-	765	-	-
Disposal	(2,846)	-	-	-
At end of the financial year	403	3,249	-	-

Details of the associates are as follows:

Name of Associate	Principal place of business	Effective equity interest (%)		Principal Activities
		2022	2021	
Associate of Company				
MY E.G. Integrated Networks Sdn. Bhd. (“MINT”)	Malaysia	40	40	Provision of software and hardware solutions and related services.
Associate of MYEGC				
My AdMarket Sdn. Bhd. (“MYAM”)	Malaysia	40	40	Investment holding.
Dinamik Koridor Sdn. Bhd. (“DKSB”)	Malaysia	33	33	Investment holding.
Associate of MYEGIND				
PT Cartenz Inti Utama (“PT Cartenz”)	Indonesia	-	19	Engaged in development, trading, industry and service.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022  
(cont'd)

## 9. INVESTMENT IN ASSOCIATES (CONT'D)

- (a) The summarised financial information of the associate that is material to the Group are as follows:

	MINT	
	2022	2021
	RM'000	RM'000
Current assets	833	889
Current liabilities	(142,055)	(142,229)
Net liabilities	(141,222)	(141,340)
<b>Financial year ended 31 December</b>		
Revenue	150	-
Profit/(Loss) during the financial year/Total comprehensive income/(loss)	118	(306)
Group's share of profit/(loss)/Total comprehensive loss for the financial year	-	-
<b>Reconciliation of net liabilities to carrying amount</b>		
Group's share of net liabilities	(56,489)	(56,536)
Share of losses recognised	400	400
Share of losses in excess of the interest in the associate not recognised	56,089	56,136
Carrying amount of the Group's interest in this associate	-	-

The Group has not recognised losses relating to MINT, where its share of losses exceeded the Group's interest in this associate. The Group's cumulative share of unrecognised losses at the end of the reporting period was RM56.0 million (2021: RM56.1 million), of which approximately RM47,000 relates to the share of the current financial year's losses. The Group has no obligations in respect of these losses

	PT Cartenz
	2021
	RM'000
Non-current assets	2,271
Current assets	7,831
Non-current liabilities	(6,489)
Current liabilities	(6,265)
Net liabilities	(2,652)
<b>Financial year ended 31 December</b>	
Revenue	5,449
Loss during the financial year/Total comprehensive expenses	(4,024)
Group's share of losses/Total comprehensive loss for the financial year	(765)
<b>Reconciliation of net liabilities to carrying amount</b>	
Group's share of net liabilities	(503)
Goodwill	12,516
Add: Deposits for future stock subscriptions in this associate	4,087
Carrying amount of the Group's interest in this associate	16,100

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

(cont'd)

## 9. INVESTMENT IN ASSOCIATES (CONT'D)

- (a) The summarised financial information of the associate that is material to the Group are as follows: (cont'd)

### Acquisition of an associate

On 22 July 2019, MYEGIND entered into a Share Subscription Agreement with PT Cartenz. The Company will hold 40% equity interest in PT Cartenz for a total cash consideration of USD10.0 million upon fulfillment of all conditions. As at the end of the previous financial year, the total investments made by the Company amounted to USD3.5 million (approximately RM14.9 million), representing 19% equity interest.

During the financial year 31 December 2021, MYEGIND further invested USD1 million (approximately RM4.1 million) as part of the required capitalisation subject to the fulfilment of the conditions as stated in the Share Subscription Agreement. MYEGIND will further invest the required capital subject to the fulfilment of the conditions as stated in the Share Subscription Agreement amounting to USD6.5 million (approximately RM26.1 million).

### Disposal of an associate

On 29 December 2021, MYEGIND disposed of its 19% equity interest in PT Cartenz for a cash consideration of RM18,945,500 (USD4,500,000), which had resulted in realised loss on foreign exchange of RM128,750. The disposal was completed on 24 July 2022. As such, the Group has recognised gain on disposal of an associate amounted to RM2,846,421 during the financial year.

## 10. INVESTMENT IN JOINT VENTURES

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Unquoted shares, at cost	12,764	12,764	12,249	12,249
Share of post-acquisition losses	(3,385)	(3,509)	-	-
	9,379	9,255	12,249	12,249

Details of the joint ventures are as follows:

Name of Joint Venture	Principal place of business	Effective equity interest (%)		Principal Activities
		2022	2021	
Joint venture of the Company				
MYEG Philippines, Inc. ("MYEG Philippines")	Philippines	40	40	Development and implementation of Electronic Government services project and provision of other related services including payment services in the Republic of Philippines.
Joint venture of MYEGBD				
MYEG (BD) Ltd.	Bangladesh	40	40	Investment holding.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

(cont'd)

## 10. INVESTMENT IN JOINT VENTURES (CONT'D)

- (a) The Group's involvement in joint arrangements are structured through separate vehicles which provide the Group rights to the net assets of the entities. Accordingly, the Group has classified these investments as joint ventures.
- (b) On 11 August 2017, the Company entered into a Joint Venture Agreement with I-Pay Commerce Ventures Inc. to incorporate MYEG Philippines. The Company will hold 40% equity interest in MYEG Philippines for a total cash consideration of USD2 million. The Company has fully paid up its cash consideration in the previous financial year.

During the previous financial year 31 December 2021, the Company entered into a subscription agreement with MYEG Philippines to further subscribe for an additional 5,923,415 issued share capital for total cash consideration of USD0.9 million (approximately RM3,826,000) as part of the required capitalisation subject to the fulfilment of the conditions as stated in the subscription agreement.

Upon fulfilment of the condition stated in the subscription agreement, the Company will then hold 49% equity interest in MYEG Philippines.

- (c) The summarised unaudited financial information for the material joint venture of the Group is as follows:

	<b>MYEG Philippines</b>	
	<b>2022</b>	<b>2021</b>
	<b>RM'000</b>	<b>RM'000</b>
Non-current assets	2,098	2,255
Current assets	9,452	6,655
Non-current liabilities	(2,682)	(11,222)
Current liabilities	(6,268)	(3,598)
Net assets/(liabilities)	2,600	(5,910)
<b>Financial year ended 31 December</b>		
Revenue	16,182	12,377
Loss/Total comprehensive loss during the financial year	(310)	(1,635)
Group's share of losses/total comprehensive loss for the financial year	(124)	(654)
<b>Reconciliation of net liabilities to carrying amount</b>		
Group's share of net assets/(liabilities)	1,040	(2,364)
Add: Deposits for future stock subscriptions	7,931	11,211
Carrying amount of the Group's interest in this joint venture	8,971	8,847

- (d) The summarised unaudited financial information for the immaterial joint venture of the Group is as follows:

	<b>MYEG (BD) Ltd.</b>	
	<b>2022</b>	<b>2021</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Financial year ended 31 December</b>		
Group's share of losses/total comprehensive loss for the financial year	-	(38)
Carrying amount of the Group's interest in this joint venture	408	408

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

(cont'd)

## 11. GOODWILL ON CONSOLIDATION

	Group	
	2022	2021
	RM'000	RM'000
<b>Cost</b>		
At 1 January	20,097	18,549
Acquisition of subsidiaries	-	1,548
	20,097	20,097
Accumulated impairment losses	(95)	(95)
At 31 December	20,002	20,002

Goodwill on consolidation is stated at cost and arose from the acquisition of the subsidiaries.

The carrying amounts of goodwill allocated to each cash-generating unit are as follows:

	Group	
	2022	2021
	RM'000	RM'000
E-business activities	9,422	9,422
Provision of credit terminal, hardware, solutions and other related services	5,689	5,689
Other cash-generating units	4,891	4,891
	20,002	20,002

The Group has assessed the recoverable amount of goodwill allocated and determined that no additional impairment is required. The recoverable amounts of cash-generating units are determined using the value in use approach, and this is derived from the present value of the future cash flows from the operating segments computed based on the projections of financial budgets approved by management covering a period of 5 years. The key assumptions used in the determination of the recoverable amounts value-in-use are as follows:

	Gross Margin		Growth rate		Discount rate	
	2022	2021	2022	2021	2022	2021
E-business activities	85%	85%	3% - 5%	3% - 5%	14%	14%
Provision of credit card, terminal, hardware, solutions and other related services	35% - 40%	35% - 40%	15% - 27%	15% - 27%	14%	14%

- (a) Budgeted gross margin : Average gross margins achieved in the year immediately before the budgeted year.
- (b) Growth rate : The growth rates used are based on the expected projection of e-business and provision of credit card terminal, hardware, solutions and other related services. There is no growth rate in perpetuity to arrive at terminal value.
- (c) Discount rate (pre-tax) : Reflect specific risk relating to the relevant cash generating unit. The values assigned to the key assumptions represent management's assessment of future trends in the cash-generating units and are based on both external sources and internal historical data. The directors believe that there is no reasonable change in the above key assumptions applied that is likely to materially cause the respective cash generating unit carrying amount of the goodwill to exceed its recoverable amounts.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

(cont'd)

## 12. OTHER INVESTMENTS

	Group	
	2022	2021
	RM'000	RM'000
<b>At FVTOCI</b>		
<b>Unquoted shares</b>		
At beginning of the financial year	246,493	246,493
Transfer to FVTPL	(10,775)	-
At end of the financial year	235,718	246,493
<b>At FVTPL</b>		
<b>Quoted shares</b>		
At beginning of the financial year	-	-
Transfer from FVTOCI before to held for sales	10,775	-
Fair value gain	45,505	-
Transfer to assets held for sale	(56,280)	-
At end of the financial year	-	-
Total other investments	235,718	246,493

The Group has designated the below equity investments at fair value through other comprehensive income because the Group intends to hold these investments for long-term strategic purposes.

The fair value of each investment is summarised below:

	Note	2022	2021
		RM'000	RM'000
Unquoted shares of Entity A		-	10,775
Unquoted shares of Entity B		7,922	7,922
Unquoted shares of Entity C		10,408	10,408
Unquoted shares of Entity D		30	30
Unquoted shares of Entity E		225	225
Unquoted shares of Entity F		5,999	5,999
Unquoted shares of Entity G		9,141	9,141
Unquoted shares of Entity H	(c) & (e)	6,000	6,000
Unquoted shares of Entity I	(d) & (e)	176,500	176,500
Unquoted shares of Entity J	(a)	8,915	8,915
Unquoted shares of Entity K	(b)	10,578	10,578
		235,718	246,493

Other investments stated at fair value are analysed into level 2 and level 3 fair value measurements.

The level 2 fair value of other investments have been determined based on transacted values during the financial year and the market comparison technique using market multiples derived from quoted prices of companies comparable to the investee, adjusted for the effect of the non-marketability of the unquoted shares. Investments in Entities F, G, and J fall within level 2 fair value measurements.



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

(cont'd)

## 12. OTHER INVESTMENTS (CONT'D)

The level 3 fair value of other investments have been determined using discounted cash flow income approach based on pre-tax cash flow projections performed by management based on the significant unobservable inputs. Investments in Entities A, B, C, H, I and K fall within level 3 fair value measurements.

There were no transfers between levels during the current and previous financial years.

### 2022

- (a) On 4 July 2022, the management had reclassified movement in Agmo to FVTPL and no changes in fair value at the date of reclassification.
- (b) On 18 August 2022, Agmo Holdings Berhad ("Agmo") was listed on the ACE Market of the Bursa Malaysia Securities Berhad.
- (c) On 23 December 2022, the Company proposed to distribute 84,000,000 ordinary shares in Agmo, representing the entire 25.8% equity interest in Agmo held through MY E.G. Capital Sdn Bhd, a wholly-owned subsidiary of the Company, to entitled shareholders of the Company in two (2) separate tranches by way of a dividend-in-specie. As a result, the investment in Agmo was reclassified to asset held for sale as at reporting date.

### 2021

- (a) On 28 January 2021, MYEGC subscribed for a total of 38,863,600 shares representing 8.44% of equity interest in Entity J for a total cash consideration of RM8,914,485.
- (b) On 25 August 2021, MYEGC subscribed for a total of 353,618 shares representing 2.43% of equity interest in Entity K for a total cash consideration of RM10,578,000.
- (c) On 11 November 2021, MYEGC subscribed for a total of 103,687 Redeemable Convertible Preference Shares ("RCPS") Entity H for a total cash consideration of RM 2,500,000. Upon conversion of the RCPS on a fully diluted basis, MYEGC will then hold 33.23% equity interest in Equity H.
- (d) On 31 December 2021, MYEGC entered into a Share Sales Agreement for the purchase of 118,000,000 shares of Entity I, representing 10% of the issued and paid-up share capital of Entity I by MYEGC for a total consideration of RM86,500,000.
- (e) As at the 31 December 2021, unquoted equity investments with carrying amount of approximately RM182,500,000 were transferred from level 2 to level 3 as there is a change in valuation technique from market approach to income approach.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022  
(cont'd)

## 12. OTHER INVESTMENTS (CONT'D)

The details of significant unobservable inputs of material investments under level 3 fair value measurement relating to Entity A, B, C, H, I and K are as follows:

### Investment in an entity engaged in computer and mobile software application and provision of information technology related services activities (Entity A)

Unobservable Inputs		Relationship of unobservable inputs to fair value	Sensitivity analysis assume all other variables held constant
(aa) Revenue growth rates of Nil (2021 - 33%)	Based on management's experience and knowledge of market conditions of the specific industries.	The higher the revenue growth rate, the higher the fair value.	A 1% change in revenue growth rate would result in an increase/decrease in fair value by RMNil (2021: RM1,540,000).
(bb) Pre-tax operating profit margins of Nil (2021 - 39%)	Taking into account management's experience and knowledge of market conditions of the specific industries.	The higher the pre-tax operating margins, the higher the fair value.	A 1% change in pre-tax operating profit margin result in an increase/decrease in the fair value by RMNil (2021: RM462,000).
(cc) Discount rate of Nil (2021 - 17%)	Determined using a Capital Asset Pricing Model.	The higher the discount rate, the lower the fair value.	A 1% change in discount rate would result in a decrease/increase in the fair value by RMNil (2021: RM576,000).

### Investment in an entity engaged in online fashion boutique business (Entity B)

Unobservable inputs		Relationship of unobservable inputs to fair value	Sensitivity analysis assume all other variables held constant
(aa) Revenue growth rates of 16% (2021 - 18%)	Based on management's experience and knowledge of market conditions of the specific industries.	The higher the revenue growth rate, the higher the fair value.	A 1% change in revenue growth rate would result in an increase/decrease in fair value by RM76,848 (2021: RM4,711,000).
(bb) Pre-tax operating profit margins of 64% (2021 - 49%)	Taking into account management's experience and knowledge of market conditions of the specific industries.	The higher the pre-tax operating margins, the higher the fair value.	A 1% change in pre-tax operating profit margin result in an increase/decrease in the fair value by RM482,348 (2021: RM1,847,000).
(cc) Discount rate of 31% (2021 - 18%)	Determined using a Capital Asset Pricing Model.	The higher the discount rate, the lower the fair value.	A 1% change in discount rate would result in a decrease/increase in the fair value by RM650,164 (2021: RM377,000).

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

(cont'd)

## 12. OTHER INVESTMENTS (CONT'D)

The details of significant unobservable inputs of material investments under level 3 fair value measurement relating to Entity A, B, C, H, I and K are as follows: (cont'd)

Investment in an entity engaged in providing debt collection system, telecommunication services, computer software, hardware and related accessories (Entity C)

Unobservable inputs		Relationship of unobservable inputs to fair value	Sensitivity analysis assume all other variables held constant
(aa) Revenue growth rates of 9% (2021 - 9%)	Based on management's experience and knowledge of market conditions of the specific industries.	The higher the revenue growth rate, the higher the fair value.	A 1% change in revenue growth rate would result in an increase/decrease in fair value by RM3,270,310 (2021: RM677,000).
(bb) Pre-tax operating profit margins of 42% (2021 - 76%)	Taking into account management's experience and knowledge of market conditions of the specific industries.	The higher the pre-tax operating margins, the higher the fair value.	A 1% change in pre-tax operating profit margin result in an increase/decrease in the fair value by RM4,154,475 (2021: RM233,000).
(cc) Discount rate of 14% (2021 - 14%)	Reflects current market assessments of the uncertainty in the amount and timing of cash flows.	The higher the discount rate, the lower the fair value.	A 1% change in discount rate would result in a decrease/increase in the fair value by RM4,432,623 (2021: RM297,000).

Investment in an entity engaged in providing shared telecommunication infrastructure for rent by telecommunication operators, site acquisition and construction of telecommunication infrastructure (Entity H)

Unobservable inputs		Relationship of unobservable inputs to fair value	Sensitivity analysis assume all other variables held constant
(aa) Revenue growth rates of 22% (2021 - 17%)	Based on management's experience and knowledge of market conditions of the specific industries.	The higher the revenue growth rate, the higher the fair value.	A 1% change in revenue growth rate would result in an increase/decrease in fair value by RM4,294,233 (2021: RM740,000).
(bb) Pre-tax operating profit margins of 75% (2021 - 73%)	Taking into account management's experience and knowledge of market conditions of the specific industries.	The higher the pre-tax operating margins, the higher the fair value.	A 1% change in pre-tax operating profit margin result in an increase/decrease in the fair value by RM3,961,841 (2021: RM181,000).
(cc) Discount rate of 18% (2021 - 17%)	Reflects current market assessments of the uncertainty in the amount and timing of cash flows.	The higher the discount rate, the lower the fair value.	A 1% change in discount rate would result in a decrease/increase in the fair value by RM3,881,835 (2021: RM311,000).

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

(cont'd)

## 12. OTHER INVESTMENTS (CONT'D)

The details of significant unobservable inputs of material investments under level 3 fair value measurement relating to Entity A, B, C, H, I and K are as follows: (cont'd)

Investment in an entity engaged in the provision of national security solutions which involves the provision of its own security technology intellectual property to its customers as well as the development and customisation of solutions and systems (Entity I)

Unobservable inputs		Relationship of unobservable inputs to fair value	Sensitivity analysis assume all other variables held constant
(aa) Revenue growth rates of 212% (2021 - 198%)	Based on information on current and tendered projects by the entity.	The higher the revenue growth rate, the higher the fair value.	A 1% change in revenue growth rate would result in an increase/decrease in fair value by RM293,786 (2021: RM45,291,000).
(bb) Pre-tax operating profit margins of 52% (2021 - 40%)	Taking into account management's experience and knowledge of market conditions of the specific industries.	The higher the pre-tax operating margins, the higher the fair value.	A 1% change in pre-tax operating profit margin result in an increase/decrease in the fair value by RM2,839,636 (2021: RM4,660,000).
(cc) Discount rate of 20% (2021 - 17%)	Reflects current market assessments of the uncertainty in the amount and timing of cash flows.	The higher the discount rate, the lower the fair value.	A 1% change in discount rate would result in a decrease/increase in the fair value by RM8,333,844 (2021: RM13,059,000).

Investment in an entity engaged in blockchain technology and software development (Entity K)

Unobservable inputs		Relationship of unobservable inputs to fair value	Sensitivity analysis assume all other variables held constant
(aa) Revenue growth rates of 85% (2021 - 88%)	Based on management's experience and knowledge of market conditions of the specific industries.	The higher the revenue growth rate, the higher the fair value.	A 1% change in revenue growth rate would result in an increase/decrease in fair value by RM94,083 (2021: RM500,000).
(bb) Pre-tax operating profit margins of 85% (2021 - 73%)	Taking into account management's experience and knowledge of market conditions of the specific industries.	The higher the pre-tax operating margins, the higher the fair value.	A 1% change in pre-tax operating profit margin result in an increase/decrease in the fair value by RM295,878 (2021: RM186,000).
(cc) Discount rate of 38% (2021 - 20%)	Reflects current market assessments of the uncertainty in the amount and timing of cash flows.	The higher the discount rate, the lower the fair value.	A 1% change in discount rate would result in a decrease/increase in the fair value by RM507,496 (2021: RM545,000).

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

(cont'd)

## 13. FINANCING RECEIVABLES

	Group	
	2022	2021
	RM'000	RM'000
Loan receivables (Secured)	218,653	244,252
Loan receivables (Unsecured)	22,760	26,771
Hire purchase and finance lease receivables	32,629	44,126
Ijarah financing receivables	25,940	15,293
Micro financing receivables	2	2
	299,984	330,444
Less: Unearned profit	(9,077)	(8,763)
Gross financing receivables	290,907	321,681
Less: Allowance for ECLs	(1,981)	(2,404)
Net financing receivables	288,926	319,277

The maturity of the financing receivables is as follows:

	Group	
	2022	2021
	RM'000	RM'000
Non-current	243,456	279,316
Current	45,470	39,961
	288,926	319,277

Movements in the allowance for ECLs are as follows:

	Group	
	2022	2021
	RM'000	RM'000
At beginning of the financial year	2,404	2,165
Charge for the financial year	-	239
Reversal during the financial year	(423)	-
At end of the financial year	1,981	2,404

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022  
(cont'd)

## 13. FINANCING RECEIVABLES (CONT'D)

The following table provide information about the exposure to credit risk and allowance for ECLs for financing receivables:

	Gross amount RM'000	ECLs RM'000	Net amount RM'000
<b>Group</b>			
<b>2022</b>			
Not past due	288,671	-	288,671
Past due:			
Less than 30 days	150	-	150
31 to 60 days	48	-	48
61 to 90 days	30	-	30
Past due more than 90 days	2,008	(1,981)	27
	290,907	(1,981)	288,926
<b>2021</b>			
Not past due	317,308	-	317,308
Past due:			
Less than 30 days	13	-	13
31 to 60 days	14	-	14
61 to 90 days	1,748	-	1,748
Past due more than 90 days	2,598	(2,404)	194
	321,681	(2,404)	319,277

## 14. INVENTORIES

	Group	
	2022 RM'000	2021 RM'000
Used motor vehicles	1,599	817
Finished goods	24,210	17,507
	25,809	18,324

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

(cont'd)

## 14. INVENTORIES (CONT'D)

	Group	
	2022	2021
	RM'000	RM'000
<b>Recognised in profit or loss:</b>		
Inventories recognised as cost of sales	23,596	12,735
Inventories written down	15	313
Reversal of inventories written down	(20)	(112)

The inventories written down is made when the related inventories were obsolete.

The reversal of inventories written down was made during the financial year when the related inventories were sold above their carrying amounts.

## 15. TRADE RECEIVABLES

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Trade receivables	332,570	289,670	7,530	2,128
Allowance for ECLs	(31)	(45)	-	-
	332,539	289,625	7,530	2,128
Accrued income	2,320	1,150	-	-
	334,859	290,775	7,530	2,128

The Group's and the Company's normal trade credit terms range from cash terms to 180 days (2021: cash terms to 180) days. Other credit terms are assessed and approved on a case-by-case basis.

Movements in the allowance for ECLs are as follows:

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
At beginning of the financial year	45	5	-	-
(Reversal)/Charge for the financial year	(14)	40	-	-
At end of the financial year	31	45	-	-



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022  
(cont'd)

## 15. TRADE RECEIVABLES (CONT'D)

The following table provide information about the exposure to credit risk and allowance for ECLs for trade receivables:

	Gross amount RM'000	ECLs RM'000	Net amount RM'000
<b>Group</b>			
<b>2022</b>			
Not past due	206,443	-	206,443
Past due:			
Less than 30 days	3,743	-	3,743
31 to 60 days	3,028	-	3,028
61 to 90 days	3,953	-	3,953
Past due more than 90 days	117,723	(31)	117,692
	334,890	(31)	334,859
<b>2021</b>			
Not past due	150,752	-	150,752
Past due:			
Less than 30 days	16,401	-	16,401
31 to 60 days	10,280	-	10,280
61 to 90 days	9,438	-	9,438
Past due more than 90 days	103,949	(45)	103,904
	290,820	(45)	290,775
<b>Company</b>			
<b>2022</b>			
Not past due	6,710	-	6,710
Past due:			
31 to 60 days	32	-	32
Past due more than 90 days	788	-	788
	7,530	-	7,530
<b>2021</b>			
Not past due	1,628	-	1,628
Past due:			
Less than 30 days	71	-	71
31 to 60 days	75	-	75
61 to 90 days	39	-	39
Past due more than 90 days	315	-	315
	2,128	-	2,128

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

(cont'd)

## 16. OTHER RECEIVABLES

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Non-trade receivables (a)	42,420	35,609	16,733	15,274
Less: Allowance for ECLs	(16)	(18)	-	-
	42,404	35,591	16,733	15,274
Deposits (b)	237,050	138,353	65,853	81,079
Prepayments (c)	27,800	31,657	2,547	1,473
Goods and services tax ("GST") recoverable	297	297	-	-
	307,551	205,898	85,133	97,826

Movements in the allowance for ECLs are as follows:

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
At beginning of year	18	18	-	-
Reversal during the financial year	(2)	-	-	-
At financial year end	16	18	-	-

The Group's and the Company's non-trade receivables, deposits and prepayments included the following items:

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
(a) (i) Performance guarantee placed with gateway provider	37,562	32,231	13,472	13,132
(ii) Performance bond	99	99	-	-
(b) (i) Purchase of equipment	227,391	111,850	65,146	79,450
(ii) Purchase of leasehold land	3,561	14,064	-	-
(iii) Vaccine storage centre	-	7,526	-	-
(c) (i) Advance payments for health screening services	20,090	2,282	-	-
(ii) Advance payments for inventories	2,907	27,000	-	-

## 17. AMOUNT DUE FROM/(TO) SUBSIDIARIES

Amount due from/(to) subsidiaries are non-trade in nature, unsecured, non-interest bearing and repayment on demand.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

(cont'd)

## 18. AMOUNT DUE FROM/(TO) ASSOCIATES

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
<b>Amount due from associates</b>				
- Trade	65,450	65,450	42,750	42,750
- Non-trade	29,837	29,833	29,807	29,805
	95,287	95,283	72,557	72,555
Less: Allowance for ECLs	(95,255)	(95,255)	(72,555)	(72,555)
	32	28	2	#
<b>Amount due to associates</b>				
- Non-trade	(22)	(24)	-	-

# - represents an amount less than RM1,000

Amount due from/(to) associates are unsecured, non-interest bearing and repayment on demand.

The trade balance relates to the development work for the online tax monitoring project ("the Project") and is repayable upon the commencement of the said project. On 3 December 2014, the Company received a revised letter of award under the service tax regime to develop the Project. Nevertheless, the GST was implemented on 1 April 2015 and the service tax regime was replaced by the GST regime whereby the Project has been varied. Accordingly, the Project was being reviewed to cater for certain requirements and enhancements following the implementation of GST. A technical committee together with a steering committee have been established by the relevant authorities for this purpose.

The amendments to the relevant Act for the purpose of the implementation of the Project have been completed and came into effect from 1 January 2017. An internal trial run was carried out to ensure any further technical issues in relation to the Project are resolved prior to commercialisation in the near future.

Effective 1 June 2019, it was announced by the Ministry of Finance ("MOF") that a zero-rated GST will be imposed. Subsequent to this announcement, the GST regime has been abolished and replaced by the Sales and Services Tax ("SST"). Hence, the Project has been temporarily suspended. Accordingly, full impairment on the amount owing by the associate has been provided in the financial period ended 2018.

## 19. AMOUNT DUE FROM JOINT VENTURES

Amount due from ventures are non-trade in nature, unsecured, non-interest bearing and repayment on demand.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

(cont'd)

## 20. DIGITAL ASSETS

	Group 2022 RM'000
Cryptocurrencies	38

The foreign currency profile of digital assets is as follow:

	Group 2022 RM'000
USD	38

## 21. FIXED DEPOSITS WITH LICENSED BANKS

- The fixed deposits with licensed banks of the Group and the Company at the end of the reporting period bore effective interest rates ranged from 1.65% to 2.85% (2021: 1.40% to 3.10%) per annum and 1.65% to 1.75% (2021: 1.75%) per annum respectively. The fixed deposits have maturity periods ranged from 1 to 12 (2021: 1 to 12) months and 12 (2021: 12) months for the Group and the Company respectively.
- Included in the fixed deposits with licensed banks of the Group and the Company at the end of the reporting period were amounts of RM19,615,281 and RM11,142,615 (2021: RM15,455,055 and RM8,030,339) respectively which have been pledged to licensed banks as security for banking facilities granted to the Group and the Company.
- Included in the fixed deposits with licensed banks of the Group at the end of the reporting period are amounts of RM125,240 (2021: RM123,191) with tenure more than 3 months.
- At the end of the reporting period, the fixed deposits of the Group and the Company amounting to RM319,185 and RM33,000 (2021: RM314,586 and RM33,000) respectively were held in trust by a Director of a subsidiary and a Director of the Company. The fixed deposits held in trust have been pledged to licensed banks as security for banking facilities granted to the Group and the Company.
- The interest rate of the fixed deposits with maturity period of more than 3 months of the Company ranged from 1.35% to 2.30% (2021: 1.35% to 1.60%) per annum. The maturity of deposits of the Company from 1 to 6 (2021: 1 to 6) months.

## 22. CASH AND BANK BALANCES

The cash and bank balances of the Group and the Company included short-term cash investment amounted to RM4,182,540 and RM2,098,629 (2021: RM4,024,993 and RM2,082,679).

The short-term cash investments represent investment in highly liquid money market. These investments are readily convertible to known amount of cash and are subject to an insignificant risk of changes.

The short-term cash investments' unit price ranged from RM0.50 to RM1.40 (2021: RM0.50 to RM1.40). The short-term cash investments have maturity periods ranged from 1 to 30 (2020: 1 to 30) days.

At the end of the reporting year, the bank balances of the Group and the Company amounts to RM314,586 and RM99,832 (2021: RM107,524 and RM100,318) was held in trust by a Director of the Company and a Director of a subsidiary.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022  
(cont'd)

## 23. ASSETS HELD FOR SALE

	Group	
	2022	2021
	RM'000	RM'000
<b>Assets held for sale</b>		
Investment in quoted shares to be distribute as dividend in specie	56,280	-

On 23 Decemeber 2022, the Company proposed to distribute 84,000,000 ordinary shares in Agmo, representing the entire 25.8% equity interest in Agmo held through MY E.G. Capital Sdn Bhd, a wholly-owned subsidiary of the Company, to entitled shareholders of the Company in two (2) separate tranches by way of a dividend-in-specie ("Proposed Dividend-in-Specie").

As such, the Group's investment in Agmo was reclassified to asset held for sale as the investment will be held for distribution to owners of the Company.

## 24. SHARE CAPITAL

	Group and Company			
	Number of ordinary shares		Amount	
	2022	2021	2022	2021
	'000	'000	RM'000	RM'000
At begininning of financial year	7,408,616	3,671,929	854,895	634,262
Issuance of new shares pursuant to:				
- bonus issue	-	3,690,310	-	-
- DRP	68,955	18,380	49,182	30,327
- private placement	-	210,000	-	208,506
Cancellation of treasury shares	-	(182,003)	-	(18,200)
At end of the financial year	7,477,571	7,408,616	904,077	854,895

During the financial year, the Company issued 68,954,436 new ordinary shares from the exercise of the DRP at an exercise price of RM0.715 per share amounting to RM49,182,065 (net of transaction cost).

The new ordinary shares issued rank pari passu in all respects with the existing ordinary shares of the Company.

The holders of ordinary shares (except treasury shares) are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regards to the Company's residual assets.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

(cont'd)

## 25. TREASURY SHARES

	Group and Company			
	Number of ordinary shares		Amount	
	2022	2021	2022	2021
	'000	'000	RM'000	RM'000
At beginning of the financial year	12,000	53,665	12,364	61,652
Buy back	27,595	49,337	24,278	77,929
Bonus issue	-	91,001	-	-
Cancellation	-	(182,003)	-	(127,217)
At end of the financial year	39,595	12,000	36,642	12,364

During the financial year, the Company repurchased 27,595,400 (2021: 49,336,800) units of its issued share capital from the open market at an average price of RM0.88 (2021: RM1.58) per share including transaction costs. The purchase transactions were financed by internally generated funds. The shares repurchased are held as treasury shares.

## 26. RESERVES

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Fair value reserve	6,401	6,401	-	-
Foreign exchange translation reserve	33	19	-	-
Retained earnings	1,002,108	698,112	385,364	379,762
	1,008,542	704,532	385,364	379,762

### (a) Fair value reserve

The fair value reserve represents the cumulative fair value changes (net of tax, where applicable) of investments designated at fair value through other comprehensive income.

### (b) Foreign exchange translation reserve

The foreign exchange translation reserve arose from the translation of the financial statements of a foreign subsidiary and the Group's share of an associate's and joint ventures' foreign currency translation differences whose functional currencies are different from the Group's presentation.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

(cont'd)

## 27. LOANS AND BORROWINGS

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
<b>Secured</b>				
Term loans	148,500	106,307	148,500	106,307
Revolving credits	121,700	41,700	100,000	20,000
Block discounting	22,858	12,540	-	-
	293,058	160,547	248,500	126,307
<b>Unsecured</b>				
Sukuk wakalah	150,000	-	150,000	-
	443,058	160,547	398,500	126,307
<b>Non-current</b>				
Term loans	127,850	87,982	127,850	87,982
Block discounting	15,941	7,585	-	-
Sukuk wakalah	150,000	-	150,000	-
	293,791	95,567	277,850	87,982
<b>Current</b>				
Term loans	20,650	18,325	20,650	18,325
Revolving credits	121,700	41,700	100,000	20,000
Block discounting	6,917	4,955	-	-
	149,267	64,980	120,650	38,325
	443,058	160,547	398,500	126,307

The repayment term of loans and borrowings are as follows:

- (i) Term loans are repayable by 60 to 120 (2021: 60 to 120) months.
- (ii) Revolving credits are repayable not more than 180 (2021: 180) days.
- (iii) Block discounting are repayable by 57 to 60 (2021: 57 to 60) months.
- (iv) Sukuk wakalah are repayable within 5 (2021: Nil) years.

The loans and borrowings are secured by the following:

(a) Term loans

- (i) A placement of certain deposit of the Company; and
- (ii) Specific charges over the buildings and investment properties of the Group and of the Company.

(b) Revolving credits

- (i) Facility agreement between a subsidiary of the Company and the bank, as principal instrument
- (ii) Corporate guarantee of the Company and certain subsidiaries; and
- (iii) A specific charge over the building of the Company.



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

(cont'd)

## 27. LOANS AND BORROWINGS (CONT'D)

The loans and borrowings are secured by the following: (cont'd)

(c) Block discounting

- (i) Master agreement between the subsidiaries and the bank;
- (ii) Assignment of Hire Purchase/Non-Act Leasing Agreements through a power of attorney in favour of the bank;
- (iii) Pledged over the fixed deposits with a licensed bank of the subsidiaries as disclosed in Note 21 to the financial statements; and
- (iv) Corporate guarantee by the Company.

The average effective interest rates per annum are as follows:

	Group		Company	
	2022	2021	2022	2021
	%	%	%	%
Term loans	3.34 - 7.45	2.27 - 3.65	3.34 - 7.45	2.27 - 3.65
Revolving credits	2.02 - 3.69	3.56 - 5.36	3.80 - 4.17	5.36
Block discounting	1.65 - 4.71	3.86 - 6.88	-	-
Sukuk wakalah	5.70 - 5.85	-	5.70 - 5.85	-

## 28. LEASE LIABILITIES

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Non-current	31,366	2,909	-	41
Current	8,907	2,627	24	272
	40,273	5,536	24	313

The maturity analysis of lease liabilities at the end of the reporting period:

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Within 1 year	11,043	2,796	25	277
Between 2 - 5 years	34,700	3,052	-	42
	45,743	5,848	25	319
Less: Future finance charge	(5,470)	(312)	(1)	(6)
Present value of lease liabilities	40,273	5,536	24	313

The Group and the Company lease various properties and motor vehicles. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022  
(cont'd)

## 29. DEFERRED TAX LIABILITIES

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
At beginning of the financial year	2,921	2,373	1,910	1,910
Recognised in profit or loss	(62)	548	-	-
At end of the financial year	2,859	2,921	1,910	1,910

The components and movements of deferred tax liabilities and assets are made up of temporary differences arising from:

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Property and equipment	2,307	2,961	1,351	1,351
Development costs	559	607	559	559
Unutilised capital allowance	-	(643)	-	-
Provision	(7)	(4)	-	-
	2,859	2,921	1,910	1,910

## 30. TRADE PAYABLES

The normal trade credit terms granted to the Group and the Company ranged from cash terms to 90 (2021: cash terms to 90) days.

## 31. OTHER PAYABLES

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Non-trade payables	15,929	10,714	14,543	6,329
Accruals	29,887	38,401	4,264	6,916
Deposits	26,416	18,642	205	2,949
GST payable	-	20	-	-
SST payable	1,191	392	433	68
	73,423	68,169	19,445	16,262

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

(cont'd)

## 32. CONTRACT LIABILITIES

	Group	
	2022	2021
	RM'000	RM'000
<b>Current</b>		
Advance consideration received from customers	1,393	1,470
Advance billing to customers	46	74
	1,439	1,544

(a) Points transactions

	Group	
	2022	2021
	RM'000	RM'000
At 1 January	1,544	1,252
Deferred during the financial year	4,168	2,806
Revenue recognised during the financial year	(4,273)	(2,514)
At 31 December	1,439	1,544

### Advance consideration received from customers

The contract liabilities relate to advance billings for services of which the revenue will be recognised over the remaining contract term of the specific contract it relates to.

### Advance billing to customers

The contract liabilities primarily relate to the advance consideration received from customer, which revenue is over the remaining contract term of the specific contract it relates to.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022  
(cont'd)

## 33. REVENUE

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
<b>Revenue from contracts with customers:</b>				
Concessions based services	42,950	59,608	8,842	6,101
Commercial based services and products:				
- sales of goods	37,255	55,407	-	-
- services rendered	517,615	459,325	21,315	132,733
- concession related services	16,510	123,777	2,594	3,336
	614,330	698,117	32,751	142,170
<b>Revenue from financing receivables:</b>				
Commercial based services	246	181	-	-
Interest income derived from financing receivables	20,568	17,193	-	-
Profit income derived from ijarah financing receivables	1,520	1,016	-	-
	22,334	18,390	-	-
<b>Revenue from other sources:</b>				
- rental income	13,003	5,230	6,619	6,159
- dividend income	1,440	140	125,000	1,000
	14,443	5,370	131,619	7,159
	651,107	721,877	164,370	149,329
<b>Timing of revenue recognition:</b>				
- At a point in time	605,554	685,769	32,751	142,170
- Over time	8,776	12,348	-	-
	614,330	698,117	32,751	142,170

## 34. LOSSES/(GAIN) ON IMPAIRMENT OF FINANCIAL ASSETS

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
(Reversal of)/Allowance for ECLs				
- financing receivables	(423)	239		
- trade receivables	(14)	40	-	-
- other receivables	(2)	-	-	-
	(439)	279	-	-

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

(cont'd)

## 35. FINANCE COSTS

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
<b>Interest expense of financial liabilities not at fair value through profit or loss</b>				
- term loans	4,952	4,965	4,952	4,966
- revolving credit	2,124	638	1,582	598
- block discounting	1,021	942	-	-
- lease liabilities	1,144	171	-	-
	9,241	6,716	6,534	5,564

## 36. PROFIT BEFORE TAX

Profit before tax is determined after charging/(crediting) amongst others, the following items:

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Auditors' remuneration				
- statutory audit	497	510	92	92
- non-audit services	3	3	3	3
- underprovision in the previous financial year - other auditor	-	17	-	-
Amortisation of development costs	27,053	22,131	8,000	8,131
(Reversal)/Allowance for expected credit losses:				
- trade receivables	(14)	40	-	-
- other receivables	(2)	-	-	-
- financing receivables	(423)	239	-	-
Bad debts written off	2	46	-	-
Depreciation of property, plant and equipment	28,531	23,056	11,017	11,316
Depreciation of investment properties	653	653	2,320	2,320
Depreciation of right-of-use assets	5,738	4,581	284	530
Fair value loss on digital assets	3	-	-	-
Dividend income from a subsidiary	-	-	(125,000)	(1,000)
Dividend income from other investments	(1,440)	(140)	-	-
Equipment written off	1,458	26	-	15
Fair value gain on other investments	(45,505)	-	-	-
Gain on disposal of an associate	(2,846)	-	-	-
Gain on disposal of equipment	(654)	(158)	-	(29)
Gain on modification of leases contract	-	(1)	-	-
Gain on termination of lease contract	(17)	-	-	-
Interest expense on lease liabilities (recognise as cost of sales)	53	70	5	17

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022  
(cont'd)

## 36. PROFIT BEFORE TAX (CONT'D)

Profit before tax is determined after charging/(crediting) amongst others, the following items: (cont'd)

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Inventories written down	15	313	-	-
Lease expenses:				
- short-term leases	1,527	702	646	-
- low-value assets	44	289	25	95
Loss/(Gain) on foreign exchange:				
- realised	#	74	#	-
- unrealised	(3)	43	-	(15)
Reversal of inventories written down	(20)	(112)	-	-
Share of results of associates	-	765	-	-
Share of results of joint ventures	(124)	692	-	-
Interest income on financial assets measured at amortised cost:				
- bank	(117)	-	-	-
- fixed deposits with licensed banks	(195)	(2,958)	(157)	(1,806)
- a subsidiary	-	-	(10,469)	(7,180)

# - represents an amount less than RM1,000

## 37. TAXATION

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Tax expenses recognised in profit or loss				
Current tax				
- Current financial year	3,742	3,479	105	114
- Under/(Over) provision in prior financial years	285	(49)	1,327	-
	4,027	3,430	1,432	114
Deferred tax				
- Origination and reversal of temporary differences	(62)	548	-	-
	(62)	548	-	-
	3,965	3,978	1,432	114

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

(cont'd)

## 37. TAXATION (CONT'D)

A reconciliation of income tax expenses applicable to profit before tax at the statutory tax rate to income tax expenses at the effective income tax of the Group and of the Company are as follows:

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Profit before tax	404,367	320,683	101,700	30,053
At Malaysian statutory tax rate of 24% (2021: 24%)	97,048	76,964	24,408	7,213
Income exempted from tax	(92,026)	(70,661)	-	(433)
Income not subject to tax	(12,030)	(34)	(30,000)	(240)
Expenses not deductible for tax purposes	3,345	6,229	538	1,172
Movement of deferred tax assets not recognised	7,343	(8,469)	5,159	(7,598)
Under/(Over) provision of tax expense in prior financial years				
- current tax	285	(49)	1,327	-
- deferred tax	-	-	-	-
Effects of differential in tax rates of a foreign subsidiary	-	(2)	-	-
	3,965	3,978	1,432	114

### Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items:

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Unutilised tax losses	82,957	73,180	43,407	34,332
Unabsorbed capital allowances	46,831	10,246	14,963	3,426
Accelerated capital allowances	(24,843)	(12,069)	(11,138)	(12,024)
Other provisions	(5,025)	(2,035)	-	-
	99,920	69,322	47,232	25,734

In accordance with the provision of the Finance Act 2018, the unutilised business losses are available for utilisation in the next seven consecutive years from when it was incurred, for which, any excess at the end of the seventh year, shall be disregarded. The other temporary differences do not expire under current tax legislation.

The Finance Act 2021 stated that the time frame to carry forward unutilised business losses for year of assessment 2019 and subsequent years of assessment be extended from seven to ten consecutive years of assessment. The other temporary differences do not expire under current tax legislation.

Deferred tax assets have not been recognised in respect of these items as they may not have sufficient taxable profits to be used to offset.



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022  
(cont'd)

## 38. STAFF COSTS

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Salaries, fees and other emoluments	98,368	90,319	11,214	10,105
Defined contribution plans	11,035	10,667	1,286	1,032
	109,403	100,986	12,500	11,137

Included in staff costs is aggregate amount of remuneration received and receivable by the Executive Directors of the Company and of the subsidiaries during the financial year as below:

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
<b>Directors of the Company</b>				
<b>Executive Directors</b>				
Fee	361	360	361	360
<b>Non-executive Directors</b>				
Fee	403	357	403	357
	764	717	764	717
<b>Director of the subsidiaries</b>				
<b>Executive Directors</b>				
Salaries, bonuses and other benefits	952	987	-	-
Defined contribution plans	113	112	-	-
	1,065	1,099	-	-
<b>Non-executive Directors</b>				
Salaries, bonuses and other benefits	189	204	-	-
Defined contribution plans	23	25	-	-
	212	229	-	-
	2,041	2,045	763	717

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

(cont'd)

## 39. EARNINGS PER SHARE

### (a) Basic earnings per share

The basic earnings per share are calculated based on the consolidated income for the financial year attributable to owners of the parent and the weighted average number of ordinary shares in issue during the financial year as follows:

	Group	
	2022	2021
	RM'000	RM'000
Profit attributable to owners of the parent	398,662	315,940
Weighted average number of ordinary shares in issue:-		
Ordinary shares at 1 January ('000)	7,396,617	3,618,265
Effect of treasury shares buy-back ('000)	(14,550)	(21,027)
Effect of new ordinary shares issued pursuant to bonus issue ('000)	-	3,690,310
Effect of cancellation of treasury shares ('000)	-	31,826
Effect of new ordinary shares issued pursuant to DRP ('000)	19,269	5,725
Effect of new ordinary shares issued pursuant to private placement ('000)	-	36,721
Weighted average number of ordinary shares at 31 December ('000)	7,401,336	7,361,820
Basic earnings per ordinary shares (in sen)	5.39	4.29

### (b) Diluted earnings per share

Diluted earnings per ordinary share equals basic earnings per ordinary share because there is no potentially dilutive instruments in existence as at the end of each reporting period.

## 40. DIVIDENDS

	Group and Company	
	2022	2021
	RM'000	RM'000
In respect of the financial year ended 31 December 2022:		
- a first interim single tier dividend of 0.25 sen per ordinary share, paid on 25 November 2022	18,595	-
In respect of the financial year ended 31 December 2021:		
- a final dividend of 1.03 sen per ordinary share, paid on 21 September 2022	76,071	-
- a first interim dividend of 0.25 sen per ordinary share, paid on 11 November 2021	-	17,997
In respect of the financial period ended 31 December 2020:		
- a final dividend of 1.70 sen per ordinary share, paid on 9 September 2021	-	61,005
	94,666	79,002

The Directors recommend the payment of a final single-tier dividend of 1.17 sen per ordinary share in respect of the current financial year, subject to the approval of the shareholders at the forthcoming Annual General Meeting.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022  
(cont'd)

## 41. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below show the details of changes in the liabilities of the Group and of the Company arising from financing activities, including both cash and non-cash changes:

	At 1.1.2022 RM'000	Drawdown RM'000	Repayment RM'000	Changes of lease RM'000	At 31.12.2022 RM'000
<b>Group</b>					
Term loans	106,307	90,000	(47,807)	-	148,500
Revolving credit	41,700	80,000	-	-	121,700
Sukuk wakalah	-	150,000	-	-	150,000
Block discounting	12,540	16,320	(6,002)	-	22,858
Lease liabilities	5,536	42,246	(6,889)	(620)	40,273
	166,083	378,566	(60,698)	(620)	483,331
<b>Company</b>					
Term loans	106,307	90,000	(47,807)	-	148,500
Revolving credit	20,000	80,000	-	-	100,000
Sukuk wakalah	-	150,000	-	-	150,000
Lease liabilities	313	-	(289)	-	24
	126,620	320,000	(48,096)	-	398,524
	At 1.1.2021 RM'000	Drawdown RM'000	Repayment RM'000	Changes of lease RM'000	At 31.12.2021 RM'000
<b>Group</b>					
Term loans	128,010	-	(21,703)	-	106,307
Revolving credit	21,100	20,600	-	-	41,700
Block discounting	16,408	1,773	(5,641)	-	12,540
Lease liabilities	5,457	4,538	(4,448)	(11)	5,536
	170,975	26,911	(31,792)	(11)	166,083
<b>Company</b>					
Term loans	128,010	-	(21,703)	-	106,307
Revolving credit	20,000	-	-	-	20,000
Lease liabilities	611	237	(535)	-	313
	148,621	237	(22,238)	-	126,620

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

(cont'd)

## 42. COMMITMENTS

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
<b>Capital expenditure</b>				
Purchase of property and equipment	769,575	138,126	75,000	124,273
Purchase of right-of-use assets	220	-	-	-
Development costs	63,455	83,187	63,455	-
	833,250	221,313	138,455	124,273

## 43. FINANCIAL GUARANTEE

No provisions are recognised on the following matters as it is not probable that a future sacrifice of economic benefits will be required or the amount is not capable of reliable measurement:

	Company	
	2022	2021
	RM'000	RM'000
<b>Corporate guarantee</b>		
Guarantee given to financial institutions for credit facilities granted to:		
- subsidiaries	43,458	33,140

## 44. RELATED PARTY DISCLOSURES

### (a) Identifying related parties

For the purposes of these financial statements, parties are considered to be related to the Group and of the Company if the Group or the Company has the ability, directly or indirectly, to control or joint control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group and of the Company either directly or indirectly. The key management personnel comprise the Directors and management personnel of the Group and of the Company, having authority and responsibility for planning, directing and controlling the activities of the Group and of the Company directly or indirectly.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022  
(cont'd)

## 44. RELATED PARTY DISCLOSURES (CONT'D)

### (b) Significant related party transactions

In addition to the related party balances disclosed elsewhere in the financial statements the significant related party transactions of the Group and of the Company are as follows:

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
<b>Transactions with subsidiaries</b>				
- Sales	-	-	960	45,960
- Dividend income	-	-	125,000	1,000
- Rental income	-	-	5,000	4,683
- Interest income	-	-	10,469	7,180
- Management fee	-	-	(4,010)	(3,509)
<b>Transactions with a related party*</b>				
- Professional fee	(250)	(250)	(250)	(250)

\* a company in which Dato' Dr Norraesah Binti Haji Mohamad has a substantial financial interest.

### (c) Compensation of key management personnel

Remuneration of Directors and other members of key management personnel are as follows:

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
<b>Directors of the Company</b>				
<b>Executive Directors</b>				
Fee	360	360	360	360
<b>Non-executive Directors</b>				
Fee	403	357	403	357
	763	717	763	717
<b>Directors of the subsidiaries</b>				
<b>Executive Directors</b>				
Salaries, bonuses and other benefits	952	987	-	-
Defined contribution plans	113	112	-	-
	1,065	1,099	-	-
<b>Non-executive Directors</b>				
Salaries, bonuses and other benefits	189	204	-	-
Defined contribution plans	23	25	-	-
	212	229	-	-
	2,040	2,045	763	717

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

(cont'd)

## 45. SEGMENT INFORMATION

### (a) Business segments

Segmental reporting is not presented as the Group is principally engaged in the development and implementation of the electronic government services project and the provision of other upstream and downstream related services for the electronic government services project, which is substantially within a single business segment and operates wholly in Malaysia.

### (b) Geographical information

Revenue is based on the countries in which the customers are located.

Non-current assets are determined according to the country where these assets are located. The amounts of non-current assets do not include financial instruments. The non-current assets located at Indonesia amounted to approximately RM11 million (2021: RM12 million) as at the financial year end.

The information on the disaggregation of revenue based on the countries which the customers are based is summarised below:

	Revenue from contracts with customers		Revenue from financing receivables	Revenue from other sources	Group
	in time	Over time			
	RM'000	RM'000	RM'000	RM'000	RM'000
<b>2022</b>					
Malaysia	603,697	8,776	22,334	14,443	649,250
Outside Malaysia	1,857	-	-	-	1,857
	605,554	8,776	22,334	14,443	651,107
<b>2021</b>					
Malaysia	649,719	12,348	18,390	5,370	685,827
Outside Malaysia	36,050	-	-	-	36,050
	685,769	12,348	18,390	5,370	721,877

### (c) Information about major customers

The following are major customers with revenue equal to or more than 10% of the Group's total revenue:

	Revenue	
	2022	2021
	RM'000	RM'000
Customer A	-	86,500

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022  
(cont'd)

## 46. FINANCIAL INSTRUMENTS

### (a) Classification of financial instruments

Financial assets and financial liabilities are measured on an ongoing basis either at fair value or at amortised cost. The principal accounting policies in Note 3 describe how the classes of financial instruments are measured, and how income and expense, including fair value gains and losses, are recognised.

The following table analyses the financial assets and liabilities in the statements of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis:

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
<b>Financial assets</b>				
<b>At FVTPL</b>				
Short-term cash investment (included in cash and bank balances)	4,183	4,026	2,099	2,083
Digital assets	38	-	-	-
	4,221	4,026	2,099	2,083
<b>At FVTOCI</b>				
Other investments	235,718	246,493	-	-
<b>At amortised cost</b>				
Financing receivables	288,926	319,277	-	-
Trade receivables	334,859	290,775	7,530	2,128
Other receivables	279,454	173,944	82,586	96,353
Amount due from subsidiaries	-	-	1,139,816	843,351
Amount due from associates	32	28	2	#
Amount due from joint ventures	2,510	2,510	-	-
Fixed deposits with licensed banks	20,127	16,165	11,143	8,030
Cash and bank balances	52,113	69,088	33,352	29,910
	978,021	871,787	1,274,429	979,772
<b>Financial liabilities</b>				
<b>At amortised cost</b>				
Trade payables	106,412	101,340	3,020	3,813
Other payables	72,232	67,757	19,012	16,194
Amount due to subsidiaries	-	-	8,348	997
Amount due to associates	22	24	-	-
Loans and borrowings	443,058	160,547	398,500	126,307
	621,724	329,668	428,880	147,311

# - represents an amount less than RM1,000



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

(cont'd)

## 46. FINANCIAL INSTRUMENTS (CONT'D)

### (b) Financial risk management objectives and policies

The Group's and the Company's financial risk management policy is to ensure that adequate financial resources are available for the development of the Group's and of the Company's operation whilst managing its credit, liquidity and market price risks. The Group and the Company operate within clearly defined guidelines that are approved by the Board and the Group's and the Company's policy is not to engage in speculative transaction.

#### (i) Credit risk

Credit risk is the risk of a financial loss to the Group and the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from its trade and other receivables, amount due from associates, fixed deposits with licensed banks and cash and bank balances. The Company's exposure to credit risk arises principally from other receivables, amount due from subsidiaries, amount due from associates, fixed deposits with licensed banks and cash and bank balances. There are no significant changes as compared to prior financial periods.

The Group and the Company have adopted a policy of only dealing with creditworthy counterparties. Management has a credit policy in place to control credit risk by dealing with creditworthy counterparties and deposits with banks with good credit rating. The exposure to credit risk is monitored on an ongoing basis and action will be taken for long outstanding debts.

The Company provides unsecured advances to subsidiaries. It also provides unsecured financial guarantees to banks for banking facilities granted to certain subsidiaries. The Company monitors on an ongoing basis the results of the subsidiaries and repayments made by the subsidiaries.

At each reporting date, the Group and the Company assess whether any of the trade receivables and amount due from subsidiaries are credit impaired.

The gross carrying amounts of credit impaired receivables are written off (either partially or full) when there is no prospect of recovery. This is generally the case when the Group and the Company determine that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay amounts subject to the write-off. Nevertheless, receivables that are written off could still be subject to enforcement activities.

The carrying amounts of the financial assets recorded on the statements of financial position at the end of the reporting period represent the Group's and the Company's maximum exposure to credit risk except for financial guarantees provided to banks for banking facilities granted to certain subsidiaries.

The Company's maximum exposure in this respect is RM43,458,345 (2021: RM33,139,984), representing the outstanding banking facilities to the subsidiaries as at the end of the reporting period. There was no indication that any subsidiaries would default on repayment as at the end of the reporting period.

There are no significant changes as compared to previous financial period.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

(cont'd)

## 46. FINANCIAL INSTRUMENTS (CONT'D)

### (b) Financial risk management objectives and policies (cont'd)

#### (i) Credit risk (cont'd)

In addition, the Group also determines the concentration of credit risk by monitoring, on an ongoing basis, its trade and financing receivables based on the countries where the customer has operations. The credit risk concentration profile of trade and financing receivables at the end of the reporting period is as follows:

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Malaysia	617,285	594,002	1,030	2,128
Outside Malaysia	6,500	16,050	6,500	-
	623,785	610,052	7,530	2,128

#### (ii) Liquidity risk

Liquidity risk refers to the risk that the Group or the Company will encounter difficulty in meeting to financial obligations as they fall due. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The Group's and the Company's funding requirements and liquidity risk are managed with the objective of meeting business obligations on a timely basis. The Group and the Company finance their liquidity through internally generated cash flows and minimises liquidity risk by keeping committed credit lines available.

	On demand within 1 year	2 to 5 years	More than 5 years	Total contractual cash flows	Total carrying amounts
	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Group</b>					
<b>2022</b>					
<u>Non-derivative financial liabilities</u>					
Trade payables	106,412	-	-	106,412	106,412
Other payables	72,232	-	-	72,232	72,232
Amount due to associates	22	-	-	22	22
Term loans	33,330	110,855	20,553	164,738	148,500
Revolving credit	121,700	-	-	121,700	121,700
Sukuk wakalah	8,700	184,800	-	193,500	150,000
Block discounting	8,223	17,561	-	25,784	22,858
Lease liabilities	11,043	34,700	-	45,743	40,273
	361,662	347,916	20,553	730,131	661,997

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

(cont'd)

## 46. FINANCIAL INSTRUMENTS (CONT'D)

### (b) Financial risk management objectives and policies (cont'd)

#### (ii) Liquidity risk (cont'd)

The following table analyses the remaining contractual maturity for financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay.

	On demand within 1 year RM'000	2 to 5 years RM'000	More than 5 years RM'000	Total contractual cash flows RM'000	Total carrying amounts RM'000
<b>Group (Cont'd)</b>					
<b>2021</b>					
<u>Non-derivative financial liabilities</u>					
Trade payables	101,340	-	-	101,340	101,340
Other payables	67,757	-	-	67,757	67,757
Amount due to associates	24	-	-	24	24
Term loans	25,995	71,795	22,018	119,808	106,307
Revolving credit	43,563	-	-	43,563	41,700
Block discounting	5,618	8,107	-	13,725	12,540
Lease liabilities	2,796	3,052	-	5,848	5,536
	247,093	82,954	22,018	352,065	335,204
<b>Company</b>					
<b>2022</b>					
<u>Non-derivative financial liabilities</u>					
Trade payables	3,020	-	-	3,020	3,020
Other payables	19,012	-	-	19,012	19,012
Amount due to subsidiaries	8,348	-	-	8,348	8,348
Term loans	33,330	110,855	20,553	164,738	148,500
Revolving credit	100,000	-	-	100,000	100,000
Sukuk wakalah	8,700	184,800	-	193,500	150,000
Lease liabilities	25	-	-	25	24
	172,435	295,655	20,553	488,643	428,904
Financial corporate guarantee given to certain subsidiaries	43,458	-	-	43,458	-

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

(cont'd)

## 46. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management objectives and policies (cont'd)

(ii) Liquidity risk (cont'd)

The following table analyses the remaining contractual maturity for financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay. (cont'd)

	On demand within 1 year RM'000	2 to 5 years RM'000	More than 5 years RM'000	Total contractual cash flows RM'000	Total carrying amounts RM'000
<b>Company (Cont'd)</b>					
<b>2021</b>					
<u>Non-derivative financial liabilities</u>					
Trade payables	3,813	-	-	3,813	3,813
Other payables	16,194	-	-	16,194	16,194
Amount due to subsidiaries	997	-	-	997	997
Term loans	25,995	71,795	22,018	119,808	106,307
Revolving credit	21,073	-	-	21,073	20,000
Lease liabilities	277	42	-	319	313
	68,349	71,837	22,018	162,204	147,624
Financial corporate guarantee given to certain subsidiaries	33,140	-	-	33,140	-

Financial guarantee has not been recognised since the fair value on initial recognition was deemed not material and the probability of the subsidiaries defaulting in their credit facilities is remote.

(iii) Market risk

(a) Foreign currency risk

The Group is exposed to foreign currency risk on transactions that are denominated in currencies other than the respective functional currencies of the Group entities. The currencies giving rise to this risk are primarily Australian Dollar ("AUD"), United States Dollar ("USD"), Singapore Dollar ("SGD"), and Philippine Peso ("PHP") and Indonesian Rupiah ("IDR").

The Group had not entered into any derivative instruments for hedging or trading purposes. Where possible, the Group would apply natural hedging by selling and purchasing in the same currency. However, the exposure to foreign currency risk is monitored from time to time by management to ensure that the net exposure is at an acceptable level.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

(cont'd)

## 46. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management objectives and policies (cont'd)

(iii) Market risk (cont'd)

(a) Foreign currency risk (cont'd)

The carrying amounts of the Group's and the Company's foreign currency denominated financial assets and financial liabilities at the end of the reporting periods are as follows:

	AUD RM'000	USD RM'000	SGD RM'000	PHP RM'000	IDR RM'000	Total RM'000
<b>Group</b>						
<b>2022</b>						
<b>Financial assets</b>						
Other receivables	-	-	-	-	10	10
Amount due from joint ventures	-	-	-	2,509	-	2,509
Cash and bank balances	-	16	35	-	4	55
	-	16	35	2,509	14	2,574
<b>Financial liabilities</b>						
Trade payables	-	(3,816)	-	-	-	(3,816)
Other payables	-	-	-	-	(16)	(16)
Term loans	(81,767)	-	-	-	-	(81,767)
Revolving credit	-	(20,600)	-	-	-	(20,600)
	(81,767)	(24,416)	-	-	(16)	(106,199)
Net financial (liabilities)/assets	(81,767)	(24,400)	35	2,509	(2)	(103,625)
<b>2021</b>						
<b>Financial assets</b>						
Other receivables	-	-	-	-	11	11
Amount due from joint ventures	-	-	-	2,508	-	2,508
Cash and bank balances	-	30	129	-	152	311
	-	30	129	2,508	163	2,830
<b>Financial liabilities</b>						
Trade payables	-	(1,035)	-	-	-	(1,035)
Other payables	-	-	-	-	(10)	(10)
Revolving credit	-	(20,600)	-	-	-	(20,600)
	-	(21,635)	-	-	(10)	(21,645)
Net financial (liabilities)/assets	-	(21,605)	129	2,508	153	(18,815)

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022  
(cont'd)

## 46. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management objectives and policies (cont'd)

(iii) Market risk (cont'd)

(a) Foreign currency risk (cont'd)

The carrying amounts of the Group's and the Company's foreign currency denominated financial assets and financial liabilities at the end of the reporting periods are as follows: (cont'd)

	AUD RM'000	SGD RM'000	Total RM'000
<b>Company</b>			
<b>2022</b>			
<b>Financial asset</b>			
Cash and bank balances	-	129	129
<b>Financial liability</b>			
Term loans	(81,767)	-	(81,767)
Net financial (liabilities)/assets	(81,767)	129	(81,638)
<b>2021</b>			
<b>Financial asset</b>			
Cash and bank balances	-	129	129

### Foreign currency sensitivity analysis

The following table demonstrates the sensitivity of the Group's and of the Company's profit before tax for the financial year to reasonably possible change in the AUD, USD, SGD, IDR and PHP exchange rates against RM, which all other variables held constant.

	2022 RM'000	2021 RM'000
<b>Group</b>		
<b>Effects on profit after tax:</b>		
<b>AUD/RM</b>		
Strengthen by 1% (2021: Nil)	(818)	-
Weakened by 1% (2021: Nil)	818	-
<b>USD/RM</b>		
Strengthen by 1% (2021: 1%)	(244)	(216)
Weakened by 1% (2021: 1%)	244	216
<b>SGD/RM</b>		
Strengthen by 1% (2021: 1%)	#	1
Weakened by 1% (2021: 1%)	#	(1)

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

(cont'd)

## 46. FINANCIAL INSTRUMENTS (CONT'D)

### (b) Financial risk management objectives and policies (cont'd)

#### (iii) Market risk (cont'd)

##### (a) Foreign currency risk (cont'd)

##### Foreign currency sensitivity analysis (cont'd)

The following table demonstrates the sensitivity of the Group's and of the Company's profit before tax for the financial year to reasonably possible change in the AUD, USD, SGD, IDR and PHP exchange rates against RM, which all other variables held constant. (cont'd)

	2022 RM'000	2021 RM'000
<b>Group (cont'd)</b>		
<b>Effects on profit after tax: (cont'd)</b>		
<b>PHP/RM</b>		
Strengthen by 1% (2021: 1%)	25	25
Weakened by 1% (2021: 1%)	(25)	(25)
<b>IDR/RM</b>		
Strengthen by 1% (2021: 1%)	#	2
Weakened by 1% (2021: 1%)	#	(2)
	2022 RM'000	2021 RM'000
<b>Company</b>		
<b>AUD/RM</b>		
Strengthen by 1% (2021: Nil)	(818)	-
Weakened by 1% (2021: Nil)	818	-
<b>SGD/RM</b>		
Strengthen by 1% (2021: 1%)	1	1
Weakened by 1% (2021: 1%)	(1)	(1)

#### (b) Interest rate risk

The Group's and the Company's fixed rate deposits placed with licensed banks and borrowings are exposed to a risk of change in their fair value due to changes in interest rates. The Group's and the Company's variable rate borrowings are exposed to a risk of change in cash flows due to change in interest rates.

The Group and the Company manage their interest rate risk of its deposits with licensed financial institutions by placing them at the most competitive interest rates obtainable, which yield better returns than cash at bank and maintaining a prudent mix of short and long-term deposits.



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

(cont'd)

## 46. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management objectives and policies (cont'd)

(iii) Market risk (cont'd)

(b) Interest rate risk (cont'd)

The Group and the Company manage their interest rate risk exposure from interest bearing borrowing by obtaining financing with the most favourable interest rates in the market. The Group and the Company constantly monitor their interest rate risk by reviewing their debts portfolio to ensure favourable rates are obtained. The Group and the Company do not utilise interest swap contracts or other derivative instruments for trading or speculative purposes.

### Interest rate risk sensitivity analysis

The interest rate profit of the Group's and of the Company's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period was:

	2022 RM'000	2021 RM'000
<b>Group</b>		
<b>Fixed rate instruments</b>		
<u>Financial assets</u>		
Fixed deposits with licensed banks	20,127	16,165
Financing receivables	288,926	319,277
<u>Financial liabilities</u>		
Revolving credit	(121,700)	(41,700)
Block discounting	(22,858)	(12,540)
Lease liabilities	(37,909)	(5,536)
Sukuk wakalah	(150,000)	-
	(23,414)	275,666
<b>Floating rate instruments</b>		
<u>Financial liability</u>		
Term loans	(148,500)	(106,307)
	(148,500)	(106,307)

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

(cont'd)

## 46. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management objectives and policies (cont'd)

(iii) Market risk (cont'd)

(b) Interest rate risk (cont'd)

### Interest rate risk sensitivity analysis (cont'd)

The interest rate profit of the Group's and of the Company's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period was: (cont'd)

	2022 RM'000	2021 RM'000
<b>Company</b>		
<b>Fixed rate instruments</b>		
<u>Financial asset</u>		
Fixed deposits with licensed banks	11,143	8,030
<u>Financial liabilities</u>		
Revolving credit	(100,000)	(20,000)
Sukuk wakalah	(150,000)	-
	(238,857)	(11,970)
<b>Floating rate instruments</b>		
<u>Financial liability</u>		
Term loans	(148,500)	(106,307)

### **Interest rate risk sensitivity analysis**

#### Fair value sensitivity analysis for fixed rate instruments

The Group and the Company do not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

(c) Equity price risk

#### Cash flows sensitivity analysis for floating rate instruments

A change in 1% interest rate at the end of the reporting period would have increased/ (decreased) the Group's and the Company's loss before tax by RM1,485,000 and RM1,485,000 (2021: RM1,063,000 and RM1,063,000), arising mainly as a result of lower/higher interest expense on floating rate borrowings. This analysis assumed that all other variables remain constant. The assumed movement in basis points for the interest rate sensitivity analysis based on the currently observable market environment.

Market price risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market prices (other than interest or exchange rates).

The Group is exposed to equity price risk arising from its investment in quoted instruments. These investments are listed on Bursa Malaysia and are classified as financial assets at FVTPL or at FVTOCI.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

(cont'd)

## 46. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management objectives and policies (cont'd)

(iii) Market risk (cont'd)

(c) Equity price risk (cont'd)

### Cash flows sensitivity analysis for floating rate instruments (cont'd)

Management of the Group monitors investments in quoted instruments on a portfolio basis. Material investments within the portfolio are managed on an individual basis and all buy and sell decisions are approved by Risk Management Committee of the Group.

### Market price risk sensitivity analysis

At the reporting date, if the various stock indices had been 1% higher/ lower, with all other variables held constant, the Group's profit before tax would have been RM562,800 (2021: Nil) higher/lower, arising as a result of higher/lower fair value gains on held for trading RM562,800 (2021: Nil) higher/lower, arising as a result of an increase/decrease in the fair value of equity instruments classified as financial asset at FVTOCI.

(c) Fair value of financial instruments

The fair value of the financial assets and financial liabilities of the Group and the Company which are maturing within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments or repayable on demand terms.

The table below analyses financial instruments carried at fair value and those not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statements of financial position.

	Fair value of financial instruments carried at fair value			Total fair value	Carrying amount
	Level 1	Level 2	Level 3		
	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Group</b>					
<b>2022</b>					
<u>Financial assets</u>					
Other investments:					
- unquoted investments	-	24,055	211,663	235,718	235,718
Short-term investments	-	4,183	-	4,183	4,183
<b>2021</b>					
<u>Financial assets</u>					
Other investments:					
- unquoted investments	-	24,055	222,438	246,493	246,493
Short-term investments	-	4,026	-	4,026	4,026

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

(cont'd)

## 46. FINANCIAL INSTRUMENTS (CONT'D)

### (c) Fair value of financial instruments (cont'd)

The table below analyses financial instruments carried at fair value and those not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statements of financial position. (cont'd)

	Fair value of financial instruments carried at fair value			Total fair value	Carrying amount
	Level 1	Level 2	Level 3		
	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Company</b>					
<b>2022</b>					
<u>Financial asset</u>					
Short-term investments	-	2,099	-	2,099	2,099
<b>2021</b>					
<u>Financial asset</u>					
Short-term investments	-	2,083	-	2,083	2,083

The carrying amounts of short-term receivables, payables, cash and cash equivalents approximate their fair value due to the relatively short-term nature of these financial instruments and insignificant impact of discounting.

#### (i) Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

There were no transfers between levels during current and previous financial periods.

#### (ii) Level 1 fair value

Level 1 fair value is derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

#### (iii) Level 2 fair value

Level 2 fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

#### Non-derivative financial instruments

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the end of the reporting period.

#### (iv) Level 3 fair value

Level 3 fair value for the financial assets and liabilities are estimated using unobservable inputs.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

(cont'd)

## 47. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

- (a) On 19 January 2022, MYEGC, a wholly-owned subsidiary of the Company entered into a Supplemental Agreement to the Head of Agreement ("Supplemental HOA") with S7, Merrington Asset Limited ("MAL"), Avocat Sdn. Bhd., Matrix Indeks Sdn. Bhd., Venstrait Sdn. Bhd., Ancom Logistics Berhad ("ALB") and Ancom Berhad to vary the terms and conditions of the Head of Agreement ("HOA") which previously entered by the respective parties that entails the proposed acquisition by ALB of the entire share capital of S5.

Subsequently on 15 April 2022, The Board of Directors of the Company announce that the HOA (as supplemented by the Supplemental HOA) expired on the same date as the conditions in the Supplementary HOA has not been met, and no further extension of time of the Negotiation Period has been requested by the Vendors.

Upon expiry of the HOA (as supplemented by the Supplemental HOA), the Parties shall have no claims against each other under the HOA and Supplemental HOA, unless due to antecedent breaches.

- (b) On 10 March 2022, NFTPT, a sub-subsidiary of the Company had launched NFT Pangolin, a global Non-Fungible Token ("NFT") marketplace which supports the issuance and trading of NFT. NFT Pangolin will also operate on the soon to be launched Zetrix layer 1 blockchain network.
- (c) On 12 April 2022, the Company's Zetrix blockchain has completed the foundation development for its layer 1 blockchain functionalities and it will launch its mainnet on 15 April 2022. This marks the completion of phase 1 of Zetrix's journey towards being a leading platform for decentralised applications, where industrial use cases like supply chain traceability and financing co-exist with the metaverse.
- (d) On 29 April 2022, Bursa Malaysia Securities Berhad ("Bursa Securities") has resolved to grant an extension of time of 6 months from 26 April 2022 to 25 October 2022 for the Company to complete the implementation of the Proposed Placement.

On 25 October 2022, the extension of time granted by Bursa Securities for the Company to complete the implementation of the Proposed Placement has lapsed and accordingly, the Proposed Placement is deemed completed.

- (e) On 10 June 2022, the Board of Directors of the Company announced that its joint venture company, MYEG PH, had entered into a Memorandum of Agreement with Tourism Infrastructure and Enterprise Zone Authority ("TIEZA") to provide its payment channels for the collection of travel taxes through TIEZA's Online Travel Tax Services System, an online payment portal designed to provide a more convenient, faster and hassle-free way of paying for travel taxes ("the Partnership").
- (f) On 23 June 2022, the shareholders of MYEG had at the Company's Twenty-First Annual General Meeting approved the FY2021 Final Dividend and authorised the Board to allot and issue such number of new MYEG Shares from time to time as may be required to be allotted and issued pursuant to the dividend reinvestment plan ("DRP"). The Board had on the same day determined that the DRP will apply to the FY2021 Final Dividend, in which the entire FY2021 Final Dividend can be elected to be reinvested into new MYEG Shares.

Further on 19 July 2022, CIMB Investment Bank Berhad announced that an application to Bursa Malaysia Securities Berhad in relation to the additional listing of and quotation for the new MYEG shares to be issued pursuant to the DRP has been submitted.

On 1 August 2022, CIMB Investment Bank Berhad announced that Securities has in its letter dated 1 August 2022 approved the listing of and quotation for up to 126,784,781 new MYEG shares to be issued pursuant to the DRP for the FY2021 Final Dividend, subject to the following conditions:

- (i) MYEG and CIMB must fully comply with the relevant provisions under the Main Market Listing Requirements of Bursa Securities pertaining to the implementation of the DRP;
- (ii) MYEG and CIMB to inform Bursa Securities upon the completion of the DRP; and

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

(cont'd)

## 47. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (cont'd)

- (f) On 1 August 2022, CIMB Investment Bank Berhad announced that Securities has in its letter dated 1 August 2022 approved the listing of and quotation for up to 126,784,781 new MYEG shares to be issued pursuant to the DRP for the FY2021 Final Dividend, subject to the following conditions: (cont'd)
- (iii) MYEG to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the DRP is completed.

Subsequently on 10 August 2022, CIMB Investment Bank Berhad had announced that the issue price of the new ordinary shares of MYEG ("MYEG Shares") to be issued pursuant to the DRP for the FY2021 Final Dividend has been fixed on the same date at RM0.715 per MYEG Share.

- (g) On 1 July 2022, the Board of Directors of the Company announced that Zetrix, MYEG's Layer-1 Blockchain platform, together with China Academy of Information and Communications Technology ("CAICT") owned Xinghuo BIF, have jointly introduced the Blockchain-based Identifiers/Verifiable Credentials and Blockchain-based E-signing services to international markets, a major milestone in enabling cross-border business with China on the blockchain.
- (h) On 6 October 2022, Zetrix had launched the pilot for its cross-border trade financing solution, Zetrix TradeFi. AmBank (M) Berhad is the pioneer bank participating on the blockchain based digital platform subject to relevant approvals.
- (i) On 6 October 2022, The Board of Directors of the Company wishes to announce that the Company had on 6 October 2022 entered into a Memorandum of Understanding ("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.
- (j) On 17 October 2022, the Company lodged the Sukuk Wakalah Programme with the Securities Commission Malaysia ("SC") pursuant to the SC's Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework (issued by the SC on 9 March 2015 and revised on 1 September 2022, as amended from time to time) ("SC LOLA Guidelines").
- (k) On 11 November 2022, a subsidiary, MLSB entered into a sale and purchase agreement with third party to acquire a piece of leasehold land located at Pajakan Mukim 797, Lot 7138, Mukim Rawang, Tempat Batu 17, Jalan Rawang, Daerah Gombak, Negeri Selangor for a total consideration of RM7,121,100.
- (l) On 17 November 2022, the Company entered into a Collaboration Agreement ("the Agreement") with the Institute of Industrial Internet and Internet of Things of the 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 signing of the Agreement was completed at the 2022 China Internet Conference hosted by China's Ministry of Industry and Information Technology ("MIIT") and Shenzhen Municipal People's Government. The Agreement also entails the cross-border adoption and utilisation of the latest Decentralised Identifier standard ("DID") to gradually create the Web3 of China and beyond.

The Agreement is for a period of 4 years ("Initial Term") which is renewable upon expiry subject to further negotiation of which the Company has the first right of refusal to renew the Agreement. It has no fixed value and is determined by the number of transactions on Xinghuo International Supernode.

The Agreement shall now supersede the MOU entered on 12 October 2021. As such, the MOU would therefore no longer subsist.

- (m) On 23 December 2022, the Company proposed to distribute 84,000,000 ordinary shares in Agmo, representing the entire 25.8% equity interest in Agmo held through MY E.G. Capital Sdn Bhd, a wholly-owned subsidiary of the Company, to entitled shareholders of the Company in two (2) separate tranches by way of a dividend-in-specie ("Proposed Dividend-in-Specie").

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

(cont'd)

## 48. SIGNIFICANT EVENTS AFTER THE FINANCIAL YEAR

- (a) On 5 January 2023, MLSB has made the first payment amounting to RM1,298,250 for the purchase of leasehold land at PLO 145, Muar Furniture park from Johor Corporation with total consideration of RM12,982,500.

On 17 January 2023, the Company obtained the Vacant Possession from Johor Corporation for the leasehold land at PLO 69, Tanjung Langsat Industrial Complex in relation to a proposed Tanjung Langsat Foreign Workers' Accommodation ("FWA") project.

- (b) On 14 February 2023, The Board of Directors of the Company wishes to announce that Zetrix has been chosen by the Chinese Government as a component of its government-to-government (G2G) program. Initiated by the Ministry of Science and Technology (MOST) of China, Malaysia is one of the 14 countries that are participating in the programme. The China-Malaysia G2G cooperation covers four sectors, including public health (such as vaccine research and development (R&D)), Artificial Intelligence (AI), Information and Communications Technology (ICT) (blockchain, big data, etc.), as well as space remote sensing technology.
- (c) On 7 March 2023, MLSB incorporated a wholly-owned subsidiary with 100 ordinary shares; representing 100% of equity interest in MY EG Lodging (Muar) Sdn. Bhd. for a total consideration of RM100.
- (d) On 13 March 2023, the first tranche of the dividend-in-specie consisting of 69,750,000 Agmo Shares held by the Company through MYEG Capital has been completed on 10 March 2023, following the distribution of 69,724,752 Agmo Shares to the entitled shareholders, the remaining 25,248 Agmo Shares arising from fractional entitlements will be retained by MYEG Capital.
- (e) On 30 March 2023, the Company entered into a Partnership Agreement with East Logistic-Link Co., Ltd, a wholly-owned agency of General Administration of Customs of the People's Republic of China for the Company to jointly provide a full suite of cross-border trade facilitation services that include certificates of origin on the Zetrix blockchain platform. This will enable all relevant data to be available accurately in near real-time, hence, increasing the efficiency of tariff computation and customs clearance, especially for trade within the Regional Comprehensive Economic Partnership member nations. The scope of the Agreement covers international exports going into China and exporters may now register to use the service known as Ztrade at Zetrix.com.

## 49. CAPITAL MANAGEMENT

The Group manages its capital to ensure that entities within the Group will be able to maintain an optimal capital structure so as to support their businesses and maximise shareholders' value. To achieve this objective, the Group may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

(cont'd)

## 49. CAPITAL MANAGEMENT (CONT'D)

The Group manages its capital based on debt-to-equity ratio that complies with debt covenants and regulatory, if any. The debt-to-equity ratio is calculated as net debt divided by total equity. The Group includes within net debt, loans and borrowings from financial institutions less cash and cash equivalents. Capital includes equity attributable to the owners of the parent and non-controlling interest. The debt-to-equity ratio of the Group at the end of the reporting period was as follows:

	Group	
	2022	2021
	RM'000	RM'000
Loans and borrowings	443,058	160,547
Lease liabilities	37,909	5,536
	480,967	166,083
Less: Fixed deposits with licensed banks	(20,127)	(16,165)
Less: Cash and bank balances	(56,296)	(73,114)
Net debt	404,544	76,804
Total equity	1,872,103	1,541,449
Gearing ratio (times)	0.22	0.05

## 50. COMPARATIVE INFORMATION

- (i) Certain comparatives were restated to conform with current financial year's presentation. There was no significant impact to the financial performance in relation to the financial year ended 31 December 2021.
- (ii) The financial statements of the Group and of Company for the financial year ended 31 December 2021 were audited by another firm of Chartered Accountants.

## 51. DATE OF AUTHORISATION FOR ISSUE

The consolidated financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 28 April 2023.

# ADDITIONAL COMPLIANCE INFORMATION

## 1. UTILISATION OF PROCEEDS

The status of the utilisation of proceeds raised from the following private placement exercise as at 31 March 2022 is as follows:

- i. The first tranche of the Private Placement I amounting to RM216.0 million, which was completed on 17 December 2020, following the listing and quotation of 120,000,000 new MYEG ordinary shares ("**Placement Shares I**") on the Main Market of Bursa Securities ("**Private Placement I**"):
 

Descriptions	Proposed Utilisation RM'million	Actual Proceeds Raised from the Private Placement I RM'million	Actual Utilisation RM'million	Balance RM'million	Estimated timeframe for the utilisation of proceeds from the date of listing of the Placement Shares I
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 Private Placement I	9.4	4.5	4.5	-	Immediate
<b>Total</b>	<b>407.0</b>	<b>216.0</b>	<b>187.9</b>	<b>28.1</b>	

The extension of time granted by Bursa Securities to complete the implementation of the remaining tranche of the Private Placement I has lapsed on 25 October 2022 and accordingly the Private Placement I is deemed completed.

## 2. AUDIT & NON-AUDIT FEES

For FY2022, the audit fees and non-audit fees paid/payable to the external auditors are detailed in the table below:

Type of fee	Group (RM)	Company (RM)
Audit fees	497,000	92,000
Non-audit fees	3,000	3,000
<b>Total</b>	<b>500,000</b>	<b>95,000</b>

# ADDITIONAL COMPLIANCE INFORMATION

(cont'd)

## 3. MATERIAL CONTRACTS

There were no material contracts subsisting at the end of the FY2022 entered into by the Group involving the interests of the Directors' and major shareholders.

## 4. CONTRACTS RELATING TO LOANS

There were no contracts relating to loans by the Company involving Directors' and major shareholders' interests.

## 5. RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

Details of transactions with related parties undertaken by the Group during the FY2022 are disclosed in Note 44 to the audited financial statements.

## 6. EMPLOYEES' SHARE OPTION SCHEME

At the Extraordinary General Meeting ("EGM") held on 6 August 2020, the shareholders of the Company approved the establishment of Employees' Share Option Scheme ("ESOS") of up to 10% of the total number of issued shares of the Company (excluding treasury shares, if any) at any point in time over the duration of five (5) years from the effective date of implementation of ESOS i.e. on 24 December 2020.

The shareholders of the Company had subsequently during the EGM held on 1 July 2021 approved the allocation of ESOS options to the Directors namely, Dato' Dr Norraesah Binti Haji Mohamad, Wong Thean Soon, Datuk Mohd Jimmy Wong Bin Abdullah, Wong Kok Chau, and Dato' Sri Mohd Mokhtar Bin Mohd Shariff.

During the financial year, the Company has yet to grant any option to the Directors and/or eligible persons.



# DIRECTORS' RESPONSIBILITY STATEMENT

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The Board is required by the Act to present the financial statements for each financial year which have been made out in accordance with the applicable approved accounting standards and give a true and fair view of the state of affairs, the results and cash flows of the Group and the Company.

The Board is satisfied that in preparing the financial statements of the Group and the Company for the FY2022, the appropriate accounting policies were used and applied consistently, adopted to include new and revised Malaysian Financial Reporting Standards where applicable. The Board is also at the view that relevant approved accounting standards have been followed in the preparation of these financial statements.

The Directors are responsible for ensuring that the Company keeps proper accounting records which enable the financial position of the Group and the Company to be disclosed with reasonable accuracy and which enable them to ensure that the financial statements comply with the Act.

The Directors have overall responsibility for taking such steps that are reasonably open to them to safeguard the assets of the Group to prevent and detect fraud and irregularities.

# ANALYSIS OF SHAREHOLDINGS

As at 31 March 2023

Total number of issued shares	:	7,477,571,078 (including 71,273,700 treasury shares)
Class of Shares	:	Ordinary shares
Voting Right	:	One vote per Ordinary Share
Number of Shareholders	:	36,927

## DISTRIBUTION OF SHAREHOLDINGS <sup>(1)</sup>

Size of Shareholdings	No. of Shareholders	%	No. of Shares	% <sup>(2)</sup>
Less than 100	1,203	3.26	33,789	*
100 to 1,000	5,360	14.52	2,894,360	0.04
1,001 to 10,000	17,671	47.85	90,315,010	1.22
10,001 to 100,000	10,394	28.15	340,338,683	4.59
100,001 – less than 5% of issued shares	2,298	6.22	6,547,903,822	88.41
5% and above issued shares	1	*	424,811,714	5.74
<b>Total</b>	<b>36,927</b>	<b>100.00</b>	<b>7,406,297,378</b>	<b>100.00</b>

Notes:-

\* insignificant

- (1) Pursuant to the Bursa Malaysia Depository Disclosure Framework, reports on the list of shareholders and transactions are based on the settlement cycle of 2 trading days after the transaction date. Hence, the distribution of shareholdings record transactions made up to 29 March 2023 which was subsequently captured in the Record of Depository (“**ROD**”) dated 31 March 2023.
- (2) Excluding a total of 71,273,700 shares bought back by the Company and retained as treasury shares based on the ROD dated 31 March 2023.

## SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS

Names of Substantial Shareholders	No. of Shares Held			
	Direct Interest	% <sup>(1)</sup>	Indirect Interest	% <sup>(1)</sup>
Wong Thean Soon	918,269,185	12.40	1,349,990,697 <sup>(2)</sup>	18.23
Asia Internet Holdings Sdn Bhd	1,349,990,697	18.23	-	-
Kumpulan Wang Persaraan (Diperbadankan) (“ <b>KWAP</b> ”)	454,129,864	6.13	104,289,257 <sup>(3)</sup>	1.41

Notes:-

- (1) Excluding a total of 71,273,700 shares bought back by the Company and retained as treasury shares based on the ROD dated 31 March 2023.
- (2) Deemed interest by virtue of his substantial shareholdings in Asia Internet Holdings Sdn Bhd pursuant to Section 8 of the Act.
- (3) Deemed interest via KWAP's Fund Manager.

# ANALYSIS OF SHAREHOLDINGS

As at 31 March 2023

(cont'd)

## DIRECTORS' SHAREHOLDINGS

Name of Directors	Direct Interest	No. of Shares Held		
		% <sup>(1)</sup>	Indirect Interest	% <sup>(1)</sup>
Dato' Dr Norraesah Binti Haji Mohamad	53,365,834	0.72	-	-
Wong Thean Soon	918,269,185	12.40	1,349,990,697 <sup>(2)</sup>	18.23
Datuk Mohd Jimmy Wong Bin Abdullah	6,921,242	0.09	-	-
Wong Kok Chau	-	-	-	-
Dato' Sri Mohd Mokhtar Bin Mohd Shariff	-	-	-	-
Dato' Mohd Jeffrey Bin Joakim	-	-	-	-
Mohaini Binti Mohd Yusof	-	-	-	-

Notes:-

- (1) Excluding a total of 71,273,700 shares bought back by the Company and retained as treasury shares based on the ROD dated 31 March 2023.
- (2) Deemed interest by virtue of his substantial shareholdings in Asia Internet Holdings Sdn Bhd pursuant to Section 8 of the Act.

## TOP THIRTY (30) SHAREHOLDERS <sup>(1)</sup>

No.	Names	No. of Shares	% <sup>(2)</sup>
1.	Kumpulan Wang Persaraan (Diperbadankan)	424,811,714	5.74
2.	AMSEC Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account – AmBank (M) Berhad for Asia Internet Holdings Sdn. Bhd.</i>	291,733,038	3.94
3.	MIDF Amanah Investment Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Asia Internet Holdings Sdn. Bhd. (MGN-AIH0002M)</i>	285,677,816	3.86
4.	CIMB Group Nominees (Tempatan) Sdn. Bhd. <i>CIMB Bank Berhad (EDP 2)</i>	236,145,800	3.19
5.	CGS-CIMB Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Wong Thean Soon (MY4348)</i>	200,386,089	2.71
6.	Maybank Securities Nominees (Tempatan) Sdn. Bhd. <i>Maybank Investment Bank Berhad for Wong Thean Soon</i>	139,554,409	1.88
7.	CGS-CIMB Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Asia Internet Holdings Sdn. Bhd. (MY2599)</i>	139,159,974	1.88
8.	Citigroup Nominees (Tempatan) Sdn. Bhd. <i>Employees Provident Fund Board</i>	130,975,741	1.77
9.	Kenanga Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Asia Internet Holdings Sdn. Bhd. (001-Account 2)</i>	121,211,467	1.64
10.	Maybank Investment Bank Berhad <i>IVT (10)</i>	115,707,378	1.56
11.	RHB Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Asia Internet Holdings Sdn. Bhd.</i>	104,755,202	1.41

# ANALYSIS OF SHAREHOLDINGS

As at 31 March 2023

## TOP THIRTY (30) SHAREHOLDERS <sup>(1)</sup>

No.	Names	No. of Shares	% <sup>(2)</sup>
12.	Maybank Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Asia Internet Holdings Sdn. Bhd.</i>	104,487,377	1.41
13.	UOB Kay Hian Nominees (Tempatan) Sdn. Bhd. <i>Exempt AN for KGI Securities (Singapore) Pte Ltd (66589 T CL)</i>	99,846,018	1.35
14.	Citigroup Nominees (Tempatan) Sdn. Bhd. <i>Exempt AN for AIA Bhd.</i>	96,251,487	1.30
15.	Citigroup Nominees (Asing) Sdn. Bhd. <i>Macquarie Bank Limited (Main)</i>	93,804,553	1.27
16.	Cartaban Nominees (Asing) Sdn. Bhd. <i>Exempt AN for State Street Bank &amp; Trust Company (West CLT OD67)</i>	92,931,700	1.26
17.	Maybank Investment Bank Berhad <i>IVT (16)</i>	92,605,300	1.25
18.	AllianceGroup Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Wong Thean Soon (7003171)</i>	91,938,432	1.24
19.	Citigroup Nominees (Asing) Sdn Bhd <i>CB Spore GW for Government of Singapore (GIC C)</i>	91,697,356	1.24
20.	CIMSEC Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Asia Internet Holdings Sdn Bhd (WBTM)</i>	82,800,000	1.12
21.	Phillip Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Asia Internet Holdings Sdn Bhd</i>	79,553,087	1.07
22.	Maybank Nominees (Tempatan) Sdn. Bhd. <i>MTrustee Berhad for Principal Dali Equity Growth Fund (UT-CIMB-DALI)(419455)</i>	77,852,600	1.05
23.	CIMSEC Nominees (Tempatan) Sdn. Bhd. <i>CIMB Bank for Wong Thean Soon</i>	73,802,698	1.00
24.	AMSEC Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account – AmBank (M) Berhad for Wong Thean Soon (SMART)</i>	70,576,223	0.95
25.	Affin Hwang Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Wong Thean Soon</i>	69,243,145	0.94
26.	HSBC Nominees (Asing) Sdn. Bhd. <i>JPMCB NA for Vanguard Total International Stock Index Fund</i>	67,343,762	0.91
27.	MIDF Amanah Investment Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Wong Thean Soon (MGN-WTS0003M)</i>	66,710,895	0.90
28.	HSBC Nominees (Asing) Sdn. Bhd. <i>JPMCB NA for Vanguard Emerging Markets Stock Index Fund</i>	66,362,900	0.90
29.	AMSEC Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Wong Thean Soon</i>	59,731,658	0.81
30.	AllianceGroup Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Wong Thean Soon (8080812)</i>	58,910,471	0.79

Notes:-

- (1) Pursuant to the Bursa Malaysia Depository Disclosure Framework, reports on the list of shareholders and transactions are based on the settlement cycle of 2 trading days after the transaction date. Hence, the distribution of shareholdings record transactions made up to 29 March 2023 which was subsequently captured in the ROD dated 31 March 2023.
- (2) Excluding a total of 71,273,700 shares bought back by the Company and retained as treasury shares based on the ROD dated 31 March 2023.



# LIST OF PROPERTIES

Location	Description/ Existing Use	Land Area/ Built-up Area (sq ft)	Tenure	Approximate Age of Buildings	Net book Value * (RM)	Year of Acquisition
MYEG Tower, Empire City, No 8, Jalan Damansara, PJU 8, 47820 Petaling Jaya, Selangor.	22-storey of Stratified Parcels designated for office use forming part of MYEG Tower	1,012,939/ 238,932	Leasehold, expiring on 8th June 2104	7 years	138,679,570.96	2015
MYEG Tower, Empire City, No 8, Jalan Damansara, PJU 8, 47820 Petaling Jaya, Selangor.	Seven (7) -storey of stratified parcels designated for office use forming part of MYEG Tower	1,012,939/ 79,284	Leasehold, expiring on 8th June 2104	7 years	40,491,019.19	2016
MYEG Tower, Empire City, No 8, Jalan Damansara, PJU 8, 47820 Petaling Jaya, Selangor.	One (1) -storey of stratified parcels designated for office use forming part of MYEG Tower	1,012,939/ 11,206	Leasehold, expiring on 8th June 2104	7 years	5,831,322.44	2017
MYEG Tower, Empire City, No 8, Jalan Damansara, PJU 8, 47820 Petaling Jaya, Selangor.	One (1) -storey of stratified parcels designated for office use forming part of MYEG Tower	1,012,939/ 11,120	Leasehold, expiring on 8th June 2104	7 years	5,890,634.58	2018
MYEG Tower, Empire City No 8, Jalan Damansara, PJU 8, 47820 Petaling Jaya, Selangor.	One (1) commercial space within the podium level below MYEG Tower	1,012,939/ 45,328	Leasehold, expiring on 8th June 2104	4 year	32,645,225.60	2018
MYEG Tower, Empire City, No 8, Jalan Damansara, PJU 8, 47820 Petaling Jaya, Selangor.	One (1) -storey of stratified parcels designated for office use forming part of MYEG Tower	1,012,939/ 11,238	Leasehold, expiring on 8th June 2104	7 years	7,565,031.00	2018
PLO 69, Mukim Sungai Tiram Daerah Johor Bahru, Johor	Leasehold Land/ Vacant	387, 074.16/-	Leasehold, expiring on 10th January 2053	-	10,763,589.36	2017
HSM 11533, P762, Mukim Sungai Buloh, Tempat Kampung Paya Jaras, Daerah Petaling, Selangor	Leasehold Land/ Vacant	90,384.55/-	Leasehold, expiring on 22th December 2069	-	8,300,000	2021
No. 1, 3, 5, 7, 9, 11, 15, 17, 19, 21, 23, Lorong Sultan Mohamed 25, Taman IKS PKNS, Fasa 3, Bandar Sultan Sulaiman, 42000 Pelabuhan Klang, Selangor	11 units of 3-storey shop office designated for foreign worker accommodation/ hostel	17,362.19/ 17,362.19	Leasehold, expiring on 30th June 2105	22	4,525,000	2021

\* As at 31 December 2022

# NOTICE OF THE TWENTY-SECOND ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the Twenty-Second (“22nd”) Annual General Meeting (“AGM”) of MY E.G. SERVICES BERHAD (“MYEG” or “Company”) will be held as a virtual meeting through live streaming and online remote voting using Remote Participation and Voting (“RPV”) facilities via Vote2U at <https://web.vote2u.my> from the broadcast venue at Level 43A, MYEG Tower, Empire City, No. 8, Jalan Damansara, PJU 8, 47820 Petaling Jaya, Selangor Darul Ehsan, Malaysia (“Broadcast Venue”) on Thursday, 22 June 2023 at 10.00 a.m., or at any adjournment thereof, for the purpose of considering and if thought fit, passing with or without modifications, the following resolutions set out in this Notice.

## AGENDA

### ORDINARY BUSINESS

- |     |   |   |
|-----|---|---|
| 1.  | To receive the audited financial statements for the financial year ended 31 December 2022 (“FY2022”) together with the Reports of the Directors and Auditors thereon. | <b>Please refer to Explanatory Note A</b> |
| 2.  | To approve the payment of a final single-tier dividend of 1.17 sen per ordinary share in respect of the FY2022.   | <b>Ordinary Resolution 1</b>              |
| 3.  | To approve the payment of Directors’ fees and benefits to the Directors of the Company and its subsidiaries amounting to RM763,560 for the FY2022.                    | <b>Ordinary Resolution 2</b>              |
| 4.  | To re-elect the following Directors, who retire pursuant to Clause 94 of the Constitution of the Company and being eligible offer themselves for re-election:         |   |
| 4.1 | Dato’ Dr Norraesah Binti Haji Mohamad   | <b>Ordinary Resolution 3</b>              |
| 4.2 | Datuk Mohd Jimmy Wong Bin Abdullah  | <b>Ordinary Resolution 4</b>              |
| 5.  | To re-appoint TGS TW PLT as Auditors of the Company and to authorise the Directors to fix their remuneration.   | <b>Ordinary Resolution 5</b>              |

### SPECIAL BUSINESS

To consider and if thought fit, to pass the following Ordinary Resolutions:

- |    |   |                              |
|----|---|------------------------------|
| 6. | <b>PROPOSED RENEWAL OF AUTHORITY FOR PURCHASE OF OWN ORDINARY SHARES BY THE COMPANY</b> | <b>Ordinary Resolution 6</b> |
|----|---|------------------------------|

“THAT, subject to the Companies Act 2016 (“Act”), rules, regulations and orders made pursuant to the Act, provisions of the Company’s Constitution, the requirements of Bursa Securities and any other relevant authorities, the Directors of the Company be and are hereby authorised to make purchases of ordinary shares of MYEG (“MYEG Shares”) comprised in the Company’s total number of issued shares, such purchases to be made through the Bursa Securities subject further to the following:

- (i) the aggregate number of MYEG Shares which may be purchased and/or held by the Company shall be up to ten percent (10%) of the total number of issued MYEG Shares for the time being;
- (ii) the maximum funds to be allocated by the Company for the purpose of purchasing the MYEG Shares shall not exceed the total retained profits of the Company. As at 31 December 2022, the audited retained profits of the Company were approximately RM385.364 million;

# NOTICE OF THE TWENTY-SECOND ANNUAL GENERAL MEETING

(cont'd)

- (iii) the authority conferred by this resolution will commence immediately upon passing of this ordinary resolution and will continue to be in force until:
  - (a) the conclusion of the Twenty-Third (“**23rd**”) AGM, following the 22nd AGM at which the proposed renewal of authority for purchase of own shares by the Company was passed, at which time it will lapse unless an ordinary resolution is passed at the 23rd AGM, the authority is renewed, either unconditionally or subject to conditions;
  - (b) the expiration of the period within which the 23rd AGM after that date is required by law to be held; or
  - (c) revoked or varied by ordinary resolution passed by the shareholders in general meeting,

whichever occurs first, but not so as to prejudice the completion of purchase(s) by the Company before the aforesaid expiry date and, made in any event, in accordance with the provisions of the guidelines issued by the Bursa Securities and any prevailing laws, rules, regulations, orders, guidelines and requirements issued by any relevant authority; and

- (iv) upon completion of the purchase(s) of the MYEG Shares by the Company, the Directors of the Company be and are hereby authorised to deal with the MYEG Shares in the following manner:
  - (a) cancel the MYEG Shares purchased; or
  - (b) retain the MYEG Shares purchased as treasury shares; or
  - (c) retain part of the MYEG Shares purchased as treasury shares and cancel the remainder of the MYEG Shares purchased; or
  - (d) distribute the treasury shares as dividends to shareholders and/or resell on the Bursa Securities and/or transfer the MYEG Shares or any of the MYEG Shares for the purposes of or under an employees’ share scheme and/or transfer the MYEG Shares or any of the MYEG Shares as purchase consideration and/or cancel all or part of them and/or sell, transfer or otherwise use the MYEG Shares for such other purposes as minister charged with the responsibility for companies may by order prescribe; or
  - (e) in any other manner as prescribed by the Act, rules, regulations and orders made pursuant to the Act and the requirements of the Bursa Securities and any other relevant authority for the time being in force.

AND THAT the Directors of the Company be and are hereby authorised to take all such steps as are necessary or expedient to implement or to effect the purchase(s) of the MYEG Shares with full power to assent to any condition, modification, variation and/or amendments as may be imposed by the relevant authorities and to take all such step as they may deem necessary or expedient in order to implement, finalise and give full effect in relation thereto.”

# NOTICE OF THE TWENTY-SECOND ANNUAL GENERAL MEETING

(cont'd)

7. **PROPOSED AUTHORITY TO ALLOT AND ISSUE SHARES BY THE DIRECTORS AND WAIVER OF PRE-EMPTIVE RIGHTS PURSUANT TO THE ACT**

Ordinary Resolution 7

“THAT pursuant to Sections 75 and 76 of the Act, the Directors be and are hereby empowered to allot and issue MYEG Shares, at any time, at such price, upon such terms and conditions, for such purpose and to such person or persons whomsoever as the Directors may in their absolute discretion deem fit provided that the aggregate number of MYEG Shares to be issued does not exceed ten percent (10%) of the total number of issued MYEG Shares (excluding treasury shares) at the time of issue and THAT the Directors be and are hereby also empowered to obtain the approval for the listing of and quotation for the additional MYEG Shares so issued on the main market of Bursa Securities and THAT such authority shall continue to be in force until the conclusion of the 23rd AGM of the Company.

THAT in connection with the above, pursuant to Section 85 of the Act to be read together with Clause 58 of the Constitution of the Company, the shareholders do hereby waive the statutory pre-emptive rights of the offered shares in proportion of their holdings at such price and at such terms to be offered arising from any issuance of the new shares above by the Company.”

8. **PROPOSED RENEWAL OF AUTHORITY FOR DIRECTORS TO ALLOT AND ISSUE NEW MYEG SHARES IN RELATION TO THE DIVIDEND REINVESTMENT PLAN (“DRP”) THAT PROVIDES SHAREHOLDERS WITH AN OPTION TO ELECT TO REINVEST THEIR CASH DIVIDEND IN MYEG SHARES**

Ordinary Resolution 8

“THAT pursuant to the DRP approved by the shareholders at the Extraordinary General Meeting held on 6 August 2020, approval be and is hereby given to the Company to allot and issue such number of new MYEG Shares for the DRP until the conclusion of the 23rd AGM, upon such terms and conditions and to such persons as the Directors may, in their absolute discretion, deem fit and in the interest of the Company PROVIDED THAT the issue price of the said new MYEG Shares, shall be determined and fixed by the Board of Directors (“the Board”) at not more than ten percent (10%) discount to the 5-day volume weighted average market price (“VWAP”) of MYEG Shares immediately preceding the price-fixing date, of which the VWAP shall be adjusted ex-dividend before applying the aforementioned discount in fixing the issue price at the material time;

AND THAT the Board be and is hereby authorised to do all such acts and enter into all such transactions, arrangements, and documents as may be necessary or expedient in order to give full effect to the DRP with full power to assent to any conditions, modifications, variations and/or amendments (if any) as may be imposed or agreed to by any relevant authorities or consequent upon the implementation of the said conditions, modifications, variations and/or amendments, as the Board may, in its absolute discretion, deem fit and in the best interest of the Company.”

9. To transact any other business that may be transacted at the 22nd AGM of which due notice shall have been given in accordance with the Act and the Constitution of the Company.

By Order of the Board

TAI YIT CHAN (MAICSA 7009143) (SSM PC No.: 202008001023)  
TAN AI NING (MAICSA 7015852) (SSM PC No.: 202008000067)  
Company Secretaries

Selangor Darul Ehsan  
28 April 2023

# NOTICE OF THE TWENTY-SECOND ANNUAL GENERAL MEETING

(cont'd)

## EXPLANATORY NOTES:

### (A) Audited Financial Statements

This Agenda item is meant for discussion only as the provision of Section 340(1)(a) of the Act does not require a formal approval of the shareholders. Hence, this item is not put forward for voting.

### (B) Ordinary Resolution 2 – Payment of Directors' Fees and Benefits for the FY2022

Payment of Directors' Fees and Benefits under Section 230(1) of the Act provides amongst others, that the Directors' fees and any benefits payable to the Directors of the Company and its subsidiaries shall be approved at a general meeting.

The current annual fee for the Directors' fees, which was last approved by the Board of Directors in year 2022 had remained unchanged since financial year 2020. During a review in year 2023, the Remuneration Committee recommended and the Board has approved, subject to shareholders' approval at this coming AGM, for Directors' fees to remain unchanged. The Executive Directors do not receive executive remuneration and there are no benefits payable to Directors. Details of the Directors' fees for FY2022 are set out in the Corporate Governance Statement of MYEG's integrated annual report for the financial year ended 31 December 2022 ("IAR2022") and Corporate Governance Report 2022.

### (C) Ordinary Resolutions 3 and 4 – Re-election of Directors

The profiles of the Directors who are standing for re-election as per Agenda item no. 4 are set out in the Board of Directors' profile of the IAR2022.

Based on the recommendation of the Nomination Committee, the Board is satisfied with the performance and contributions of the following Directors and supports the re-election based on the following justifications:

#### (i) Ordinary Resolution 3 – Re-election of Dato' Dr Norraesah Binti Haji Mohamad as Executive Chairman

As the Chairman of the Board, Dato' Dr Norraesah Binti Haji Mohamad demonstrates sound leadership skills and encourages open communication which allows the Board members to raise important matters without inhibition. She also exercised her due care and carried out her professional duties proficiently during her tenure as the Executive Chairman of the Company.

#### (ii) Ordinary Resolution 4 – Re-election of Datuk Mohd Jimmy Wong Bin Abdullah as Non-Independent Non-Executive Director

Datuk Mohd Jimmy Wong Bin Abdullah has demonstrated his objectivity through proactive engagements during meetings of the Board and Board Committees by sharing valuable, relevant and impartial insights, views and opinions on issues tabled for discussion. He has also exercised his due care and carried out his professional duties proficiently and effectively throughout his tenure as a Non-Independent Non-Executive Director of the Company.

### (D) Ordinary Resolution 6 - Proposed Renewal of Authority for Purchase of Own Ordinary Shares by the Company

The proposed Ordinary Resolution 6 if passed, will empower the Company to purchase and/or hold up to ten percent (10%) of the total number of issued MYEG Shares. This authority unless revoked or varied by the Company at a general meeting will expire at the 23rd AGM of the Company.

Please refer to the statement to shareholders in relation to the proposed renewal of authority for purchase of own ordinary shares by MYEG dated 28 April 2023 for further information.

# NOTICE OF THE TWENTY-SECOND ANNUAL GENERAL MEETING

(cont'd)

## **(E) Ordinary Resolution 7 - Proposed Authority to Allot and Issue Shares by Directors and Waiver of Pre-Emptive Rights pursuant to the Act**

The proposed Ordinary Resolution 7 is a renewal of the general mandate for issuance of shares by the Company under Sections 75 and 76 of the Act.

The mandate, if passed, will give flexibility to the Directors of the Company to issue shares and allot up to a maximum of 10% of the total number of issued MYEG Shares (excluding treasury shares) at the time of such allotment and issuance of MYEG Shares and for such purposes as they consider would be in the best interest of the Company without having to convene separate general meetings. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the 23rd AGM of the Company.

The waiver of pre-emptive rights pursuant to Section 58 of the Act to be read together with Clause 58 of the Constitution of the Company will allow the Directors of the Company to issue new shares of the Company which will rank equally to existing issued shares of the Company, to any person without having to offer new shares to all the existing shareholders of the Company prior to issuance of new shares in the Company under the general mandate.

The rationale for this resolution is to eliminate the need to convene general meeting(s) from time to time to seek shareholders' approval as and when the Company issues new MYEG Shares for future business opportunities for the purpose of funding investment project(s), working capital and/or acquisitions and thereby reducing administrative time and cost associated with the convening of such meeting(s).

The Company has not issued and allotted any MYEG Shares since obtaining the said authority from its shareholders at the 21st AGM held on 23 June 2022, and therefore, no proceeds were raised from this authority.

## **(F) Ordinary Resolution 8 – Proposed Renewal of Authority for Directors to Allot and Issue New MYEG Shares in relation to the DRP**

The proposed Ordinary Resolution 8, if passed, will give authority to the Directors of the Company to allot and issue new MYEG Shares pursuant to the DRP. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the 23rd AGM of the Company.

### **PARTICIPATION AND PROXY:**

1. The 22nd AGM of the Company will be held as a virtual meeting through live streaming and online remote voting using RPV facilities via Vote2U at <https://web.vote2u.my>. Please refer to the Administrative Guide for Shareholders for the procedures to register, participate and vote remotely through the RPV facilities.
2. In compliance with Section 327(2) of the Act, the Chairman shall be present at the main venue of the meeting in Malaysia and in accordance with Clause 63 of the Company's Constitution which allows a meeting of members to be held at more than one venue, using any technology or method that allows all Members of the Company to participate and exercise the members' right to participate and vote at the meeting. Shareholders, proxy(ies) and corporate representatives will not be allowed to be physically present nor enter the Broadcast Venue.
3. Pursuant to Paragraph 8.29A of the MMLR of Bursa Securities, voting at the 22nd AGM will be conducted by poll rather than a show of hands. Poll Administrator and Independent Scrutineers will be appointed to conduct the polling process and verify the results of the poll respectively.
4. A member entitled to attend, participate and vote at the virtual meeting is entitled to appoint proxy(ies) to attend and vote in his/her stead. If the proxy(ies) is not a member of the Company, he/she need not be an advocate, an approved company auditor or a person approved by the Registrar of Companies and there shall be no restriction as to qualification of the proxy(ies).
5. A member shall be entitled to appoint up to two (2) proxies or attorneys or authorised representatives to vote at the same virtual meeting. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he/she specifies the proportion of his/her shareholdings to be represented by each proxy.



# NOTICE OF THE TWENTY-SECOND ANNUAL GENERAL MEETING

(cont'd)

6. Where a member of the Company is an exempt authorised nominee which holds MYEG Shares for multiple beneficial owners in one securities account ("**Omnibus Account**"), there shall be no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds.
7. An instrument appointing a proxy must be in writing under the hand of the appointer or his/her attorney is duly authorised and in the case of corporation shall be either under its common seal or under the hand of an officer or attorney duly authorised.
8. The instrument appointing a proxy or the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power of authority shall be deposited at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia not less than forty eight (48) hours before the time set for holding the virtual meeting (no later than Tuesday, 20 June 2023 at 10.00 a.m.) or at any adjournment of the virtual meeting failing which, the instrument of proxy shall not be treated as valid.

Alternatively, individual shareholders may choose to submit the electronic Proxy Form ("**e-Proxy Form**") using RPV facilities via Vote2U at <https://web.vote2u.my> no later than Tuesday, 20 June 2023 at 10.00 a.m. or at any adjournment of virtual meeting. Please refer to the Administrative Guide for Shareholders for the procedures to submit the Proxy Form/e-Proxy Form.

9. The appointment of the proxy(ies) will be **INVALID** if the Proxy Form/e-Proxy Form is not completed correctly in accordance with the instructions stated in the form.
10. In respect of deposited securities, only members whose names appear on the Record of Depositors on Wednesday, 14 June 2023 (General Meeting Record of Depositors) shall be eligible to attend the virtual meeting or appoint proxy(ies) to attend and/or vote on his/her behalf.

## MODE OF COMMUNICATION:

Prior to the 22nd AGM, shareholders may submit questions to the Board of Directors at [www.myeg.com.my/investor-relations/general-meetings](http://www.myeg.com.my/investor-relations/general-meetings) latest by Tuesday, 20 June 2023 and the response will be broadcasted during the virtual meeting. During the 22nd AGM, shareholders may submit questions by clicking on "Ask Question" on the RPV facilities while participating in the virtual meeting.

## PERSONAL DATA PRIVACY:

By submitting an instrument appointing proxy(ies) and/or representative(s) to attend, participate and vote at the 22nd AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the 22nd AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the 22nd AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.



# PROXY FORM

## MY E.G. SERVICES BERHAD

[Registration No. 200001003034 (505639-K)]  
(Incorporated in Malaysia)

NUMBER OF SHARES HELD	CDS ACCOUNT NO.

I/We, \_\_\_\_\_ NRIC/Registration No. \_\_\_\_\_  
(Full name in block letters)

of \_\_\_\_\_  
(Full Address)

telephone no. \_\_\_\_\_ email address \_\_\_\_\_ being a member/members of **MY E.G. Services Berhad** (the "Company") hereby appoint the person(s) below as my/our proxy(ies) to vote for me/us and on my/our behalf at the Twenty-Second ("22nd") Annual General Meeting ("AGM") of the Company which will be held as a virtual meeting through live streaming and online remote voting using Remote Participation and Voting ("RPV") facilities via Vote2U at <https://web.vote2u.my> from the broadcast venue at Level 43A, MYEG Tower, Empire City, No. 8, Jalan Damansara, PJU 8, 47820 Petaling Jaya, Selangor Darul Ehsan, Malaysia ("Broadcast Venue") on Thursday, 22 June 2023 at 10.00 a.m. and at any adjournment thereof:

### IMPORTANT NOTE:

Please indicate below by (i) tick [✓] either **ONE** of the options (a) or (b) for the number of proxy(ies) which you wish to appoint, (ii) complete the details of your proxy/proxies and the proportion of your shareholding to be represented, (iii) please tick [✓] option (c) if you would like to appoint the Chairman of the 22nd AGM as the proxy or failing the proxy to vote on your behalf and (iv) sign or execute this form.

Option	Name of proxy(ies)	NRIC/ Registration No.	Address & Email Address	Proportion of shareholding to be represented
(a)	Appoint <b>ONE</b> proxy only (Please complete details of proxy below)			
				100%
(b)	Appoint <b>MORE THAN ONE</b> proxy (Please complete details of proxies & proportion of shareholding to be represented by each proxy below)			
Proxy 1				%
Proxy 2				%
				100%
(c)	The Chairman of the 22nd AGM as my/our proxy and/or failing the above proxy to vote for me/us on my/our behalf			

My/our proxy/proxies is/are to vote as indicated below:

Please indicate with an "X" in the appropriate box provided to indicate how you wish your vote to be cast. If you do not indicate how you wish your proxy to vote on the Resolutions, the proxy shall vote at his/her discretion, or abstain from voting as the proxy thinks fit.

NO.	RESOLUTION	FOR		AGAINST	
		Proxy 1	Proxy 2	Proxy 1	Proxy 2
Ordinary Resolution 1	To approve the payment of a final single-tier dividend of 1.17 sen per ordinary share in respect of the financial year ended 31 December 2022				
Ordinary Resolution 2	To approve the payment of Directors' fees and benefits to the Directors of the Company and its subsidiaries amounting to RM763,560 for the financial year ended 31 December 2022				
Ordinary Resolution 3	To re-elect Dato' Dr Norraesah Binti Haji Mohamad				
Ordinary Resolution 4	To re-elect Datuk Mohd Jimmy Wong Bin Abdullah				
Ordinary Resolution 5	To re-appoint TGS TW PLT as Auditors of the Company and to authorise the Directors to fix their remuneration				
	<b>Special Business</b>				
Ordinary Resolution 6	Proposed renewal of authority for purchase of own shares by the Company				
Ordinary Resolution 7	Proposed authority to allot and issue shares by the Directors and waiver of pre-emptive rights pursuant to the Companies Act 2016				
Ordinary Resolution 8	Proposed renewal of authority for Directors to allot and issue new MYEG Shares in relation to the Dividend Reinvestment Plan				

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2023

\_\_\_\_\_  
Signature / Common Seal of Shareholder



**Participation and Proxy:**

1. The 22nd AGM of the Company will be held as a virtual meeting through live streaming and online remote voting using RPV facilities via Vote2U at <https://web.vote2u.my>. Please refer to the Administrative Guide for Shareholders for the procedures to register, participate and vote remotely through the RPV facilities.
2. In compliance with Section 327(2) of the Companies Act 2016 (“Act”), the Chairman shall be present at the main venue of the meeting in Malaysia and in accordance with Clause 63 of the Company’s Constitution which allows a meeting of members to be held at more than one venue, using any technology or method that allows all Members of the Company to participate and exercise the members’ right to participate and vote at the meeting. Shareholders, proxy(ies) and corporate representatives will not be allowed to be physically present nor enter the Broadcast Venue.
3. Pursuant to Paragraph 8.29A of the MMLR of Bursa Securities, voting at the 22nd AGM will be conducted by poll rather than a show of hands. Poll Administrator and Independent Scrutineers will be appointed to conduct the polling process and verify the results of the poll respectively.
4. A member entitled to attend, participate and vote at the virtual meeting is entitled to appoint proxy(ies) to attend and vote in his/her stead. If the proxy(ies) is not a member of the Company, he/she need not be an advocate, an approved company auditor or a person approved by the Registrar of Companies and there shall be no restriction as to qualification of the proxy(ies).
5. A member shall be entitled to appoint up to two (2) proxies or attorneys or authorised representatives to vote at the same virtual meeting. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he/she specifies the proportion of his/her shareholdings to be represented by each proxy.
6. Where a member of the Company is an exempt authorised nominee which holds ordinary shares of the Company for multiple beneficial owners in one securities account (“**Omnibus Account**”), there shall be no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds.

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Stamp

The Share Registrar

**MY E.G. SERVICES BERHAD**  
[Registration No. 200001003034 (505639-K)]

11th Floor, Menara Symphony  
No. 5, Jalan Prof. Khoo Kay Kim  
Seksyen 13, 46200 Petaling Jaya  
Selangor Darul Ehsan

*Please fold here*

7. An instrument appointing a proxy must be in writing under the hand of the appointer or his/her attorney is duly authorised and in the case of corporation shall be either under its common seal or under the hand of an officer or attorney duly authorised.
8. The instrument appointing a proxy or the power of attorney or other authority, if any, under which it is signed or a notorially certified copy of that power of authority shall be deposited at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia not less than forty eight (48) hours before the time set for holding the virtual meeting (no later than Tuesday, 20 June 2023 at 10.00 a.m.) or at any adjournment of the virtual meeting failing which, the instrument of proxy shall not be treated as valid.  
  
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**Personal Data Privacy:**

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of the 22nd AGM dated 28 April 2023.



[www.myeg.com.my](http://www.myeg.com.my)

**Corporate Head Office:**

Level 43A, MYEG Tower, Empire City,  
No 8, Jalan Damansara, PJU 8,  
47820 Petaling Jaya, Selangor.  
Tel: 03-7664 8000 Fax: 03-7664 8008  
Email: [investors@myeg.com.my](mailto:investors@myeg.com.my)

**Customer Service Office:**

Level UG, MYEG Tower, Empire City,  
No 8, Jalan Damansara, PJU 8,  
47820 Petaling Jaya, Selangor.  
Tel: 03-7801 8888  
Email: [help@myeg.com.my](mailto:help@myeg.com.my)